

# [Essays park](https://assignbuster.com/essays-park-essay-samples-16/)

There are many ways to secure credit from the marketlike debt and equity. While looking into opportunities to enter into newmarkets, a company generally applies for a new line of credit referred to asdebt capital which consist of coupon payments as a payment option. But the bestpossible way to secure debt without collateral is issuing bonds in the bondmarket where people invest based on the creditability of the project and thefailure of repayment comes when the company goes into bankruptcy. Since theproject is solid enough and has an already established market, people will beinterested in investing in debt securities as they are looking to make moremoney when a company tries to invest in other markets hoping for a betterreturn from a developing economy. The other advantages include a broad investorbase, tradable bonds, lesser terms and conditions, flexible interest paymentsdictated by you, etc. We can also go for convertible debt where basedon preset conditions, repayment can be converted into equity. It is a mash upof debt and equity instrument which can help raise money faster than normaldebt securities.

The most sought after financing is the form of equity whereprojects can be funded by trading funds with partnership of the firm. There isno repayment schedule but the disadvantage is that since each investor owns asmall piece of the company the mangers are forced to maintain profitability atall times and pay up expected dividends. One of the hottest solutions for raising capitalis crowdfunding. It’s exciting and incredibly public.

Withcrowdfunding, you’re giving away a product or service, not equity. If you hityour goal, it’s your responsibility to make sure the promises you made aredelivered upon with exceptional products. If we are looking tointroduce a new product in the market which is innovative and will sell well inthe new markets, people will be ready to invest.