

Corporate Finance Fundamentals

Module 5: Capital Financing - Debt

Term	Definition
Credit Ratings	Assessments of a borrower's creditworthiness, provided by agencies like S&P, Moody's, and Fitch.
Debt & Equity Trade-offs	The considerations between using debt or equity financing, balancing cost, risk, and control.
Debt Capacity	The maximum amount of debt a company can handle without financial distress.
Debt Repayment Profiles	The structure and schedule for repaying a company's debt obligations.
Senior Debt	A class of debt with priority over other obligations in terms of repayment.
Subordinated Debt	Debt that ranks below senior obligations and is repaid only after senior debt is satisfied.