

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA
(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA IEV

SEM: III - THEORY EXAMINATION (2025 - 2026)

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

20

1. Attempt all parts:-

1-a. 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-b. Start-up financing enables entrepreneurs to build initial operations (CO1 K2)

1

- (a) Launching new business
- (b) Closing a company
- (c) Buying land only
- (d) Hiring auditors

1-c. Private equity investors often examine company strength using a structured investigation map (CO2 K5)

1

- (a) Public mandate
- (b) HR audit
- (c) Investor map
- (d) Asset taxation

1-d. Investment firms support investors by pooling money for diversified projects (CO2 K5)

1

- (a) Physical training
- (b) Seed planting
- (c) Employee payroll
- (d) Capital pooling

- 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. The primary objective of the managing and monitoring phase is(CO3,K2) 1
- (a) To support the growth and development of the portfolio company
 - (b) To conduct due diligence on the company
 - (c) To evaluate the financial performance of the company
 - (d) To exit the investment
- 1-g. The primary skill required for an entrepreneur to be successful.(CO4,K4) 1
- (a) Technical skills
 - (b) Business skills
 - (c) Leadership skills
 - (d) All of the above
- 1-h. Entrepreneurial skills include the ability to identify new opportunities (CO4 K4) 1
- (a) Laundry bag
 - (b) Nail cutter
 - (c) Sticker sheet
 - (d) Opportunity spotting
- 1-i. DCF pillars include forecasting cash flows and choosing discount rates (CO5 K5) 1
- (a) Bread packet
 - (b) Sofa cover
 - (c) Ink bottle
 - (d) Core DCF pillars
- 1-j. PE investors value companies to determine fair entry price (CO5 K5) 1
- (a) Entry price judgment
 - (b) Game wheel
 - (c) Sticker tape
 - (d) Glass tray

2. Attempt all parts:-

- 2.a. Describe the typical life cycle of a Private Equity fund (CO1, K2) 2
- 2.b. Evaluate the role investor maps play in analysing company strengths (CO2 K5). 2
- 2.c. Create a review structure for monitoring portfolio company performance (CO3 K6). 2
- 2.d. The primary skill required for an entrepreneur to be successful.(CO4,K4) 2
- 2.e. Analyse reasons cash flow projections form the base of DCF valuation (CO5 K5). 2

SECTION-B 30

3. Attempt all parts:-

3.a. Answer any one of the following:-

- 3.a.(i) Explain factors encouraging firms to depend on private equity for long-term growth 6

support (CO1 K2).	
3.a.(ii) Discuss conditions under which vulture financing helps distressed companies recover (CO1 K2).	6
3.b. Answer any one of the following:-	
3.b.(i) Evaluate the stages forming the lifetime of a private equity fund and their strategic purpose (CO2 K5).	6
3.b.(ii) Discuss the significance of management fees in ensuring strong fund governance and operations (CO2 K5).	6
3.c. Answer any one of the following:-	
3.c.(i) Explain the concept of value creation in private equity investing.(CO3,K3)	6
3.c.(ii) Propose a structure for drafting balanced term sheets in equity deals (CO3 K6).	6
3.d. Answer any one of the following:-	
3.d.(i) Describe the primary goal of potential analysis in entrepreneurship.(CO4,K4	6
3.d.(ii) Explain the importance of potential analysis in the competitive landscape. (CO4, K4)	6
3.e. Answer any one of the following:-	
3.e.(i) Describe the primary goal of company valuation in private equity (PE) investment and explain its importance in PE decision-making. (CO5, K3)	6
3.e.(ii) Explain the concept of exit valuation in PE investment and describe its role in determining the return on investment for PE firms. (CO5, K3)	6
SECTION-C	50
4. Answer any <u>one</u> 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. A biotech founder seeks capital but lacks collateral. Q1: Explain why such founders lean toward venture capital. Q2: Describe risks VC firms prepare to absorb. (CO1 K2)	10
5. Answer any <u>one</u> of the following:-	
5-a. A manager earns carried interest after exceeding hurdle rate. Q1: Evaluate the incentive nature of carried interest. Q2: Analyse its effects on risk-taking. (CO2 K5)	10
5-b. A wealth-management firm introduces sector-focused investment vehicles. Q1: Evaluate their role in diversification. Q2: Analyse potential limitations. (CO2 K5)	10
6. Answer any <u>one</u> of the following:-	
6-a. Explain the concept of asset allocation in equity fund management, and describe the different approaches to asset allocation.(CO3,K2)	10
6-b. Describe the key steps involved in the deal making phase of private equity investment, and explain the importance of each step.(CO3,K3)	10
7. Answer any <u>one</u> of the following:-	
7-a. A founder plays multiple roles due to limited resources. Q1: Compare entrepreneurial roles involved. Q2: Evaluate skills needed at this stage. (CO4 K4)	10
7-b. The team identifies an unexplored customer segment. Q1: Analyse opportunity recognition factors. Q2: Evaluate decision direction. (CO4 K4)	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. A VC investor estimates exit value for a high-growth start-up. Q1: Evaluate importance of exit value. Q2: Judge parameters guiding estimation. (CO5 K5) 10

REG_JULY_DEC_2025