**CORPORATE FINANCE**

**Learning Outcome 3: ACTIVITY 1**

## **Types of debt financing**

#### Individually, and then in pairs

Using the business identified for previous Activities (if it has raised finance from an equity or debt market – if not, choose another business that has).

1. Remind yourself of the types of debt finance that are available to businesses and in particular those selected by your chosen business.
2. For each of the types of debt that you outlined in (1), identify the source of the finance (e.g.bank, financial institution, leasing company).
3. Analyse each of the types of debt finance that you outlined in (1). Identify the period of time for which the debt is outstanding. Identify the interest rate (also known as the finance charge) that is applied to the debt. Explain the terms of the financing arrangement.
4. Prepare a short presentation on your findings.