

BUSINESS FINANCE

A. In the spaces provided below enter the duration of the source of finance in years

Short Term _____

Medium Term _____

Long Term _____

B. A Private Limited Company is short of funds. It needs to get cash immediately. Which of the following is best?

Mortgage Retained Earnings Hire purchase Overdraft

C. Which of the following is the most likely source of long term finance for a Private Limited Company?

Loan (3years) Overdraft Share Issue Government Grant

D. If you needed finance to build an extension to a factory would you:

Get a overdraft Sell Shares Defer Creditors Sell Debts

E. Which is the most suitable source of finance for each of the following items required by Modern Motor Cars Ltd?

Items	<i>Sources of Finance</i>		
	Short Term	Medium Term	Long Term
(a) Computer			
(b) Advertising			
(c) Cars for resale			
(d) Premises			

F. Give one reason why each of the following would need an overdraft

Builder: _____

Bookshop: _____

Farmer: _____

G. Classify each of the following as Short Term, Medium Term or Long Term

Type of finance	Short Term	Medium Term	Long Term
(a) Owner's Capital			
(b) Creditors			
(c) Term Loan			
(d) Sale and Leaseback			
(e) Retained Profits			
(f) Overdraft			
(g) Leasing			
(h) Selling Shares			
(i) Government Grant			
(j) Hire Purchase			
(k) Deferred Payment			
(l) EC Grant			

H. List 4 parts of a Business Plan

- 1 _____
- 2 _____
- 3 _____
- 4 _____

I. What you need to open a Business Bank Account

- 1 _____
- 2 _____
- 3 _____

J. Steps in applying for a loan

- 1 _____
- 2 _____
- 3 _____
- 4 _____