

Abstract

This final thesis deals with various ways of financing a business which are discussed from both economic and legal perspective. The purpose of the thesis is to provide an overview of main possibilities how to finance a business together with stating the related legislation. Different sources of financing are assessed according to their costs, accessibility, flexibility and other criteria. The financing solutions stated in the thesis are discussed mainly from point of view of joint-stock company. In some cases, the author points out also the legislation related to limited liability company. The thesis is divided into four chapters that are further subdivided.

The aim of Chapter One is to provide a basis for the following chapters. It includes definitions of the main terms, short overview of the most important legislation which is relevant to the topic, different approaches to classification of financial sources and also the key factors which influence the choice between various solutions when financing a business.

Chapter Two examines sources of financing which are related to shareholders' equity. Major part of this chapter deals with creation of and increase in registered capital. The question whether to pay out the profit to the shareholders or to use it for future development of the business is discussed as well. Among other topics included in this chapter are for example reserve funds, reserves and depreciation.

Chapter Three is devoted to sources of financing which constitute liabilities. The author selected the most used – bank loans, buying on credit and issue of debentures.

For various reasons, some sources of financing a business do not meet conditions (or are not appropriate) to be included in Chapter 2 or Chapter 3 and therefore are discussed separately in Chapter Four. Among other topics, factoring, forfaiting, leasing and silent companion are discussed in this chapter. Last part of this chapter deals with publicly supported sources of financing.

The Conclusion summarizes the most important findings of all chapters.