Why companies borrow

Name: _____ Class: _____ Date: _____

Companies borrow for different reasons. In this lesson you will match four real companies to four reasons, using facts from their filings as evidence.

What to do

1. Read the four company cards below with a partner.
2. In Part C of your worksheet, match each card to a reason: build, buy, general purposes or lend.
3. Copy one fact from the card as your evidence.
4. The exit ticket is on page 2 of your worksheet.

Part A. Warm-up: the bakery (made-up numbers)

The bakery brings in $20,000 of cash a year. A new oven costs $30,000.

1. A1. Name two ways the bakery could pay for the oven.

   _____

   _____

2. A2. If it borrows, what does it pay later besides the loan itself?

   _____

Part B. Four reasons

Copy the four reasons and write one example of each in your own words.

Build: _____

Buy: _____

General purposes: _____

Lend: _____

Part C. Match the cards

For each card, write the reason and one fact from the card as evidence, with its period.

Oracle: Reason _____ Evidence: _____

AT&T: Reason _____ Evidence: _____

Apple: Reason _____ Evidence: _____

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Ford Credit: Reason _____ Evidence: _____

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Part D. Do the math

D1. Oracle, FY2026: capital spending $55,663 million − cash from operations $31,977 million = $_____ million.

D2. AT&T, first nine months of 2026: debt issued $35,870 million − debt repaid $10,172 million = $_____ million.

1. D3. Ford Credit, Dec 31, 2025: were its loans and leases to collect ($146.3 billion) larger or smaller than its debt ($141,417 million)?

   _____

2. D4. Pick one card. In one sentence, what did the borrowed money pay for?

   _____

   _____

Advanced (optional): Meta

Meta first issued notes in August 2022. It had $83.7 billion of notes on Sep 30, 2026.

1. Look up Meta's capital spending for FY2021 and FY2025 on its Cityfort page. Describe in two sentences how its borrowing changed alongside it.

   _____

   _____

   _____

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Exit ticket

1. Name two reasons a company borrows.

   _____

2. Where in a 10-K or 10-Q can you see how much debt a company issued and repaid?

   _____

3. Pick one company from the lesson. What did its borrowing pay for, according to its filing?

   _____

   _____

Word bank

Capital spending (capex)	Money spent on buildings and equipment that last years.
Cash from operations	Cash the day-to-day business brought in during the year.
Notes (bonds)	Debt a company sells to investors and pays back on set dates, with interest.
Spectrum	Licenses to use certain radio frequencies, which wireless networks need.
Receivables	Money customers owe a company and are expected to pay.

Sentence starters

- ____ borrowed to ____. The evidence is ____ (filing, period).
- In ____, ____ spent $____ but its operations brought in $____.
- The filing says the money could be used for ____.

student page

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