

# ABOUT BUSINESS LOANS



# LEARNING OBJECTIVES

Sources of business financing

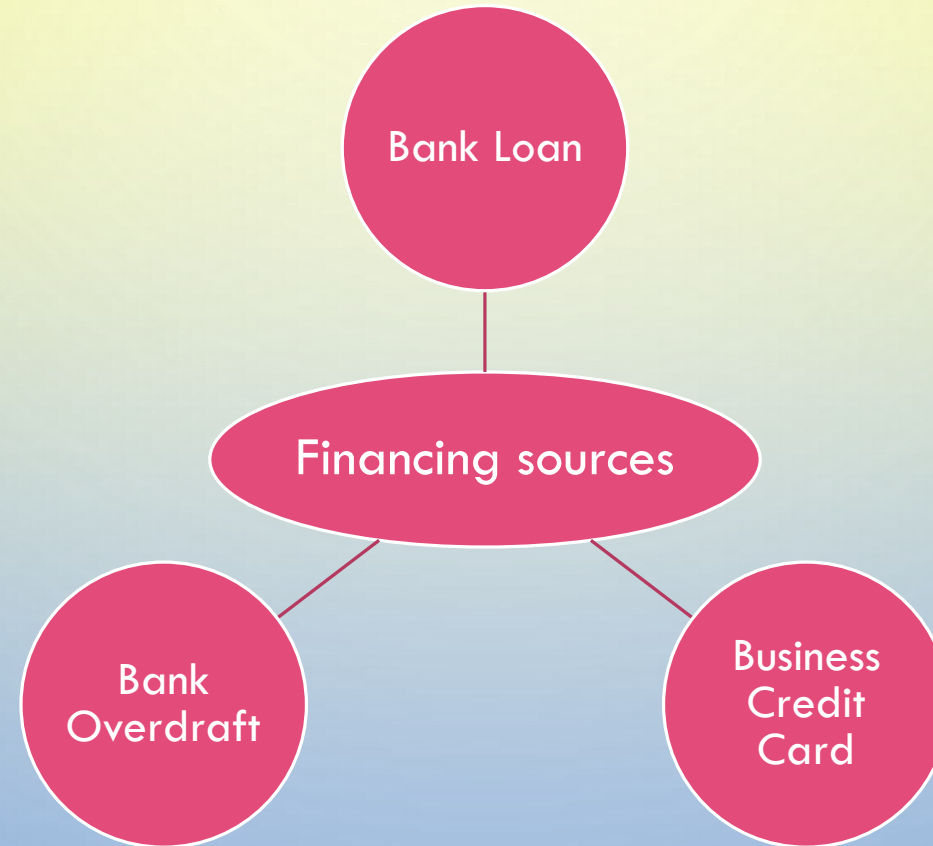
The definition of business loan

The definition of overdraft

The definition of credit card

Six steps of applying for a loan

# SOURCES OF BUSINESS FINANCING



# WHAT IS A BUSINESS LOAN?

- **BUSINESS LOAN** IS “AN AMOUNT OF MONEY THAT IS BORROWED, OFTEN FROM A BANK, AND HAS TO BE PAID BACK, USUALLY TOGETHER WITH AN EXTRA AMOUNT OF MONEY THAT YOU HAVE TO PAY AS A CHARGE FOR BORROWING.”

CAMBRIDGE ONLINE DICTIONARY

- SO,
- **A LOAN** IS A DEBT (A SUM OF MONEY), PROVIDED TO YOU BY A COMMERCIAL BANK OR MICROFINANCE INSTITUTION NOW IN ORDER TO REPAY IT LATER WITH DEFINITE CONDITIONS, ON A SPECIFIC TERM, WITH AN INTEREST.
- [ARTICLE-ON-LOAN.PDF \(BQK-KOS.ORG\)](#)





# WHAT IS A BANK OVERDRAFT?

- **BANK OVERDRAFT** IS “THE AMOUNT OF MONEY THAT YOU OWE TO A BANK WHEN YOU HAVE SPENT MORE MONEY THAN IS IN YOUR BANK ACCOUNT.”

OXFORD ONLINE DICTIONARY

- SO,
- **BANK OVERDRAFT** IS A TYPE OF LOAN THAT ALLOWS THE BUSINESS TO BORROW EXTRA MONEY AT A FEE WHEN THE BUSINESS HAS NO MONEY IN THE BANK ACCOUNT.



# WHAT IS A BUSINESS CREDIT CARD?

- **CREDIT CARD** IS “A SMALL PLASTIC CARD THAT YOU CAN USE TO BUY GOODS AND SERVICES AND PAY FOR THEM LATER.”

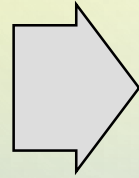
OXFORD ONLINE DICTIONARY

- SO,
- CREDIT CARDS REPRESENT A MEANS OF LENDING OR CREDITING BY WHICH YOU CAN CARRY OUT NON-CASH PAYMENTS FOR GOODS AND SERVICES OR ACCESS CASH AT ATMS. SINCE THESE ARE NOT YOUR FUNDS, PAY ATTENTION TO THE FEES AND INTEREST RATES THAT YOU WILL INCUR, DEPENDING ON THE AMOUNT CREDITED AND THE TYPE OF USE.

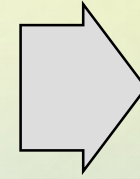


# ZANA'S BUSINESS EXPANSION THROUGH A BANK LOAN

*Zana wants to expand the business*



*For this, Zana needs 10.000 Euros*



*So, Zana decides to apply for a business loan*



# ZANA'S FIVE STEPS OF APPLYING FOR A LOAN

1

Decide why you need a loan

2

Check for eligibility

3

Compare lending options



5

Submit your application

4

Prepare your application documents



# ZANA'S FIVE STEPS OF APPLYING FOR A LOAN

- **ZANA NEEDS TO ANALYSE WHY SHE NEEDS A BUSINESS LOAN**

- NEW EQUIPMENT
- DAILY OPERATIONS



Decide why you  
need a loan

- **ZANA NEEDS TO BUY NEW EQUIPMENT IN THE VALUE OF 10.000 EUROS, THEREFORE SHE DECIDES TO APPLY FOR A BUSINESS LOAN!**

# ZANA'S FIVE STEPS OF APPLYING FOR A LOAN

- **ZANA NEEDS TO CHECK WHETHER SHE IS ELIGIBLE TO APPLY FOR A BUSINESS LOAN!**

- SHE IS AN EXISTING BUSINESS
- SHE HAS A GOOD BUSINESS CREDIT SCORE
- SHE HAS SUFFICIENT MONTHLY REVENUES



Check for  
eligibility

- ***ZANA IS THEREFORE ELIGIBLE TO APPLY FOR A BUSINESS LOAN!***

# ZANA'S FIVE STEPS OF APPLYING FOR A LOAN

- **ZANA NEEDS TO COMPARE THE ALTERNATIVE BUSINESS LOAN OPTIONS**
  - BANK LOAN
  - MICROFINANCE INSTITUTION LOANS



Compare lending options

- **ZANA'S COMPARATIVE ANALYSIS SHOWS THAT THE BEST OPTION IS THE BANK!**

# ZANA'S FIVE STEPS OF APPLYING FOR A LOAN

- **ZANA NEEDS TO NOW COMPLETE THE LOAN APPLICATION FORM**
  - SHE NEEDS TO GATHER ALL THE REQUIRED DOCUMENTS
  - SHE HAS TO FILL-OUT THE LOAN APPLICATION FORM

A large, 3D golden number 4 is centered within a white square. The number has a metallic sheen and a slight shadow, giving it a three-dimensional appearance.

Prepare your  
application  
documents



# ZANA'S FIVE STEPS OF APPLYING FOR A LOAN

- **ZANA NEEDS TO SUBMIT THE LOAN APPLICATION FORM TO THE BANK**



Submit your  
application

- **ZANA'S TAKES ALL THE REQUIRED DOCUMENTS AND THE FILLED-OUT LOAN APPLICATION FORM AND HANDS IT TO THE BANK'S FINANCIAL ANALYST!**

# QUESTION 1

- BUSINESS LOAN IS AN AMOUNT OF MONEY A BUSINESS BORROWS FROM A BANK, AND THAT HAS TO BE REPAYED WITH INTEREST.
  - A. TRUE
  - B. FALSE

## QUESTION 2

- CREDIT CARD IS A SMALL PLASTIC CARD THAT YOU CAN USE TO BUY GOODS AND SERVICES AND PAY FOR THEM LATER.
  - A. TRUE
  - B. FALSE

# QUESTION 3

- BRANDING ELEMENTS INCLUDE NAME, SLOGAN, POSITIONING, STORYLINE AND EMOTIONAL BOUND, AND DESIGN
  - A. TRUE
  - B. FALSE



# QUESTION 4

- SOURCES OF BUSINESS FINANCING INCLUDE:
  - A. BANK LOANS AND BALANCE SHEETS
  - B. BANK OVERDRAFTS AND INCOME STATEMENTS
  - C. BANK LOANS, CREDIT CARDS, AND BANK OVERDRAFTS
  - D. NONE OF THE ABOVE

## QUESTION 5

- ZANA CAN SUBMIT THE LOAN APPLICATION, EVEN IF SHE HAS NOT COLLECTED ALL THE REQUIRED DOCUMENTS.
  - A. TRUE
  - B. FALSE

# RESOURCES

- [HTTPS://WWW.NERDWALLET.COM/ARTICLE/SMALL-BUSINESS/HOW-TO-GET-A-SMALL-BUSINESS-LOAN](https://www.nerdwallet.com/article/small-business/how-to-get-a-small-business-loan)
- [HTTPS://WWW.SBA.GOV/BUSINESS-GUIDE/PLAN-YOUR-BUSINESS/FUND-YOUR-BUSINESS](https://www.sba.gov/business-guide/plan-your-business/fund-your-business)
- [HTTPS://WWW.FORBES.COM/ADVISOR/BUSINESS-LOANS/HOW-TO-GET-A-BUSINESS-LOAN/](https://www.forbes.com/advisor/business-loans/how-to-get-a-business-loan/)
- [ENG-LISTA-E-ISTITUCIONEVE-FINANCIARE-9.12.2021-1.PDF \(BQK-KOS.ORG\)](#)
- [FINANCIAL SERVICES KOSOVO ENGLISH \(EDITABLE\) \(BQK-KOS.ORG\)](#)
- [ARTICLE-ON-LOAN.PDF \(BQK-KOS.ORG\)](#)