5. Finance and accounting

Starter Quiz · 课前小测

A-Level Business Name: ____________ Score: ______

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

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

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

   - ☐ working capital
   - ☐ a current liability
8. Opening balance 20, net cash flow −8. What is the closing balance?

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

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10. Fixed costs are 3,000 and contribution per unit is 6. What is the break-even output (units)?

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A-Level Business

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. **12**

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

9. **1300**

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

10. **500**

    Break-even $= 3000 \div 6 = 500$ units.