ACF
ASSIGNMENT - 9

1) What kind of funds would the firm usually raise in the initial phases of business, the start up and rapid expansion phase?

Startup expansion phase:-

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

* Borrowing or receiving investments from close personal contacts who believe in the business idea.

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

* This may come from seed funds, angel Investors, or crowdfunding platforms, aimed at getting the business off the ground.

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

Rapid expansion phase

* Firms attract venture capital funding to scale their operations quickly, ~~they~~ typically seek equity and are involved in strategic decision-making.

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

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

* Collaborating with established companies that provide capital in exchange for access to technology, product, or services.

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