

Cash and Financial Management: Summary of corrections to course materials

These changes affect version V002 of the materials.

Course Notes & Questions

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Lecture Example 11 Solution

The solution incorrectly showed the payments for August and September when the question asked for July and August. The updated solution is:

	July	August
Payments – 1 month after purchase	4,174 (June purchases)	6,102 (July purchases)
Payments – 2 months after purchase	-	6,102 (June purchases)
Total payments	£4,174	£12,204

May purchases:

No figures given, so nil.

June purchases:

40% x €12,000 = €4,800 paid in July at rate 1.15. 4,800 / 1.15 = £4,174

60% x €12,000 = €7,200 paid in August at rate 1.18. 7,200 / 1.18 = £6,102

July purchases:

40% x €18,000 = €7,200 paid in August at rate 1.18. 7,200 / 1.18 = £6,102

The remaining 60% would be paid in September (not required).

August purchases:

40% paid in September, 60% paid in October (not required).

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Practice Example 12

The November figures had been incorrectly based on the December purchases. The updated solution is:

	Total purchases \$	60% \$	Month received	60% £	40% \$	Month received	40% £
September	300,000	180,000	October	124,138	120,000	November	84,507
October	342,000	205,200	November	144,507	136,800	December	90,000
November	270,000	162,000	December	106,579	108,000	January	69,677