

# Essays park



**ASSIGN  
BUSTER**

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 as debt capital which consist of coupon payments as a payment option. But the best possible way to secure debt without collateral is issuing bonds in the bondmarket where people invest based on the creditability of the project and the failure of repayment comes when the company goes into bankruptcy. Since the project is solid enough and has an already established market, people will be interested in investing in debt securities as they are looking to make more money when a company tries to invest in other markets hoping for a better return from a developing economy. The other advantages include a broad investor base, tradable bonds, lesser terms and conditions, flexible interest payments dictated by you, etc. We can also go for convertible debt where based on preset conditions, repayment can be converted into equity. It is a mash up of debt and equity instrument which can help raise money faster than normal debt securities.

The most sought after financing is the form of equity where projects can be funded by trading funds with partnership of the firm. There is no repayment schedule but the disadvantage is that since each investor owns a small piece of the company the managers are forced to maintain profitability at all times and pay up expected dividends. One of the hottest solutions for raising capital is crowdfunding. It's exciting and incredibly public.

With crowdfunding, you're giving away a product or service, not equity. If you hit your goal, it's your responsibility to make sure the promises you made are delivered upon with exceptional products. If we are looking to introduce a

new product in the market which is innovative and will sell well in the new markets, people will be ready to invest.