

HANDOUT FOR MENTEE**ENTREPRENEURSHIP****3. Theme “Skills and competencies for starting a business”****Exercise “Financing”**

Developed by: *European Partnership, Lithuania*

Task for mentee

Please read each question and select correct answers (might be more than one correct answer). Mark your selection. At the end of the exercise the correct and incorrect answers will be explained.

- 1) Financing source - **personal property benefits** are:
 - a) No interest
 - b) No term
 - c) No risk for others
 - d) Fine is calculated
- 2) Financing source - **personal property drawbacks** are:
 - a) No risk for others.
 - b) High risk
 - c) No were to live
- 3) Financing source - **family property benefits** are:
 - a) No interest
 - b) No term
 - c) Jealousy.
 - d) No risk for others
- 4) Financing source - **family property drawbacks** are:
 - a) If lost – there is a pressure on responsibility.
 - b) If you gave a security of home, in failure – family has no were to live.
 - c) Disputes in family in fail situation.
 - d) No fine.
 - e) Can get loan just once.
 - f) The reserve is lost.
- 5) Financing source – **friends benefits** are:
 - a) Can borrow several times.
 - b) No interest or fine is flexible.
 - c) No risk for others.
 - d) Flexible terms.
- 6) Financing source – **friends drawbacks** are:
 - a) The reserve is lost.
 - b) Disputes.
 - c) Jealousy

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- 7) Financing source – **shareholders / partners with personal contributions benefits** are:
- Common objectives, so willing to invest.
 - Hard to get.
 - No interest.
 - No terms.
- 8) Financing source – **shareholders / partners with personal contributions drawbacks** are:
- Need to share.
 - Disputes.
 - Single use.
- 9) Financing source – **potential investors drawbacks** are:
- Disputes in family in fail situation.
 - Need to share.
 - Provides only when risk is decreased.
- 10) Financing source – **sponsors benefits** are:
- No need to repay.
 - Need to share.
- 11) Financing source – **sponsors drawbacks** are:
- The reserve is lost.
 - Hard to find.
 - Single use, not permanent.
- 12) Financing source – **banks benefits** are:
- Independent from others.
 - No terms.
 - Dealing on your own.
- 13) Financing source – **banks drawbacks** are:
- Hard to get for a start-up firm.
 - Fine is calculated.
 - High interest rate.
 - Short loan terms.
 - Strict terms.
 - Need a security for getting a loan.
 - Hard to find.
 - If suffered a failure to repay, banks contact bailiffs.
 - Need many various documents to get loan.
 - Provides only when risk is decreased.