

## Assignment - 7.

1. Compare the Cash flow and Time weighted incremental Cash Flow.

	Cash Flows	Time weighted Incremental Cash Flow.
Definition	Cash flow refers to the total amount of Money being transferred into and out of a business, project or investment over a specific period.	Time-weighted incremental cash flow is a method of measuring the additional cash flow generated by a particular decision or project while taking into account the timing of those cash flows.
Focus	Cash flow focuses on the total inflows and outflow over time without adjusting for the timing.	Time weighted incremental cash flow emphasizes the timing of cash flows, adjusting for the time value of Money.
usage	Cash flow analysis is more general and used for liquidity assessment.	Time, weighted incremental cash flow is used in investment analysis, project evaluation, and

decision Making  
Processes where the  
timing of cash  
flow is crucial.

Calculation

Cash flow is a  
straight forward  
sum of cash inflow  
and outflows.

Time weighted  
incremental cashflow  
involves discounting  
future cashflows to  
present value for  
comparison.

Summary