

Entrepreneurship Building a Business

Chapter 19 Financing Your Business

Section 19.1 Financing the Small Business Start-up

SECTION 19.1 After You Read Answer Key

Self-Check

1. Bootstrapping is operating a business as frugally as possible and cutting all unnecessary expenses.
2. With debt financing, an entrepreneur borrows money and must repay it with interest. When raising capital by borrowing, the entrepreneur retains full ownership of the business. Equity sources trade cash for a portion of ownership.
3. Personal resources—friends, family, savings, credit cards, loans, and investments—are the most common source of start-up capital.

Think

4. Debt financing would be the best choice to retain ownership.

English Language Arts

5. Laser—light amplification by simulated emission of radiation; radar—radio detection and ranging; scuba—self contained underwater breathing apparatus; sonar—sound navigation and ranging.