

## Summary

### 3.7 Cash Flow

Subject	Year	Start date	Duration
Business Management	IB1	Week 1, February	<span style="background-color: #ffc107;">1 week</span> 4 hours

#### Course Part

Unit 3 Finance and Accounts

#### Description

**By the end of this Subtopic 3.7 - Cash flow, you should be able to:**

- Interpret what cash inflows, cash outflows and net cash flow are.
- Distinguish between cash flow and profit.
- Explain and illustrate the working capital cycle.
- Draw up a cash flow forecast.
- Explain the relationship between investment, cash flow and profit.
- Formulate and analyse strategies to increase cash inflows.
- Formulate and analyse strategies to reduce cash outflows.
- Analyse sources of additional funds to help solve cash flow problems.

## Inquiry & Purpose

### Inquiry / Higher Order Questions

#### Type

#### Inquiry Questions

Skills-based

Do financial statements reflect the “truth” about a business?

## Curriculum

### Aims

Promote the importance of exploring business issues from different cultural perspectives

### Objectives

**Demonstrate knowledge and understanding of**

real-world business problems, issues and decisions

**Demonstrate synthesis and evaluation of**

business decisions, formulating recommendations

## Syllabus Content

### Unit 3: Finance and accounts

#### 3.7 Cash flow

The difference between profit and cash flow

The working capital cycle

Cash flow forecasts

The relationship between investment, profit and cash flow

The following strategies for dealing with cash flow problems: reducing cash outflow, improving cash inflows, looking for additional finance

#### Concepts

##### Change

Competition, new technologies and markets, and trends in consumer behaviour lead business organizations to adapt their objectives, strategies and operations. Success emerges from the ability to research and respond to signals in both the internal and external environment

## ATL Skills

### Approaches to Learning



#### Social

- In this unit, we will

encourage students to consider alternative points of view or to take the perspective of others



#### Self-management

- In this unit, we will

practise or discuss strategies to increase concentration

help students to learn from failures or mistakes

## Developing IB Learners

### Learner Profile



Inquirers



Risk-takers (Courageous)