Examination

Harshavardhan Alimi

18EC10021.

1) Pre-money = 350

invest = 50

share of invester = $\frac{50}{400} = \frac{1}{8}$

Post money = 400

liq = 2x

Liquidation = 500

From 2x. liq, ~~company~~ invester gets = 100

Participating = $\cancel{400\times}\ (500-100) \times \frac{1}{8}$

$= 400 \times \frac{1}{8} = 50$

Founders recive = $400 \times \frac{7}{8} = 350$

= ₹ 350 million

2) Leap of faith :- an act of believing in or attempting something whose existence or outcome be proved or known.

Ex :-
After limited success in multiple startups, Nick swinmurn wanted to start a business of online shoe selling. He was driven by his own frustration of not finding a suitable pair of shoes in couple of stores he visited.

People did not belive - customers would buy shoes without trial.

* But Nick believed that people donot see what he can see.
* His hypothesis was - people have limited choices when they visit store.
* 'His "leap of faith" was - given a chance to choose from thousands of designs, most people would not mind buying online.
* Instead of putting in place huge logistics, hiring people, buying huge number of shoes to display on his portal to start his business, Nick decided to pilot his idea through an MVP
* and he had a unique plan.

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3)

* sensitivities is numerical estimation of how your cash flow is affected if any of the big risks manifest

ex:-
* say, if selling price is down by 5% & estimate the cash flow & show how your business is affected.

* You can actually place a value to the negative impact of some of the key risks.

* you can also draw attention to the upside of someting going more favorable than projected.

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4) Types of market research.

1- By source of Data or information

2- By methodology or type of data

3- By objectives.

=> 1- information sources.

* Primary source- informatⁿ collected directly & primarily for the problem at hand.

* secondary source- informatⁿ collected routinely for general consumptⁿ or for other specific problem. & are used for current problem.

* The cost, resources & time req for gathering primary inf are generally high & at times prohibitive. but the secondary sources are opposite of it.

* some secondary informatⁿ is available in published sources.

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=> 2. By data.

* Qualitative research is exploratory in nature. usually gathers data using focus groups, triads, dyads, in-depth interviews, uninterrupted observation, bulletin boards, & ethnographic participatn or observations. less objective.

* Quantitative research looks to quantify a problem, involves collection of data through surveys in diff modalities, points of purchase & click-streams.

=> 3 - By objective

* Exploratory :- preliminary data needed to develop an idea further.

* Descriptive :- Describe an element of an idea precisely. e.g. who is target market, how large is it, how will it develop.

* Causal :- Test a cause & effect relationship, e.g., price elasticity. Done through experiment.

5>

(i) Gross profit

Sales = 1400

opening stock = $1\cancel{0}0$ 3 (closing stock of Prev year)

Purchase of goods = 600

Closing stock = 100

cost of goods sold = 130 + 600 − 100

= ~~458~~ ~~830~~ 630

Gross profit = 1400 − 630

= 770

(ii) Depriciatn.

a) Building

Prev year = 100

Purchase = 0

sub total = 100

dep = (10%) = 10

net value = 100 − 10 = 90

(b) machinery/equip

Prev year = 500

Purchase = 400

sub total = 900

dep (10%) = 90

net value = 900 − 90 = 810

total dep = 10 + 900 = 100

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(ii)
Operating expenses
= rent + Advertisement expense + salary + transportatn expenses + maintainence expense + legal expense + Electricity & Phone bill + depriciatn + amortizatn

= 110 + 60 + 100 + 40 + 20 + 10 + 30 + 100 + 20

= 490

~~(iii) PBT =~~

operating profit = 770 - 490
= 280

(iii) PBT = operating profit - interest
= 280 - 50
= 230

(iv) Net profit = PBT - income (20%)
$= 230 - 230 \times \frac{20}{100}$
= 184

(v) Retained profit = 184 - 46 (dividend)
= 138

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Balance sheet of 2021

* Assets

Current Assets :-

1. cash in hand/bank = 28
2. closing stock = 100
3. Trade recievables = 500

total current assets = 628

Fixed Assets :-

1. Land = 50
2. Building = 90
3. Plant & machinery = 810
4. capitalised expenses not amotized = 200 - 20 = 180

total fixed assets = 1130

total assets = 1758

* Equity & Liabilities

Short term liabilities

1. Trade payable = 750
2. short term loan = 300

sub total = 1050

Long term liabilities

1. Long term loan = 220 (300 - 80)

total of liabilities = 1270

owner's equity:

fully paid equity = 200

reserves & surplus/ retained profit = 150 + 138 = 288

Total of equity = 488

$\boxed{\text{Total Equity \& liabilities} = 1758}$