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| **What will we be learning?**  2.3 Managing Finance | **Why this? Why now?**    Once businesses use financial models to plan their finances, they can then use the figures generated along with others from financial accounts to assess the profitability and health of the business and make appropriate decisions. Poor figures can cause business failure and so the causes of business failure are examined | **Key Words:**  Gross Profit  Gross Profit Margin  Operating Profit  Operating Profit Margin  Statement of Comprehensive Income  Statement of Financial Position  Liquidity  Current Ratio  Acid Test Ration  Working Capital |
| **What will we learn?**  2.3.1 – Profit – Calculation of gross profit, operating profit, profit for the year and the relevant margins. Also learn the distinction between profit and cash  2.3.2 – Liquidity – Current ratio, acid test ratio, and ways to improve liquidity  2.3.3 – Business Failure – Causes of business failure examined | |
| **What opportunities are there for wider study?**  Completing exercises / case studies out of the Pearson textbook | |
| **How will I be assessed?**  Summative assessment and worksheets | |