FINANCIAL LEARNING CAFE

Funding Academy • F01

Lesson 4 Resource

Understand revenue, cash flow, and obligations

Readiness checklist

Premium lesson companion
Teaching brief • applied vocabulary • guided workbook • knowledge check • answer guide

Name ______________________________________

Date ______________________________________

Understand revenue, cash flow, and obligations

Repayment capacity depends on reliable cash flow after existing obligations and operating needs. Revenue alone does not show capacity.

The deeper idea

Payment capacity begins after essential operations and existing commitments. A cautious case includes seasonality, concentration, delayed collections, taxes, maintenance, and owner dependence.

Learning objectives

- Explain repayment capacity using the lesson's governing facts.
- Distinguish debt obligation from an assumption or promotional summary.
- Show how seasonality changes cost, timing, control, responsibility, or risk.
- Complete the readiness checklist using traceable source information.

Vocabulary in action

repayment capacity	Locate it in source material and state what it measures or governs.
debt obligation	Use it to make the comparison concrete instead of relying on a label.
seasonality	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 to this lesson and its governing evidence.

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 repayment capacity, debt obligation, and seasonality 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 repayment capacity, debt obligation, and seasonality, and completes the assignment. The decision pauses if the difficult-case test exposes an obligation or operating risk that cannot be managed.

Readiness checklist

Calculate a conservative monthly cash picture and identify seasonal or one-time distortions.

Purpose: What exact decision does this lesson support?

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

Terms: Where do repayment capacity, debt obligation, and seasonality 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 repayment capacity and debt obligation 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.

Payment capacity begins after essential operations and existing commitments. A cautious case includes seasonality, concentration, delayed collections, taxes, maintenance, and owner dependence.

2. How do repayment capacity and debt obligation 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 seasonality.

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.