**The Big Picture!**

* Capital expenditure is the way forward for any successful business & allows the business to grow or to expand their operations.
* However, it comes with benefits as well as risks.
* To be able to see the implications on the business of a capital expenditure decision is important before the decision is finalised.
* Understand the importance of capital expenditure.
* Understanding what finance is required to operate within the primary sector.

**Your task**

* What is capital expenditure?

Define

Examples

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Dairy farm | Packaging company | Accountant | Freezing works | A Bank |
|  |  |  |  |  |

* Why does a business want to expand? Other than profit
* How does this decision meet the business’s strategic goals?
* How does the business benefit from making strategic capital expenditure decisions?
* How often should this decision be made?
* What finance would be required to operate / implement?
* What finance options are there?



* Why is capital expenditure decision making important to operating an agribusiness?

