

Chapter 8 Outline

Working Capital Components
Cash Budgets
 Various Budgeting Strategies
 Two Approaches to Presenting Cash Budgets
Inventory Management
 Estimating Ending Inventory and Cost of Goods Sold
Managing Accounts Receivable
Managing Current Liabilities
 Trade Payables
 Short-Term Bank Loans

Competencies

1. Identify the various components of working capital, explain the function of cash budgeting, and identify factors club managers should consider when managing cash budgets. (pp. 195–199)
2. Distinguish the cash receipts and disbursements approach to cash budgeting from the adjusted net income approach. (pp. 199–201)
3. Describe how inventory management, accounts receivable, trade payables, and short-term bank loans affect cash management. (pp. 202–207)