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| Topic Area | Can You ……… | Red  (No) | Amber  (Maybe) | Green (Yes) |
| 1.3 Estimating Revenues, costs and profits | * Define fixed costs, variable costs, running costs and start-up costs. * Define revenue and profit * State the formulas for total costs, revenue and profit and use them to complete simple calculations * Explain how businesses forecast sales   volumes and selling prices to estimate revenue   * Explain the difference between price and cost and the concept of profit * Discuss the impact of profits and losses   on a business and its owners |  |  |  |
| 1.3 Forecasting Cash flows | * Explain the role and importance of cash to the operation of a business and to   its long-term success   * Complete a cash flow forecast * Calculate net cash flow and cumulative   cash flows   * Explain how cash flows are affected by   stock levels and credit terms   * Explain how cash flow problems can lead to business failure (insolvency) * Define business plan * Explain how a business plan can be used to minimise risk in a business |  |  |  |
| 1.3 Obtaining Finance  3.3. Financing growth | * Define and explain the advantages and disadvantages of the main sources of finance for a small business start-up * Define and explain the advantages and disadvantages of long-term sources, such as loans, personal savings, profit, venture capital and share capital in the context of a private limited company * Define and explain the advantages and disadvantages of short-term sources such as overdrafts and trade credit. * Discuss how a business would decide on which source of finance would be most appropriate. * Define and explain the advantages and disadvantages of retained profit and sale of assets * Understand which methods are suitable for small and large businesses |  |  |  |
| 3.3 How to improve cash flow | * Explain how a business could have more favourable credit terms with customers and suppliers * Define destocking and discuss its pros and cons. * Analyse the difference between increasing cash inflows and reducing cash outflows and suggest methods business could use to do this. |  |  |  |
| 3.3. How to improve profit | * Explain methods a business can use to cut costs and increasing revenues * Explain the impact of price changes on profit |  |  |  |
| 3.3.Breakeven Charts and Breakeven analysis | * Draw and interpret break-even charts; * Calculate the break-even point and   margin of safety   * Explain how changes to price and costs affect the break-even point * Discuss the pros and cons of using break-even analysis |  |  |  |