

Prior to beginning work on this discussion forum, read Chapters 16, 17, and 18 in the *Foundations of Financial Management* textbook.

Assume you are the CFO of a medium-sized company and you are advising the CEO on some upcoming strategic initiatives that will have long-term implications. In other words, these are important decisions.

For your initial discussion forum post, address the following questions posed by the CEO:

- It appears we may need to raise more capital. Is expanding debt a good idea? Why or why not and should our given assets impact this decision?
- In our economic environment, should we issue bonds, common stock, or preferred stock? What would be some pros and cons?
- Or should we forego this immediate opportunity and buy back some of our outstanding bonds or repurchase some of our common stock? What market conditions would make this a good move; what might be some pros and cons?
- Are we obligated to pay our shareholders a dividend?

Your initial response should be a minimum of 300 words. Support your response with at least one scholarly and/or credible resource in addition to the text.