Business Finance Assignment

1) The suggestions are as follows:
   i) Liability of each partner is limited in LLP.
   ii) Taxation is done as per Partnership.
   iii) LLP contains legal documents but partnership do ~~not~~. not, so LLP is safer.

2) Mr. Lodha's Perspective is correct because;
   i) Earning per share attracts more investors.
   ii) ~~Number~~ More earnings means more profit which be beneficial for shareholders in terms of dividends.

3) As an investor in a startup, Mr Kevin ~~should~~ must subscribe to convertibles because in convertibles he can anytime convert his bond, Preffered Share or another financial instrument into common stock.

4)

Private Limited	Public Limited
i) Owned by 2 or more Person	i) Owned by the public or large group of people.
ii) Not listed in stock exchange	ii) Can or cannot be listed in stock exchange.
iii) Hard to generate funds.	iii) Easy to generate funds.
iv) Assets are owned by individuals.	iv) Assets are owned by the company not by individuals.

5) The pros of setting up a proprietorship business by Mr. Mohit are:

i) Company decision is in his hands.
ii) Low ~~in co~~ income taxes.
iii) Few goverment regulations.

The cons of setting up a proprietorship business are;

i) Limited life of company.
ii) High Personal liability.
iii) Difficult to obtain large capital.

6) Suitable methods for Delta Corp to raise short term funds for working capital needs are:

(i) Right issue
(ii) Scrip issue
(iii) Issue bonds
(iv) Issue debentures

7) i) Operating Lease - A contract that permits use of an asset without transfering the ownership right of that ~~assset~~ asset.

ii) Financial Lease - A contract in which the financial company is the owner of the asset for the duration of the lease.

8) i) Convertible - In convertibles, anyone can convert their bonds, preferred shares or another financial instruments into common stocks.

ii) Warrants - In this, Call option for shareholder wherein company gives rights to investor to buy fixed no. of shares at fixed price. This increases the outstanding number of shares in the market.

iii) Convertible must trade at a price higher than equity stock because convertibles give investors a chance to enjoy both bond and ordinary share growth.

iv) The running yield of ~~equity~~ convertible must be greater than equity because in convertible returns are of both bonds and equity whereas equity consist only of ~~share~~ shares.