1. **In a short essay describe the basic method known as foreign presales and gap financing.**

**ANSWER:** Gap financing is when you package your unshot film and sell it to the international buyers at the film market. You are basically selling the rights to distribute your film in different countries at a steeply discounted price. If you can’t get your right budget from the foreign presales, you can get a bank to loan you the rest based on the value of the remaining markets.

1. **Why is an entertainment attorney important? How can he help you?**

**ANSWER:** Most investors invest money as a profession and they rely on their investments to support them in the manner they are accustomed to. If you are one of their investments and your plans go sour your original investments will have an army of lawyers knocking on your door wanting the cash that they invested on you. So getting an entertainment attorney is very important to have when you enter the business.

1. **Explain the different kinds of insurance and why they are important.**

**ANSWER:** The different kinds of insurance are worker’s comp, liability insurance, equipment insurance, E & O insurance and a completion bond. These insurances are very important for a production company to maintain reliable for the employers.

1. **Why aren’t permits always necessary and how do you know when to get them?**

**ANSWER:**  If you are in another city besides L.A you will want to contact the local film commission. With the right approach you can even get your fees waived by the smaller film commissions. Now, you don’t always need a permit. If you are inside a building where you cannot get caught, than you probably don’t need to worry about it.

1. **What are the various methods available to help you raise cash? Can you think of any others that might not be mentioned in the chapter?**

**ANSWER:** You can form a company or a business to help raise money for your movie. You will need a business to protect yourself from liability, raise capital, and to legally conduct business within a state’s jurisdiction , and to pay taxes. Or you can join a guild or a union.