

VPM's
DR VN BRIMS, Thane
Programme: PGDM (2018-20)
PGDM Trimester V Examination January 2020

Subject	Private Equity and Venture Capital		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	1	Date	06.01.2020

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

Venture capital finance in India was known since nineties. It is now has successfully emerged for all the business firms that take up risky projects and have high growth prospects. The private organization which does not want to take finance from the society may have their view on venture capital. It has potential to become an important source for financing of small-scale enterprises (SSEs). Venture capital finance is often thought of as 'the early stage financing of new and young enterprises seeking to grow rapidly.

With reference to the above paragraph;

1. Elaborate on the reasons why Venture capital finance is often thought of as 'the early stage financing of new and young enterprises'.
2. Write a detailed note on growth of Venture Capital in India. How is the Venture Capital industry in India different from other developed countries?

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is Growth Capital?
- b) Explain Mezzanine Capital.
- c) Explain the advantages of Debt Financing

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Elaborate on the different types of Investment Strategies
- b) What are the characteristics of an LBO?
- c) Explain Pre-Money Valuation and Post-Money Valuation

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What is Angel Investing?
- b) Explain Bootstrapping
- c) What is the difference between an idea and a good business opportunity?

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain the process of conducting Feasibility Analysis
- b) What are the sources of entrepreneurial finance?
- c) What is the difference between Angel Investing and Venture Capital?

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What are the contents of a Business Plan?
- b) Explain in detail the Venture Capital Investment process
- c)) Explain the term 'Private Equity'

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) "Entrepreneurs are born, not made" Do you agree with this statement? Explain with reasons
- b) What are the disadvantages of Equity Financing?
- c) What is seed capital?