



Round 2 Section 1 - Case Study Information Pack

Section 1: Collect the Cash

Relates to Questions 1-13

40 Marks available in this Section - Estimated time is 40-60 minutes

INSTRUCTIONS

You are preparing a daily cash flow revenue forecast for a company that has 8 customers (Company A – Company H), all with very specific payment terms. No expense calculations are required.

The questions all relate to the 2018 calendar year, but you may need to model before/after this period to accurately calculate the cash forecast (calculations should include the relevant days in 2017 and 2019 where the payment methodology requires it).

Do not round your answers at any stage in the model.

A weekday is defined as a Monday, Tuesday, Wednesday, Thursday or Friday. A weekend is defined as Saturday and Sunday. There are no holidays to consider.

You have been provided with an excel workbook file with the ModelOff formatting to use. This file contains none of the inputs provided below – you will need to input these yourself.

COMPANY A

Company A pays a monthly figure of \$17.3m. This is paid in 4 segments each month – 11% on day 5, 21% on day 10, 41% on day 18 and the balance on day 23. Payments are made on the days specified even if it is a weekend.

COMPANY B

Company B has a daily charge of \$0.35m that accrues daily. The accrued balance is paid monthly on the third Thursday of the month.

For example, the payment for January 2018 has accruals from the third Friday in December 2017 until the third Thursday in January 2018 (inclusive).

COMPANY C

Company has a daily charge of \$0.18m per day. On weekdays the charge is paid on the same day, on the weekends it accrues and is paid on the Monday.

COMPANY D

Company D has a daily charge of \$0.23m. This is paid once per month on the 15th. The monthly payment is based on the number of days in that calendar month. Payments are made on the day specified even if it is a weekend.

COMPANY E

The total monthly charge for Company E is calculated based on the number of Tuesdays in the month at a rate of \$1.96m per Tuesday. This is paid evenly across all the weekdays of that month.



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COMPANY F

Company F makes 3 payments per month, each of \$5.34m. They are paid on the 7th, 14th and 20th of the month. However, if the payment date is a weekend, it is instead paid on the Friday before the weekend.

COMPANY G

Company G makes a single monthly payment of \$9.23m. On even months (February, April etc) it is paid on the first weekday of the month. On odd months (January, March etc), it is paid on the third weekday of the month.

COMPANY H

Company H makes a payment of \$1.79m every Wednesday. However, if the payment falls on the first 10 days of the month it is instead paid 1 day earlier. If the payment falls on the last 10 days of the month, it is instead paid one day later.

**For Questions 1 – 9, 11, select your answer from a multiple choice list.
For Questions 10 and 12, you are required to type in your answer.**

**Prepare your model and then use it to answer the given questions.
When finished, please upload your workbook (Question 13).**



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QUESTIONS

Question 1

What is the cash received in \$m from Company A between 7 Mar 2018 and 18 Oct 2018 (inclusive)? [2 marks]

- A. \$131.80m
- B. \$131.81m
- C. \$131.82m
- D. \$131.83m
- E. \$131.84m
- F. \$131.85m
- G. \$131.86m
- H. \$131.87m
- I. \$131.88m

Question 2

What is the cash received in \$m from Company B between the months of Apr 2018 and Oct 2018 (inclusive)? [2 marks]

- A. \$73.15m
- B. \$73.50m
- C. \$73.85m
- D. \$74.20m
- E. \$74.55m
- F. \$74.90m
- G. \$75.25m
- H. \$75.60m
- I. \$75.95m



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Question 3

What is the cash received in \$m from Company C between 15 Jul 2018 and 24 Nov 2018 (inclusive)? [3 marks]

- A. \$23.04m
- B. \$23.22m
- C. \$23.40m
- D. \$23.58m
- E. \$23.76m
- F. \$23.94m
- G. \$24.12m
- H. \$24.30m
- I. \$24.48m

Question 4

What is the cash received in \$m from Company D between the months of Apr 2018 and Oct 2018 (inclusive)? [3 marks]

- A. \$48.30m
- B. \$48.53m
- C. \$48.76m
- D. \$48.99m
- E. \$49.22m
- F. \$49.45m
- G. \$49.68m
- H. \$49.91m
- I. \$50.14m



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Question 5

What is the cash received in \$m from Company E between 2 Feb 2018 and 20 Aug 2018 (inclusive)? [3 marks]

- A. \$55.27m
- B. \$55.28m
- C. \$55.29m
- D. \$55.30m
- E. \$55.31m
- F. \$55.32m
- G. \$55.33m
- H. \$55.34m
- I. \$55.35m

Question 6

What is the cash received in \$m from Company F on all the Fridays in 2018? [4 marks]

- A. \$69.42m
- B. \$74.76m
- C. \$80.10m
- D. \$85.44m
- E. \$90.78m
- F. \$96.12m
- G. \$101.46m
- H. \$106.80m
- I. \$112.14m



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Question 7

**How many times was cash received from Company G on the third day of the month in 2018?
[4 marks]**

- A. 0
- B. 1
- C. 2
- D. 3
- E. 4
- F. 5
- G. 6
- H. 7
- I. 8

Question 8

What is the cash received in \$m from Company H on all the Tuesdays in 2018? [4 marks]

- A. \$16.11m
- B. \$17.90m
- C. \$19.69m
- D. \$21.48m
- E. \$23.27m
- F. \$25.06m
- G. \$26.85m
- H. \$28.64m
- I. \$30.43m



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Question 9

What is the total cash received in \$m from all companies between 1 Sep 2018 and 10 Sep 2018 (inclusive)? [4 marks]

- A. \$26.05m
- B. \$26.06m
- C. \$26.07m
- D. \$26.08m
- E. \$26.09m
- F. \$26.10m
- G. \$26.11m
- H. \$26.12m
- I. \$26.13m

Question 10

What is the total cash received in \$m from all companies in 2018? Please enter your answer in millions to two decimal places. Use a period "." as the decimal point character. [3 marks]

Question 11

For Company F, the payments are now received on the 6th, 13th and 19th of the month (and still get adjusted to before the weekend if they fall on the weekend). What is the cash received in \$m from Company F on all the Fridays in 2018? (Make sure to reset your values to this question before proceeding to the final question). [4 marks]

- A. \$64.08m
- B. \$69.42m
- C. \$74.76m
- D. \$80.10m
- E. \$85.44m
- F. \$90.78m
- G. \$96.12m
- H. \$101.46m
- I. \$106.80m



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Question 12

Company H is now paid on Tuesdays instead of Wednesdays (with the same adjustments for the first and last 10 days of a month). What is the total cash received in \$m from all companies between 1 Jun 2018 and 31 Dec 2018 (inclusive)? Please enter your answer in millions to two decimal places. Use a period "." as the decimal point character. [4 marks]



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Answers

1	D	\$131.83m
2	I	\$75.95m
3	F	\$23.94m
4	E	\$49.22m
5	H	\$55.34m
6	E	\$90.78m
7	D	3
8	H	\$28.64m
9	A	\$26.05m
10	-	\$983.01m
11	C	\$74.76m
12	-	\$575.83m