

EQUITY INSTRUMENTS = SHARES = standardised form of company ownership representing a

Advantages over sole proprietorship:

- Shares are
- Shares offer
- Shares allow for access to

Contrast to DEBT SECURITIES:

DEBT

EQUITY

MATURITY

OBLIGATION to
MAKE PAYMENTS

TYPICAL P&L:

Sales Revenue (+)
Cost of Goods Sold (-)
Sales, General
& Admin Expenses (-)

= EBIT

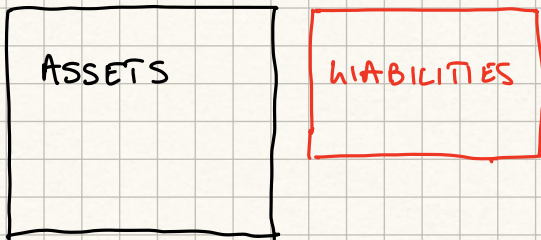
DIVIDENDS may be paid:

KEY FACTOR

START-UPS & GROWTH companies

MATURE companies

DISTRIBUTIONS upon COMPANY LIQUIDATION



↑ dividend rights & liquidation rights

+ VOTING RIGHTS

↳ typically enjoyed by holders of
↳ BUT NOT by holders of