

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER -III– EXAMINATION – WINTER 2021

Subject Code: 4539261

Date: 21-02-2022

Subject Name: Entrepreneurial Finance

Time: 10:30 AM TO 01:30 PM

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** Answer the following questions **14**
1. Bootstrapping
 2. Incubation
 3. Venture Capital
 4. Private Equity
 5. Start Up Finance
 6. Mezzanine capital
 7. Seed Capital
- Q.2** (a) Discuss the importance of Financial Statement tools from entrepreneurs point of view **07**
- (b) Face book acquired WhatsApp for \$19 billion in cash and stock in 2014, its biggest acquisition ever. Discuss the private equity as source of raising **07**
- OR**
- (b) Discuss the various Government Schemes for Financing the start-ups **07**
- Q.3** (a) Generally Online services like Make my trip, Taxi For Sure, Book my show, Myntra and Start ups & Innovative enterprise are gaining venture capital funding. Elaborate VC investment cycle and Types of Funding by a VC **07**
- (b) SBI Global Factors Ltd. Providing factoring services in India. It is financial option for the management of receivables and quick access to short-term financing and mitigates risks related to payment delays and defaults by buyers. Discuss the factoring operating cycle and its various types **07**
- OR**
- Q.3** (a) Raising entrepreneurial finance using crowd funding. **07**
- (b) Briefly discuss Long term sources of funding namely equity capital, debentures and bonds and term loans **07**
- Q.4** (a) According to a research conducted by CBInsights, 42% of startups fail due to lack of market need followed by shortage in cash. Discuss How much of entrepreneurs' time is allocated to validating the need? And are they aware that the main purpose of a business is to solve problems? How do they solve problems? Why are not entrepreneurs executing their ideas? **07**
- (b) How can entrepreneurs Bootstrap their startup? **07**
- OR**
- Q.4** (a) How to measure the growth of startups especially in reference to under incubation process ? **07**

(b) Write brief note on angel investor as source of raising finance.

07

Q.5 In the world of startups, you can tell just how important planning is by looking at some of the companies with no revenue and huge valuations – much of the company’s value comes from its projected future earnings. It’s safe to say that no matter the size of your company, you are going to need to engage in budgeting, forecasting, and analysis that supports major decisions of its executives. Building the financial talent you need in a startup or small company is a gradual process. In a new venture, the Financial Planning and Analysis (FP&A) function is often handled by the founders with outsourced assistance. As the company grows, the controller or CFO will often be in charge of FP&A. And as the company becomes larger, a full-time FP&A team will most likely be a valuable investment. FP&A will be an integral part of finance and accounting, whether in-house or outsourced. The FP&A manager will assist with the preparation of internal and external reports, materials for the board of directors, monthly financial analysis material and provide ad-hoc planning and analysis for the organization.

a) Keeping in the mind of above situation, 07

b) Discuss process of financial planning (“P”) and analysis (“A”) 07

OR

a) Importance of projected profit and loss account, projected cash flow statement, projected balance sheet, 07

b) Importance of various financial indicators in terms of key ratios. 07
