

**END SEMESTER EXAMINATION, MAY - 2026****B. Com. (Hons.) Semester - VI****Subject Name: Venture Capital & Private Equity****Subject Code: BCMFI210****Time allotted: 03 Hours****Max. Marks: 100****Note: Read all the instructions carefully**

| <b>Q.1</b> | <b>VERY SHORT ANSWER QUESTIONS – Attempt All.</b>                                                                                                                                                          | <b>(10X2 = 20 Marks)</b> | <b>CO</b> |
|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-----------|
| a.         | Define Angel Investor.                                                                                                                                                                                     |                          | 1         |
| b.         | What is Growth Capital?                                                                                                                                                                                    |                          | 1         |
| c.         | Define NAV.                                                                                                                                                                                                |                          | 1         |
| d.         | What is promoter buyback?                                                                                                                                                                                  |                          | 1         |
| e.         | What is stake swap?                                                                                                                                                                                        |                          | 1         |
| f.         | Define Discount rate.                                                                                                                                                                                      |                          | 2         |
| g.         | Meaning of secondary buyout.                                                                                                                                                                               |                          | 2         |
| h.         | Define exit multiple.                                                                                                                                                                                      |                          | 2         |
| i.         | What is PE fund structure?                                                                                                                                                                                 |                          | 2         |
| j.         | <b>What is a "Term Sheet"?</b>                                                                                                                                                                             |                          | 2         |
|            |                                                                                                                                                                                                            |                          |           |
| <b>Q.2</b> | <b>SHORT ANSWER QUESTIONS – Attempt any Five.</b>                                                                                                                                                          | <b>(5X4 = 20 Marks)</b>  |           |
| a.         | Difference between VC and PE.                                                                                                                                                                              |                          | 3         |
| b.         | Explain the Stages of venture capital financing.                                                                                                                                                           |                          | 3         |
| c.         | Explain the role of PE firms in economic growth.                                                                                                                                                           |                          | 3         |
| d.         | Explain limited Liability Partnership structure.                                                                                                                                                           |                          | 3         |
| e.         | Explain exit through strategic sale.                                                                                                                                                                       |                          | 4         |
| f.         | Explain Risk-return analysis in PE.                                                                                                                                                                        |                          | 4         |
| g.         | What is Distressed debt strategy?                                                                                                                                                                          |                          | 4         |
|            |                                                                                                                                                                                                            |                          |           |
| <b>Q.3</b> | <b>STRUCTURED QUESTIONS – Attempt any Three.</b>                                                                                                                                                           | <b>(3X10 = 30 Marks)</b> |           |
| a.         | Explain the concept of due diligence. Why is it necessary in business decisions? Describe its procedure in detail.                                                                                         |                          | 5         |
| b.         | A company is facing declining sales due to increased competition, fluctuating market conditions, and outdated technology. <b>In this context, explain business risk, market risk, and technology risk.</b> |                          | 5         |
| c.         | In the context of business valuation, explain the conventional methods and discuss how the revenue multiplier method is applied with suitable examples.                                                    |                          | 5         |
| d.         | What are the key difference between venture capital and private equity firm?                                                                                                                               |                          | 5         |

| Q.4                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Case Analysis/ Situation Based QUESTIONS – Attempt any Two. |         | (2x15 = 30 Marks)                              |   |         |  |
|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------|------------------------------------------------|---|---------|--|
| a                                                                                                                 | The Balance Sheet of ABC Ltd. as on 31 March 2025 is as follows:                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                             |         |                                                | 6 |         |  |
|                                                                                                                   | Liabilities                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                             | ₹ lakhs | Assets                                         |   | ₹ lakhs |  |
|                                                                                                                   | Share Capital                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                             | 300     | Fixed Assets                                   |   | 600     |  |
|                                                                                                                   | Reserves                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                             | 180     | Inventories                                    |   | 360     |  |
|                                                                                                                   | Long-term Loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                             | 420     | Receivables                                    |   | 300     |  |
|                                                                                                                   | Short-term Loans                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                             | 240     | Cash                                           |   | 60      |  |
|                                                                                                                   | Payables                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                             | 150     |                                                |   |         |  |
|                                                                                                                   | Provisions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                             | 90      |                                                |   |         |  |
|                                                                                                                   | Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                             | 1380    | Total                                          |   | 1380    |  |
|                                                                                                                   | Sales for the year were ₹900 lakhs. Sales are expected to increase by 25% next year. Profit margin is 5% and dividend payout ratio is 40%.<br><b>Required:</b><br>1. Calculate External Funds Required (EFR).<br>2. Determine financing mix under:<br>○ Current ratio should at least be 1.5<br>○ Fixed assets to long-term loans = 1.4<br>○ Debt-equity ratio not exceed 1.2<br>3. The funds are to be raised in the order of short-term bank borrowings, long-term loans, and equities. |                                                             |         |                                                |   |         |  |
| b                                                                                                                 | A PE firm plans exit through IPO but market is unstable.                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                             |         |                                                | 6 |         |  |
|                                                                                                                   | (i) Suggest alternative exit strategies<br>(ii) Analyze pros and cons                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                             |         |                                                |   |         |  |
| c                                                                                                                 | The Balance Sheet of PQR Ltd. as on March 31:                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                             |         |                                                | 6 |         |  |
|                                                                                                                   | Liabilities (₹ lakh)                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                             |         | Assets                                         |   | ₹ lakhs |  |
|                                                                                                                   | 100000 Equity Shares of ₹100 each                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                             | 100     | Fixed Assets<br>160<br>Less: Depreciation – 40 |   | 120     |  |
|                                                                                                                   | 25,000 10% Preference Shares of ₹100 each                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                             | 25      | Stock                                          |   | 70      |  |
|                                                                                                                   | Profit & Loss Account                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                             | 40      | Debtors                                        |   | 50      |  |
|                                                                                                                   | 12% Debentures                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                             | 60      | Cash & Bank                                    |   | 25      |  |
|                                                                                                                   | Trade Creditors                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                             | 30      | Preliminary Expenses                           |   | 10      |  |
|                                                                                                                   | Provision for Tax –                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                             | 20      |                                                |   |         |  |
|                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                             | 275     |                                                |   | 275     |  |
|                                                                                                                   | <b>Additional Information:</b><br>1. Market value: Fixed assets ₹140 lakh, Stock ₹75 lakh, Debtors ₹45 lakh<br>2. Preference dividend payable<br>3. Liquidation values: Fixed assets ₹100 lakh, Stock ₹60 lakh, Debtors ₹40 lakh<br>4. Liquidation expenses ₹12 lakh                                                                                                                                                                                                                      |                                                             |         |                                                |   |         |  |
| <b>Required:</b><br>Calculate value per equity share on:<br>• Book Value<br>• Market Value<br>• Liquidation Value |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                             |         |                                                |   |         |  |

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