INVESTMENT ASSIGNMENT

SUBMISSION

Name: Md Ashif Ali

SPARK FUNDS: INVESTMENT STRATEGY

Objectives: Spark Funds wants to make investments in a few companies. The CEO of Spark Funds wants to understand the global trends in investments so that she can take the investment decisions effectively.

Reference:

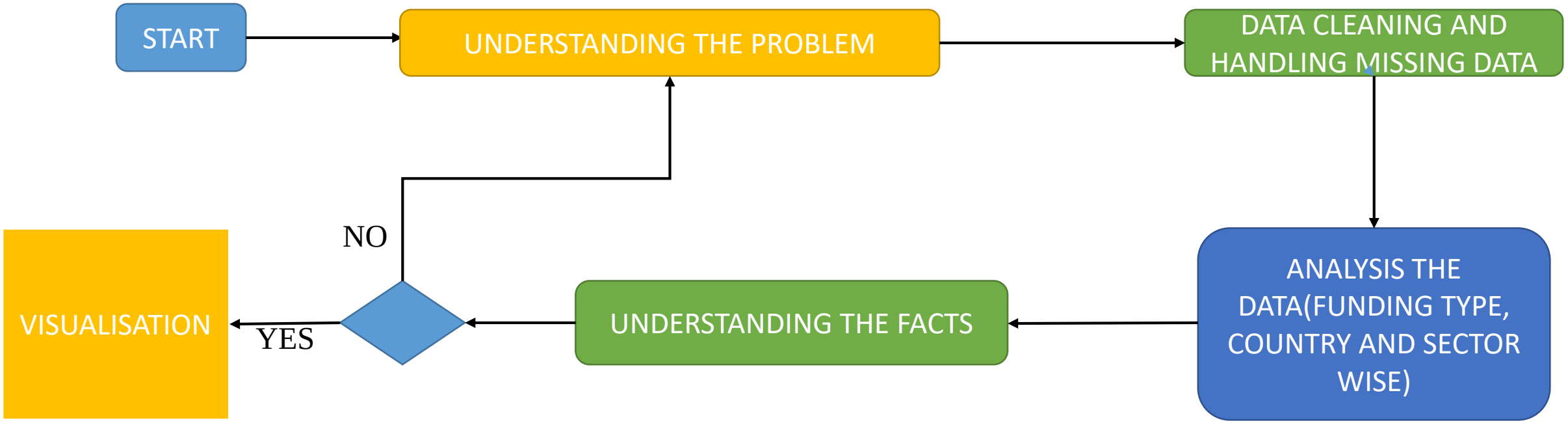
1. It wants to invest between **5 to 15 million USD** per round of investment.

2. It wants to invest only in **English-speaking countries** because of the ease of communication with the companies it would invest in.

Aim of Assignment: To identify the best sectors, countries, and a suitable investment type for Spark Funds for making investments in order to make maximum profit.

PROBLEM SOLVING METHODOLOGY

INVESTMENT ASSIGNMENT FLOW CHART



Analysis - Understanding the Data

Understand the Data Set		
Sl. No	**Questions**	**Answer**
1	How many unique companies are present in rounds2?	66368
2	How many unique companies are present in the companies file?	66368
3	In the ***companies*** data frame, which column can be used as the unique key for each company? Write the **name of the column**.	permalink
4	Are there any companies in the rounds2 file which are not present in ***companies*** ? Answer **Y/N**.	N
5	Merge the two data frames so that all variables (columns) in the ***companies*** frame are added to the ***rounds2*** data frame. Name the merged frame ***master_frame***. How many observations are present in ***master_frame ?***	114949

Analysis – Investment Type and Country-Wise

Average Values of Investments for Each of these Funding Types		
Sl.No	**Questions**	**Answer**
1	Representative funding amount of venture type	$ 11.72 Million
2	Representative funding amount of angel type	$ 0.97 Million
3	Representative funding amount of seed type	$ 0.75 Million
4	Representative funding amount of private equity type	$ 73.94 Million
5	Considering that Spark Funds wants to invest between **5 to 15 million USD** per investment round, which investment type is the most suitable for them?	venture

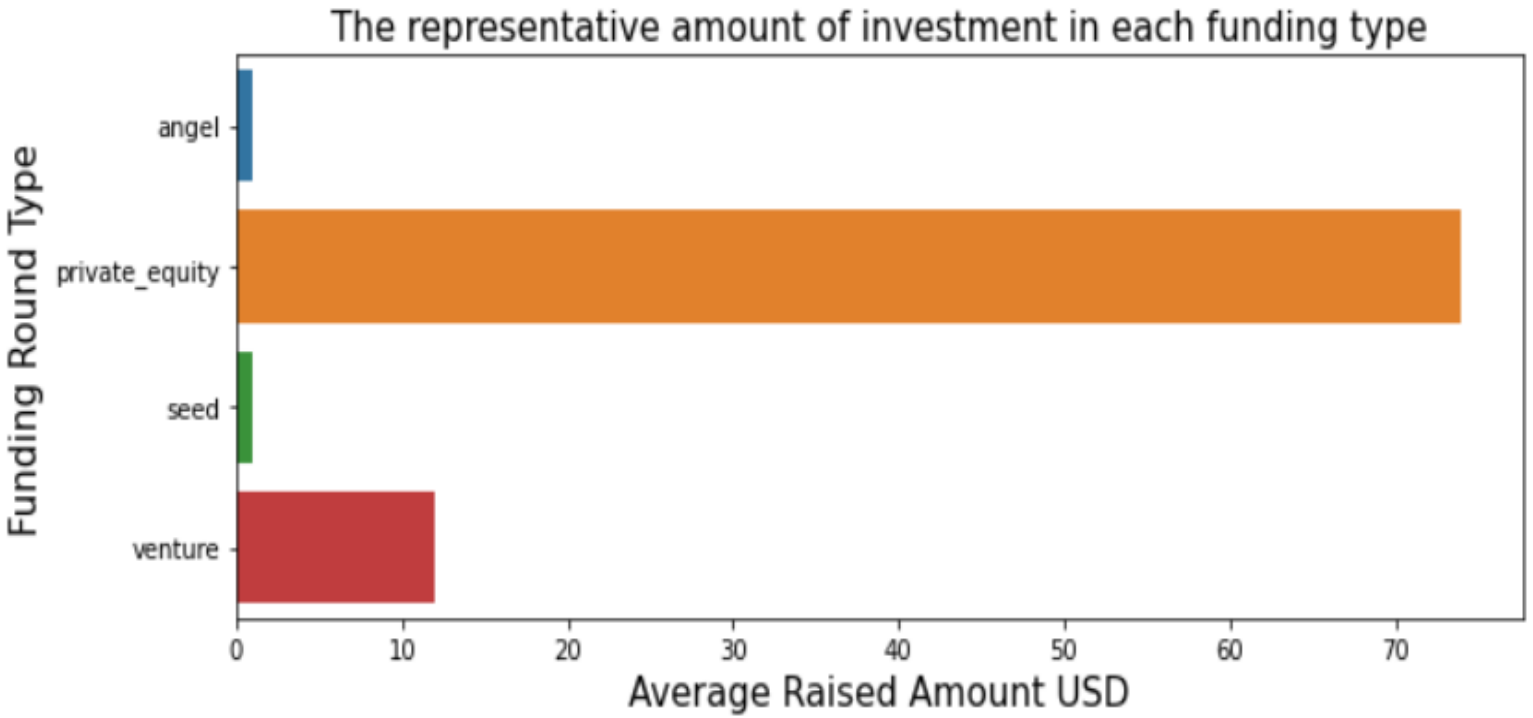
Analysis the Top 3 English-Speaking Countries		
Sl.No	**Questions**	**Answers**
1	Top English speaking country	USA
2	Second English speaking country	GBR
3	Third English speaking country	IND

Sector-wise Analysis

Sector-wise Investment Analysis				
Sl.no	**Questions**	**C1**	**C2**	**C3**
1	Total number of Investments (count)	12012	619	328
2	Total amount of investment (USD)	107318.29	5365.23	2949.54
3	Top Sector name (no. of investment-wise)	Others	Others	Others
4	Second Sector name (no. of investment-wise)	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising
5	Third Sector name (no. of investment-wise)	Cleantech / Semiconductors	Cleantech / Semiconductors	News, Search and Messaging
6	Number of investments in top sector (3)	2950	147	110
7	Number of investments in second sector (4)	2714	133	60
8	Number of investments in third sector (5)	2300	128	52
9	For point 3 (top sector count-wise), which company received the highest investment?	organizationvirtustream	organizationelectric-cloud	organizationfirstcry-com
10	For point 4 (second best sector count-wise), which company received the highest investment?	organizationshotspotter	organizationcelltick-technologies	organizationmanthan-systems

Investment Type

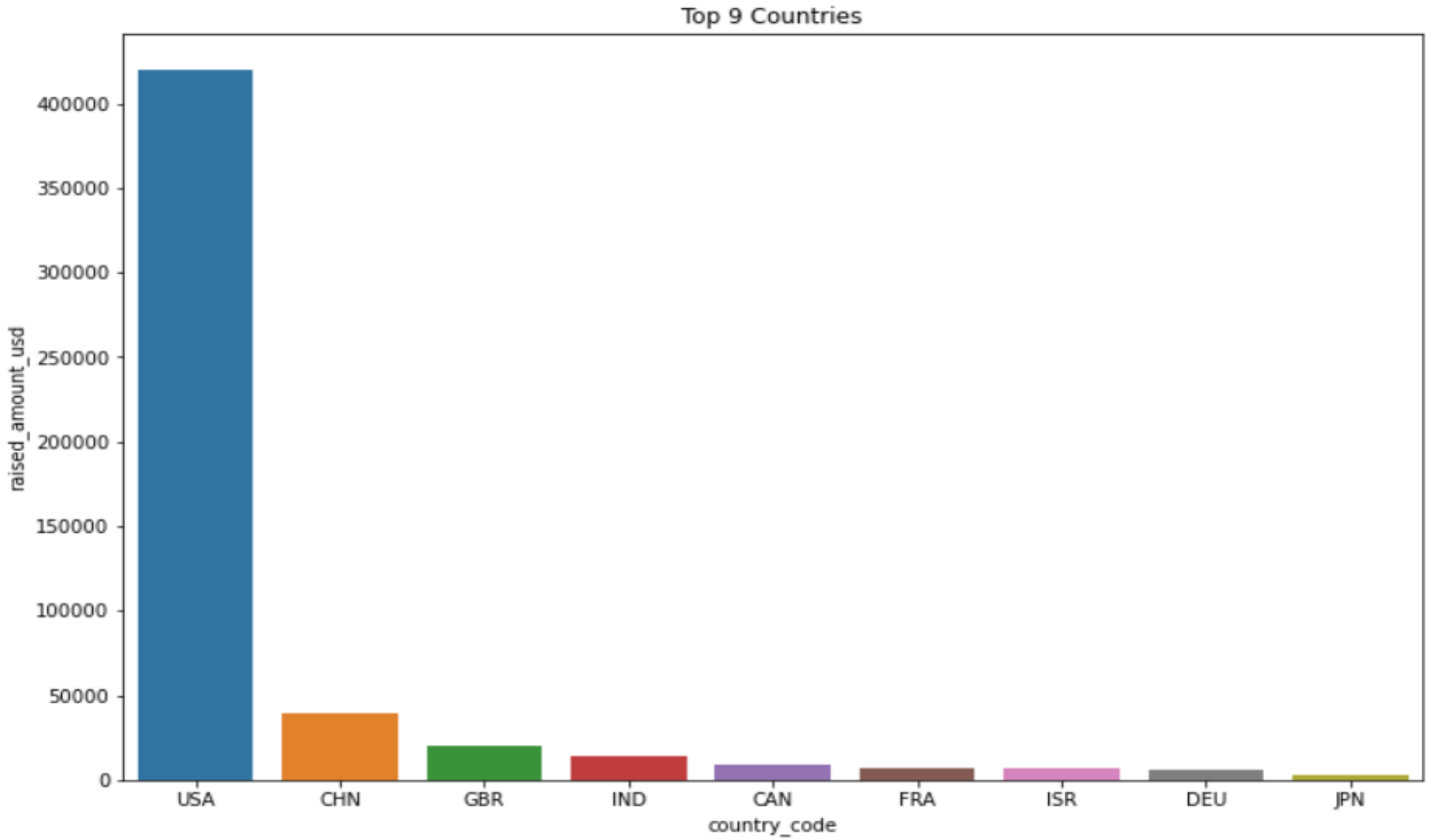
Average Amount of Investment in each Funding Type



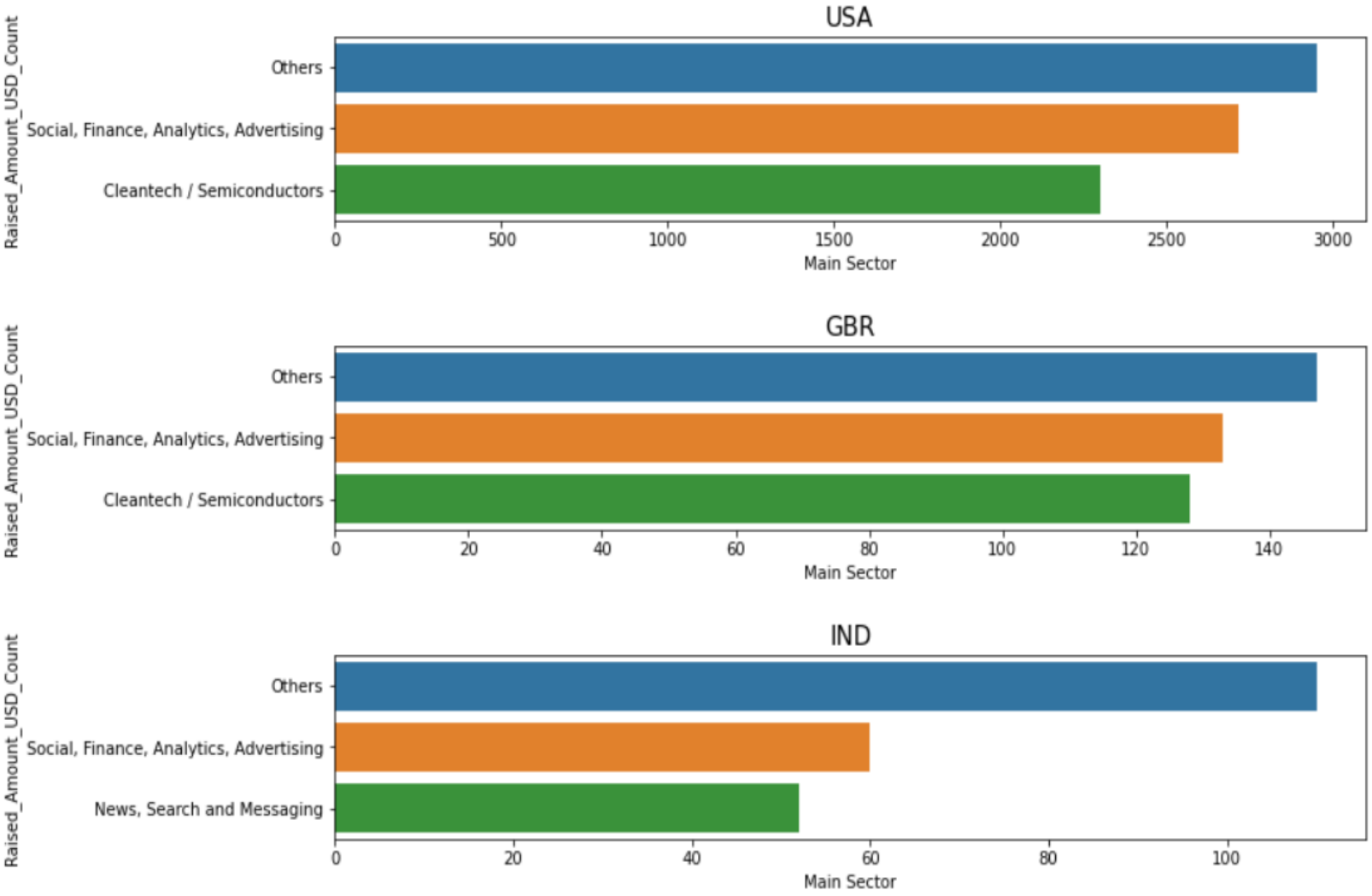
Along X axis = Million USD

Along Y axis = Investment Type

Top 9 countries in terms of total amount of investments of Funding Type



Top 3 Sectors of the Top 3 Countries



Conclusion

On the basis of the analysis, my recommendations below for investments by Sparks Fund:

1. Sparks Fund should invest in the venture funding rounds of the companies with an average investment of ~ 11.7 Million USD
2. Top Countries for investments are: USA, United Kingdom and India
3. Top sectors to invest are:

1. Others
2. Social, Finance, Analytics and Advertising
3. Cleantech and Semiconductors
4. News, Search and Messaging