



3.7 Cash flow

# Terminology exercise



**Check that you understand the terminology used in this subtopic by dragging the correct word into each space.**

While a business is mainly concerned about maximising profits, it also needs to look at the payments received and payments made. Together these are referred to as the \_\_\_\_\_.

A cash flow \_\_\_\_\_ is a prediction of future inflows and outflows and is a useful planning tool for a business. It involves using the cash flow to calculate an opening and a \_\_\_\_\_ balance in order to arrive at a \_\_\_\_\_ cash flow.

To remain solvent, a business should try to ensure that \_\_\_\_\_ are not greater than \_\_\_\_\_ in any given month.

If a business is experiencing a cash flow shortfall, it can use various strategies to increase the cash inflow or to lower the cash outflow. For example, a social enterprise may try to increase cash inflow by \_\_\_\_\_ or by applying for a government \_\_\_\_\_. And it may try to reduce cash outflow by cutting \_\_\_\_\_.

cash inflows

net

expenses

- grant
- closing
- crowdfunding
- cash flow
- forecast
- cash outflows

✔ Check

