

Assignment - 9.

1) What kind of funds would the firm usually raise in the initial Phases of business, the Startup and Repaid Expansion phase?

Startup expansion phase:

Funders use personal savings or revenue generated from the business to fund operations.

Borrowing or receiving investment from close personal contacts who believe into business idea.

Wealthy individuals provide capital in exchange for equity, often bringing industry experience and connections.

This may come from seed funds, angel investor, or crowdfunding platforms, aim at act getting the business off the ground.

Some startups seek non-dilutive funding from government grants or startup competitions.

Repaid Expansion phase:

Firms attract capital funding to scale

Their operations quickly typically look equity and are involved in strategic decisions making.

Business may take out loans or issue convertible notes to raise capital without giving an equity.

In addition to traditional borrowing, platforms like equity crowdfunding allow business to raise money from a large number of investors in exchange for equity.

Collaborating with established companies that provided capital in exchange for a lower cost product or services.

For malcore startups, going public can raise significant funds, though this typically occurs later in the expansion phase.

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