

7/11
25/09/24

Duration 2 ½ Hrs

Marks: 75

- Note: 1) All questions are compulsory
2) Figures to the right indicate full marks

Q1) (A) Multiple Choice Questions: (Any 8)

(8)

- _____ is needed for developing a product in the initial stages.
 - Seed Capital
 - Startup Capital
 - Second round financing
 - None of these
- Private equity is a _____ investment fund, as its current market price be easily determined and cannot be transferred for a certain period of time.
 - Open Ended
 - Close Ended
 - Active
 - None of the above
- _____ structure is generally used where domestic investors are also expected to participate in the fund.
 - Offshore
 - Co-investment
 - Unified
 - Mezzanine
- Business valuation is the act or process of assessing value or price of financial _____.
 - Asset or Liability
 - Return
 - Risk Return
 - Dividend
- A _____ is a transaction that companies use to acquire other business.
 - Private Equity
 - Corporate Finance
 - Venture Capital
 - LBO (Leverage Buy-out)
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 - Private equity
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- _____ possess professional expertise and play a promotional role in organising a perfect match between the supply and demand for capital in the market.
 - Issuers
 - Investors
 - Intermediaries
 - Venture Capitalist

- _____ refers to an examination of potential investment to conform all material facts of the prospective business opportunity.
 - Special purpose vehicle
 - Private Equity
 - Growth Capital
 - Due Diligence

- _____ is a hybrid of debt and equity financing that is typically used to finance the expansion of existing companies.
 - Private Equity
 - Mezzanine financing
 - Venture capital
 - LBO (Leverage Buy-out)

- When a fund exits its investment through a/an _____ it does so through an offering of shares to the public.
 - IPO
 - Promoter Buy – back
 - Sale to other PE
 - Mergers & Acquisitions

Q1) (B) Match the following: (Any 7)

(7)

- | A | B |
|---------------------------------------|------------------------------|
| a) Co-investment structure Investment | 1) Domestic Investments |
| b) Start up Financing Domestic | 2) Combination of Offshore & |
| c) Credit Risk | 3) Human error |
| d) Growth Capital | 4) Sale to other PE firm |
| e) Due Diligence | 5) Repurchase of shares |
| f) Secondary Sale | 6) Funding for expansion |
| g) Promoter Buyback investment | 7) Examination of potential |
| h) Second stage Financing | 8) Expansion Capital |
| i) Unified Structure | 9) Launch Phase |
| j) Operational Risk | 10) Default in payment |

- Q.2) a) Explain Venture Capital and state its importance. (08)
b) Explain various players participating in private equity market? (07)
OR
c) Difference between venture Capital & Private Equity. (08)
d) Explain Venture Capital with advantages. (07)
- Q.3) Explain Due Diligence. (15)
OR
Explain various types of Risks in Venture Capital (15)
- Q.4) a) Discuss regulatory aspects of Venture Capital Investments in India (08)
b) Explain types of legal structure of Venture capital in India. (07)
OR
- Q4) Explain Exit strategies for Venture Capital. (15)
- Q5) Short Notes (Any 3) (15)
i) DTAA
ii) Internal rate of return
iii) Startup India
iv) Types of Venture Capital Funds
v) Angel Investor
