

A-Level Business

Name: _____ Score: _____

1. Day-to-day cash for wages, suppliers and bills is called:
 - ☐ start-up capital
 - ☐ profit
 - ☐ working capital
 - ☐ capital expenditure
2. Which is an internal source of finance?
 - ☐ a government grant
 - ☐ a share issue
 - ☐ a bank loan
 - ☐ retained profit
3. Inflows are 50 and outflows are 62. What is the net cash flow?

4. Which is a fixed cost?
 - ☐ piece-rate wages
 - ☐ factory rent
 - ☐ power used by machines
 - ☐ raw materials
5. Selling price is 15 and variable cost per unit is 9. What is the contribution per unit?

6. A budget is:
 - ☐ the firm's bank balance
 - ☐ a tax return
 - ☐ a record of past sales only
 - ☐ a financial plan for the future
7. Buying a new factory machine is:
 - ☐ working capital
 - ☐ capital expenditure

☐ a current liability

☐ revenue expenditure

8. A bank loan (debt) must be repaid with interest, but lets owners keep control.

☐ True ☐ False

9. Opening balance 20, net cash flow -8 . What is the closing balance?

10. Fixed cost 500, variable cost 4 per unit, output 200. What is total cost?

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1. **working capital**

Working capital funds day-to-day operations.

2. **retained profit**

Retained profit comes from within the business.

3. **-12**

Net cash flow = $50 - 62 = -12$.

4. **factory rent**

Rent does not change with output – a fixed cost.

5. **6**

Contribution = $15 - 9 = 6$.

6. **a financial plan for the future**

A budget plans expected income, spending or profit.

7. **capital expenditure**

Spending on a long-term asset is capital expenditure.

8. **True**

Debt keeps control but adds a repayment obligation.

9. **12**

Closing = opening + net cash flow = $20 + (-8) = 12$.

10. **1300**

TC = $500 + 4 \times 200 = 1300$.