- Premium, Packaged Account:
  - Similar to a standard account but offers extra features for a monthly fee
  - Extra features:
    - Packaged benefits (eg travel insurance or discounts) — have to pay even if you don't use them
    - Interest on credit balances
    - Cash back on household bills paid via direct debit
    - Special interest rates on overdraft
- Student Account:
  - Aimed at learners in higher education to help manage their finances
  - Limited features:
    - Interest-free overdraft (to a certain limit) — high interest if you go over the limit
    - Debit card
    - Some may offer a free gift card or travel discounts
- Basic Account:
  - No-frills account aimed at customers with a poor credit rating
  - Similar to a standard account but with no overdraft facilities
  - Features:
    - No banking fees
    - Debit Card
    - Facility to set up direct debits to pay bills

BORROWING

- Overdraft:
  - Short-term loan which can be used to pay bills when you're short of cash
  - Can arrange with the bank to borrow up to an agreed amount when your balance reaches zero
  - Advantages
    - Usually free to set up
    - Only pay interest on money you borrow
  - Disadvantages
    - Interest is high
    - Charged a fee to use the overdraft
    - If you go over the limit or have an unarranged overdraft there will be penalty charges
- Personal Loan:
  - Can be used to buy expensive items
  - Borrow a fixed amount and pay it back in monthly instalments with fixed interest rate (1-5 years)
  - Advantages
    - Monthly instalments allow you to plan expenditure
  - Disadvantages
    - May be arrangement fees
    - If you fail to make the repayments on a secured loan you may lose the asset it was secured on
- Hire Purchase:
  - You put down a deposit and pay monthly instalments
  - Whilst making payments you are hiring the product, after the final payment you own it
  - Advantages
    - Allows you to buy expensive items at an affordable amount
  - Disadvantages
    - Can't sell the item whilst making the payments — you don't own it
    - If you fall behind on payments the lender may repossess the item

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- Price Comparison Websites:
  - Websites which compare features and prices of different types of financial products provided by a range of suppliers
    - Allows consumers to choose their most suited product
    - Free to access, interactive and personalised to the needs of the consumer
    - Requires internet access
    - Not all suppliers will be identified
    - Can sometimes be cheaper to purchase directly from the supplier
- Debt Counsellors:
  - Specialist agencies or individuals providing financial advice to individuals struggling with debt
  - Organisations like the charity National Debtline
  - Provide debt advice and information and how to manage personal debt
    - Personalised advice on budgeting and dealing with creditors
    - Some offer online budgeting tools and a web chat service
    - Authorised by the FCA
    - Some individual debt counsellors may charge a fee for their service
- The Money Advice Service:
  - Government agency providing free and impartial money advice to help improve your finances
    - Online tools, web chat and calculators to help budget
    - Need internet access to use the budgeting tools
    - Not all consumers will feel confident using the tools
- Individual Voluntary Arrangements (IVAs) and Bankruptcy:
  - When a person is unable to pay all the money they owe to creditors their options are:
    - An IVA — an agreement that an individual undertakes with creditors to pay off all or part of their debts
    - Declaring Bankrupt — have to use some of their assets to pay off their debts

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ACCOUNTING

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- Recording Transactions:
  - Accountants record all money coming into and going out of the business
    - Enables them to keep track of payments received and ensure bills and taxes are paid on time
- Management of Business:
  - The manager of a business is responsible for:
    - Planning — foreseeing likely financial commitments
    - Monitoring — checking performance and spending
    - Controlling — to ensure sufficient funds are available to cover outgoings
- Compliance:
  - All businesses have the responsibility to comply with financial reporting requirements in accordance with laws and regulations
  - Internal accounting controls help to combat fraud
- Measuring Performance:
  - Accountants measure how well the business is performing financially through its:
    - Gross and net profit
    - Sales revenue
    - Efficiency to collect money owed
    - Expenditure and costs
- Control:
  - Accounting also tracks:
    - Trade receivables — debts generated by the sale of products or services between businesses
    - Trade payables — debts created by purchasing products or services from other businesses

- Leasing
  - Allows the business to obtain assets without paying a large lump sum
  - Arranged through a finance company
  - Set repayments are spread out
  - Medium-term
  - Can have modern equipment
  - Asset never belongs to the business unless an 'option to buy' is included in the agreement
  - Increases outflows and impacts working capital
  - Can be expensive
- Trade Credit
  - Business has use of goods immediately and pays the supplier 30-90 days later
  - Short-term finance
  - Can sell goods before they pay for them
  - Good for cash flow and no interest is paid
  - Won't receive cash discounts for prompt payment, and need to pay on time
  - Requires robust financial records to keep track of outstanding debts
- Grants
  - Government payments to businesses given with conditions
  - Don't have to be paid back
  - Only available to certain businesses
  - May not be available in the future
  - Additional audit requirements
- Donations
  - Important for non-profit organisations
  - Can be difficult to plan and budget for
  - May be affected by the economy's state and also by negative publicity
- Peer-to-Peer Lending
  - Small investors use an organisation to help them find businesses to invest in, that organisation takes a fee
  - Long-term funding option
  - Useful for businesses that can't get finance from traditional financial institutions
  - Interest may be higher than those charged by financial institutions
- Invoice Discounting
  - Instead of buying a business's outstanding invoices the organisation lends against the value of outstanding invoices for a fee
  - Short-term
  - Advantage of business still managing the relationship with the customer
  - Loss of some profit

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CASH INFLOWS

- Inflows/Receipts:
  - Cash Sales
    - Sales paid for at the time of purchase using cash or debit card
  - Credit Sales
    - Sales paid for following the purchase
  - Loans
    - Money borrowed from an external source
  - Capital Introduced
    - Funds invested in the business by the owner or shareholders
  - Sale of Assets
    - Money received from selling an asset
  - Bank Interest Received
    - Interest earned on any savings in the bank