

Test questions - Accessing resources - training in innovative access to public finance, crowd funding potential and attracting corporate sponsors – module 4

Review questions:

1/ What do we mean by 'capital' ?:

- a/ Money from the bank
- b/ Current available assets such as property, land, savings.
- c/ Rental

2/ Working capital:

- a/ Cannot cross the boundaries of self-governing units
- b/ Is that which is used in its day-to-day trading operations
- c/ Is the amount by which current assets exceed current liabilities

3/ Under-capitalisation:

- a/ Supports the development of local communities
- b/ Is a guarantee of supplies
- c/ Is 'the condition that exists when a company doesn't have enough cash to carry on its business and pay its creditors'

4/ Center of taste have 2 funding stream options which both carry an:

- a/ 100% grant rate
- b/ 50% grant rate
- c/ 80% grant rate

5/ Circular economy:

- a/ It leads to the reduction of the often overburdened supply chain
- b/ Participates in the development of raw material extraction and the search for new raw material deposits
- c/ Determines the exact number of participants in the supplier circle

6/ The ideal Business Angel will have the following:

- a/ Excellent business credentials
- b/ Does not exist
- c/ Is preferably disposed of in incinerators

7/ Which ONE of these statements about crowdfunding is FALSE?:

- a/ Crowdfunding is the use of small amounts of money from a large number of individual people, in order to raise funding for a start-up business idea
- b/ Crowdfunding uses social media and special websites to connect entrepreneurs with potential investors
- c/ Crowdfunding can be achieved through concerts or other similar public events

8/ Which ONE of the following is the best description of seed capital:

a/ Seed capital is another name for Venture capital

b/ Seed capital is the initial money used to finance a new business or new product

c/ Seed capital is typically one of seven phases for a start-up business raising finance

9/ Which ONE of the following statements about business loans is FALSE:

a/ Business loans can be used to purchase equipment, vehicles, and/or property, and to cover other expenses

b/ A business loan secured by collateral is usually under a higher rate of interest than a loan without collateral.

c/ Borrowers usually have to pay a set-up or establishment fee for any business loan

10/ Which ONE of the following statements about Angel Investors is INCORRECT?:

a/ Angel investors know that this type of investment is typically high risk

b/ Angel investors look after a pool of money from other investors, and choose which business opportunities to finance on their behalf.

c/ Angel investors are individuals who invest money in start-up businesses