

5 Finance for business – Part 1

Name: _____ Class: _____ Date: _____

Vocabulary 词汇

Write each word three times. 把每个单词抄写三遍。

English	中文	Write it 3 times (English)
finance	资金	_____
Start-up capital	启动资金	_____
internal sources	内部资金	_____
external sources	外部资金	_____
bank loan	银行贷款	_____

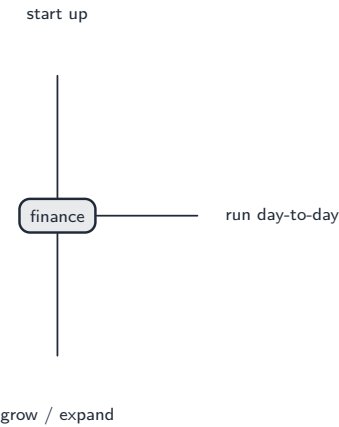
Recall

Businesses need **finance** 资金 (money) to start, to run day-to-day and to grow.

New ideas

Read these first, then do the Practice.

■ 1 Why finance is needed



Start-up capital 启动资金 is the money needed to begin a new business.

■ 2 Sources of finance

internal	external
owner's savings	bank loan
retained profit	selling shares
selling assets	overdraft

- **internal sources** 内部资金 come from inside the business;
- **external sources** 外部资金 come from outside (e.g. a **bank loan** 银行贷款).

Watch out: **internal** finance comes from *inside* the business (owner's savings, retained profit); **external** finance comes from *outside* (a bank loan, selling shares). A bank loan must be repaid *with interest*.

Practice

Try these in order.

5.1 Give two reasons a business needs finance. [2]

5.2 What is *start-up capital*? [1]

5.3 Give one internal source of finance. [1]

5.4 Give one external source of finance. [1]

5.5 Is a bank loan an internal or an external source? [1]

5.6 **Challenge.** A person wants to start a small shop. Suggest one **internal** and one **external** source of finance they could use, and one drawback of each. [4]