Sources of capital

Read through the PowerPoint on the different sources of capital that a business could use completing the table and questions below.

|  |  |  |  |
| --- | --- | --- | --- |
| Sources of capital | Description | Benefits | Problems |
| Own savings |  |  |  |
| Friends and Family |  |  |  |
| Loans |  |  |  |
| crowdfunding |  |  |  |
| Small business grant |  |  |  |
| Business Angels |  |  |  |

Questions

You are planning to set up a small business selling cases for mobile phones. The business will be run as a partnership with your friend Raj.  
  
You plan to finance the production of the new range of mobile phone cases by obtaining capital from a business angel.  
  
State and explain **two** benefits of obtaining capital from a business angel. [4]

Benefit 1

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Explanation

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Benefit 2

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Explanation

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