



INDIAN SCHOOL AL WADI AL KABIR

<b>Class: XII</b> <b>Entrepreneurship</b>	<b>Department: Commerce</b>
<b>Chapter: 6</b>	<b>Topic: RESOURCE MOBILISATION</b>

1. UCL Ltd., has been manufacturing cycles since 2010. Their market share in this field is 35%. They decided to introduce new cycles with advanced gear systems in 2015. For the same they estimated their financial requirements to be ₹ 20 crore. They decided to raise the same through a limited number of sophisticated investors ₹

Identify this kind of issue?

- A. Public issue
- B. Private placement
- C. Offer to employees
- D. Right issue

2. Balwant Rai always introduce something new in the market, he is very creative person. He always takes care about safety of security of customers as well as his employees. He developed a design of a balcony garden “MERA KHET” with the training of how to produce fruits, vegetables etc. in own balcony.

Since he did not get any financial support from any bank, he approached Nirvana Vent (VC), a venture capitalist firm. Though VC liked the idea but it refused to help Balwant Rai at the seeding stage and asked him to come again if needed during second round financing.

Why was seed capital not given by venture capital (VC) while it was ready to fund the second round financing?

3. What is capital market? Explain its importance.
4. Explain Primary market in detail.
5. Define: Secondary Market
6. Give a detailed explanation on initial issue.
7. What is public issue? Explain its advantages and drawbacks.
8. Explain in detail the methods by which an entrepreneur can raise required capital in the primary market.
9. Who are angel investors? Explain their features.
10. Define: Venture capitalist,

11. Explain the features of venture capital.
12. Explain the method of funding by Venture Capitalist (VC) in detail.
13. In the capital market, transactions go through three phases – trading, clearing, and settlement. SEBI has designed processes to ensure that at every stage there is a minimal chance of a fraud or a scam by including the above-mentioned intermediaries to increase transparency and reduce risk. While the process flow is not very complex, the role of intermediaries in the capital market is defined to make investors feel secure and boost the securities market in India. Capital Markets play a very vital role of a financial intermediary.  
State the role of capital market as an intermediary.
14. They may invest in one in four hundred opportunities presented to it and looks for an "exit" in the time frame of typically 3-7 years.
  - (a) Identify the source of fund.
  - (b) State any other feature of the source identified in (a)
15. Aptech Private limited decided to raising of funds directly from the public through the issue of prospectus, therefore had to undergo the process of preparing a prospectus. When Aptech offers shares to the public for subscription, they are required to comply with all the restrictions and formalities pertaining to the initial issues, prospectus drafting and launch. One of the most difficult problems in the new venture creation process is obtaining finance. When an organization decides to go public and become a public company, it tends to be in advantageous positions because of reaping certain benefits. Explain the six benefits that Aptech will enjoy by using the above method of floatation of new issues.