5. Raising capital: equity and its consequences

Chapter: (p. 63) 5. Raising capital: equity and its consequences

Author(s): Alan Dignam and John Lowry

DOI: 10.1093/he/9780198811831.003.0005

Titles in the Core Text series take the reader straight to the heart of the subject, providing focused, concise, and reliable guides for students at all levels. This chapter focuses on raising equity from the general public and its consequences for the operation of the company. It begins by outlining the basics of raising equity before turning to the consequences of operating in a public market, with emphasis on areas such as takeovers and insider dealing. It then considers the distinction between public and private companies in terms of capital raising, how such companies are regulated, and how public companies differ from listed companies. It also discusses various methods of raising money from the public, the role of the Financial Conduct Authority and the London Stock Exchange in ensuring the proper functioning of the listed market in the UK, and the regulation of listed companies as well as takeovers and other public offers.