Date 02-07-2020

2:- • PREFERENCE SHARES :- Preference shares are shares in a company that are owned by the people who have the right to recieve part of the company's profits before the holders of ordinary shares are paid. They also have the right to have their capital repait if the company fails or closes as a whole.

• Equity shares :- The form of fractional or part ownership in which the shareholder as a fractional owner takes the maximum business risk. The holders of Equity shares are members of the Company and have voting rights.

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FINANCE:-

The activities associated with banking, leverage or debt, credit, capital markets, money, investments etc. Finance represents money management and the process of acquiring needed funds as a whole. The purpose of finance is to help people save, manage & raise money. Finance needs to have its purpose enunciated and accepted. 3 types of finance are

- Corporate finance.
- Public finance.
- Personal finance.

This is known as finance as a whole.

- Pay back Period:- It refers to the time required to recoup the funds expended in an investment or to reach the break-even point. Example:- A ₹1000 investment made at the start of year 1 which returned ₹500 at the end of year 1 & year 2 it would have a 2year Pay back period.

- Net present value method:- It applies to a Series of cash flows occurring at different times. The present value of a cash flow depends on the interval of time between now & the cash flow. It also depends on the discount rate. Net present Value accounts for the time value of money.