FINANCIAL LEARNING CAFE

Business Academy • B02

Lesson 1 Resource

Revenue, profit, and cash flow

Cash-flow planner

Premium lesson companion

Teaching brief • applied vocabulary • guided workbook • knowledge check • answer guide

Name ______________________________________

Date ______________________________________

LEARN • PREPARE • APPLY

Revenue, profit, and cash flow

Revenue is money earned, profit is what remains after expenses, and cash flow tracks actual movement and timing. A profitable business can still run short of cash.

The deeper idea

Revenue records the sale, profit measures economic performance, and cash flow records movement. They diverge when invoices, inventory, deposits, refunds, and bills occur on different dates.

Learning objectives

- Explain revenue in the context of revenue, profit, and cash flow.
- Distinguish profit from an assumption or promotional summary.
- Show how cash flow changes cost, timing, control, responsibility, or risk.
- Complete the cash-flow planner using traceable source information.

Vocabulary in action

revenue	Locate it in source material and state what it measures or governs.
profit	Use it to make the comparison concrete instead of relying on a label.
cash flow	Name who carries responsibility, what triggers it, and which control makes it visible.

FIVE-STEP DECISION METHOD

Move from information to a responsible next step.

1. Define the exact question

State the purpose, deadline, and consequence of delay. Connect the question directly to revenue, profit, and cash flow.

2. Gather governing evidence

Collect current agreements, statements, official disclosures, operating records, or program instructions. Record the source and date.

3. Apply the vocabulary

Locate revenue, profit, and cash flow in the real document or process. Translate each into a dollar, date, action, control, or responsibility.

4. Test a difficult case

Change one important assumption - timing, volume, cost, income, access, or support - and explain whether the plan still works.

5. Record the decision

Choose proceed, revise, compare, seek qualified review, or stop. Name the next action, its owner, and the review date.

Applied scenario

A learner must make this decision this month. The learner gathers governing records, locates revenue, profit, and cash flow, and completes the assignment. The decision pauses if the difficult-case test exposes an obligation or operating risk that cannot be managed.

Cash-flow planner

Trace one sale from invoice to collected cash and record every related cost and delay.

Purpose: What exact decision does revenue, profit, and cash flow support?

Evidence: Which source documents prove the facts? Include dates.

Terms: Where do revenue, profit, and cash flow appear, and what does each change?

Stress-test and decision record

Stress test: Which assumption is most fragile, and what happens if it fails?

Decision record: What is the next action, who owns it, and when will it be reviewed?

My recorded status

☐ Proceed ☐ Revise ☐ Compare ☐ Seek qualified review ☐ Stop

KNOWLEDGE CHECK

Confirm your understanding.

1. State the central teaching in your own words.

2. How do revenue and profit work together?

3. What evidence is strong enough to use?

4. What would make the plan pause?

5. What belongs in the finished assignment?

ANSWER GUIDE

Compare reasoning, not just wording.

1. State the central teaching in your own words.

Revenue records the sale, profit measures economic performance, and cash flow records movement. They diverge when invoices, inventory, deposits, refunds, and bills occur on different dates.

2. How do revenue and profit work together?

Define each, locate both in source material, and explain their combined effect on the decision.

3. What evidence is strong enough to use?

Current, relevant, traceable information from an agreement, statement, official source, operating record, or qualified professional.

4. What would make the plan pause?

A missing governing fact, unsupported claim, unmanageable stress case, or inability to explain the responsibility attached to cash flow.

5. What belongs in the finished assignment?

Purpose, sources, term definitions, comparison or calculation, difficult-case result, unanswered questions, responsible owner, and review date.

Education-only boundary

This resource provides general education. It does not submit applications, negotiate with providers, handle customer funds, promise outcomes, or replace individualized guidance from an appropriately qualified professional.