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**Cash Flow**

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## **Cash Flow**

The amount of cash entering and leaving a business is all summarized in statements of cash flows. Here, there is a clear summary of how the firm manages its finances from paying off debts and catering for the expenses. In this case, business owners, investors, and others determine the appropriateness of their cash flows. The firm's profitability and ability to comfortably pay its expenses are some of the insights business owners and investors will get from the cash flow statement (VAZOV, 2019).

The three terms are often confusing. For example, the money earned by a company after selling its goods and services is known revenue, whereas cash is the legal tender in the form of notes and coins that businesses use to transact. Whereas profit is the business's benefit when the sales are higher than the cost of goods. All these three terms bring positive outcomes to the organization.

Increasing cash flow is the desire of any business owner. Some reliable ways to increase cash flow include forming a buying cooperative, improving the business inventory, reducing, limiting, and delaying capital expenditures, and offering discounts for early payments (Lubwama, 2011). All these will assist business owners in increasing cash flow to a remarkable level.

### References

- Lubwama, I. (2011). Construction project cash flow prediction for owners (Doctoral dissertation, King Fahd University of Petroleum and Minerals (Saudi Arabia)).
- VAZOV, R. (2019). INNOVATIVE APPROACHES TO INSURANCE COMPANY CASH FLOW MANAGEMENT.

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