**FINANCIAL MANAGEMENT**

**Key words starter test – draw a line between the word and the correct definition**

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| **KEY WORD**  | **DEFINITION**  |
| **Cash flow** | Revenues less costs |
| **Financial management** | Reducing stock levels by discounting or a Sale |
| **Trade credit** | A company who will advance money that a business is owed by it’s customers and collect the money for them  |
| **De-stocking** | Payments paid every three months |
| **Factoring** | Money coming into a business ie revenue |
| **Leasing** | ‘Renting ‘ goods without buying them outright |
| **Profit** | Costs which do not change over time ie rent |
| **Cash inflow** | Workers in a business |
| **Cash outflow** | The flow of cash in and out of a business |
| **Net cashflow** | Money leaving a business – fixed costs |
| **Revenue** | Total Cash inflows less cash outflows |
| **Labour** | Amount of money received from selling goods  |
| **Fixed Costs** | Changing monetary variables to achieve financial objectives |
| **Quarterly bills** | Where a supplier gives a customer a period of time to pay an invoice after the goods have been delivered |