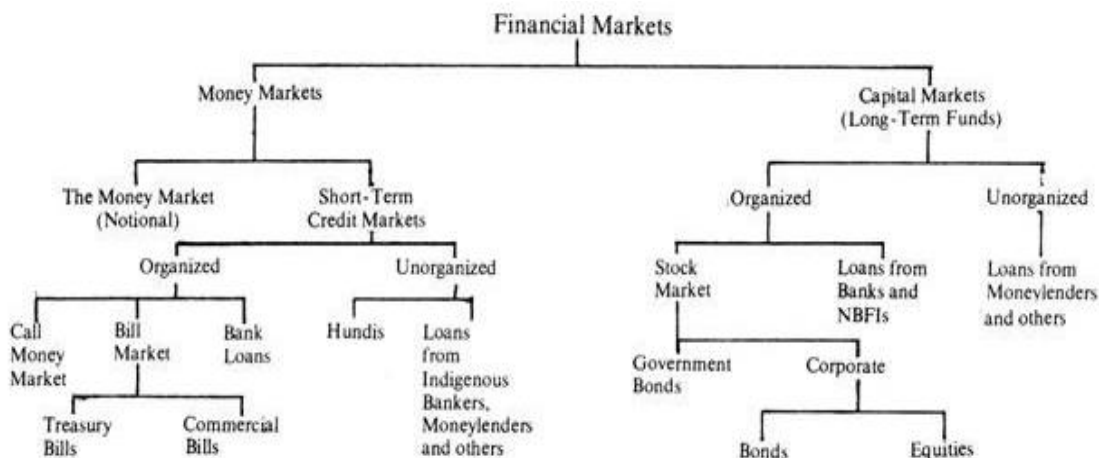


Sourcing Dilemma



After reviewing the above figure. You are required to suggest the right source of financing for a company (profile mentioned in the question). Make sure while suggesting the source of finance you are aligning it with of **timeline**, **cost** and **objectives** of the company and justify the same.

Situation 1 : Mata Steels ltd. is an established company since 20 years. It is planning for expansion and is getting into steel furniture business. It is in need of INR 200 crore and payback period as per thorough research is 5 years. The fund will be majorly used for financing machines whose Estimated useful period is 5 years.

1. Determine the appropriate source by addressing the dimension of Cost of source (high or low), timeline (short or long) and objective/eligibility

Situation 2 :PyRc Wallet is an online digital wallet. It is an idea by an IITian looking into the prospect of lesscash economy. He wish to popularize this product, and estimates INR 100 crore to reach entire India. This goal may take him 8 years approximately. The fund will be majorly used for brand building and improving the reach.

2. Determine the appropriate source by addressing the dimension of Cost of source (high or low), timeline (short or long) and objective/eligibility

Situation 3 :A small cycle repairing shopowner, who does not have bank account and does not have PAN card as he earns hardly to manage the family. He does not have proper accounting of his income and expenses of the shop. He requires INR 1 lakh to modernize and facelift his shop to increase customer.

3. Determine the appropriate source by addressing the dimension of Cost of source (high or low), timeline (short or long) and objective/eligibility.

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