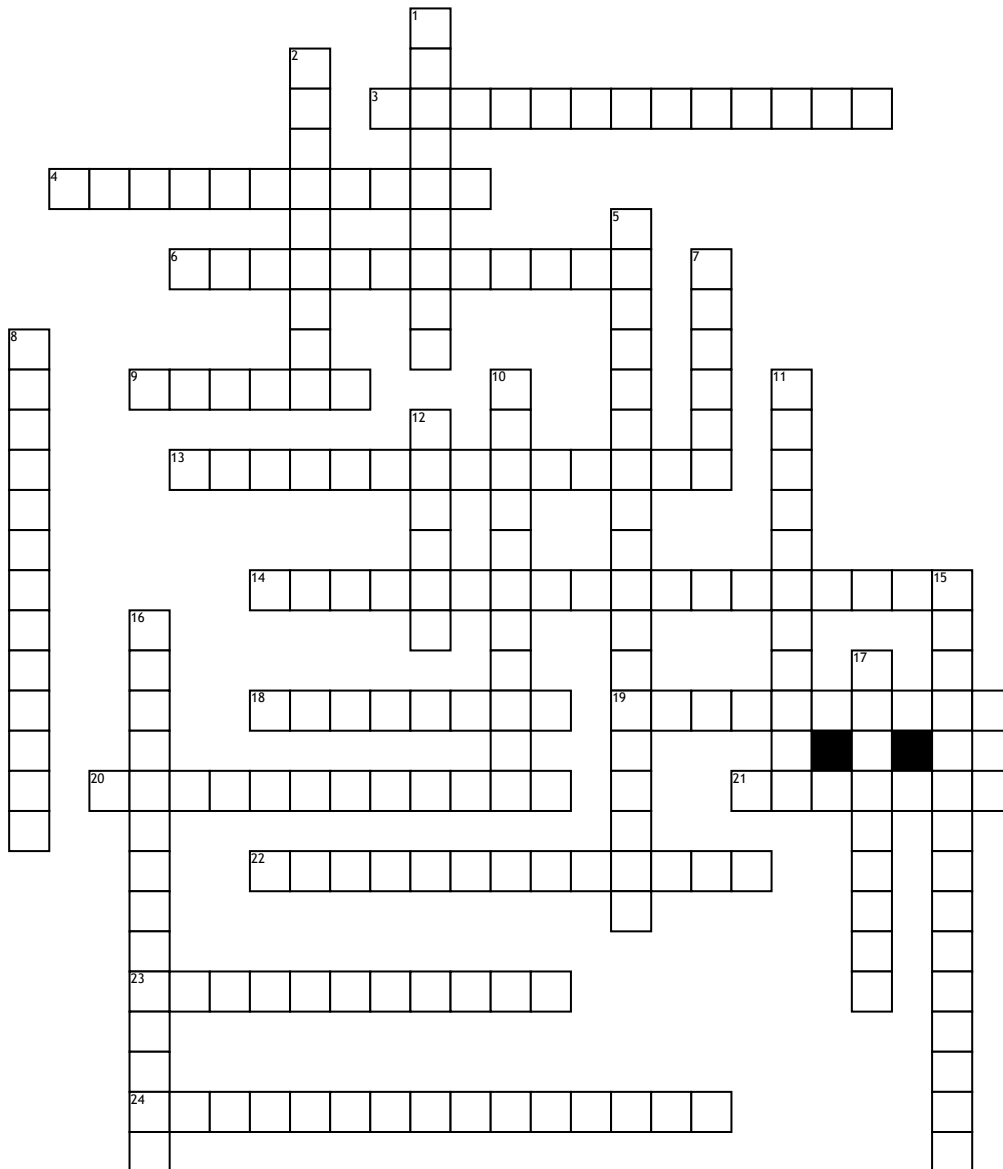


# IB Business Unit 3.1 Sources of Finance



## Across

3. Permanent finance raised by companies through the sale of shares
4. by delaying payments to creditors or suppliers, a business can obtain some short-term finance
6. The provision of very small loans by specialist finance businesses, usually not traditional commercial banks
9. the difference between the value of an asset and the value of the liabilities owed on that asset
13. Individual investors who put in their own money in a variety of businesses and are seeking a better return than they would obtain from conventional investments
14. The purchase of assets that are expected to last more than one year
18. when owners of a privately owned company sell shares to the general public as a source of finance
19. Bonds issued by companies to raise finance, often with a fixed rate of interest

20. An asset is sold to a company which agrees to make fixed repayments over an agreed time period; the asset belongs to the company
21. Obtaining the use of equipment or vehicles and paying a rental charge over a fixed period. This avoids the need for the business to raise long-term capital to buy the asset; ownership remains with the rental company
22. selling of claims over debtors to an institution in exchange for immediate liquidity (cash).
23. Existing shareholders are given the right to buy additional shares at a discounted price
24. Finance raised from the business's own assets or from profits left in the business

## Down

1. The ability of a firm to pay its short-term debts
2. When a bank agrees to allow a business to borrow up to an agreed limit as and when required
5. Spending on all costs other than assets that are expected to last more than one year

7. A source of finance whereby the government gives money to an organization provided they apply for it and meet certain requirements
8. Loans that do not have to be repaid for at least one year
10. A financial obligation of a business that it is required to pay in the future
11. When a business borrows money to be paid back at a future date
12. Items of monetary value that are owned by a business
15. Finance raised from sources outside the business
16. the profit left after all deductions, including dividends, have been made; this is 'ploughed back' into the company as a source of finance
17. Financial benefits given by the government to a business to reduce costs and encourage increased production