



Intel® Easy Steps

Create a Cash Flow Statement

Understanding Cash Flow Considerations

Running a business involves continuous flow of money – both money received and money spent on the business. Keeping track of the cash flow will help in understanding how much money has been spent on the business and how much money has been earned. Cash flow is a representation of the amount of cash generated and used by the business in a given period. Knowing your cash flow will allow you to make projections and adjustments on your expenses.

Cash Flow gives an indication of the financial strength of the business and how much cash it has to spend. As an analytical tool, the statement of cash flow is useful in determining the short-term viability of a company, particularly its ability to pay bills. The cash flow statement is intended to indicate the amount, timing and probability of future cash flows as well.

Preparing a Cash Flow Statement

Using a spreadsheet software you can develop a projected cash flow statement that records the money you expect to earn and spend, and also calculates the net amount that you will have for a given period.

Look at the sample Cash Flow Statement as a projection of incomes and expenses for a given period

	A	B	C	D	E	F	G	H
1	Sona Handicraft, Bikaner							
2	Cash Flow Statement							
3		May	June	July	August	September	October	Total
4	Cash On Hand (Owners Capital)	Rs. 20,000						Rs. 20,000
5	Cash Receipts							
6	Cash Sales		Rs. 60,000	Rs. 30,000	Rs. 30,000	Rs. 60,000	Rs. 80,000	Rs. 2,60,000
7	Loan	Rs. 1,40,000						Rs. 1,40,000
8								
9	Total Cash Received	Rs. 1,60,000	Rs. 60,000	Rs. 30,000	Rs. 30,000	Rs. 60,000	Rs. 80,000	Rs. 4,20,000
10	Cash Paid Out							
11	Equipment	Rs. 50,000						Rs. 50,000
12	Initial Deposit for Rent	Rs. 20,000						Rs. 20,000
13	Website Creation	Rs. 10,000						
14	Salaries & Wages	Rs. 30,000	Rs. 30,000	Rs. 30,000	Rs. 30,000	Rs. 30,000	Rs. 30,000	Rs. 1,80,000
15	Rent & maintenance	Rs. 3,000	Rs. 3,000	Rs. 3,000	Rs. 3,000	Rs. 3,000	Rs. 3,000	Rs. 18,000
16	Electricity	Rs. 300	Rs. 300	Rs. 300	Rs. 300	Rs. 300	Rs. 300	Rs. 1,800
17	Telephone and Internet	Rs. 500	Rs. 500	Rs. 500	Rs. 500	Rs. 500	Rs. 500	Rs. 3,000
18	Advertising and publicity	Rs. 500	Rs. 500	Rs. 500	Rs. 500	Rs. 500	Rs. 500	Rs. 3,000
19	Raw material	Rs. 2,000	Rs. 2,000	Rs. 2,000	Rs. 2,000	Rs. 2,000	Rs. 2,000	Rs. 12,000
20	Packaging Material	Rs. 500	Rs. 500	Rs. 500	Rs. 500	Rs. 500	Rs. 500	Rs. 3,000
21	Travel and Shipping	Rs. 2,000	Rs. 2,000	Rs. 2,000	Rs. 2,000	Rs. 2,000	Rs. 2,000	Rs. 12,000
22	Loan Repayment	Rs. 5,000	Rs. 5,000	Rs. 5,000	Rs. 5,000	Rs. 5,000	Rs. 5,000	Rs. 30,000
23	Misc	Rs. 1,500	Rs. 1,500	Rs. 1,500	Rs. 1,500	Rs. 1,500	Rs. 1,500	Rs. 9,000
24	Total Cash Paid Out	Rs. 1,25,300	Rs. 45,300	Rs. 3,51,800				
25								
26	Cash In Hand	Rs. 34,700	Rs. 49,400	Rs. 34,100	Rs. 18,800	Rs. 33,500	Rs. 68,200	Rs. 68,200
27								
28								
29								

Sample Cash Flow Statement

Before you begin using the computer to create your cash flow statement, take a moment to get familiar with the **Intel® Education Help Guide**. The Help Guide provides handy step-by-step instructions for common applications right as you work.

Please refer the card - **How to Use the Help Guide**.

A. To create another sheet in the same workbook

1. If you think of a spreadsheet as a ledger book, then the worksheets are the pages inside the book. The worksheets are viewed using tabs in the lower left corner of the excel window. Insert a worksheet. (See help guide, Spreadsheet Skill 3.4: To add or insert a worksheet).
2. Rename each worksheet. Rename Sheet1 as "Startup cost" and Sheet2 as "Cash Flow". (See help guide, Spreadsheet Skill 3.2: To give a worksheet a new name).
3. Type the words for the title and column headings in cells. Just click on the cell and type. (See help guide, Spread sheet Skill 4.1: To put words (text) and numbers into a worksheet Cell).

Make the Entries as follows:

- The Title in cell A1 and the subtitles in cell A2.
 - The column headings -"May" in cell B3, "June" in cell C3, "July" in cell D3, "August" in cell E3, "September" in cell F3, "October" in cell G3 and "Total" in cell H3.
 - For the row headings type "Cash On Hand (Owners Capital)" in cell A4 and "Cash Receipt" in cell A5 and type the remaining row headings in cell A6 and A7.
 - Similarly for the row headings type "Total cash received" in cell A9, "Cash Paid out" in cell A10, "Total Cash Paid out" in cell A24 and "Cash in hand" in cell A26 and type the remaining row headings from A11 to A23.
4. If you want to change information you have already typed in a cell, click the cell and make the changes. (See help guide Spreadsheet Skill 4.2: To change or fix information that is already in a cell).
 5. Merge the cells A1 to H1 for the title and the cells A2 to H2 for the subtitle. (See help guide Spreadsheet Skill 5.10: To combine or merge cells).
 6. Change the column widths as required. (See help guide Spreadsheet Skill 5.6: To change column width).
 7. Type the Numbers (Values) in the cells, in those cases where the values are fixed.
 - From cell B14 to cell B23, under the column heading "May" type the numbers in the empty cells. (See help guide, Spreadsheet Skill 4.1: To put words and numbers into a worksheet cell).
 - For rest of the cells from C14 to G23 just copy the contents from cell B14 to cell B23 and paste it in the columns one by one. (See help guide, Spreadsheet Skill 4.6: To copy information and put it in another cell).
 8. Please note the values need not be typed into the cells under "Total", "Total cash received", "Total cash paid out" and "Cash in hand" because they are dependent on the values of the preceding cells and would result from calculations using formulas.
 9. Save your work now. You must save your work frequently after doing few steps to avoid losing your work. (See help guide Spreadsheet Skill 1.8: To save a spreadsheet).

B. Insert Formulas

It is now time to insert formulas in the various cells to arrive at the correct values based on the results of calculation using the concerned cells.

Calculate the Total cash received

1. To calculate the "Total cash received" in cell B9 type the formula **=B4+B7** and press enter. In the same manner for cell C9 type the formula **=C6+C7**, for D9 type the formula **=D6+D7**, for E9 type the formula **=E6+E7**, for F9 type the formula **=F6+F7**, for G9 type the formula **=G6+G7**. (See help guide Spreadsheet Skill 7.3: To add numbers by writing your own maths sentence or formula).
2. To calculate the "Cash on Hand (Owners Capital)" for all the month in cell H4 type the formula **=Sum(B4:G4)** and press enter . Reuse the formula of cell H4 to cell H6 and cell H7. (See help guide

Spreadsheet Skill 7.1: To sum or add the numbers in a row or Column, 7.11: To reuse a formula in many cells in the same row or column).

3. To calculate the "Total cash Received" for all the month Total in cell H9 insert a formula to add the numbers in three cells preceding it. In cell H9, under column heading "Total" the value can be obtained by adding the cells **=H4+H6+H7**. In cell H9 type the formula press the Enter key. (See help guide Spreadsheet Skill 7.3: To add numbers by writing your own maths sentence or formula).
4. To calculate the Total for all the months in cell H11 type the formula **=Sum (B11:G11)**. Reuse the formula of cell H11 from cell H12 to cell H23. (See help guide Spreadsheet Skill 7.1: To sum or add the numbers in a row or Column, 7.11: To reuse a formula in many cells in the same row or column).
5. To calculate the "Total Cash paid out" in cell B24 for the month of "May" type the formula **=sum(B11:B23)** and press enter key. The entire total has been taken into account here. (See help guide Spreadsheet Skill 7.1: To sum or add the numbers in a row or Column).
6. In the same way calculate the total cash paid for other cells i.e. for the month of "June" type the formula **=sum (C11:C23) in C24**, for the month of "July" type the formula **=sum (D11:D23) in D24**, for the month of "August" type the formula **=sum (E11:E23) in E24**, for the month of "September" type the formula **=sum (F11:F23) in F24**, for the month of "October" type the formula **=sum (G11:G23) in G24**. (See help guide Spreadsheet Skill 7.1: To sum or add the numbers in a row or Column).
7. To calculate the overall "Total cash paid out" for all the months in cell H24 type the formula **=sum (B24:G24)** and press enter. (See help guide Spreadsheet Skill 7.1: To sum or add the numbers in a row or Column).
8. To calculate the "Cash in hand" for the month of "May" in cell B26, subtract the total cash received in B9 from the cash received in hand in B24. So type the formula as **=B9-B24** in cell B26. Similarly for the month of "June" in cell C26, add the previous month's Cash in hand & Total cash received in the same month & subtract the Total cash paid out from that month so type the formula **=B26+C9-C24**, in cell C26 (See help guide Spreadsheet Skill 7.3: To add numbers by writing your own maths sentence or formula).
9. Reuse the formula of cell C26 from cell D26 to cell G26. (See help guide Spreadsheet Skill 7.11: To reuse a formula in many cells in the same row or column.)
10. To calculate the Total "Cash in hand" in cell H26, subtract the total cash received in H9 from the cash received in hand in H24. Type the formula **=H9-H24** in cell H26 (See help guide Spreadsheet Skill 7.4: To subtract the numbers in a row or Column.)
11. Show numbers as currency (Rs.) in cells H5 to H26. (See help guide Spreadsheet Skill 4.9: To show numbers as decimals, currency and percentages.)
12. Save your work.

C. Format the Worksheet

1. You need to select the cell or cells whose appearance you might want to change. (See Help Guide, Spreadsheets Skill 2.1: To select a single box or cell, 2.2: To select several boxes or cells next to each other).
2. To alter the size of the headings. (See Help Guide, Spreadsheets Skill 5.2: To make words and numbers bigger or smaller).
3. To Change the appearance of the words and text. (See Help Guide, Spreadsheets Skill 5.1: To change the letter design, or font, of words and numbers, 5.3: To change the style of words and numbers, 5.4: To change the color of words and numbers).
4. To change the position of the words with respect to the cells. (See help guide Spreadsheet Skill 5.7: To change alignment of information within a cell or cells).
5. Save your work.

D. Change the look of your worksheet

You may change the way the information is displayed to suit your sense of aesthetics. You might want to add borders, colors and shading to the information. Select the required cells and make the changes.

1. To show borders of the cells, rows and columns. (See help guide Spreadsheets skill 5.8: To add borders to cells, rows, columns, and worksheets).
2. To fill color in the cells. (See help guide Spreadsheets skill 5.9: To add background color or shading to cells, rows, or columns).

3. To hide the grids of the cells. (See Help Guide, Spreadsheets Skill 6.9: To hide cell gridlines).
4. Save your work.

E. Review and print your Cash Flow Statement worksheet.

1. Review the worksheet by checking
 - The Title and Headings for each item.
 - Reused formulas.
 - Alignment and overall layout.
2. Print Preview your worksheet and set it up properly. (See Help Guide, Spreadsheets Skill 1.3: To use the standard toolbar, 9.3: To setup a spreadsheet to print sideways or landscape).
3. Print your startup cost sheet. (See Help Guide, Spreadsheets Skill 9.1: To print a worksheet).
4. To print more than one copy click the up arrow in the **"Number of copies"** list, choose the number of copies you want and click OK in the Print Dialogue box.
5. Close your worksheet.

F. Review your Cash Flow Statement

You have now created a dynamic Cash Flow Statement and you can play around with the numbers and see the automatic recalculation when values are changed.