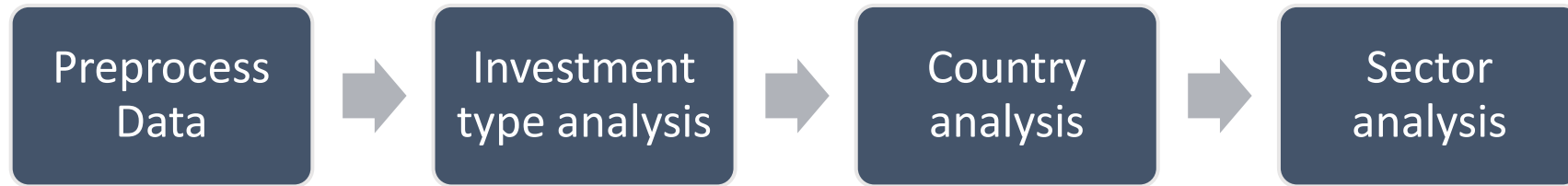# INVESTMENT ASSIGNMENT

SUBMISSION

Name: Pranshu Mittal

Abstract Summary

In this study Exploratory data analysis on investments data of companies from across the world has been conducted in order to understand the global investment trend and identify the best and most suitable sectors, countries and the type of investment for our company to invest 5 to 15 Million USD per investment round. We only wish to invest in English speaking countries for the ease of communication. The data sets were pre-processed to filter out irrelevant information and get it in usable and meaningful format following which rigorous step wise analysis was done to meet the objectives. This resulted in some very meaningful insights like the most suitable investment strategy for the company would be to participate in venture type funding rounds for start-up companies operating in major sectors like Cleantech, social media, Finance, Analytics, etc operating in USA, India or UK.

Problem solving methodology

Investment Type Analysis

S. No	Objective	Finding
1.	Average funding amount of venture type	6,430,618
2.	Average funding amount of angel type	757,060
3.	Average funding amount of seed type	677,341
4.	Average funding amount of private equity type	21,831,330

These values have been evaluated after removing the very high investments i.e. outliers which could have highly influenced our decision.

Assumption – Values greater than (3rd Quartile + 1.5 Interquartile Range) have been considered as potential influencers.
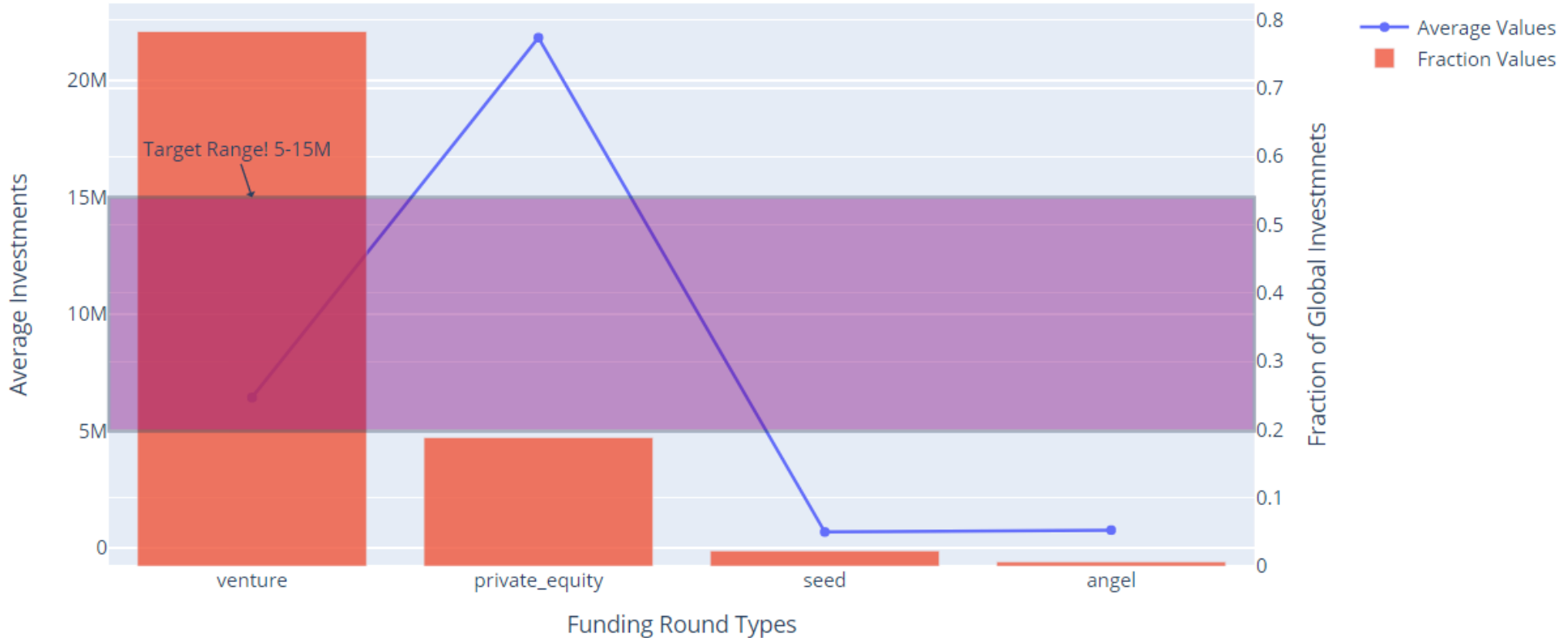
Country Analysis

From the list of top 9 countries on basis of amount of investments raised we select only ones that have English as one of the official languages.

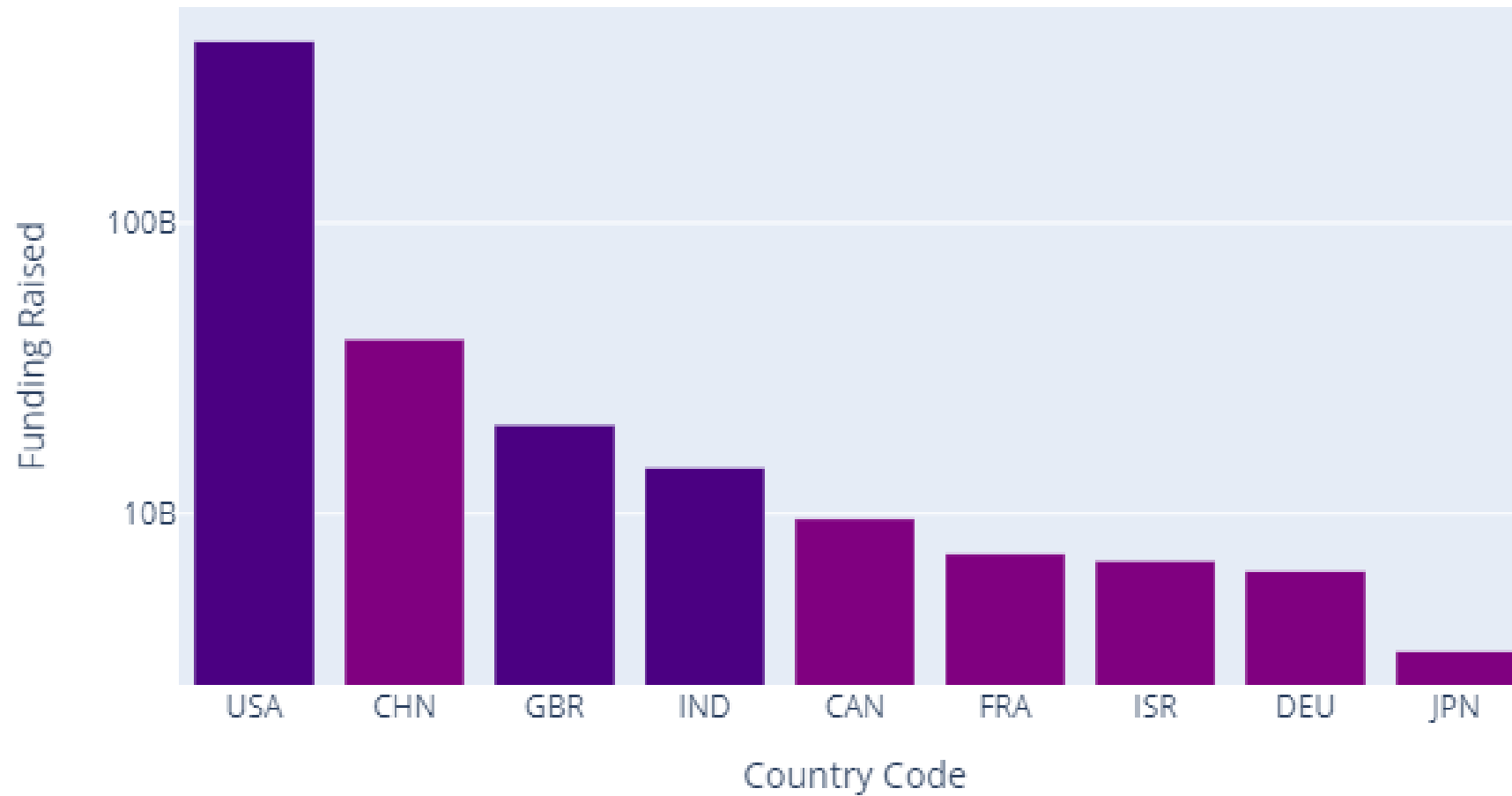| Sl.No	Questions	Answers
1	Top English-speaking country	America
2	Second English-speaking country	India
3	Third English speaking country	United Kingdom

Sector Analysis

Sl.no	Questions	USA	IND	GBR
1	Total number of Investments (count)	38372	993	2303
2	Total amount of investment (USD)	422.51 Billion	14.39 Billion	20.24 Billion
3	Top Sector name (no. of investment-wise)	Others	Others	Others
4	Second Sector name (no. of investment-wise)	Cleantech / Semiconductors	Social, Finance, Analytics, Advertising	Social, Finance, Analytics, Advertising
5	Third Sector name (no. of investment-wise)	Social, Finance, Analytics, Advertising	News, Search and Messaging	Cleantech / Semiconductors
6	Number of investments in top sector (3)	8777	332	581
7	Number of investments in second sector (4)	8268	193	481
8	Number of investments in third sector (5)	7822	154	466
9	For point 3 (top sector count-wise), which company received the highest investment?	SoFi	Flipkart	OneWeb
10	For point 4 (second best sector count-wise), which company received the highest investment?	Freescale Semiconductor	ShopClues.com	Mereo

Investements as a fraction of global sum along with average values in each category
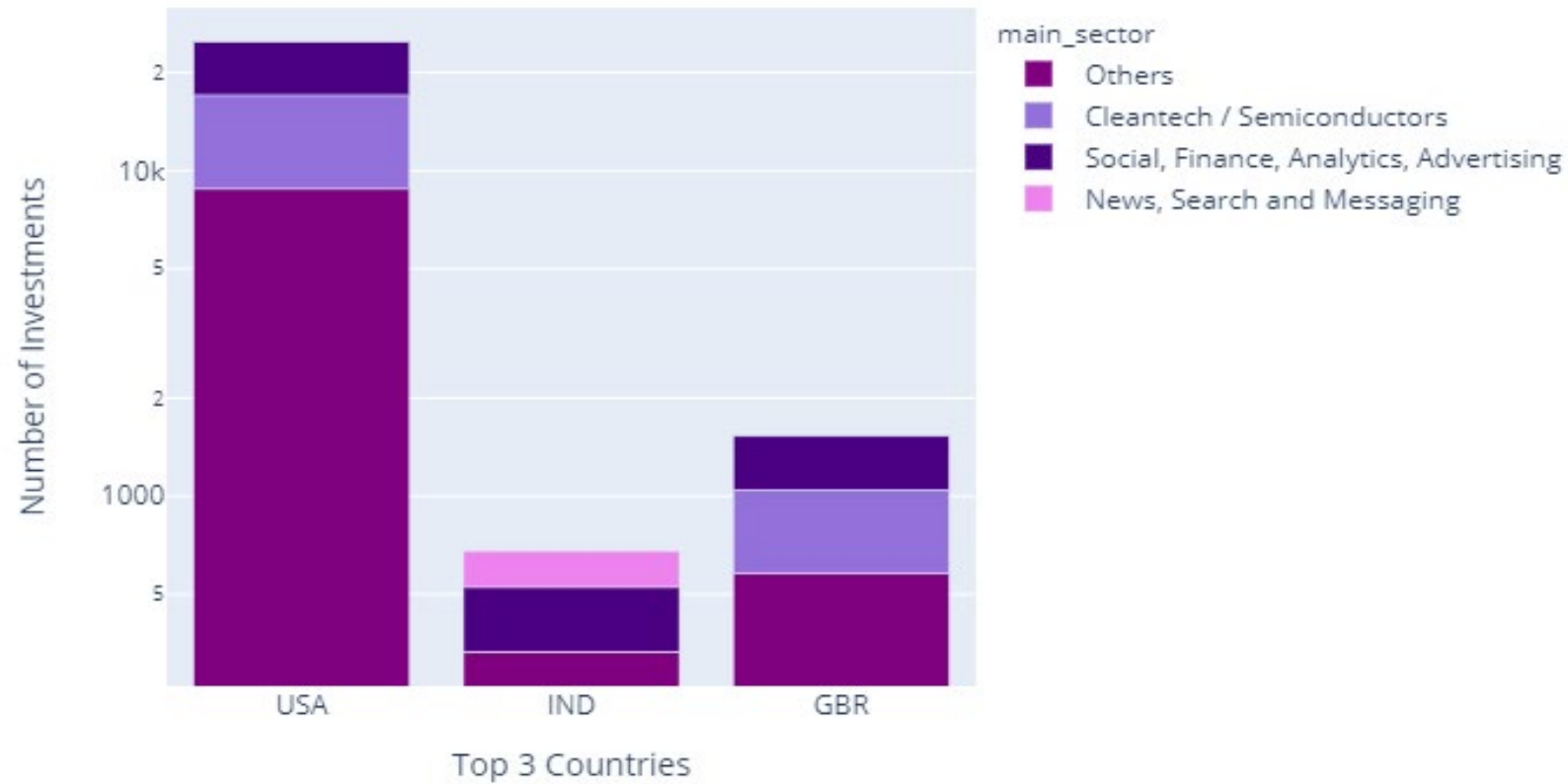
It is clearly visible from the graph that Spark Fund can only invest in Venture type funding rounds as the average investment of venture type is the only one that satisfies their fund size. All others are either below or above the target range.

Top 9 Countries with total funding

The bars in indigo color display the top 3 English speaking countries namly USA, India and United Kingdom.

Total investments for top 3 sectors in top 3 countries

main_sector
■ Others
■ Cleantech / Semiconductors
■ Social, Finance, Analytics, Advertising
■ News, Search and Messaging

It can be observed that Social, Finance, Analytics and advertising sector has attracted descent number of investments from investors in all countries making it a popular choice.

Conclusions

Based on the different analyses undertaken we conclude that the most suitable investment strategy for the company would be to participate in venture type funding rounds for start-up companies operating in major sectors like cleantech, social media, finance, analytics, advertising, search and messaging in USA, India or UK.