partnerships, any loans that are taken out are secured by the partner's own assets, so going into a partnership is still a risky option.

Shares

A company is when a business is registered with Companies House and issues shares to its shareholders. The shareholders own the business and they have an impact on the capital income. The shareholders are usually given a voting right and the more shares that they won the, bigger their influence is in the decision making. Shareholders are rewarded for investing into the business through dividends which is a share of the profits.

Loans

A loan is a certain amount of money lent to the business or Business owner(s) from a bank. It is a lump sum which then has to be paid back at a certain amount of money per month Over the period of the loan, which is usually five years, even though longer-term loans can be negotiated?

With the repayment of the loan, there will be a monthly interest on top. Which is the amount of money the bank charges for the loan as a percentage of the borrowed amount? The interest rate can either be fixed or it may change with changes in the economy. It is the interest that is payable on top of the loan that makes a loan an expensive source of capital income. Also the monthly payments will have to be made even if the business is not making any money.

Mortgages

A mortgage are similar to a bank loan, but they are usually for more amount of money and runs over a longer period of time which is usually 25 years. Mortgages are always secured on an asset, normally a house. People can take out a mortgage to buy a house. Businesses might take out a mortgage to buy their property, for example, a ware house, factor etc.

Revenue income

Revenue income is the money that goes into a business through doing its daily function selling goods or providing a service to the public. What the revenue does depends on the activities that the business does to make a profit, and those three main sources are:

- Sales
- Rent received
- Commission received.