**Topic 3.6Obtaining Finance:Activity**

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| **Source of Finance:** | Personal Savings |
| **Long Term or Short Term:** | *Short term – used straight away* |
| **Finance description and an example of where it would be used appropriately:** | |
| *Money set aside by an individual / owner of the company that can be invested in the company – probably when the business is starting up* | |

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| **Source of Finance:** | Share Capital |
| **Long Term or Short Term:** |  |
| **Finance description and an example of where it would be used appropriately:** | |
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| **Source of Finance:** | Venture Capitalist |
| **Long Term or Short Term:** |  |
| **Finance description and an example of where it would be used appropriately:** | |
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| **Source of Finance:** | Loan |
| **Long Term or Short Term:** |  |
| **Finance description and an example of where it would be used appropriately:** | |
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| **Source of Finance:** | Mortgage |
| **Long Term or Short Term:** |  |
| **Finance description and an example of where it would be used appropriately:** | |
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| **Source of Finance:** | Retained Profit |
| **Long Term or Short Term:** |  |
| **Finance description and an example of where it would be used appropriately:** | |
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| **Source of Finance:** | Leasing |
| **Long Term or Short Term:** |  |
| **Finance description and an example of where it would be used appropriately:** | |
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| **Source of Finance:** | Overdraft Facility |
| **Long Term or Short Term:** |  |
| **Finance description and an example of where it would be used appropriately:** | |
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**What do you consider to be the most suitable source of finance for each of these? Justify your answer.**

A new factory

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A company car

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Purchase more stock

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Take over another company

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Finance research and development of a new product that will come onto the market in 4 years time?

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Extension: Draw a table that explains at least one advantage and disadvantage of the different sources of finance you have looked at today.