• Advantage of LT over ST debt is that once loan is agreed, company can be confident it will not be taken away
• ST debt needs to be refinanced at regular intervals
• Through diversification, investors can avoid risk and create their own risk portfolio
• Many companies regard diversification as a risk reduction exercise
• Volatility is a good indicator of risk in assessing any financial investment, as a ‘guaranteed’ level of return represents a low risk to the investor
  o If a company diversifies into launch and growth products, the associated risk will increase from the perception of the investor - increased return demanded