



Name :

Roll No. :

Invigilator's Signature :

CS/MMA/SEM-3/MMA(ESB)-305/2011-12

2011

FINANCING MSMEs

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

GROUP – A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for the following :

10 × 1 = 10

- i) Optimum capital structure is one
 - a) which minimizes value of shareholders, wealth
 - b) which maximizes value of shareholders, wealth
 - c) which both maximizes and minimizes value of shareholders' wealth
 - d) which neither maximizes nor minimizes value of shareholders' wealth.
- ii) The full form of NSIC is
 - a) National small industries corporation Ltd.
 - b) National saving industries corporation Ltd.
 - c) National small industries company Ltd.
 - d) None of these.



- iii) Objective of state financial corporation is to
 - a) generate employment
 - b) balance regional growth
 - c) catalyze investment
 - d) all of these.
- iv) CENVAT stands for
 - a) Central value added task
 - b) Central value at tax
 - c) Central value added tax
 - d) None of these.
- v) Example of long term sources of finance is
 - a) Issue of shares b) Issue of debenture
 - c) Long term loans d) All of these.
- vi) SFC stands for
 - a) State Functional Committee
 - b) State Financial Committee
 - c) State Financial Corporation
 - d) State Financial Contract.
- vii) The Committee of Financial Inclusion was headed by
 - a) V. Subba Rao b) C. Rangarajan
 - c) P. Chidambaram d) Manmohan Singh.



- viii) The concept of Venture Capital was originated in
- a) India
 - b) USA
 - c) UK
 - d) Canada.
- ix) Venture Capital is available for
- a) Early stage financing
 - b) Expansion financing
 - c) Acquisition financing
 - d) All of these.
- x) Business angels provide fund for financing
- a) ventures with high risk
 - b) ventures having no risk
 - c) ventures having moderate risk
 - d) none of these.

GROUP – B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

2. Discuss briefly on real estate opportunities in India.
3. Write short note on NABARD.
4. Discuss some of the Tax incentives that are given to MSMEs.
5. Explain the concept of Venture Capital.
6. Write a short note on Business Incubator.



GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. Mention the different functions of KVIC. Describe in detail the services provided by SIDO. 8 + 7
 8. Finance is described as “life blood” of an industry – substantiate it with your views. Describe different sources of finance available to MSMEs. 8 + 7
 9. Discuss the factors determining the capital structure. Discuss the features of an optimum capital structure. 9 + 6
 10. Explain the Venture Capital Cycle in detail. 15
 11. Briefly discuss the evolution of Venture Capital industry in India. 15
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