

BEAT THE TEACHER

Cash Flow Forecasting

How many mistakes can you find in the cash flow forecast on the next page? (There is not more than one error per month but not each month has an error!)



Cash Flow Forecast

	January	February	March	April	May	June	July
Cash Outflows							
Bank Loan	5,000						
Cash Sales	4,000	6,500	7,000	7,000	8,000	8,000	8,500
Total cash in	9,000	6,500	7,000	7,000	8,000	8,000	8,500
Cash Inflows							
Rent	700	700	700	700	700	700	700
Wages	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Loan repayment	245	245	245	245	245	245	245
Materials	1,000	1,000	1,500	1,500	1,800	1,800	1,900
Other costs	400	400	400	400	400	400	500
Total cash out	3545	3545	4045	4045	4,500	4345	4545
Net cash flow	5,455	2,955	2,955	2,955	3,655	3,655	3,955
Opening balance	0	5,600	8410	11365	14320	17975	21630
Closing balance	5,455	8410	11365	14320	17975	21630	25590

Cash Flow Forecasting

The answers

5 errors

	January	February	March	April	May	June	July
Cash Outflows							
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Total cash in	9,000	6,500	7,000	7,000	8,000	8,000	8,500
Cash Inflows							
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Wages	1,200	1,200	1,200	1,200	1,200	1,200	1,200
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Other costs	400	400	400	400	400	400	500
Total cash out	3545	3545	4045	4045	4,500	4345	4545
Net cash flow	5,455	2,955	2,955	2,955	3,655	3,655	3,955
Opening balance	0	5,600	8410	11365	14320	17975	21630
Closing balance	5,455	8410	11365	14320	17975	21630	25590

February's opening balance should be 5,455

Total cash out in May should be 4,345

Closing balance in July should be 25,585

Cash Outflows should be Cash Inflows

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