



AGRIBUSINESS MODULE

Answers

Understanding cashflow (8 points available)

1. What was the opening bank balance for the business?
A: \$-112,548 (or (\$112,548) do not accept \$112,548 (1 point)
2. What was the total annual spend on wages?
A: \$88,530 (1 point)
3. Which month has the highest total income?
A: February (1 point)
4. How much was spent on vehicle expenses in January?
A: \$3,316 (also accept -\$3,316) (1 point)
5. How much does the farmer pay to lease the farm annually?
A: \$240,000 (1 point)
6. What is the total operating surplus for the year for this business?
A: -\$57,348 (1 point)
(must say negative or be in brackets – do not accept \$57,348)
7. What is the total annual farm expenditure as a % of the total annual income?
A: \$55.7% (accept 56%, or 55.73%, or 55.728%) (1 point)
8. What is the peak overdraft position for the year?
A: \$426,179 (also accept (\$426,179) or -\$426,179) (1 point)

TOTAL _____