

Assignment - 7

Compare the cash flow and time weighted Incremental Cash Flow.

Cash Flow

Cash flow refers to the net amount of cash and cash equivalents being transferred into and out of a business. That it includes all the cash receipts (inflows) and payment (outflow) company during

* Cash generated from regular business operations. Three method. Operating, Investing, Financing.

Cash flow analysis helps in assessing the liquidity, solvency, and financial health of business.

It is a snapshot of the company cash position over a specific time period like a month, quarter or year.

Time weighted

Time-weighted Incremental Cash Flow is the additional cash flow generated by a specific project or investment, adjusted to account for the time of cash flows. Timing of cash flows. often using of present value discount future cash flow.

This method of ~~using~~ used to capital budgeting and investment analysis to determine whether a particular investment or project will add value to the firm. TOTAL Amount, NPV, IRR.

* Time weighted incremental Cash flow explicitly account for the time value of money, making it more accurate for evaluating long-term projects.

Time weighted Incremental cash flow is primarily used for the evaluating the profitability and variability of individual project or investment.