Arctic Blast has developed a cold treatment process for killing home-invading ants and termites. Its pesticide-free process provides a highly attractive alternative to sprays and poisons. The business is growing quite rapidly, and it is investing heavily in new equipment. Frank Miller is Arctic's treasurer, and he is preparing a cash budget. The budget reveals that the company can anticipate periods of cash flow difficulties as they attempt to finance ever increasing amounts of receivables, inventories, and equipment.

Frank is evaluating the merits of eight alternative cash management strategies. Each has a potential downside that Frank must consider. Match each item in the "strategy" list with one of the "hazards."

Strategy	
	Borrowing money
	Attempting to accelerate customer collections
	Delaying payments
	Writing checks against future receipts not yet deposited
	Slowing expansion plans
	Establishing bank overdraft protection or a line of credit
	Issuing additional capital stock
	Planning full utilization of cash flows, with no reserves

Hazard	
	May necessitate offering of a discount
	May result in unnecessary financing costs
	May dilute ownership of existing shareholders
	May alienate key suppliers
	May result in unexpected shortfall
	May be an illegal strategy
	May give competitors an advantage
	May result in risk of financial failure