



Week 8 Assignment 2

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Instructors, training on how to grade is within the Instructor Center.

Assignment 2: Business Financing and the Capital Structure Due Week 8 and worth 240 points

Businesses have to make many financial decisions that have a direct impact on operations and the ability to successfully compete in the marketplace. Base your writing on the information from the course coupled with information located in the Strayer databases or Internet.

Write a two to three (2-3) page paper in which you:

1. Assume that you are financial advisor to a business. Describe the advice that you would give to the client for raising business capital using both debt and equity options in today's economy. Outline the major advantages and disadvantages of each option.
2. Summarize the advice that you would give the client on selecting an investment banker to assist the business in raising this capital.
3. Explain the historical relationships between risk and return for common stocks versus corporate bonds. Explain the manner in which diversification helps in risk reduction in a portfolio. Support response with actual data and concepts learned in this course.
4. Use at least one (1) quality references. Note: Wikipedia and other Websites do not qualify as academic resources. However, you may use data sources, such as Yahoo Finance.

Your assignment must follow these formatting requirements:

- Be typed, double spaced, using Times New Roman font (size 12), with one-inch margins on all sides; citations and references must follow APA or school-specific format. Check with your professor for any additional instructions.
- Include a cover page containing the title of the assignment, the student's name, the professor's name, the course title, and the date. The cover page and the reference page are not included in the required assignment page length.

The specific course learning outcomes associated with this assignment are:

- Describe the characteristics and valuation of stocks and bonds, and how each is a key component in the financing of corporations.
- Describe the key elements of the securities markets, and how the markets drive financial transactions, decision making, and risk analysis.
- Use technology and information resources to research issues in finance.
- Write clearly and concisely about finance using proper writing mechanics.

Click [here](#) to view the grading rubric for this assignment.