

1) Compare the cash flow and time weighted incremental cash flow

Cash flow

time weighted incremental cash flow

* Cash flow is the Movement of Money in and out of a Company, while Incremental Cash flow is the net cash flow from all cash inflows and outflows over a specific time period.

Time weighted Incremental Cash flow is a calculation that takes into account both the initial investment and the cash flows generated by the investment over time.

* A cash flow statement is a financial statement that reports a company's sources and use of cash over time. Cash received signifies inflows and cash spent is outflows.

Incremental Cash flow analysis can help management predict a business's future cash flow if it takes on a new project.

* Cash flow measures the total cash inflows and outflows of a project or investment over its life.

Measures the incremental cash flows of a project or investment, relative to a base case or alternative.

* Ignores the timing of cash flows

Takes into account timing of cash flows, giving more weight to earlier cash flows.

* Focuses on the total cash generated, without considering when it is received.

Focuses on the present value of cash flows, considering the time value of money.