Entrepreneurial Finance

Lecture 4: Managing Finances

Task 3

In the space below write your answer to the question for this Task. You should write between 200 and 250 words in each column.

What are the most important factors to consider before granting a customer credit? What can a small business owner do to ensure they are able to get credit from their suppliers?

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In the space below write your answer to the question for this Task. You should write between 100 and 150 words in each column.

What is the impact on a business if you have a discount rate that costs the business 17% and an overdraft with the bank that costs 15%?

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In the space below write your answer to the question for this Task. You should write between 100 and 150 words in each column.

Should you always pay your invoices early if offered a discount? Explain your answer

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Task 8

In the space below write your answer to the question for this Task. You should write between 150 and 250 words in each column.

Explain what the EOQ model is and how it can help control stock or inventory

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In the space below write your answer to the question for this Task. You should write between 100 and 150 words in each column.

The EOQ gives a suggested stock or inventory level, but what other factors do you need to consider before committing to that stock or inventory level?

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