

Module III. Business

Entrepreneurial Finance

Topic 7. Cash and Working Capital

Activity T7.L2.1. Learning Finance Through an Example



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This topic...

has been prepared so that those interested in Finance understand one of the most important principle in financial management.

Once the topic is completed and approved learners will be able to:

1

Understand importance of
Cash

2

Understand importance of
Working Capital

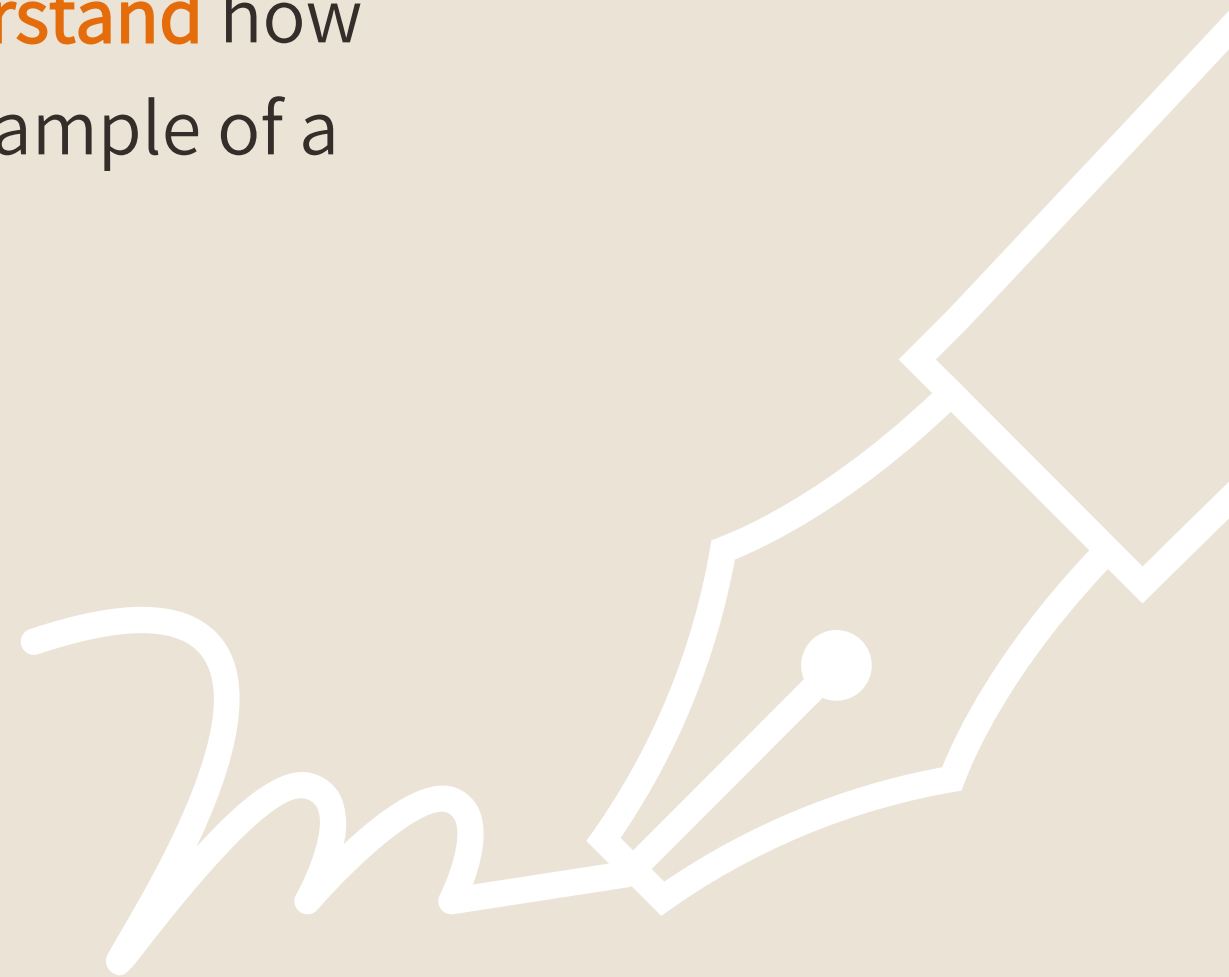


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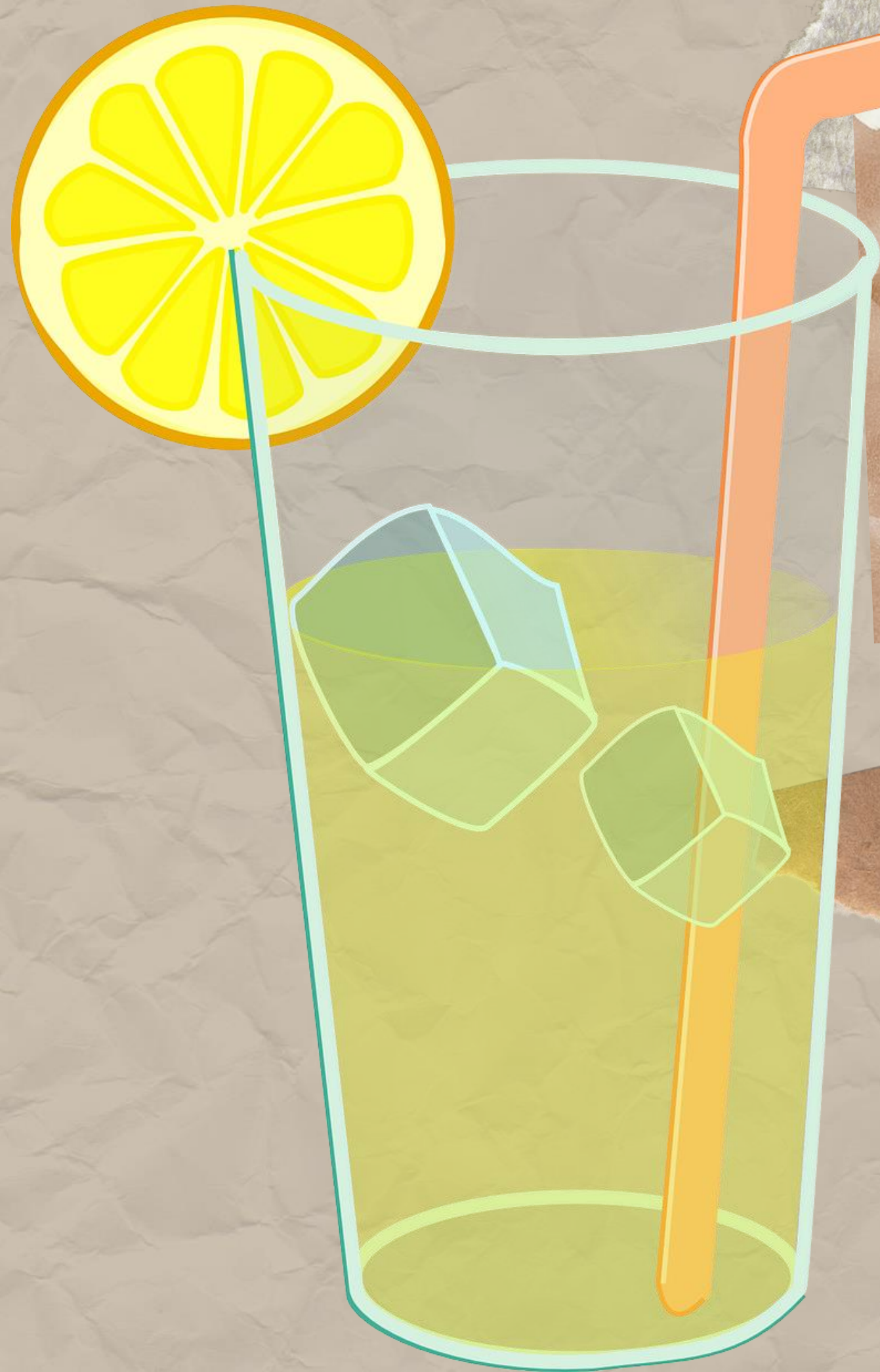
Financial task

Will help students to **better understand** how finances work through a basic example of a lemonade stand.





Learning finance through
example is the best way to learn
all the details.



Imagine that you want to start your own business.

And imagine that you have the perfect business idea - a lemonade stand that you could set up in the park during beautiful and sunny days.

You will have to consider many factors.



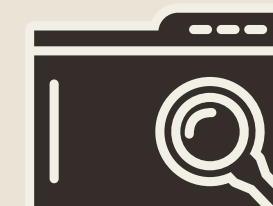
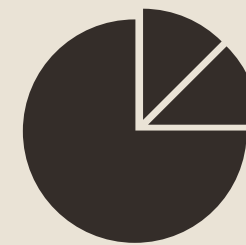
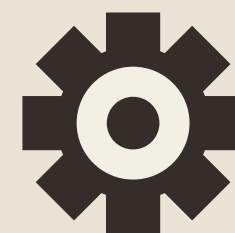
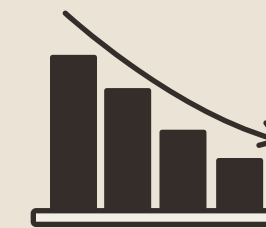
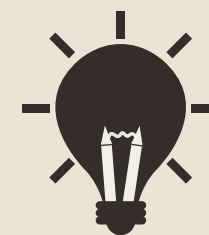
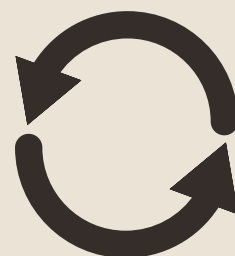
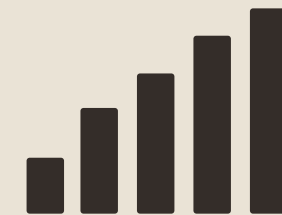
To develop a Business Model you will have to answer a lot of questions.

And to find out if your business idea is sustainable.

And you can find out that with **financial knowledge** using **basic formulas**.

Activity

Follow the story about Lemonade Stand and use the formulas to apply the acquired knowledge



By generating **enough cash**, a company can meet its daily business needs and avoid taking on debt.

