

## Entrepreneurship Building a Business

### Chapter 19 Financing Your Business

#### Section 19.2 Obtaining Financing and Growth Capital

##### SECTION 19.2 After You Read Answer Key

##### Self-Check

1. They look for a strong management team.
2. Venture capital is generally not a good source because VC companies invest in less than one percent of all businesses, and those are typically in high-tech areas.
3. They are capital expenditures, working capital, and contingency funds.

##### Think

4. Students may choose a variety of businesses, but the business should be in a high-tech area., provide returns between 30 and 70 percent, have huge growth potential, have an excellent management team, and have intellectual property.

##### Mathematics

5. The pie chart will display the information best because it will show how each expenditure relates to the start-up costs as a whole. To make the pie chart, find the total startup cost. (\$3,325) Then, determine the size of the central angle in degrees that relates to each amount by solving a proportion, such as  $\$1,250/\$3,325 = x/360^\circ$ .