

## Chapter 17 Outline

Cash, Cash Flow, and Profit  
Cash Management  
    Developing Cash Management Data  
    Cash Budget Demonstration  
Cash Management Tools  
    Cash Float  
    Lockbox System  
    Management of Excess Funds  
Misleading Measures of Cash Flow  
    EBITDA  
    Free Cash Flow

## Competencies

1. Define cash, cash flow, and cash flow analysis and explain the relationship of cash to profit. (pp. 456–458)
2. State the purpose and benefits of cash management and use cash management terminology accurately and effectively. (pp. 458–459)
3. Create a cash budget from appropriate data using the method appropriate to meet either short-term or long-term needs. (pp. 458–465)
4. Explain the uses of such cash management tools as float management, lockbox systems, and zero balance and sweep accounts. (pp. 465–467)
5. Describe two popular shortcut measures of cash flow and demonstrate why they can be misleading. (pp. 467–469)