

FINANCE - Borrowing money

Pre-discussion

1. The directors at your company want to invest the revenue to start another venture. This is what they say. Which of these opinions do you agree with? Why?

“Try and look for a business angel”

“Apply for a traditional bank loan”

“Apply for a loan from a peer-to-peer* scheme”

“Invest time, not money; try and set up the company without going into debt”

Discussion

2. Look at the responses below. Are any the same as you discussed?

“It's hard to find a business angel”

“Bank loans are expensive”

“Isn't a peer-to-peer scheme risky?”

“I just don't have the free time to invest!”

Peer-to-peer scheme: people who have spare money lend it to people who want to borrow. A recent development in obtaining low-cost loans.

3. What are the best ways to finance a new business?