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| **What will we be learning?**In Unit 3, learners study the purpose and importance of Personal and Business Finance. They will develop the skills and knowledge needed to understand, analyse and prepare financial information. They will also learn basic numeracy skills, which will help them for may activities later on in life, either in higher education or in employment.  | **Why this? Why now?**Learning Aim E – This looks at how businesses plan their finances using tools such as cash flow forecasting and break-even analysis. These tools are essential tools for businesses when it comes to planning their finances and analysing a business’s performance.  | Key Words:Cash InflowsCash SalesCredit SalesLoansSale of AssetsBank of interest receivedCash OutflowsCash PurchasesCredit PurchasesRentRatesSalariesWagesUtilitiesPurchase of AssetsVATNet Cash FlowOpening BalanceClosing BalanceFixed CostsVariable CostsSemi Variable CostsTotal RevenueSelling Price per unitContribution per unitMargin of Safety |
| **What will we learn****Learning Aim E – Break-Even and Cash Flow Forecasts**:E1 – Cash Flow Forecasts – Inflows, outflows, prepare, complete, analyse, revise and evaluate cash flow, use of cash flow forecasts for planning, monitoring, control, target setting, benefits and limitations of cash flow forecastsE2 – Break-Even Analysis – costs, sales, calculation using / manipulating, break-even formula, identification of area of profit, area of loss, identify and calculate margin of safety, calculation of total contribution, contribution per unit benefits and limitations, use of break-even for planning, monitoring, control, target setting, prepare, complete, analyse, revise and evaluate break-even.  |
| **What opportunities are there for wider study?**Wider reading of articles through Business Review and using You Yube websites such as Bee Business Bee and Two Teachers to help go over extra material or tutorials.  |
| **How will I be assessed?**Summative assessment throughout and formative assessment through an end of topic test.  |