FINANCIAL LEARNING CAFE

Funding Academy • F06

Lesson 5 Resource

Connect borrowing to cash flow

Provider questions

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

Name ____

Date ____

Connect borrowing to cash flow

Credit creates future obligations. Before borrowing, define the use, amount, timing, expected benefit, repayment source, stress case, and alternatives.

The deeper idea

An obligation is supportable only when a named cash source remains available after essential operations. Base, cautious, and severe cases reveal dependence on perfect conditions.

Learning objectives

- Explain repayment source in the context of connect borrowing to cash flow.
- Distinguish debt service from an assumption or promotional summary.
- Show how stress test changes cost, timing, control, responsibility, or risk.
- Complete the provider questions using traceable source information.

Vocabulary in action

repayment source	Locate it in source material and state what it measures or governs.
debt service	Use it to make the comparison concrete instead of relying on a label.
stress test	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 connect borrowing to 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 repayment source, debt service, and stress test 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 source, debt service, and stress test, and completes the assignment. The decision pauses if the difficult-case test exposes an obligation or operating risk that cannot be managed.

Provider questions

Complete a base, cautious, and severe repayment test tied to the business cash-flow forecast.

Purpose: What exact decision does connect borrowing to cash flow support?

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

Terms: Where do repayment source, debt service, and stress test 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 source and debt service 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.

An obligation is supportable only when a named cash source remains available after essential operations. Base, cautious, and severe cases reveal dependence on perfect conditions.

2. How do repayment source and debt service 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 stress test.

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.