

Corporate Finance Fundamentals

Module 4: Capital Financing - Equity

Term	Definition
Angel Investors	Individuals who provide initial capital to startups in exchange for equity or convertible debt.
Capital Stack	The hierarchy of financial instruments used to finance a company, ranging from senior debt to equity.
Common Equity	The basic ownership stake in a company, representing residual ownership after all obligations are met.
Equity Financing	Raising capital by selling ownership stakes in a company, typically in the form of shares.
Preferred Equity	A class of ownership with priority over common equity in terms of dividends and liquidation proceeds.
Private Equity	Investment in private companies or buyouts of public companies to take them private, typically by specialized firms.
Sources of Equity	The origins of equity capital, including retained earnings, angel investors, venture capital, and public offerings.
Venture Capital	Equity financing provided to startups and early-stage companies with high growth potential.