

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER – I - EXAMINATION – SUMMER 2022

Subject Code: 1519405**Date: 02/08/2022****Subject Name: Start-up Financing & Economics****Time: 02:30 PM TO 04:30 PM****Total Marks: 50****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** Explain the terms: **08**
- a) Customer Acquisition Cost
 - b) Steeped Fixed Cost
 - c) Mezzanine Financing
 - d) Contribution Margin
- Q.2** (a) What do you mean by FinTech Startups? Briefly explain with the help of suitable example. **07**
- (b) Explain Break – even – analysis with the help of diagram. Also discuss its importance. **07**
- OR**
- (b) Who are Venture Capitalist? What are the “precautions” taken by an entrepreneur while accepting the fund from Venture Capitalist. **07**
- Q.3** (a) Explain the start-up policies of Government of India. Who and at what extent, these policies support to the startup? **07**
- (b) What is the main objective of Incubator? Briefly explain the functions and role of an incubator. **07**
- OR**
- Q.3** (a) What do you mean by Seed Funding? Explain the role of Seed Funding in an entrepreneur. **07**
- (b) Considering your start-up idea, explain the concept of Customer Acquisition Cost and Cost per Acquisition. **07**
- Q.4** Three firms X, Y and Z manufacture the same product. The selling price is ₹10 per unit of the product – equal for all firms. The fixed costs for firms X, Y and Z respectively are ₹1,00,000 ₹2,00,000 and ₹3,24,000; while the variable costs per unit are ₹8, ₹5 and ₹4 respectively. Determine...
- (a) The break – even points for all the firms. **07**
- (b) How much profits are earned by the firms if each of them sells 70,000 units? **07**

OR

A manufacturing firm produces a single product whose selling price is ₹16 per unit and the variable costs per unit are ₹12. If the annual fixed costs of the firm are estimated as ₹1,20,000, find...

(a) The BEP in units, in rupees and as a percentage of capacity if the firm has an estimated capacity of 50,000 units of the product. **07**

(b) What is the margin of safety? **07**
