* Company A sells fashion clothing. It needs $15,000 to decorate its shop. A new issue of shares would be the wrong choice, due to being too complicated, expensive to arrange and taking a long time - the firm wants the shop decorated now!
* Company B owns 3 restaurants. It plans to take over another restaurant company and offers $5 million. Company B already has a bank loan.

**Activity 21.7** - Read the case study above.

1. Advise company A on the sources of finance that would be suitable.

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1. Advise company B on the sources of finance that would be suitable.

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1. In each case, which source of finance would be most suitable to use? Explain why you would chose this source rather than the other sources.

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1. In each case, explain what other information would have been useful before giving your advice.

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