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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA - IEV

SEM: III - THEORY EXAMINATION (2024- 2025 )

Subject: Private Equity and Venture capital

Time: 3 Hours

Max. Marks: 100

General Instructions:

IMP: Verify that you have received the question paper with the correct course, code, branch etc.

1. This Question paper comprises of three Sections -A, B, & C. It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.

2. Maximum marks for each question are indicated on right -hand side of each question.

3. Illustrate your answers with neat sketches wherever necessary.

4. Assume suitable data if necessary.

5. Preferably, write the answers in sequential order.

6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

**SECTION-A**

1. Attempt all parts:-

- |      |   |    |
|------|---|----|
| 1-a. | Private Equity is (CO1,K1)  | 20 |
|      | (a) A type of public equity   |    |
|      | (b) A type of alternative investment  |    |
|      | (c) A type of debt financing  |    |
|      | (d) A type of asset management  |    |
| 1-b. | Venture Capital is(CO1,K2)  | 1  |
|      | (a) A type of private equity  |    |
|      | (b) A type of public equity   |    |
|      | (c) A type of debt financing  |    |
|      | (d) A type of asset management  |    |
| 1-c. | a closed-end fund is (CO2,K2)   | 1  |
|      | (a) A type of open-end fund   |    |
|      | (b) A type of private equity fund   |    |
|      | (c) A type of investment fund that raises capital from investors and invests in a portfolio of assets |    |
|      | (d) A type of hedge fund  |    |
| 1-d. | the typical structure of a closed-end fund (CO2,K2)   | 1  |
|      | (a) Limited partnership   |    |
|      | (b) Limited liability company   |    |

- (c) Corporation
- (d) Trust
- 1-e. The primary objective of fundraising for an equity fund is (CO3,K2) 1
- (a) To invest in companies
- (b) To raise capital from investors
- (c) To manage and monitor portfolio companies
- (d) To exit investments
- 1-f. Common source of capital for equity funds (CO3,K2) 1
- (a) Banks
- (b) Insurance companies
- (c) Pension funds
- (d) All of the above
- 1-g. The primary goal of managing and monitoring a startup. (CO3,K3) 1
- (a) To increase revenue
- (b) To reduce costs
- (c) To ensure sustainability and growth
- (d) To exit the business
- 1-h. The following is a key performance indicator (KPI) for a startup.(CO4,K4) 1
- (a) Revenue growth
- (b) Customer acquisition
- (c) Employee satisfaction
- (d) All of the above
- 1-i. The primary goal of company valuation is (CO4,K4) 1
- (a) To determine the company's net worth
- (b) To estimate the company's future cash flows
- (c) To determine the company's market value
- (d) To evaluate the company's management team
- 1-j. Common valuation method is.(CO5,K5) 1
- (a) Discounted Cash Flow (DCF) analysis
- (b) Comparable Company Analysis (CCA)
- (c) Cost Approach
- (d) All of the above
2. Attempt all parts:-
- 2.a. Explain the term Private Equity.(CO1,K1) 2
- 2.b. Write note on Participants in the PE fund.(CO2,K2) 2
- 2.c. write primary objective of the deal making phase(CO3,K1) 2
- 2.d. The primary skill required for an entrepreneur to be successful.(CO4,K4) 2

2.e. Write common valuation method(CO5,K5) 2

**SECTION-B** 30

3. Answer any five of the following:-

3-a. Differentiate the private Equity from venture capital (CO1,K1) 6

3-b. Write a Note on significance of private equity.(CO1,K1) 6

3-c. Differentiate closed-end funds from open-end fund.(CO2,K2) 6

3-d. Crowdfunding differ from traditional fundraising methods. Justify(CO2,K2) 6

3.e. Describe the key components of a private equity deal structure(CO3,K3) 6

3.f. Describe the primary goal of potential analysis in entrepreneurship.(CO4,K4) 6

3.g. Explain the concept of discounted cash flow (DCF) analysis, and describe its role in company valuation.(CO5,K5) 6

**SECTION-C** 50

4. Answer any one of the following:-

4-a. Explain the meaning of venture capital financing and Discuss the role of Venture Capital in supporting startup companies.(CO1,K2) 10

4-b. Explain the concept of Private Equity and its significance in the modern financial landscape.(CO1,K3) 10

5. Answer any one of the following:-

5-a. Explain the concept of crowdfunding in the context of venture philanthropy.Discuss the benefits and drawbacks of crowdfunding for social enterprises.(CO2,K2) 10

5-b. Explain a private debt fund. Describe its structure, benefits and drawbacks.(CO2,K2) 10

6. Answer any one of the following:-

6-a. Describe the key steps involved in the portfolio management process for an equity fund, and explain the importance of each step.(CO3,K3) 10

6-b. Explain the concept of asset allocation in equity fund management, and describe the different approaches to asset allocation.(CO3,K2) 10

7. Answer any one of the following:-

7-a. Describe the key skills and qualities that are required for successful entrepreneurship and explain how these skills can be developed and honed.(CO4,K2) 10

7-b. Describe the key sources of funding that are available to startups and explain the advantages and disadvantages of each.(CO4,K3) 10

8. Answer any one of the following:-

8-a. Describe the key differences between company valuation for public companies and private companies(CO5,K2) 10

8-b. Compare and contrast the venture capital method with other approaches to company valuation, including DCF analysis and comparable company 10

analysis.(CO5,K4)

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