

SECTION - 2

Shiva

Date

Page

Ques 1.

Ans 1) Obtaining venture capital is substantially different from raising debt or a loan from a lender. Lenders have a legal right to interest on a loan and repayment of the capital, irrespective of the success or failure of a business. Venture capital is invested in exchange for an equity stake in the business.

Features of venture capital

- High risk
- Lack of Liquidity
- Long term horizon
- Equity participation and capital gains

- Venture capital investments are made in innovative projects.
- Suppliers of venture capital participate in the management of the company.

Yepme, MakeMyTrip, redbus, shopclues etc. Sequoia Capital was founded in 1972 and has been highly active in the India startup market since the early 2000s with an investment of around \$100 millions in the growth stages of startups alone. Zomato, Byju, Oyo Rooms, Nearbuy, Micromax etc.