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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 Inflows  Cash Sales  Credit Sales  Loans  Sale of Assets  Bank of interest received  Cash Outflows  Cash Purchases  Credit Purchases  Rent  Rates  Salaries  Wages  Utilities  Purchase of Assets  VAT  Net Cash Flow  Opening Balance  Closing Balance  Fixed Costs  Variable Costs  Semi Variable Costs  Total Revenue  Selling Price per unit  Contribution per unit  Margin 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 forecasts  E2 – 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. | |