**Business**

**Week 22: Funding and Investment – Lesson Handouts**

**Lesson 1: Business Loans**

**Objective:**

* Understand how business loans work and their advantages and disadvantages.
* Learn the different types of loans available to businesses.

**1. What is a Business Loan (商业贷款)?**

A business loan is money borrowed from a lender (e.g., a bank) that must be **paid back** over time with **interest (利息)**. Loans help businesses start, expand, or cover operational costs.

**Why Do Businesses Take Loans?**

* To start a new business.
* To buy equipment or stock.
* To expand operations.

**2. Types of Business Loans**

1. **Bank Loans (银行贷款)** – Traditional loans provided by banks.  
   *Example:* A company borrows $50,000 to open a new store.
2. **Government Loans (政府贷款)** – Some governments offer low-interest loans to small businesses.  
   *Example:* A new tech startup gets a government loan to support innovation.
3. **Microloans (小额贷款)** – Small loans, usually under $50,000, often given to startups or small businesses.  
   *Example:* A bakery owner borrows $5,000 to buy new ovens.
4. **Lines of Credit (信用额度贷款)** – A flexible loan where businesses can borrow and repay as needed.  
   *Example:* A shop owner uses a credit line to pay for extra inventory during busy seasons.

**3. Advantages & Disadvantages of Loans**

| **Advantages** | **Disadvantages** |
| --- | --- |
| Provides funding quickly. | Must be repaid with interest. |
| Can be used for any business expense. | Some loans require collateral (抵押品), like property or equipment. |
| Helps businesses grow without giving up ownership. | Banks may reject loans if the business has bad credit. |

**4. Activity: Loan Comparison (20-25 min)**

**Task:**

1. In small groups, research different types of business loans.
2. Choose a business (e.g., a coffee shop, tech startup, clothing store).
3. Decide which type of loan would be best and explain why.

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**5. Homework:**

* Find a real-life business that took a loan.
* Write a short paragraph explaining why they needed the loan and how they used it.

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**Lesson 2: Venture Capital (VC) Investments**

**Objective:**

* Learn how venture capital funding works.
* Understand the benefits and risks of using venture capital.

**1. What is Venture Capital (风险投资)?**

Venture capital (VC) is **money invested** in startups or growing businesses by investors who believe in their potential. In return, the investors receive **equity (股份)**, which means they own part of the company.

**Who Uses Venture Capital?**

* Startups with **high growth potential** (e.g., tech companies).
* Businesses that need **large amounts** of money to expand.

**2. How Does Venture Capital Work?**

1. A business presents its idea to **venture capitalists (风险投资人)**.
2. If investors believe in the idea, they provide funding.
3. Investors become part-owners of the business.
4. If the business succeeds, both the owner and investors make a **profit (利润)**.
5. If the business fails, the investors lose their money.

**3. Advantages & Disadvantages of Venture Capital**

| **Advantages** | **Disadvantages** |
| --- | --- |
| No repayment required (unlike loans). | Business owner loses some control. |
| Can provide **large amounts** of money. | Investors may influence business decisions. |
| Investors bring experience and connections. | Not all businesses qualify for venture capital. |
|  |  |

**4. Activity: Pitch Your Business (20-25 min)**

**Task:**

1. In pairs, create a **business idea** that could attract venture capital.
2. Write a **1-minute pitch** explaining:
   * What your business does.
   * Why it is unique.
   * Why investors should fund it.
3. Present your pitch to the class.

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**5. Homework:**

* Research a company that received venture capital.
* Write a short report on how VC funding helped their business grow.

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**Lesson 3: Crowdfunding**

**Objective:**

* Understand crowdfunding as an alternative way to fund a business.
* Learn the different types of crowdfunding.

**1. What is Crowdfunding (众筹)?**

Crowdfunding is when a **large number of people** contribute **small amounts of money** to support a business or project. It is usually done online through platforms like Kickstarter or GoFundMe.

**Why Do Businesses Use Crowdfunding?**

* They don’t qualify for bank loans or venture capital.
* They want to test the market before fully launching a product.
* They need public support to fund creative projects.

**2. Types of Crowdfunding**

1. **Reward-Based Crowdfunding (奖励众筹):** Supporters donate money in exchange for a product or service.  
   *Example:* A company creates a new smart watch and offers it to people who donate $100.
2. **Equity Crowdfunding (股权众筹):** Investors get shares (ownership) in the business.  
   *Example:* A new electric car company raises money by offering small shares of the company to the public.
3. **Donation-Based Crowdfunding (捐赠众筹):** People give money to support a cause or idea without expecting anything in return.  
   *Example:* A small bakery raises money to rebuild after a fire.

**3. Advantages & Disadvantages of Crowdfunding**

| **Advantages** | **Disadvantages** |
| --- | --- |
| No need to repay money. | Requires **strong marketing** to succeed. |
| Builds a community of supporters. | Campaigns can fail if not enough people contribute. |
| Good for testing new product ideas. | Platforms take a percentage of the funds raised. |

**4. Activity: Create a Crowdfunding Campaign (20-25 min)**

**Task:**

1. In small groups, create a **crowdfunding campaign** for a business idea.
2. Decide which type of crowdfunding to use.
3. Write a short description explaining:
   * The business idea.
   * The funding goal.
   * What supporters will get in return.

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**5. Homework:**

* Find a successful crowdfunding campaign online.
* Write a short report explaining why it was successful.

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