Seat No.: ________ Enrolment No.___________

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA– SEMESTER –III-EXAMINATION – WINTER-2023

Subject Code:4539261 **Date: 05-12-2023**

Subject Name: Entrepreneurial Finance

Time:10:30 AM TO 1:30 PM **Total Marks: 70**

Instructions:

1. **Attempt all questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**
4. **Use of simple calculators and non-programmable scientific calculators are permitted.**

Q – 1	Answer the following in brief. (a) Incubator (b) Zero Coupon Bonds (c) Mezzanine finance (d) Convertible Preference shares (e) Pay Back Period (f) Seed funding (g) Cost of Capital	**14**
Q – 2 (A)	How the financial need of a new enterprise is different from the traditional enterprise?	**7**
Q – 2 (B)	Explain the important aspect a venture capitalist look for while financing the new venture?	**7**
	OR	
Q – 2 (B)	What are the stages of a successful venture life cycle?	**7**
Q – 3 (A)	What are the difficulties and challenges faced by a new enterprise in raising the funding from the traditional sources of finance?	**7**
Q – 3 (B)	The government must play a pivotal role in ensuring the adequate supply of funding to the enterprises. Explain.	**7**
	OR	
Q – 3 (A)	Elaborate the need and features of funding at the different stages of life of a venture?	**7**
Q – 3 (B)	What do you mean by Working Capital Finance? How does a firm assess its short term funding needs?	**7**
Q – 4 (A)	Write a note on Crowd funding as an emerging and innovative source of entrepreneurial finance. Throw some light on the future of crowdfunding in India.	**7**
Q – 4 (B)	What do you mean by “Cost of Capital”? Why is it crucial to estimate the cost of capital correctly while making the financial projections?	**7**

OR

Q – 4 (A) Explain various sources of short term finance with their features. **7**

Q – 4 (B) What parameters should be considered while preparing the sound financial plans and projections? **7**

Q – 5 A company is considering two mutually exclusive projects. Both require cash outlay of Rs. 10,000 each. Required rate of return is 10% and tax rate is 50%. Cash inflows before depreciation, interest and tax are as below:

A (Rs.)	4000	4000	4000	4000	4000
B (Rs.)	6000	3000	2000	5000	5000

a) Calculate Pay Back Period for each project. **7**

b) Calculate Average Rate of Return for each project **7**

OR

Q – 5

a) Calculate Net Present Value for each project. **7**

b) Calculate Internal Rate of Return for each project. **7**

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