U4.05 - Print & Cut Flashcards

Cut along the card edges. Each card shows the key term on top and the answer underneath.

CARD 1

Internal funding

Money generated from within the business rather than borrowed or raised from outside the business.

CARD 2

Retained profits

Profits kept in the business after expenses, tax and owner distributions or dividends have been paid.

CARD 3

How retained profits are used

They can be reinvested into operations, growth or expansion instead of being paid out to owners or shareholders.

CARD 4

Why retained profits are internal

The money comes from profits already generated by the business, not from external lenders or investors.

CARD 5

Retained profits - global expansion use

They can fund market research, marketing, stock, equipment, website upgrades, travel, deposits or early setup costs.

CARD 6

Benefit of retained profits

There are no interest repayments, so the business avoids extra debt and protects cash flow.

CARD 7

Limitation of retained profits

The amount available depends on how profitable the business has been and may not be enough for major global expansion.