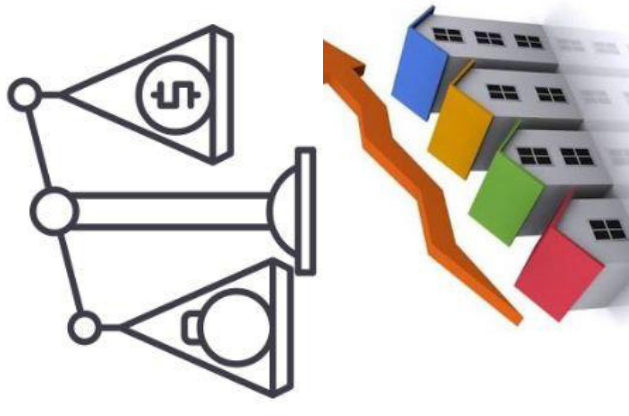


Definitions/ descriptions

DEBENTURES

= raise borrowed capital



CAPITAL GAIN

= return on property investments

DIVIDEND

= return on investments in shares



Simple interest:

interest calculated on original amount

- Yields **less** return on investments
- Original amount remains the **same**
- Total amount of interest earned on investment is **less**

VS

Compound interest:

interest calculated in every period on original amount

- Yields **high** return on investment
- Original amount **grows** interest
- Total amount of interest earned on investment is **high**