

Preferred stock (also called preferred shares, preference shares or simply preferreds) is a form of stock which may have any combination of features not possessed by common stock including properties of both an equity and a debt instrument, and is generally considered a hybrid instrument. Preferred stocks are senior (i.e., higher ranking) to common stock, but subordinate to bonds in terms of claim (or rights to their share of the assets of the company)[1] and may have priority over common stock (ordinary shares) in the payment of dividends and upon liquidation. Terms of the preferred stock are described in the issuing company's articles of association or articles of incorporation.

#### Equity Share Meaning

An equity share, normally known as ordinary share is a part ownership where each member is a fractional owner and initiates the maximum entrepreneurial liability related with a trading concern. These types of shareholders in any organization possess the right to vote.

#### **What is Finance?**

Finance is defined as the management of money and includes activities such as investing, borrowing, lending, budgeting, saving, and forecasting. There are three main types of finance: (1) personal, (2) corporate, and (3) public/government.

#### Examples

The easiest way to define finance is by providing examples of the activities it includes. There are many different career paths and jobs that perform a wide range of finance activities. Below is a list of the most common examples:

Investing personal money in stocks, bonds, or guaranteed investment certificates (GICs)  
Borrowing money from institutional investors by issuing bonds on behalf of a public company.

#### **What is Payback period and Net present value Method (NPV)?**

The payback period refers to the amount of time it takes to recover the cost of an investment. Simply put, the payback period is the length of time an investment reaches a break-even point. The desirability of an investment is directly related to its payback period. Shorter paybacks mean more attractive investments

Net present value (NPV) is a method used to determine the current value of all future cash flows generated by a project, including the initial capital investment. It is widely used in capital budgeting to establish which projects are likely to turn the greatest profit