

Name: _____ **Date:** _____

Chapter 18: Base knowledge worksheet

Full sentence answers are **not** required: SL/HL 27 marks, 27 minutes

1 List **three** internal sources of finance. **(3)**

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2 List **two** forms of long-term external finance. **(2)**

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3 List **two** forms of medium-term external finance. **(2)**

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4 List **three** forms of short-term external finance. **(3)**

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5 What is debt factoring? **(2)**

- 6 What is the difference between leasing and hire purchase? (4)
- 7 Businesses often have to give 'security' to the bank when they take out a long-term loan. What is security? (1)
- 8 List **two** advantages and **one** disadvantage of a rights issue. (3)
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- 9 Give **two** advantages and **one** disadvantage of raising finance by issuing shares. (3)
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- 10 List **four** factors that will influence which sort of finance a business uses. (4)
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