

Duration 2 ½ Hrs

Marks: 75

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

Q.1 A) Match the following (Any 8) 08

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

B. State whether following statements are True or False (any 7) 07

1. Private Equity is open ended investment fund which can be easily determined and can be transferred at a certain period of time.
2. Venture Capital acts as an Intermediary to link the source of fund with the source of ideas.
3. Transaction Risk is the risk of exchange rate variation effecting the realised value.
4. The major advantage of secondary sale exit strategy is speed and liquidity.
5. Private equity fund typically have a fixed lifespan of about 5 years.
6. When an unlisted company makes a fresh issue of securities to the public, it is called as IPO.
7. EBITDA means earnings before interest and tax.
8. Offshore Structure is generally used where domestic investors were expected to participate in the fund.
9. Fund of funds is one of the options for the investors to invest in Private Equity Fund.
10. The General Partner is entitled to a share in the profits of private equity investments.

- Q.2 A) Explain in detail the concept of venture financing. 08
B) Elaborate role of players involved in the PE market. 07

OR

- C) How to prepare business plan for getting venture capital financing? 08
D) State role of private equity, venture capital and hedge funds. 07
Q.3 A) Elaborate the structure of venture capital/private equity funds in India. 08
B) Explain in detail business cycle of PE. 07

OR

- C) What are the characteristics of Private Equity? 08
D) Distinguish between venture capital and hedge funds. 07
Q.4 A) Explain the regulatory aspects of Venture Capital/ Private Equity investments. 08
B) Explain various types of risk involved in private equity. 07

OR

- C) Explain in detail risk return trade off. 08
D) Explain revenue multiple method. 07
Q.5 A) State various advantages and disadvantages of LBO. 08
B) Explain various routes of exit in private equity. 07

OR

Write short notes (any three) 15

1. Leverage recapitalization.
 2. Promoter buyback.
 3. Sale to other PE funds.
 4. Distressed buyout.
 5. Limited liability.
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