...ces and further readings

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An Inventory loan: This is a short-term loan made to a business so that it can purchase inventory to sell. That inventory serves as collateral for the lender if the business cannot honour its loan payments.

- Inventory financing is a loan or line of credit that a small-business owner uses to buy inventory. It is flexible. You have a set amount of money you can tap into as needed and you pay back only what you have borrowed. It is called immediate capital solution. It helps a business to take advantage of busy seasons so they can survive through the slow seasons.

CHAPTER 3: SOURCES OF BUSINESS FINANCING

Introduction

Sources of finance for business can be short term, medium term or long term. Conventionally, sources of financing that are available within one year are referred to as short term, those that are available between one and 10 years are intermediate or medium term, and other sources with maturities longer than 10 years are categories as long term.

Examples of short term financing include Trade Credit, Bank Credit, Commercial paper, Account Receivable Loans and Inventory loans.

Intermediate term sources include: Term Loans and Lease Financing while long Term sources include: bonds or Long term Debt, Preferred Stock, Common Stock, as well as Convertibles and Warrants.

In this chapter we shall deal with the short-term sources of financing, first and other sources subsequently.

The first problem in dealing with the short-term source is how to determine the amount of finance, which the firm should use. This can be tackled appropriately by applying the matching principle, which involves the match of temporary needs for funds with short-term sources of financing and permanent needs with long-term sources.

The next problem concerns the question of what specific sources of short-term financing to be selected. In this case, there are four major considerations in selecting a source of short-term:

(a) The burden or cost implications of credit
(b) The availability of credit properly packaged in the amount needed and for the period of time when financing is required and
(c) The influence of the use of a particular credit source on the cost and availability of other sources, and

(d) Ability to provide the necessary requirements to secure the credit.

Short-Term Sources

Trade Credit

This involves the act of selling goods on credit to credit-worthy customers. The firm in need of short-term finance arranges for credit by placing an order with one of its suppliers. If the supplier is satisfied with the firm's credit, the goods will be sent. Later, the purchasing firm will pay for the goods in accordance with the supplier's credit terms.

Types of trade Credit

These can be categorized into three: NOT

(i) Trade Acceptances, (ii) Notes Payable and (iii) Open Account.

(i). **The Trade Acceptance** is a type of trade credit whereby the indebtedness of the buyer is stated in a formal agreement. Here, the seller draws a bill on the buyer ordering him to pay the bill at some future date. The seller will wait until the buyer accepts the bill before releasing the goods. After the buyer has signed the bill, he will designate a bank at which the draft will be paid when it comes due. It is when this is done that the bill becomes a trade acceptance. ?form

(ii). **Notes payable in ~~fear~~ of**, promissory notes can also be used. Under this arrangement, the buyer is required to sign a note to show his indebtedness to the seller. The note will require payment of the obligation at some specific future date. Promissory notes are commonly used where the seller wants the buyer to recognize his debt formally.

(iii). **Open-Account** is perhaps the commonest type of trade credit. In this case, the seller ships goods to the buyer along with an invoice that specifies the goods shipped the price, the total amount due, and the terms of the sale.

It does not require the buyer to sig... instrument evidencing the amount that he owes t...

Terms of Trade Credit CCCTQ

~~Types~~ of trade credit terms include: Terms.

i. Cash Discount:

The seller may offer a cash discount if the credit is settled during the early part of the net period. It is usually specified as: 2/10, net 30, indicating that if the buyer is able to pay within the first 10 days, it will be offered a 2 per cent discount or else the full amount is due in 30 days. A cash discount is given as an incentive to pay early.

ii. Trade Discount

This is a type of credit term, which allows preferential treatment of buyers. In this case, the seller charges one type of customer say a wholesaler a lower price on goods purchased than he charge another type of customer like a retailer.

iii. Quantity Discount:

This is a credit term that attaches discount to a specific quantity of good bought. For instance, a buyer is given a certain percentage of discount if he buys goods above a certain amount.

iv. Cash on Delivery (COD):

This term specifies that payment must be made immediately goods are received.

v. Cash Before Delivery (CBD):

This specifies that payment must be made before the goods are eventually delivered to the owner.

Cost of Trade Credit

(a) Cost to the buyer:

The effective annual cost of not taking the cash discount can be calculated, using the formula:

$$\frac{dr}{100-dr} \times \frac{Yp}{cp-dp}$$

Discount rate
One year period in days. (usually 360)
cp = Credit period.
dp = Discount period.

Example: 3.1

Assume a cash discount of 2/10, net 30 is given to a customer, calculate the cost:

$$\text{Cost} = \frac{2}{100-2} \times \frac{360}{(30-10)} \quad \therefore 0.367 \times 100$$

$$= 36.7\% \qquad = 36.7\%$$

Thus, the effective cost of passing up the 20 per cent discount for 20 days is 36.7%. Once the discount period is passed, it is advisable that the debt should not be paid before the final due date.

(b) Cost to Seller:

This can be calculated using the formula:

$$\text{Cost} = P(1 - dr)\ \frac{(K \times dp)}{Yp}$$

Where P = price per unit of the good
dr = Discount percentage offer (discount rate)
k = Company cost of capital
dp = Cash discount period.
Yp = One year period in days (usually 360)

Example 3.2

Assume:

Price per unit	=	N30
Cash discount	=	2%
Cost of capital of the company	=	15%
Cash discount period	=	10 days

Calculate the cost to seller of the trade credit.

$$\text{Cost} = 30(1 - .02)\ \frac{(0.15 \times 10)}{360}$$

Benefits.

Significance of Trade Credit

The option to use trade credit facility transfers some benefits to the buyer

(i) The buyer has the opportunity of possession before payment.
(ii) It avoids the risks, problems and complications of borrowing from other source like commercial banks.
(iii) It requires no formal agreements for credit to be extended
(iv) It allows the amount of credit extended to increase or decrease as the need arises.
(v) It is easily and conveniently obtained as a normal part of the firm's operations.
(vi) It can be use on a continuous or roll-over basis.

Bank Credit

This refers to unsecured short-term credit usually extended by commercial banks with maturities of one year or less. The rates of interest on such loans depend on two variables: (1) the credit worthiness of the borrower; and (2) the level of interest rate in the economy as a whole.

Line of credit is a form of bank credit and refers to an informal or gentlemen's agreement between the bank customer and the bank with respect to the maximum amount of credit that the bank will provide the borrower at any one time. This agreement usually covers a period of one year, and state that credit will be extended at ¾ per cent over the bank's prime rate of interest, it also requires that the borrower should maintain a minimum balance in the bank throughout the loan period, called, compensating balance. This suggests the main disadvantage of this arrangement or this balance can increase the effective cost of the loan to the borrower, if it is not his usual practice to maintain in the bank deposit balance equal to or greater than the required compensating balance. Example bank overdraft

Cost of Short-Term Bank Credit

There are two main approaches:

i. Collection Basis Approach:

A customer who borrows money for say 6 months is expected, at maturity, to pay back both the principal and the interest expense together.

The cost of maintaining minimum balance of loan grant, say 10% with the bank can be calculated using the formula:

$$C = \frac{r}{P} \times \frac{1}{t}$$

Where

C = cost of maintaining the minimum balance
r = interest
p = principal
t = time.

Example 3.3

FOLARIX (Nig.) Ltd. has a N500, 000 line of credit with PREMIX Bank Ltd., which requires a compensation balance equal to 15 per cent of the loan amount. The company is required to pay 10 per cent interest per annum on the loan of N300, 000 borrowed for a six-month period, and does not, at present have a deposit with the PREMIX Bank Ltd. You are required to calculate the effective cost of the short-term bank credit.

Solution:

To tackle this problem, the following steps can be taken.

First, note that the cost of the loan includes the interest expense plus the opportunity cost of maintaining an idle cash balance equal to the 15 per cent compensating balance.

Second, assume that since the firm does not have a deposit with the bank, it will have to borrow the compensating balance. That is, the actual amount borrowed (B) will be more than the needed N300, 000.

Third, note that the N300, 000 actually borrowed will

comprise 85% of the total borrowed funds due to the 15% compensating balance requirement.

Fourth, to calculate the total borrowed fund (B):

0.85B = N300, 000
B = N352, 941

Fifth, the total interest paid on the borrowed fund (N352, 941) is calculated as:

= 352,941 x 0.10 x ½
= N17, 647

Sixth, the effective annual cost of credit is calculated as:

$$\text{Cost} = \frac{17647}{300{,}000} \times \frac{1}{180/360}$$

= 11.8%

Alternatively

Example 3.4

If we relax the assumption that FOLARIX (Nig.) Ltd. does not maintain deposit with PREMIX Bank and now assumes that the firm keeps a minimum of 15 per cent of the needed amount (N45, 000) in a demand deposit with the bank, then the cost of the credit can be calculated as:

$$\text{Cost} = \frac{15{,}000}{300{,}00} \times \frac{1}{180/360}$$

= 10%

ii. Discount Basis Approach

Unlike the requirement of the payment of principal plus interest at maturity, bank credit can also be extended on a discount basis. This means that the loan interest will be deducted from the loan amount before the money is given to the borrower.

Example 3.5

Refer to Example 3.2 assume the amount of interest of the six months period is deducted from the loan proceeds before the funds are disbursed, the effective annual cost of credit will now be:

$$Cost = \frac{17,647}{300,000-17,647} \times \frac{1}{180/360}$$

$$= \frac{17,647}{282,353} \times \frac{1}{180/360}$$

$$= 12.5\%$$

This implies that the effect of discounting interest was to raise the cost of the loan from 11.8% to 12.5%.

Account Receivable Loans: There must be documentation it is a secured

This is type of secured sources of short-term credit whereby the borrower pledges its account receivables as collateral security for a loan.

There are two types of arrangement for financing based on receivables:

(1) Pledging
(2) Factoring.

Pledging: Is an arrangement whereby the borrowed pledges its accounts receivable as collateral for the loan obtained from a financial institution. The maximum amount of the loan is usually set as a per cent of the total face value of the accounts. Interest rates on account receivable loans are usually from 2 ½ to 6 per cent higher than the bank's prime lending rate.

The lender also charges a handling fee, which is a per cent of the face value of the receivable processed.

The effective cost of using this source of finance can be calculated using the familiar formula:

$$c = \frac{r}{p} \times \frac{1}{t}$$

where

c, r, p and t are as defined earlier.

Example 3.6

City Nig. Ltd. sells books and stationery to schools and colleges on terms of net 60. The company's average monthly sales are N10, 000, thus, given the firm's two months credit terms, its average receivables balance is N20, 000. The company pledges all of its receivables to the UBA Ltd., Ife-Ekiti branch, which in turn advances up to 75 per cent of the face value of the receivables at 4 per cent over the bank's prime rate and with 2 per cent processing charge on all receivables pledge. City Nig. Ltd. maintains the practice of borrowing the maximum amount possible, and the current prime rate is 12 per cent.

Calculate the cost of using this source of financing for a full year.

Solution:

Step (1) Calculate the total Naira cost of the loan

Annual interest expense + Annual processing fee

(0.15 x 0.75 x 20,000) + (0.02 x 10,000 x 12 months)

= (2400) + (1200)

= 3600

Step (2) Calculate the amount of credit extended

= 0.75 x N20,000

= N15,000

Step (3) Calculate the effective cost, using the formula:

$$= \frac{N2400+N1200}{N15,000} \quad \frac{1}{360/360}$$

$$= \frac{N3600}{N15,000} \times 100$$

24%

Factoring

Factoring is an arrangement whereby accounts receivable of a firm are sold involves the outrightly sale of a firm's account to a factor. In this regard, a factor is a financial institution that acquires the receivable of other firms, and in turn bears the risk of collection and for a fee, services the accounts.

The firm can borrow money from the factor pending the payment for its factored accounts. The total loan the firm can obtain is equal to the face value of its factored accounts less the factor's fee (usually between 1 and 3 per cent) less a reserve (from 5 to 10 per cent) less the interest on the loan.

Example 3.7

Assume that N10, 000 in receivables of Excel Nig. Ltd. is factored which carry net 60, a 2 ½ per cent factor's fee, a 5 per cent reserve an interest at 2 per cent per month on advances, calculate the maximum loan or advance the firm can receive.

Solution

Step 1; First calculate the maximum advance in naira as follows:

		N	N
Total receivables factored		10,000	
Less: Factor's fee	(0.025 x 10,000)	250	
Reserve	(0.05 x 10,000)	500	
Interest	(0.02 x ~~7259~~ 9250 x2)	370	
		1,120	
		N8,880	

(Note that interest is calculated based upon a maximum amount of funds available for advance (i.e. N10,000 - N250 - N500 = N9250).

Step 2: Then, calculate the effective cost of credit as follows:

$$\text{Cost} = \frac{N370 + N250}{N8,880} \times \frac{1}{60/360}$$

$$= 41.9\%$$

Medium-Term Sources of Finance

Types of medium-term financing include (1) leasing and (2)

term loans; among others. These two can be discussed in turn:

(i) Leasing

Leasing can be described as a form of intermediate-term finance where a company obtains the use of an asset for a period of time, whereas the legal ownership of that asset remains with the lessor. It provides an alternative to buying an asset in order to acquire its services.

A lease contract is usually provided in lease financing which states the nature of the obligations of the lessor and the lessee. It normally contains the following:

(a) The time during which the lease is non-cancelable and binding.

(b) The amounts and timing of periodic rental payments during the basic lease period, pay N500 per month or grantor.

(c) Possibility of renewing the lease or purchasing the asset at the end of the lease period.

(d) How payment is to be made for the costs of maintenance and repairs, taxes, insurance, and other expenses.

Types of Lease Arrangements: DLS

Three major types of lease arrangements exist. Direct leasing, sale and leaseback, and leveraged leasing. Any of these three can take one of two options

(i) Financial Lease

This refers to a situation where the lessor transfer, substantially all the risks and reward of ownership of an asset to the lessee. The rental payable will be sufficient to repay the lessor cost of the equipment. The lessee is responsible for maintenance and insurance throughout the lease period. The term of the lease is for the major part of the useful economic life it is for eventual transfer of ownership to lessee.

It is a non-cancelable contractual commitment on the part of the lessee to make a series of payments to a lessor for the use of an asset.

APC

(ii) Operating Lease

This differs from the financial lease only with respect to its cancelability and maintenance of asset and insurance. An operating lease can be cancelled after proper notice to the lessor any time during the lease period. Also, the lessor is responsible for maintenance and insurance. Therefore, operating lease is by its very nature a source of short-term financing. The financial lease remains the source, which provides the firm with a form of intermediate-term financing most comparable to debt financing.

Merits of Leasing as Financing Option

(i) It is advantageous for companies with liquidity problems, since it involves a lower initial cash outflow when compared with other sources of finance.

(ii) It conceals the indebtedness of the company, especially the operating lease.

(ii) It helps in reducing the problem of obsolescence of equipment in the face of rapid change in technology.

(iii) It allows lessor to gain tax advantage, which also pass on to lessee as low rental changes.

(v) Leasing is more attractive than outright purchase (operating lease) due to problem of scarcity of spare parts and maintenance facilities for the equipment.

Demerits of Leasing as Financing Option

CFLS

(i) Seizure: Default in rental payment may lead to seizure of the equipment and this may greatly disrupt the production process of the company.

(ii) Forfeiture of flexibility: It may read to a forfeiture of the benefits accruing to personal ownership of equipment. For example, modification and amendmentof the equipment to suit specific purpose, usage of equipment as collateral.

(iii) Liquidity problems: Inaccuracies in cash flow prediction of the future years could create liquidity problems for the continuing payment of agreed lease rentals.

(iv) Cancelable lease: If a lease agreement is cancelled half way, the consequence may be a disruption of production process.

Direct Lease

This involves a firm acquiring the services of an asset it did not previously own. The arrangement is such that the lessor purchases the asset and leases it to the lessee. This type of leasing is available through a number of financial institutions including banks, fiancé house, leasing companies and manufacturers. .

Sale and Leaseback

This arrangement occurs when a firm sells asset that it already own to a lessor and simultaneously enters in to an agreement to lease the property back for a specific period under specific terms. The lessee receives cash in the amount of the sales price of the assets sold and the use of the asset over the term of the lease. In addition, the lessee must make periodic rental payments throughout the term of the lease and give up any scrap value to the lessor.

Leveraged Leasing

This arrangement involves three parties: (1) the lessee, (2) the lessor and (3) the lender. The added party, the lender, helps in providing finance for the acquisition of the asset to be leased. The significant point to note in this type of leasing concerns the method of financing used by the lessor in acquiring asset. The lessors usually supply equity funds to 20-30 per cent of the purchase price and borrow the remainder from a third-party lender. The lessor may also sell bonds, which are guaranteed by the lessee. Such guarantees serve to reduce the risk and thus. the cost of the debt.

The Lease-Versus-Purchase Decision:

The lease-vs-purchase problem is a capital-budgeting mix

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- AIRTEL 1.5GB @ 1000, 3.5GB @ 2000, 7GB @ 3400, 10GB @ 5000.

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the goods shipped/transported, price, total amount due and the terms of ~~sales~~ the sales.

- It does not require the buyer to sign a formal debt instrument evidencing the amount that he owes the seller.

TERMS OF TRADE CREDIT

(a) cash Discount, (b) Trade discount (c) Quantity Discount (d) Cash on Delivery (COD), (e) Cash before Delivery (CBD)

Significance of Trade credit

- The buyer has opportunity of possession before paym
- It avoids the risks, problems and complications of borrowing from other source like banks.
- It requires no formal agreements for credit to be extended
- It allows the amount of credit extended to increase or decrease as the need arises.
- It is easily and conveniently obtained as a normal part of the firm's operations.
- It can be used on a continuous or roll-over basis.

B. Bank credit / Bank over-draft

- This is an unsecured short term credit.
- It is usually extended by commercial banks with maturities of one year or less.
- Rate of interest on such loans depend on two variables: (1) the credit worthiness of the borrower (2) the level of interest rate in the economy as a whole.
- Before overdraft is granted to customer, the following factors are considered:
- the amount of the ~~draft~~ over-draft.
- purpose, methods of repayment, duratio

of the over-draft and the character of the borrower.

- This line of credit is called bank credit
- It is ~~informal~~ based on ~~gentleman's~~ gentleman's agreement between a customer and the bank
- The borrower should maintain a minimum balance in the bank throughout the loan period call Compensating balance.

Commercial paper (C)

- It is being used by big companies with good credit rating
- They issue commercial papers that are purchased by investors in the money market.
- They are short term unsecured promisory notes issued by finance houses and certain industrial organisations
- Their rates are higher than that of treasury bills but the same as that of banker acceptances and are sold on a discount basis.
- Maturity is between ~~one month and~~ 30 days and 180 days (1 month & 6 months).

Account Receivable Loans

- This is a line of credit extended by a company and normally have terms that require payments due within a relatively short time period, ranging from a few days to a fiscal or calender year.
- It is the balance of money due to a firm for goods or services delivered or used but not yet paid for by customers
- These are amounts of money owned by customers to another entity for goods or services delivered or used on credit but not yet paid for by clients
- It is a legally enforceable claim for payment held

Acc. Receivable can be called Accruals: These are amounts owing on services rendered to the firm for which payment has not been made. Accruals include wages payable, taxes payable etc. The amount owed is a source of financing.

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Question

by business for goods supplied and/or services rendered that customers/clients have ordered but not yet paid for.

- These are generally in the form of invoices raised by a business and delivered to the customer for payment within an agreed time frame.

* An Inventory loan:- This is also short-term loan made to a business so that it can purchase inventory to sell. That inventory serves as collateral for the lender if the business cannot honour its loan repayments.

- Inventory financing is a loan or line of credit that a small-business owner uses to buy inventory. It is flexible: you have a set amount of money you can tap into as needed and you pay back only what you have borrowed. It is called Immediate capital solution.

- It helps a business to take advantage of busy seasons so they can survive through the slow seasons.

MEDIUM-TERM SOURCES OF FINANCE:

(a) Bank Term Loans (b) project Finance (c) Equipment leasing (d) sales and leaseback (e) Hire purchase (f) Mortgage (g) venture capital

Bank Term loans

- It is similar to bank overdraft except that it is available for a longer period.
- It carries a higher interest charge because of the longer period covered.
- The collateral required for bank term loan is often higher than bank overdraft.
- Banks would normally carry out a more stringent evaluation of the company and project which the fund is required.

Lessor: the owner of the property that is leased.
Lessee: Someone who is allowed to use a house, building or land for a period of time in return for payment to the owner.

- The degree of control over bank term loan is higher than bank overdraft.
- The maturity ranges from 5 to 10 years.
- Such loans are ~~repay~~ repaid in periodic installments over the entire loan period.
- It commonly comes from commercial banks, insurance companies and to a lesser extent pension funds.

Features of Term Loans.

- They have a medium term maturity of say 5-10 years
- They must be backed by appropriated and adequate collateral security.
- The security must be up to 65% of the value of the loan secured.
- The term loan agreements place certain restrictions on the borrower such that when they are violated the loan become due immediately and payable. This is called protective convenants of a loan agreement.

~~and~~

- Project Finance

This is a self-liquidating facility with the following characteristics:

- The financial standing of the borrower is not important.
- The proceeds from the project should be sufficient to repay the capital together with the interest.
- The project/property financed will serve as security.

Equipment leasing:

This is a method of financing the economic use of an asset without necessarily acquiring title to them. Vehicles, plants and equipment and ~~infect~~ indeed, virtually any type of capital equipment can be acquired through a lease agreem as an alternative to buying them.

- The lease contract usually specifies a periodic lease payment to be made by the ~~lea~~ lessee to the lessor.
- The owner of the asset is called the lessor while the user of the asset is known as the lessee.

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Reasons why Companies may Consider leasing as an alternative to buying:

- When they have problems in raising sufficient fu[nds] to acquire them.
- When there are some other pressing investment opportunities.
- When such assets are only needed for a specific duration of time.

Merchant Banks & other specialized financial institutions provide lease financing in Nigeria.

- There are 2 types of lease:

(a) Finance Lease: This is where the risk and bene[fits] of ownership have been substantially transfer[red] to the lessee.

- the lessee usually bears the insurance and mainten[ance] costs of the equipment.

(b) operating Lease A lease where the risk and benefit[s] of ownership remain with the lessor.

- The maintenance and Insurance Cost s are normally borne by the lessor.
- An operating lease is usually short-term in nature,
- It Could ~~be~~ extend through to five years
- periodic lease payments are expected to be made for the use [of] assets that come under operating leases and such assets usually have useful lives higher than the leas[e] period and a value that is higher than the total leas[e] payment. eg Computers and authomobiles

Hire Purchase (vendor credit)

- This is an arrangement under which the hirer, in return for the use of an asset undertakes to Make periodic payments to the owner of the ass[et].
- He is expected to assume ownership of the assets after the payment of the last Installment.

Mortgage: This is an alternative to sale and lease back
- It is possible for a company to arrange to borrow money by means of a mortgage on freehold property.
- The most likely institutions that are prepare to lend on such a basis are insurance companies, investment companies and pension funds.
- The repayments of principal plus interest may be spread over a long period of time
- The ~~interest~~ interest rate is usually lower than that of commercial banks.

Long term sources

(1) Equity Capital/ordinary share capital
- The holders of this capital are the owners of the business
- They control the business through their votes
- They bear the greatest risk in the firm
- They benefit from the success of the firm or business.
- They are expected to have higher rate of returns than most other providers of finance
- The participate in the sharing of profits when preference shareholders have received their dividend
- They are paid last in the event of winding-up.

(2) Preference share capital:
- They have a fixed rate of dividend
- ~~Their~~ Holders are paid in full before any payment is made to ordinary shareholders.
- Dividends are paid only if the company makes profit
- However, such ~~up~~ unpaid dividends may be paid in the future when the company makes profits
- A higher rate of dividends is usually paid to holders as compensation for using their funds
- In case of winding-up, holders have preference over the ordinary shareholders in the payment of capital
- They are not entitled to any voting rights
- preference share capital is usually more expensive source of finance than debenture.

(3) Debenture stock / Loan stock

- The debenture ~~stock~~ stock or loan stock is a long term debt finance raised by a company for which interest is paid usually at a fixed rate.
- The company must pay the interest whether the company makes profits or not.
- Loan stock has a nominal value
- Debentures are a form of loan stock that is ~~ge~~ legally defined as "the written acknowledgement of a debt incurred by a company", usually given under the company sea and containing provisions as to the payment of interest and eventual repayment of principal
- He is not a member of the business, rather, he is a creditor.
- In practice, the term "debentures" may be restricted to secured loans

Features

(a) They are not entitled to voting rights
(b) They are fixed interest securities entitled to annual interest payments
(c) The interest elements are tax deductible
(d) They could be redeemable, irredeemable or convertible
(e) The principal amounts are usually secured on the assets of the company and could ha
- Floating charges
- Fixed charge
- Combination of (a) and (b)

~~It is le~~

(f) It is less risky than preference share

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