

## Assignment - 8

explain each cost benefit of debt.

⇒ Interest payment on debt for deducted. debt are tax deductible.

reduction of the income of the business and the debt taxable and.

⇒ This effectively lower the cost of borrowing and enhance cash flow making debt financing more attractive.

⇒ debt allows a company to leverage its investment without diluting ownership. In the company

⇒ by using debt allows a firm borrowing a company can pursue

growth opportunities more leading to higher returns on equity.

=> debt repayment typically fixed and payment involve rates schedule making cash flow predictions.

easy.

=> this financial assessment payment of the company making cash flow providing stability in management.

=> debt lower cost of capital in company ownership low cost of investment and payment are not of payment

=> lower capital loan payment giving the payment and fixed cost, lower payment of the



## assignment 9.

1. what kind of fund would the firm usually use for the payment business ~~exp~~ ~~expenses~~?

⇒ This initial capital the. provided by founder. early stage investor and bank. cover startup the business the basic product and whould developing legal fees marketing management. fund help get the business off the ground before it the company starts generating revenue.

⇒ Operating expenses fund.

Once your business is open are intend the business and growing consist on prices.

operating process day-to-day  
expenses business  
and find the business of the whole.  
Owner paid for Owner  
these would back into the operating  
accounting.

=> Company business and the operating  
supplies the back into the  
business  
cash out flow seeking of the fund.  
refund.

=> Source those expenses and any  
back refund to company and under  
using the operating fund part of  
the account or to trusting  
depending structure of your  
business finance.  
accounting.