<<FINSIA CPB Business Banking>>

Storyboard Revision History

Date	Task	By	Version
26/06/2018	Create storyboard	Geraldine Dolan	1.00
29/06/2018	Review storyboard up to event 11	FINSIA	2.0
30/06/2018	Content added	Geraldine Dolan	3.0
2/07/2018	Review storyboard	FINSIA	4.0
6/07/2018	Review images	FINSIA	5.0
10/07/2018	Round 2 review of images	FINSIA	6.0

Word tally

1.	155
2.	21
3.	177
4.	68
5.	157
6.	7
7.	103
8.	126
9.	8
10.	35
11.	141
12.	84
13.	105
14.	24
15.	153

16.	
	1364

Table of Contents

Global Notes for Development Team

- Concept is Vital signs – assessing the financial health of a business
- All notes within the slides
- Slide total –slides
- Narration word total –

<Section 1: Introduction>

<Insert Counter>

Page Title	Vital signs – assessing the financial health of a business	Type	Text and Static Image / Graphic	Number	<1>

Screen Layout
<Insert reference screenshot for page end state or other visual references here.>

Event	Audio WORDS 155	On-Screen Text (OST)	Internal Development Notes
1.	Pulse rate, blood pressure, temperature, respiration.. . . . . . .**vital signs** are used to measure the body's **core functions**. They help assess the physical health of a person, look for clues to possible illness, and track progress toward recovery. As a Business Banker HOW can you measure the core functions of a small business? WHAT are the vital signs to look out for? HOW can you diagnose what is going on financially? HOW can you tell whether a business is healthy?	Vital signs Assessing the financial health of a business Measure Diagnose Treat(not the right word)**Use:** Action HOW can you measure the core functions of a small business? WHAT are the vital signs to look out for? HOW can you diagnose what is going on financially? HOW can you tell whether a business is healthy?	[Title screen] Animate images of vital signs or ECG on screen Build title on screen: 1) VITAL SIGNS (title) 2) Assessing the financial health of a business (tag line) Sync audio to OST  Display each question while audio playing then fade out to display objectives

	This module covers the **vital signs**you can measure to **assess the financial health** of a business so you can make informed decisions. It reinforces and builds on the concepts you studied in the Introduction to Business Banking textbook. You will learn how to: • Use financial statements to analyse the financial health of a small business • Calculate and interpret financial ratios to identify credit risk factors • Interpret and analyse cash flow to assess debt service capacity, and • Implement action	In this course you will learn how to: • Use financial statements to **analyse** the financial health of a small business • **Calculate and interpret** financial ratios to identify credit risk factors • **Interpret and analyse** cash flow to assess debt service capacity • **Implement action** when necessary	 Display objectives one at a time. (Would prefer if not a shown as typical list but rather displayed with graphic element).

<Section 2: Vital signs in the financial statements>

WORDS 21

<Insert Counter>

Page Title	The big three—financial condition, profit performance, and cash flows	Type	Textual D&D to match term to definition	Number	<2>
Question Stem	As a first steplet's see how familiar you are with these terms. Match each term with the correct definition.				
Instruction	Match each term with the correct definition.				
Drag Options (Please Shuffle)	<Terms> 1. Balance Sheet 2. Benchmarking 3. Statement of Cash Flows 4. Income Statement 5. Breakeven Point <Definitions> 1. A financial statement that shows a business' financial position of all assets, liabilities and equity at a point in time. 2. Comparing business' results to the experiences of others of a similar size and within the same industry. 3. An analytical tool that demonstrates the short term viability of a business, particularly its ability to pay bills. 4. Analysis of financial performance over a period of time. 5. Point at which the gross profit from sales matches total fixed costs.				
Correct Feedback					
Incorrect Feedback					
Visual Feedback	Please show visual indicators for correct/incorrect drops. Correct drops remain in place. Incorrect drops bounce back to original position. INSTRUCTIONS FOR DEVELOPER Display terms then play audio Question Stem. At audio "Match each term…. sync display of Instruction and Definitions				

Page Title	The big three—financial condition, profit performance, and cash flows	Type	Text and Static Image / Graphic	Number	<3>

Screen Layout

<Insert reference screenshot for page end state or other visual references here.GD to create mock up of end diagram>

Event	Audio WORDS 177	On-Screen Text (OST)	Internal Development Notes
2.	So, what do the financial statements tell us? By analysing the financial statements, you can find out if the business is making a profit, is it in healthy financial condition, is the cash flow sufficient and is it well utilised. The three main financial statements are: the Balance Sheet, the Income Statement and the Statement of Cash Flows The balance sheet represents a snapshot of the financial position of a business at a point in time, offering insights to the business's assets, liabilities and equity. The income statementis a report that shows the income, expenses, and resulting profits or losses of a business during a specific time period. From the income statement you can assess the overall profitability of the business.	Financial statements quantify the financial condition, performance and liquidity of a business. 1. Balance Sheet 2. Income Statement 3. Statement of Cash Flows Assets Liabilities Equity Revenues Expenses Profit or loss	Sync to audio Display statement types 1, 2, 3 to sync with audio. Build up to show all components of the 3 statements in one diagram.

	The statement of cash flows shows the sources and uses of cash over a specific period, categorised into: Cash flow from operating activities, cash flow from investing activities and cash flow from financing activities. Using the statement of cash flows helps you to assess the financial health of a business and its ability to pay its expenses and other liabilities. Let's look at each of them individually.	Operating Activity Investing Activity Financing Activity	

<Section 3: The balance sheet>

<Insert Counter>

Page Title	The balance sheet – structure	Type	Text and Static Image / Graphic	Number	<4>

Screen Layout

< Example simplified balance sheet… GD to create mock up>

Event	Audio 68 WORDS	On-Screen Text (OST)	Internal Development Notes
3.	The financial position of a business is best measured by the balance sheet. Here is a simplified balance sheet that shows commonly used accounts. The balance sheet layout shows the assets on one side, and the balancing liabilities and equity showing on the other side. You might also see it presented in a vertical format. Let's explore further the split of assets and liabilities into current and non-current items and equity components.		Display sample balance sheet. Draw frame around assets section (like marking pen encircling assets section). Do same with liabilities section. Animate to rearrange balance sheet sections from horizontal sheet to vertical then back to horizontal.

<Insert Counter>

<table>
<tr><td>Page Title</td><td>The balance sheet – current vs non-current</td><td>Type</td><td>Text and Static Image / Graphic</td><td>Number</td><td><5></td></tr>
<tr><td colspan="6">Screen Layout</td></tr>
<tr><td colspan="6"><GD to mock up screen layout.></td></tr>
</table>

Event	Audio157 WORDS	On-Screen Text (OST)	Internal Development Notes
4.	On both sides of the balance sheet assets and liabilities are split into current and non-current items. Current assets are those that a business expects to convert to cash within 12 months and includes items such as inventory and accounts receivable. Accounts receivable may also be referred to as debtors. Non-current assets are those expected to be held for a period greater than 12 months and include items such as property, plant and equipment. It is the same on the liabilities side. Current liabilities are debts a business expects to repay within 12 months. Accounts payable to suppliers are a good example. Accounts payable may also be referred to as creditors. Non-current liabilities are those with repayment terms for a period longer than 12 months. An	**ASSETS** CURRENT Assets expected to be converted into cash **within 12 months.** E.g. inventory E.g. accounts receivable/debtors NON-CURRENT Assets expected to be held for **longer than 12 months.** E.g. property **LIABILITIES** CURRENT An amount to be paid to a creditor **within 12 months.** E.g. trade accounts payable/creditors NON-CURRENT	Please ensure the text is bolder and larger for the headings of Assets and Liabilities

	example would be a loan with 5 years left to repay.	An obligation **not due** to be paid **within 12 months.** E.g. bank loan (5 year loan term remaining)	
	Owner’s equity is the total assets of a business minus its total liabilities. Equity is considered a type of liability as it represents funds owed by the business to the shareholders or owners. Common shares and retained earnings are examples.	OWNERS EQUITY Equity = assets minus total liabilities. E.g. common shares E.g. retained earnings	

WORDS 7

<Insert Counter>

Page Title	The balance sheet – learning check	Type	Textual D&D to match objects	Number	<6>
Question Stem	Drag each item to the proper heading.>				
Instruction	<Drag each description to the proper heading.>				
Drag Options (Please Shuffle)	Let's see if you understand what assets, liabilities, and owner's equity are. Assets – Liabilities = Equity Cash in the bank Bank loan Delivery truck Office furniture Profit earned and retained Creditor				
Correct Feedback	That's right. <You selected the correct response.>				
Incorrect Feedback	That's incorrect. <Remember that Assets are what a business owns and Liabilities are what a business owes.				
Visual Feedback	INSTRUCTIONS FOR DEVELOPERS Objects are dragged to boxes that represent the equation Assets – Liabilities = Owner's Equity – then Submit Objects to drag: Cash in the bank (Assets) Bank loan (Liabilities) Delivery truck (Assets) Office furniture (Assets)				

	Profit earned and retained (Owner’s equity) Creditor (Liabilities) Include TRY AGAIN button for incorrect response. (Retry is optional) GD to provide mock up screen

Could put in more review questions/mc/tf if time – comment FINSIA – activity covers the basics and need to keep the module tight

<Insert Counter>

Page Title	The balance sheet – reading the vital signs	Type	Text and Static Image / Graphic	Number	7

Screen Layout

<Insert reference screenshot for page end state or other visual references here.>

Event	Audio103WORDS	On-Screen Text (OST)	Internal Development Notes
5.	The balance sheet is particularly helpful in measuring liquidity which is an essential pulse read for the health of a business. Liquidity is a measure of a business' ability to cover its immediate and short-term debts and obligations. Put another way, it's a way of describing how well a business can cover its current liabilities using its current assets. Let's examine how banks can use liquidity ratios to determine whether a business is healthy enough to support a loan. Two common liquidity ratios are **working capital** and **the current ratio**.	What is liquidity? Liquidity is a measure of a business' ability to cover its immediate and short-term debts and obligations. 2 Common liquidity ratios: Working capital Current ratio	

Page Title	The balance sheet – measuring liquidity risk	Type	Text and Static Image / Graphic	Number	8

Screen Layout

<Insert reference screenshot for page end state or other visual references here.>

Event	Audio126 WORDS	On-Screen Text (OST)	Internal Development Notes
6.	We'll first take a closer look at working capital. The working capital ratio is current assets minus current liabilities. A positive ratio, or **positive working capital** is a good indication the business has the financial liquidity to pay its short-term debts, If the current assets are less than the current liabilities, a negative working capital situation results which indicates the business isn't likely to have sufficient liquidity to meet short-term debts. Another measure for assessing the liquidity of a business is the **current ratio** which is the ratio of current assets to current liabilities. To calculate the current ratio, divide the current assets by current liabilities. A ratio of 2:1 is generally viewed as an indicator of good financial health. Now it's your turn to consider these all-important liquidity ratios.	Working Capital = Current Assets – Current Liabilities Positive working capital is a healthy indication that a business has liquidity to pay its short-term debts. Current Assets < Current Liabilities A business with negative working capital requires further investigation to determine the cause and look at actions to subsequently improve the health of the business. Current Ratio Assets : Liabilities Current Assets / Current Liabilities	

WORDS 8 <Insert Counter>

Page Title	The balance sheet – measuring liquidity risk	Type	Textual MCQ (Single-Select)	Number	<9>
Question Stem	<Write the question stem here, in question form.>				
Instruction	Select the correct option and Submit.				
Options	The previous balance sheet indicates the business held a working capital ratio of 2:1, however over the current treporting period all financial balances have remained constant except the level of debtors has risen by $50,000 and a 5-year term loan term borrowing of $50,000 has occurred. What is the impact of these on the working capital?: o Working capital remains unaffected o Working capital declines o **Working capital improves** o Working capital cannot be measured				
Correct Feedback	That's right. <You have selected the correct response.> Current assets have increased with non-current liabilities remaining constant. The term loan increase is a non-current liability.				
Incorrect Feedback	Incorrect. <Remember that to find the current ratio, divide current assets by current liabilities.> In this scenario we have been advised the current assets have risen by $50,000 with current liabilities remaining constant. The term loan of $50,000 is a non-current liability.				
Visual Feedback	Please show visual indicators for correct/incorrect selection and answer.				

Notes: Whether to include debt ratio – assess financial risk

Knowing the financial risk level is important as it represents ability of a business to pay creditors, plus make interest and loan payments when they are due.

FINSIA comment

Have altered the activity to add some challenge rather than a basic math's problem.

<Insert Counter>

Page Title	The balance sheet – summary	Type	Text and Static Image / Graphic	Number	10

Screen Layout

<Graphic 3 key financial statements (same as start of module).>

Event	Audio35 WORDS	On-Screen Text (OST)	Internal Development Notes
7.	Reviewing a complete and up-to-date balance sheet gives you the business banker insights to the worth and overall health of a business. It is important to remember though that the balance sheet is just one part of picture.		Screen to show 3 financial statements showing completion of balance sheet

<Section 4: The income statement>

<Insert Counter>

Page Title	The income statement– introduction	Type	Text and animation	Number	11

Screen Layout

<Insert reference screenshot for page end state or other visual references here.>

Event	Audio141WORDS	On-Screen Text (OST)	Internal Development Notes
8.	When we looked at the balance sheet we described it as a **snapshot of the financial position** of a business at a point in time. If we were to take one snapshot at the beginning of the financial year, then another at the end, we'd expect to see a shift in the financial position. Therefore, what has been the level of change in the financial position and what caused this difference? That's where we look at the income statement. It shows what has occurred during the period that has altered the business's financial position.	Balance sheet – a snapshot of the financial position of a business, at a point in time. What activities occurred during the income statement period and how did they impact on the assets and liabilities?	Build screen display images to sync with audio: Polaroid/snapshot showing a business at one point (if possible can simulate taking photo) Display calendar page showing date 1 July (could also use a photo of a business "under new management" Polaroid/snapshot representing same business different position (perhaps business meeting icons showing same environment but different people) – also the same property but renovated. Display calendar page showing date 30 June Display income statement graphic between 2 snapshot photos

	The income statement answers the measurement question, how did the business perform. It shows how the business's activities impacted its assets and liabilities for the period. Let's take a look at the simple income statement.		Can we somehow simulate a lot of numbers (plus and minus) scrolling (the movie) between the 2 snapshots – like this concept if possible –MP Zoom in to show larger scale income statement.

<Insert Counter>

Page Title	The income statement – structure	Type	and Static Image / Graphic	Number	12

Screen Layout

<Graphic – sample income statement.>

Event	Audio –84 WORDS	On-Screen Text (OST)	Internal Development Notes
9.	The income statement reports all of the transactions that have had an impact on the assets and liabilities during the specified period. It shows the amount of: • revenue earned, • expenses incurred and • net profit after amortization, depreciation, interest and taxes are factored in. Income statement is useful in accessing the profitability of the business. It answers the question – **how did the business perform.**	An income statement shows the profits or losses of a business over a period of time. How did the business perform?	Image of income statement Circle to highlight areas as being explained in audio – show as marker pen encircling information: 1. Specific period 2. From zero to end of financial year. Animate line from left to right of statement starting at 0 and showing numbers (to simulate revenues and expenses occurring during the period) to arrive at dollar amount at the right. 3. Revenue earned 4. Expenses incurred 5. Net profit.

<Insert Counter>

Page Title	The income statement – revenue vs income	Type	Text and Static Image / Graphic	Number	<13>

Screen Layout

<Insert reference screenshot for page end state or other visual references here.>

Event	Audio105WORDS	On-Screen Text (OST)	Internal Development Notes
10.	Although the income statement was covered in chapter 4 of the textbook it is critical that a clear understanding of the difference between revenue and income is held. Often the terms revenue and income are used interchangeably, however these terms refer to specific and different concepts. As a starting point, all calculations on the income statement begin with revenue. Revenue is cash a business generates from products and services as a result of its primary operations, minus any product returns and discounts. Businesses may also receive income from investments or asset sales. These funds are not classified as revenue because it is not generated from the primary operations of the business.	What is the difference between Revenue and income? REVENUE INCOME Revenue is cash a business generates from products and services as a result of its primary operations, minus product returns and discounts. INVESTMENTS SALE OF OTHER ASSETS These funds are not classified as revenue because it is not generated from the primary operations of the business.	Could change this to click to reveal Display words with arrows around suggesting the terms are interchangeable. Display images of calculator and mock up income statement. Top line on income statement shows REVENUE. Zoom in to REVENUE section to view revenue definition. Definition to show under the REVENUE heading. Graphic of building or other representation of investment. Display titles in OST either side of image. Display explanation OST below.

	Income generally refers to the bottom line, as in NET INCOME. That is the money remaining from revenue plus any additional income generated after accounting for all expenses.	Income generally refers to NET INCOME. That is the money remaining from revenue plus any additional income generated after accounting for all expenses.	

WORDS 24 <Insert Counter>

Page Title	The income statement -learning check	Type	Textual MRQ (Multi-Select)	Number	14
Question Stem	<You go out for a day of shopping and make the following purchases. Which of these transactions would generate revenue for the business owner?>				
Instruction	Select the correct options and Submit.				
Options	☐ **You see a gorgeous handbag in Fifi's Fab Bag shop and decide to buy it. You weren't really out shopping for a handbag.** ☐ At the hairdressers you fall in love with a vintage barber's chair that your hairdresser is selling. You decide to buy it. ☐ **You purchase an electric drill from the local hardware store.** ☐ At the hardware store you buy a sausage sizzle for a lunch.				
Correct Feedback	That's right. These two items represent revenue from their core business. Whereas the barber chair and sausage sizzle purchases are not from the business's core operations. <Insert correct feedback text here. Modify first part as required as well.>				
Incorrect Feedback	That's incorrect. The barber chair and sausage sizzle sales represent income from a non-core business transaction. Whereas the handbag and drill purchases would be revenue to their respective core business. <Insert incorrect feedback text here. Modify first part as required as well.>				
Visual Feedback	Please show visual indicators for correct/incorrect selection(s) and answers.				

<Insert Counter>

Page Title	Income statement – reading the vital signs	Type	Text and Static Image / Graphic	Number	15

Screen Layout
<Insert reference screenshot for page end state or other visual references here.>

Event	Audio153 WORDS	On-Screen Text (OST)	Internal Development Notes
11.	Why do we want to classify incoming funds as either revenue or other income? How can this information help us make good lending decisions? Think about this…. Brad the business banker is considering whether to lend $100,000 to two different business owners. Fifi from Fifi's Fab Bags and her competitor Jo from Jo's Bags and Bits located in the adjoining suburb. Fifi's business sells designer handbags. Jo has a similar business selling bags and fashion jewellery. A key lending principle Brad needs to consider is the servicing capacity of each business. Both Fifi and Jo have income statements showing net income of $50,000. Fifi's income over the past 12 months was mostly revenue	Loan requested = $100,000 Net income = $50,000 [Brad: callout dialogue} As a lender I am interested in the servicing capacity of any loan requests and it is certainly no different in the case for both Fifi and Jo. I want to see evidence that these borrowers can repay the debt. [Brad: callout dialogue] Fifi's net income is driven by revenue from selling handbags, her core business and therefore have confidence that these revenues will continue. However, with Jo, I'm not sure what her net income will look like next year as her net income came from selling fixtures, not from her core business activities. Are increased revenues	This could have interactive element with click to reveal information Cast: Fifi – shop owner Fifi's Fab Bags Jo – shop owner Jo Jo's Bags & Bits Brad – the banker Display characters, loan amount and net income to sync with audio. Sync Brad dialogue with audio

	from selling handbags. Whereas Jo's income for the same period was by selling shelving and shop fittings held over from the shop fit out some 12 months previously. What factors would you take into account in this scenario? Let's check in with Brad for his view.	likely to occur and what were previous trading results like? I feel that there is much more risk in Jo's proposal as ongoing servicing ability is unclear.	

<Insert Counter>

Page Title	Income statement – reading the vital signs	Type	Text and Static Image / Graphic	Number	<16>
Screen Layout					
<Insert reference screenshot for page end state or other visual references here.>					

Event	Audio	On-Screen Text (OST)	Internal Development Notes
12.	How can we use the income statement to answers the measurement question – **how did the business perform?** There are two key ratios we can calculate from the income statement alone. **The Gross Margin Ratio**– measures the proportion of profit for each dollar of sales **before** expenses have been paid, **The Net Profit Margin Ratio**– measures the proportion of profit for each dollar of sales **after** expenses have been paid. Ratios can provide you with insights to the overall financial condition of a business. However, they are most valuable when you compare them year on year to establish a trend or to benchmark against competitors or industry norms for similar businesses.	How did the business perform? Two income statement ratios Gross Margin = Gross Profit ÷ Net Sales Net Profit Margin Ratio = Net Income Before Income Taxes ÷ Net Sales.	Image of income statement Image to illustrate a proportion of dollar kept as profit Image bag Fifi's Fab Bags year on year comparison  Competitor/ Industry norm

<Insert Counter>

Page Title	Income statement – reading the vital signs	Type	Text and Static Image / Graphic	Number	17

Screen Layout

<Insert reference screenshot for page end state or other visual references here.
>

Event	Audio	On-Screen Text (OST)	Internal Development Notes
13.	Here is a simple example from Fifi's Fab Bags to illustrate how you can use ratios for comparison. Let's work through an example of comparing the Net Profit Margin for Fifi's Fab Bags. Use the information from the sample Income Statement for Fifi's Fab Bags to calculate the Net Profit Ratio.	Use the information from the Income Statement for Fifi's Fab Bags to calculate the Net Profit Margin Ratio Fifi's Fab Bags Income Statement for year ended 30 June 2017 \$ Sales 200,000 Cost of Sales 120,000 Gross profit 80,000 Expenses 30,000 Net profit 50,000 **Calculate the Net Profit Ratio then type your answer.**	Income statement sample Fifi's Fab Bags

Fifi's Fab Bags

Income Statement for year ended 30 June 2017

	$
Sales	200,000
Cost of Sales	120,000
Gross profit	80,000
Expenses	30,000
Net profit	50,000

The Net Profit Ratio is calculated by dividing Net Profit by Sales and multiplying by 100to create a percentage.

Calculate the Net Profit Ratio and type your answer.

For Fifi's Fab Bags the Net Profit Ratio for 2017 was 25%.

In the comparison table the 2017 percentage has been included alongside the 2016 percentage and the industry average.

What does this tell you?

Look for changes between accounting periods and differences from industry averages

This example shows us that while the Net Profit ratio is improving over the period, it is 1% behind the industry average.

This provides you with an opportunity to discuss with Fifi what actions were taken over

$$\mathbf{NetProfitRatio} = \frac{\mathbf{NetProfit}}{\mathbf{Sales}} \times \mathbf{100}$$

Net Profit Ratio for Fifi's Fab Bags 2017

= [type answer here %}

How does this compare to the previous year and to the industry average?

Ratio	Industry average	Fifi's Fab Bags 2017	Fifi's Fab Bags 2016
Net profit	26%	25%	23%

What does this tell you?

Opportunity to discuss the improving trend with the Fifi the business owner and the actions taken to improve the performance and if the trend is expected to continue.

Add formula to screen.

Learners complete calculation using formula and input correct percentage. Include input field with %

In sync with audio highlight 2017 percentage, 2016 percentage, average industry percentage.

Image showing part of dollar retained.

	the past 12 months to improve the net profit margin and whether this trend is expected to continue for the next period. The higher the ratio the better. This means the business keeps a greater part of each dollar of sales. If the ratio decreases over time you should investigate further.	The higher the ratio the better – the business keeps a greater proportion of each dollar of sales.	

<Insert Counter>

Page Title	The income statement – summary	Type	Text and Static Image / Graphic	Number	18

Screen Layout

<Graphic 3 key financial statements (same as start of module).>

Event	Audio 35 WORDS	On-Screen Text (OST)	Internal Development Notes
14.	Together with the Balance Sheet, reviewing a complete and recent Income Statementare important tools for you the business banker in determining the health and activities of abusiness. It is important to remember though that the balance sheet and income statement are just two parts of picture.		Screen to show 3 financial statements showing completion of the balance sheet and income statement section.

<Section 5: Statement of cash flows>

<Insert Counter>

Page Title	Statement of cash flows – introduction	Type	Text and Static Image / Graphic	Number	19

Screen Layout

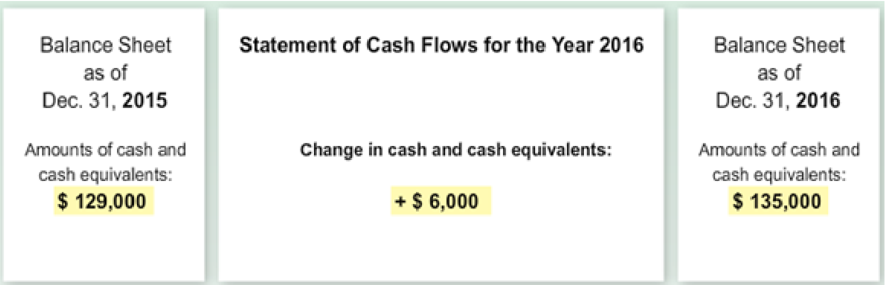
<Insert reference screenshot for page end state or other visual references here.>

Event	Audio WORDS	On-Screen Text (OST)	Internal Development Notes
15.	Business owners, lenders and investors pay a lot of attention to cash flows and for good reason.	Cash flow – the heartbeat of the business	3 financial statements graphic heartbeat/ecg pulsing across
	Many consider cash flows to be the heartbeat of the business. But without a steady cash flow heartbeat what could happen?	"We were always focused on our profit and loss statement. But cash flow was not a regularly discussed topic. It was as if we were driving along, watching only the speedometer, when in fact we were running out of gas." – Michael Dell (Founder & CEO of Dell Technologies	Quote from Michael Dell e.g. 
	Even if a business is making a profit it can fail if it doesn't have cash to: • Pay bills, such as rent and wages • Buy stock to re-sell • Repay creditors for stock purchased • Repay loans to the bank • Purchase non-current assets used to generate further revenue	Businesses need sufficient cash to: • Pay bills, such as rent and wages • Buy stock to re-sell • Repay creditors for stock purchased • Repay loans to the bank • Purchasenon-current assets used to generate further revenue	Display each item individually and include icon/image for each.

<Insert Counter>

Page Title	Statement of cash flows – structure	Type	Text and Static Image / Graphic	Number	20

Screen Layout



<

Event	Audio WORDS	On-Screen Text (OST)	Internal Development Notes
16.	The statement of cash flows tells the story of how the business' cash position changed from the beginning of the period to the end of the period. In other words, it captures the cash inflows and outflows that occurred between the opening and closing dates. The cash flow statement is separated into three sections: operating activities, investment activities and financing activities.	Operating activities Investment activities Financing activities	Image showing two balance sheets (beginning and end) with statement of cash flows. Change dates on sample to 1 July 2017 and 1 July 2018. Date on Statement of Cash Flows is year 2018 Sample Statement of cash flows. Highlight each section to sync with audio.

WORDS 32

<Insert Counter> <Insert Counter>

Page Title	Cash Flowstatement - learning check	Type	Textual MRQ (Multi-Select)	Number	21
Question Stem	<The flow of cash through a business has a flow on effect to the Balance Sheet Accounts. Which of the following represents a cash inflow to the business? >				
Instruction	Select the correct options and Submit.				
Options	☐ **An increase in a liability account.** ☐ An increase in an asset. ☐ **An increase in an equity account.** ☐ All of the above				
Correct Feedback	That's right. These two items would generate additional cash inflowing to the business.<Insert correct feedback text here. >				
Incorrect Feedback	That's incorrect. Cash inflow occurs when there is a decrease in an asset account or increases to the liability and equity accounts.<Insert incorrect feedback text here.>				
Visual Feedback	Please show visual indicators for correct/incorrect selection(s) and answers.				

Words 40

<table>
<tr><td>Page Title</td><td>Cash Flow statement – learning check 2</td><td>Type</td><td>Textual MRQ (Multi-Select)</td><td>Number</td><td>22</td></tr>
<tr><td>Question Stem</td><td colspan="5"><Having a clear understanding of cash flow activities and the type of business activity it relates to enables you to build a clear picture of the operating health of the business.></td></tr>
<tr><td>Instruction</td><td colspan="5">Classify the cash flow activities to the type of business activity relating to a manufacturing company.</td></tr>
<tr><td>Options</td><td colspan="5">
Inflows of Cash
<table>
<tr><th>Operating Activities</th><th>Investing Activities</th><th>Financing Activities</th></tr>
<tr><td>• Sale of goods and services
• Other operating cash receipts</td><td>• Sale of long term investments
• Sale of equities/shares held in other companies
• Sale of property, plant and equipment</td><td>• Funding of long term loan
• Issuance of equity securities (shares) by the company</td></tr>
</table>
Outflows of cash
<table>
<tr><th>Operating Activities</th><th>Investing Activities</th><th>Financing Activities</th></tr>
<tr><td>• Payments to suppliers
• Salaries to employees
• Payment of income tax</td><td>• Purchase of plant and equipment for the company business
• Purchase of equity/shares in other companies.</td><td>• Payment of cash dividends to shareholders
• Principal repayments on loans</td></tr>
</table>
</td></tr>
<tr><td>Correct Feedback</td><td colspan="5">That's right. Well done></td></tr>
</table>

Incorrect Feedback	That's incorrect. Either attempt again or click on the solve now tab. <Insert incorrect feedback text here.>
Visual Feedback	Will need appropriate smarts built into activity given the choice available to learners. Need to have an option where the learner can just ask for the solution. Please show visual indicators for correct/incorrect selection(s) and answers.

Page Title	Income statement – reading the vital signs	Type	Text and Static Image / Graphic	Number	23

Screen Layout

<Insert reference screenshot for page end state or other visual references here.>

Event	Audio 153 WORDS	On-Screen Text (OST)	Internal Development Notes
17.	There are vital signs to look for in each of these three sections and the activities occurring that not only indicates the financial health of the business but the possible impact to cash flow linked to activity. As mentioned earlier, even a profitable business can fail if cash flow is not managed effectively. We're going to consider an overdraft proposal by Fifi Fab Bags for a temporary overdraft limit to support the purchase of additional stock. This	Vital signs Fifi seeks a temporary overdraft of $60,000 to fund a special order of stock from her supplier who is offering a 50 % discount for a bulk purchase.	Images for positive and negative cash Bring in graphic to represent Fifi/Fifi fab bags and align the release of text to the voice over.

	stock is offered at a 50% reduction of the usual wholesale price if a bulk order of $60,000 is placed and payment is made on delivery. Currently Fifi has 90-day payment terms with her supplier and generally places an order each quarter for $30,000. Fifi is excited with this opportunity presented by her wholesaler and the increased potential profit margin, so she requests Brad to implement an overdraft of $50,000 for 60 days. Let's check in with business banker Brad to see his thoughts on the overdraft request. (text reflects on screen as we are using only one voice over)	Discount is subject to payment on delivery whereas on usual consignments Fifi is offered payment terms of 90 days. Fifi is excited and keen to get this transaction approved as she sees the potential to significantly improve the profit margin on this consignment and generate additional profit to complete a new shop fit out. [Brad dialogue] There are lots of good numbers here and I can understand Fifi's excitement with this opportunity. However, I feel it is essential to consider the complete picture when looking at the cash flow impact of this operating activity. Brad thinks of some of the consequences potentially impacting the business's cash flow position, such as: • The increased borrowing expenses from the bank. • Is there sufficient cash to cover existing creditors?	Graphic of Brad appears with "thought" bubbles reflecting the text supplied.

	e Brad meets with Fifi who has prepared a cash flow forecast detailing all associatedexpenses and the projected timeline to clear the overdraft increase and hopefully generate increased profits for the business.	• Will the increased stock be able to be sold in the usual turnover period? • If the stock needs to be heavily discounted to clear the overdraftwhatimpact will this have onprofit margins? • Are there any additional marketing or staffing costs? • Are there retained profits to support cash flow and reduce risks. Hmm, it looks promising, but I need more information to ensurethe overdraft limit and timeframe is adequate to avoid potential cash flow issues. Fifi and Brad meet to review a cash flow forecast indicating the positive result on the business opportunity.	Look for a graphic that might have both Fifi and Brad looking over financial statements with smiles.

include try on your own example if timing allows – not required

<Insert Counter>

Page Title	The statement of cash flows – summary	Type	Text and Static Image / Graphic	Number	24

Screen Layout

<Graphic 3 key financial statements (same as start of module).>

Event	Audio 35 WORDS	On-Screen Text (OST)	Internal Development Notes
18.	Using financial statements of the balance sheet, income statement and cash flow statements you can measure many of the vital signs of a business's overall financial health and make sound financial decisions in supporting your customers.		Screen to show 3 financial statements showing completion of all three: balance sheet, income statement and cash flow statements.

Page Title	Conclusion & next steps	Type	Text and Static Image / Graphic	Number	25

Screen Layout

<Insert reference screenshot for page end state or other visual references here.>

Event	Audio 48 WORDS	On-Screen Text (OST)	Internal Development Notes
1.	This e-learning unit has highlighted some of the key concepts introduced throughout the Introduction to Business Banking textbook. It is recommended that you review and confirm your understanding and application of the learning objectives detailed within each chapter and complete the mock exam before proceeding to the final assessment.	Now it's time to: • Review the core learning outcomes within each text book chapter • Revisit content where needed • Complete the mock exam and review the feedback supplied • Undertake the final assessment	End the unit with our character Brad, who will be either saying goodbye to us, or turning to look at this text book, or turning to greet a customer, or going to complete his formal assessment.