

Assignment - 7
~~Compare the Cash Flow~~
Compare the Cash Flow and the time weighted incremental
Cash Flow.

Cash Flow:

- * Measures the absolute amount of cash generated by an investment over a period.
- * Focuses on the total cash inflows and outflows.
- * Doesn't consider the timing of cash flows.

Time weighted incremental Cash Flow:

- * Measure the incremental cash flow generated by an investment, relative to a benchmark or initial investment.
- * Takes into account the timing and magnitude of cash flows.
- * Weights cash flows by the time period they occur, giving more importance to earlier cash flows.

Blum