**EFFECTIVE FINANCIAL MANAGEMENT**

**Learning Outcome 4: ACTIVITY 7**

**Types of debt financing**

There are many other sources of debt finance. In this part of the chapter, we will consider some of the most popular types of debt financing.

Look back to LO4 Activity 1.

#### Individually, and then in pairs

Identify a business with which you are familiar. This could be a multinational company from which you have purchased goods/services, a business that owns your favourite brand or the business for which you work (or wish to work in the future).

Note that the business that you select must have raised finance from an equity or debt market.

From your research:

1. Outline the types of debt finance that are available to businesses.
2. Consider each of the types of debt that were identified in (1). Explain the advantages and disadvantages of each of these types of debt finance.
3. Identify and explain the types of debt finance that have been raised by your chosen business. Consider the advantages and disadvantages of their use in the context of your chosen business.
4. Prepare a short presentation on your findings.