**3** LFK is a coal-mining business. It has 135 employees who are all provided with training. After the dismissal of one of LFK's employees there is a job vacancy for a new supervisor. External recruitment will be used. The Managing Director is preparing a cash flow forecast for LFK. An extract is shown in Table 3.1.

**Table 3.1**

| **Extract from LFK's cash flow forecast July - September 2025 $000** | | | |
|---|---|---|---|
| | **July** | **August** | **September** |
| Cash inflow | 600 | 400 | 730 |
| Cash outflow | 720 | **X** | 590 |
| Net cash flow | (120) | (100) | 140 |
| Opening balance | 40 | (80) | (180) |
| Closing balance | (80) | (180) | **Y** |

**(a)** Define 'dismissal'.

.....

.....

.....

..... [2]

**(b)** Calculate the value of **X** and **Y**.

**X**: .....

.....

**Y**: .....

..... [2]

**(c)** Identify **four** reasons why a cash flow forecast might be useful to a business.

Reason 1: .....

.....

Reason 2: .....

.....

Reason 3: .....

.....

Reason 4: .....

..... [4]

**(d)** Explain **two** advantages of LFK training its employees.

Advantage 1: .....

.....

Explanation: .....

.....

.....

.....

Advantage 2: .....

.....

Explanation: .....

.....

.....

..... [6]

**(e)** Do you think the advantages of external recruitment for a business are greater than the disadvantages? Justify your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]