RCMOS – Multidisciplinary Scientific Journal of Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Year V, v.1 2025. | submission: 2025-09-26 | accepted: 2025-09-28 | publication: 2025-09-30

Raising financial resources

Capital Raising

Emauela Rabello de Oliveira - Federal University of Santa Catarina Must University

SUMMARY

This study aims to analyze fundraising processes and strategies in the financial and capital markets, investigating the different financing options available to companies and the impact of debt on corporate value. The topic addresses the importance of efficient financial resource management, which is essential for the growth and sustainability of organizations. The methodology used is a literature review, analyzing studies and theories on fundraising mechanisms, financing options, and the effects of financial leverage. Throughout the research, instruments such as share issuance, debentures, and bank loans are discussed, in addition to delving into the risks and benefits associated with debt. The conclusion indicates that, while debt can be an effective tool for driving growth, its impact on company value depends on prudent management aligned with long-term strategic objectives.

Keywords: Fundraising, Financial market, Debt, Corporate value.

ABSTRACT

This study aims to analyze the processes and strategies of fundraising in the financial and capital markets, investigating the different financing options available to companies and the impact of indebtedness on corporate value. The theme addresses the importance of efficient management of financial resources, which is essential for the growth and sustainability of organizations. The methodology used is a literature review, in which studies and theories on funding mechanisms, financing options, and the effects of financial leverage are analyzed. Throughout the research, instruments such as the issuance of shares, debentures, and bank loans are discussed, in addition to delving into the risks and benefits associated with indebtedness. The conclusion points out that, although debt can be an effective tool to drive growth, its impact on the value of the company depends on prudent management, in line with long-term strategic objectives.

Keywords: Fundraising, Financial market, Indebtedness, Corporate value.

1. INTRODUCTION

In the current economic context, characterized by uncertainty and constant evolution, organizations need to adopt effective financial strategies to ensure financing for its operations, expansions, and innovations. The financial and capital markets offer a variety of fundraising alternatives, each with its own characteristics, costs and associated risks, which requires careful analysis by financial managers. The difficulty in identifying the better fundraising options and balance capital needs with the risks involved can affect the financial health of organizations

The study is justified given the need for a deep understanding of the options for

RCMOS – Multidisciplinary Scientific Journal of Knowledge.
ISSN: 2675-9128. São Paulo-SP.

raising financial resources and assessing the impacts of debt are essential for strategic decision-making. Study the different alternatives available, such as bank loans, issuance of shares or debentures, and their effects on the value of company, is essential to allow managers to adopt the best financial practices, minimizing risks and maximizing opportunities for sustainable growth. The research on this topic is relevant, as it helps companies of different sizes to navigate more security due to the complexities of the financial market.

The objective of the study is to analyze the processes and strategies of raising funds in financial and capital markets, addressing the different options available to companies and investigating the impact of debt on corporate value.

The method used in the study is related to the bibliographic review, which is about the raising financial resources in the financial and capital markets, the different options for financing available to companies and the impact of debt on the value of organizations. The literature review allows us to understand the theories, models and practices adopted by other scholars and professionals in the field, in addition to providing a solid basis for the analysis and discussion of the proposed themes.

1 Theoretical Framework

1.1 Raising Funds in the Financial Market

Raising funds in the financial market is one of the most important strategic decisions relevant to the sustainability and growth of a company. The main objective is guarantee the necessary financing to carry out expansion, innovation and infrastructure improvement. For Abreu et al. (2012), the financial manager's ability to evaluate correctly the fundraising opportunities and available financing sources can determine the success of the organization in terms of profitability and competitiveness in the market. The decision to raise funds is impacted by several factors, including the economic situation of the market, the company's financial conditions, and long-term objectives. The manager must, therefore, balancing financing options with growth strategies and risk financial that the company is willing to assume.

Molon (2022) highlights that, in addition to traditional fundraising options, the manager must consider various financial indicators to assess the company's financial health and, thus,

RCMOS – Multidisciplinary Scientific Journal of Knowledge.
ISSN: 2675-9128. São Paulo-SP.

improve decision-making. Among the main indicators are the Margin of Safety, the Break-Even Point and the Degree of Operating Leverage. The Margin of Safety, for example, it provides a measure of the company's vulnerability to changes in revenue, while The Break-Even Point is essential for calculating the sales volume needed to cover costs fixed and variable. These indicators allow the manager to make adjustments to pricing strategies and costs, in order to guarantee financial stability and, at the same time, explore new financing possibilities.

The Contribution Margin is another relevant indicator, as it allows us to evaluate the profitability of each product or service offered by the company. Oliveira Filho et al. (2009) argue that by understanding the Contribution Margin, the manager can make more informed decisions informed about which products should be kept or discontinued, how to adjust prices and how to improve operational efficiency. Assaf Neto (2007) reinforces the relevance of Margin of Safety, which helps companies assess the extent to which they can face losses without entering a loss-making situation. These indicators provide insight clear view of the company's cost structure, which is essential to ensure the viability of the long-term business.

According to Nielson (2019), transparency is a key factor in fundraising financial. To successfully issue shares or debentures, for example, the company you need to present a clear and realistic plan, as well as ensuring that your statements financial statements are accurate and reliable. This is essential to attract investors, who are looking minimize risks by assessing the company's financial health and growth potential. Investor confidence is therefore a valuable asset that the company needs to cultivate over time. of time.

Cash flow is undoubtedly one of the most critical aspects of fundraising, as pointed out by Torres (2020). When a company is unable to generate a cash flow consistent cash flow, it becomes more vulnerable to financial difficulties and loses credibility in the market. Efficient cash flow management is essential to ensure that the company has the resources necessary to meet its financial obligations, in addition to allowing it seize new investment opportunities. Investors and lenders are highly sensitive to the company's cash flow, as it reflects the capacity to generate resources in the short and long term.

Crockett (2008) highlights the growing role of brokerages and capital markets in fundraising process. Brokerages have become essential intermediaries between companies and investors, facilitating the issuance and trading of stocks and bonds. This role

RCMOS – Multidisciplinary Scientific Journal of Knowledge.
ISSN: 2675-9128. São Paulo-SP.

has intensified with the advancement of communication technologies and the growth of financial markets. Brokerages offer investors a diverse range of investment options, while companies can access a wider network of investors, which increases their chances of success in issuing bonds or shares.

Mehrling (2010) explains that although banks still play a role fundamental in the financing of companies, capital markets have gained relevance by offering a direct alternative for fundraising. Instead of relying exclusively from bank loans, companies can issue debt securities or shares directly in the financial market, which offers more flexibility and, often, better financing conditions. Direct access to capital markets can reduce the dependence on banks and reduce the risk of high financial leverage.

The interaction between corporate cash flow and the financial system is a topic important treatise by Singh (2014). The author emphasizes that the efficiency of the "network of interactions financial" is vital for the proper functioning of the financial market, as the liquidity of companies depend on the ability to access financial resources quickly and efficiently. For Singh, the lack of adequate financial infrastructure can harm not only the companies, but also the general stability of the financial system, since inefficiency in transactions may result in a liquidity crisis.

According to Wray (2015), risk analysis should involve a detailed assessment of the expected return on investments and the company's ability to meet its financial obligations. Credit risk and market risk are aspects that must be carefully monitored to ensure that the company does not become overwhelmed with debt. The The challenge is to balance the search for capital with the ability to manage risks and guarantee long-term solvency.

1.2 Fundraising Options

Companies have a variety of options at their disposal to raise capital financial, and the choice of the most appropriate alternative depends on the characteristics of the organization, the stage of development it is in and the strategic objectives defined. Braga (1996) highlights the importance of the Break-Even Point in the analysis of viability financial situation of the company. According to the author, the Break-Even Point is essential to determine the minimum level of sales required to cover fixed and variable costs, and from that point, the company starts to generate profit.

Borinelli and Pimentel (2010) reinforce the relevance of the Contribution Margin, which allows you to calculate the profitability of each product or business line. This indicator is crucial to identify which products or services are most profitable, contributing to an allocation more efficient use of resources. With the analysis of the Contribution Margin, the company can take strategic decisions such as discontinuing underperforming products, adjusting their offer to what actually generates profit. This type of analysis allows the company to focus on areas of greater profitability, boosting their growth.

Matarazzo (2018) introduces the concept of Degree of Operating Leverage (GAO), which measures the impact of changes in sales on a company's operating profit. When the GAO is high, it means that small changes in sales can generate large variations in profit.

Cash flow is another indispensable tool in assessing financial viability and fundraising. Assaf Neto (2012) emphasizes that cash flow must be managed with accuracy, as it reflects all resource inflows and outflows over time. The analysis detailed cash flow analysis allows the company to have a clear view of its ability to generate liquidity, which is essential for paying debts and executing investments. Companies with positive cash flow have an easier time raising new funds, as demonstrate greater solvency and lower financial risk.

Issuing shares is one of the traditional ways of raising funds in the market financial. According to Mehrling (2015), issuing shares offers an effective alternative to growing companies, because, in addition to guaranteeing the necessary capital, this option does not require the payment of interest. However, this form of fundraising implies the dilution of shareholding control, which can be a disadvantage for majority shareholders who want to maintain control of the company. Furthermore, issuing shares can be an effective solution, but it can also make the company vulnerable to capital market fluctuations, which may affect the value of shares and investor interest.

Issuing debentures is another alternative for raising funds, and one of the main advantages of this option is the non-dilution of shareholding. Wray (2015) highlights that the issuance of debentures is particularly advantageous for companies that do not wish to lose control over its operations. However, the use of debentures implies a commitment to the payment of periodic interest, which increases the risk of debt. The company must be prepared for honor these commitments, especially if your cash generation is not sufficiently

RCMOS – Multidisciplinary Scientific Journal of Knowledge.
ISSN: 2675-9128. São Paulo-SP.

robust.

Bank financing continues to be one of the most common ways of raising capital. resources. Carvalho (2015) notes, however, that access to bank credit has become increasingly restricted. Banks require stricter guarantees and a process of analyzing more detailed credit, especially in periods of economic uncertainty. Despite this, the bank loans are still an important option for many businesses, especially those that have a history of relationships with financial institutions.

An innovative alternative for raising funds is debt instruments perpetual, which do not have a fixed maturity date. Crockett (2008) points out that this type instrument offers greater flexibility in principal repayment, but investors require a higher return due to the risk associated with this type of financing.

Kregel (1997) explains that these forms of financing offer an opportunity for companies to raise capital without resorting to traditional financing methods, such as bank loans or issuing shares.

1.3 Impact of Debt on Company Value

According to Bordeaux-Rego et al. (2006), in addition to operating costs and revenues, the cash flow cash flow must consider the financial costs associated with financing the project, such as interest on loans or the use of own resources.

Non-Computable Areas are those that, although they perform essential functions in the property, are not included in the occupancy analysis. They include technical spaces, such as corridors and stairs, and specific areas, such as warehouses or laboratories, which are necessary for the functioning of the building, but do not directly impact the use of areas intended for administrative work. These areas are relevant to the planning of infrastructure and operational support of the property, but do not contribute to the dimensioning of useful area (COPELAND et al., 2002).

According to Assaf Neto (2005), the cost of capital is the minimum required rate of return for an investment to be considered viable, and its determination involves considering the expected rates of return for the project risk. According to Abreu et al. (2012), the cost of capital is the minimum return required by investors to finance a project, consisting of cost of shareholders and cost of creditors, according to the company's capital structure.

A company's debt has a direct impact on its market value,

RCMOS – Multidisciplinary Scientific Journal of Knowledge.
ISSN: 2675-9128. São Paulo-SP.

and the proper use of debt can both increase value and reduce the risk of bankruptcy. Minsky (2000) highlights that debt can be an effective tool for financing growth and improve a company's profitability. However, Minsky warns that that excessive use of debt can be dangerous, as the company becomes more vulnerable to financial crises and falling profits.

Torres (2020) discusses the concept of “survival constraint” and the importance of a company has sufficient cash flows to guarantee solvency. When debt reaches excessive levels, the company's cash flow may be compromised, which increases the risk of bankruptcy. Torres highlights that the assessment of financial risk and the ability to cash generation is crucial to determine the viability of continuing to operate at levels high levels of debt.

Wray (2015) states that leverage can be an efficient way to improve profitability of the company's shares, as long as the return on investment exceeds the cost of the debt.

Mehrling (1999) observes that during economic crises, highly in debt face greater financial difficulties, which can reduce their value market. Companies with a high level of debt may see their shares devalued, as investors perceive an increased risk of bankruptcy.

Minsky (2016) concludes that the balance between the use of debt and the ability to Payment is essential to ensure the company's financial stability. If well managed, debt can be a powerful tool to finance growth and increase company value.

2 Final Considerations

Understanding the financing alternatives available, such as issuing shares, debentures, and bank loans, is crucial for organizations to be able to make decisions informed that align their capital needs with the risks and benefits of each modality. However, the approach to the different options must go beyond simple comparison, considering aspects such as the macroeconomic context, the company's financial health and the long-term strategic objectives, to ensure that fundraising is not only viable, but also advantageous in terms of costs and future impacts.

On the other hand, investigating the impact of debt on corporate value is a

RCMOS – Multidisciplinary Scientific Journal of Knowledge.
ISSN: 2675-9128. São Paulo-SP.

relevant approach, as the use of debt can significantly influence the perception of risk and, consequently, the company's value in the market. Financial leverage, when well managed, it can promote accelerated growth and greater profitability, but also can expose the organization to serious risks, such as insolvency in crisis or low performance scenarios financial performance. Therefore, the study should criticize the simple adoption of models of debt as a solution for growth and explore the necessary balance between debt financing and maintaining a healthy capital structure that preserves the company value and minimize vulnerability to economic shocks.

3 References

Abreu, JCF de, & et al. (2012). *Corporate finance* (11th ed.). FGV Publisher.

Assaf Neto, A. (2005). *Corporate finance and value* (2nd ed.). Atlas.

Assaf Neto, A. (2012). *Corporate finance and value* (6th ed.). Atlas.

Assaf Neto, A., & Lima, F.G. (2010). *Fundamentals of financial management.* Atlas.

Bordeaux-Rego, R., Paulo, GP, Spritzer, P. IM, & Zotes, LP (2006). *Economic and financial viability of projects.* FGV Publishing House.

Borinelli, ML, & Pimentel, RC (2010). *Accounting course for managers, analysts and other professionals.* Atlas.

Carvalho, F. (2015). *Liquidity preference and monetary savings.* Routledge.

Crockett, A. (2008). *The role of financial markets in the modern economy.*

Kregel, J. (1997). Margins of safety and weight of the argument in generating financial fragility. *Journal of Economic Issues,* 31(2), 493-505.

Marion, A. (2018). Comparative analysis of financial indicators: Case study of retail companies. *Brazilian Journal of Business,* 2(3), 3190-3210.

Matarazzo, DC (2018). *Financial analysis of balance sheets: A managerial approach* (8th ed.). Atlas.

Mehrling, P. (2010). *The new Lombard Street: How the Fed became the dealer of last resort.* Princeton University Press.

Mehrling, P. (2015). *Elasticity and discipline in the global swap.* Barnard College and INET.

Minsky, H. (2000). *Induced investment and business cycles.* Edward Elgar.

Minsky, H. (2016). *Can "it" happen again? Essays on instability and finance.* Routledge.

Nielson, L. (2019). Financial management in corporate organizations. *Journal of Business Finance.*

RCMOS - Multidisciplinary Scientific Journal of Knowledge.
ISSN: 2675-9128. São Paulo-SP.

Oliveira Filho, NF, Vitorio, M., Bruni, AL, Junior, CVDOC, & da Rocha, JS (2009). The importance of contribution margin for measuring the operational performance of an urban transportation company. *Proceedings of the Brazilian Cost Congress (ABC).*

Silva, RF, & de Oliveira, H. (2014). Use of contribution margin for decision making: A case study at Oliveira Calçados. *UNIPAR Business Sciences Journal,* 15(2).

Singh, M. (2014). Financial plumbing and monetary policy. *IMF Working Papers*

Torres, E. (2020). Minsky: Money, survival constraints and hierarchy of the globalized monetary system. *Economy and Society,* 29(3), 1-20.

Wray, L. M. (2015). Minsky on banking: Early work on endogenous money and the prudent banker. *Working Paper,* no. 827, Levy Economics Institute of Bard College, Annandale-on-Hudson, NY.