

Cash Management

Important notice for books and Tutor Zone material produced before July 2011

Format error in cash management tasks

A problem has recently come to light which impacts on the following tasks in Osborne Books texts which all share the same AAT-devised format:

- Tutorial page 112, task 4.5 (c)
- Workbook page 14, task 4.1 (c)
- Workbook page 50, task 2.1 (c)
- Workbook page 73, task 2.1 (c)
- Tutor Zone activity 4.2 (c)
- Tutor Zone practice assessment, task 2.1 (c)

In each of these tasks students are required in part (c) to complete a table using information that they have calculated in parts (a) and (b). This table assumes that a closing bank balance can be calculated by adjusting the opening bank balance of each period by the changes in receipts and payments. This assumption is incorrect because a calculation of the closing bank balance should also include the original net cash flow for the period, figures for which are not given in the task.

In July 2011 Osborne Books changed these tasks to simply work out from the same figures the net change to cash flow without taking into account the bank balance.

This issue has been brought to the attention of the AAT.