Part-A

① margin money.

The initial deposit required by broker or financial institution to allow the borrowing of funds for investment, typically used in stock trading.

2. equity funding.

Raising capital by offering shares of the company to investors in exchange for ownership

This can include personal savings angel investors or public stock offerings

3. Angel funding

Investment provided by wealthy individual in early stage startups in exchange for equity or debt.

They often offer mentorship along the capital.

4. Investment selection criteria.

factors investors use to decide where to allocate funds, including business model viability, market potential

Part-A

① margin money.

The initial deposit required by brokers or financial institution to allow the borrowing of funds for investment, typically used in stock trading.

2. equity funding.

Raising capital by offering shares of the company to investors in exchange for ownership

This can include personal savings angel investors or public stock offerings

3. Angel funding

Investment provided by wealthy individual in early stage startups in exchange for equity or debt.

They often offer mentorship along the capital.

4. Investment selection criteria.

factors investors use to decide where to allocate funds, including business model viability, market potential management team, financial health and exit opportunities

5. Identify appropriate investors.
Determine the type of investors, based on the business stage, capital needs and strategic goals.
Consider factors like industry focus, investment size and involvement level.

Part-B

6)
a) Sources of equity finance.
equity finance refers to the process of raising capital through the sale of shares in a business.
It is a crucial source of funding for businesses at various stages of their growth.
Below are the various sources of equity finance, categorize with explanations and sub topics.

1. Personal Savings.

Business owner invest their personal funds as equity in the business

Adv: No repayment obligations

Complete control over the business

disadv:

Limited availability of funds

Risk of personal financial loss

2. Friends and family

Raising funds from close relatives or friends by selling equity or taking informal investments.

Adv: easier to obtain compared to institutional investments

often comes with flexible terms.

Disadv:

Potential to strain relationships

may lack formal agreements.

3. Angel Investors.

High net worth individuals who provide capital to startups in exchange for ownership equity.

Adv:

Mentorship and guidance from experienced individuals

flexible investment terms

Disadvantage

May demand significant equity

risk of losing. Some control of the business

4. venture capital

Professional investment funds that invest in high growth startups and businesses

Sub-types:

Seed stage funding: for early stage development

Growth stage funding: for expansion and scaling.

Adv

Access to large amount of capital

Valuable Industry Connections and expertise.

Disadv

High expectations for returns

Significant loss of control

5. Private equity.

Investment from private equity firms, typically for established businesses with growth potential

Sub types:

Buyout: Acquiring majority or full ownership

Growth capital: Investing without acquiring majority control.

Each source of equity finance has its advantage and disadvantage and the choice depends on the business stage.

Break down funding needs by
phases
3. Identify potential sources
< equity finance.
Personal savings, friends and family
angel investors, venture capital,
crowd funding
< debt finance
Loans, credit lines etc if
applicable to the venture model
4. prepare pitch material.
A concise presentation covering
the business vision, problem, solution,
market size, business model and
financial needs
financial statement, proof of
concept or prototype
Market analysis reports and
customer feedback.
5. Network and Build relationship.

Attend Network events

Participate in startup incubators, accelerators, or pitch competitions

utilize professional network

Connect with potential investors through LinkedIn, forums or mutual introductions

Engage with Angel investors

Approach investors who have previously funded similar ventures

6. Deliver pitch

clearly communicate the business idea and its potential

Highlight the problem being solved the target market and competitive advantage

Raising funds for new ventures is a strategic and iterative process requiring thorough preparation, effective communication.

Part-c

8.)
a.) Case study : financing and new ventures

The story of Ola Cabs.

Introduction.

Ola Cabs, an Indian ride hailing service was founded in 2010 by bhavish aggarwal and Ankit bhati.

Starting as a small venture to solve transportation challenges it has grown into a multi billion company with operations in multiple ~~comp~~ countries

The Journey of Ola demonstrates how financial strategies and funding play a critical role.

1. Identify the opportunity.

Lack of reliable and affordable cab service in India

Solution. A technology driven platform that connects drivers and passengers efficiently.

Initial capital

Ravish aggarwal used his personal savings to start the business

The venture was bootstrapped initially with operations limited to Mumbai

2. Raising funds.

The founders raised small amounts of capital from personal networks to cover operational costs

In 2011 O/e secured its first angel investment of 500,000 from Rohan Yoe Elon

3. Scaling through VC

Series A funding.

In 2012, O/e raised 5 million from Tiger global management & prominent VC firm.

expanded operation to multiple cities.

Series B funding

raised 20 million in 2015 from

multiple partners

Focus:

enhanced technology infrastructure

Aggressive marketing and customer

Acquisition

4. Strategic Investment

Series C to Series F

Ola raised over 2 billion

in subsequent funding rounds from

investors like SoftBank, DST Global

and Temasek

Key developments.

launched new services like Ola

Auto and Ola Share

introduced Ola electric to align

with sustainable transportation trends.

5. Investment selection criteria.

for Ola.

investors look for

A Scalable business model

A large addressable market in the transportation sector

An innovative tech platform with customer retention.

7. Challenges in financing

Rapid expansion required significant capital leading to high burn rate

Competing with Uber in India necessitated competitive pricing

Maintaining growth while ensuring return for investors.

8. Current status.

Ola is valued at over 7 billion

It operates in several countries and continues to innovate in mobility

Funding and financial management have played a pivotal role in sustaining growth.