

Entrepreneurship Building a Business

Chapter 21 Financial Management

Section 21.2 Managing Your Finances

SECTION 21.2 After You Read Answer Key

Self-Check

1. When using up-to-date financial data, projections for the future can be made with confidence. A goal is set, and current decisions should be based on this goal.
2. Cash is the lifeblood of a business. A business must see a positive cash flow in order to achieve short- and long-term goals.
3. Long-term financial commitments involve the availability of sufficient cash over an extended period.

Think

4. Disadvantages may include being unable to allocate for expenses, to project revenue for positive cash flow, and to anticipate capital for expansion.

Mathematics

5. $\$4,750 \div (\$350 - \$290) = 4,750 \div 60 = 80$