Question #1 of 14

Question ID: 1574533

With respect to venture capital, the term "mezzanine-stage financing" is used to describe the financing:

A) that supports product development and market research.

B) to initiate commercial manufacturing.

C) to prepare for an initial public offering.

Question #2 of 14

Question ID: 1577987

Which of the following types of private debt has the lowest level of risk?

A) Mezzanine debt.

B) Unitranche debt.

C) Venture debt.

Question #3 of 14

Question ID: 1574530

The formative stage of venture capital investing when capital is furnished for market research and product development is *best* characterized as the:

A) angel investing stage.

B) seed stage.

C) early stage.

Question #4 of 14

Question ID: 1574536

Kettering Incorporated is a successful manufacturer of technology hardware. Kettering is seeking capital to finance additional growth that will position the company for an initial public offering. This stage of financing is *most accurately* described as:

A) mezzanine-stage financing.

B) angel investing.

C) early-stage financing.

Question #5 of 14

Question ID: 1577988

The vintage year is the year in which a private equity fund:

A) makes its first investment.

B) receives its first capital commitment.

C) sells its first investment.

Question #6 of 14

Question ID: 1574534

Supplying capital to companies that are just moving into operation, but do not as yet have a product or service available to sell, is a description that *best* relates to which of the following stages of venture capital investing?

A) Mezzanine stage.

B) Angel investing stage.

C) Early stage.

Question #7 of 14

Question ID: 1577989

SuperStarts Venture Capital Fund has a favorable performance record compared to other venture capital funds. This *most likely* suggests SuperStarts began investing its capital in a:

A) high valuation market.

B) business cycle expansion.

C) business cycle contraction.

Question #8 of 14

Question ID: 1577985

At what stage in its lifecycle is a company *most likely* to have distressed debt?

A) Mature.

B) Growth.

C) Start-up.

Question #9 of 14

Question ID: 1574532

A private equity firm that provides equity capital to a publicly traded company to finance the company's restructuring, but does not take the company private, is *best* described as engaging in:

A) private investment in public equity.

B) mezzanine-stage financing.

C) angel investing.

Question #10 of 14

Question ID: 1574537

Relatively infrequent valuations of private equity portfolio companies *most likely* cause:

A) average fund returns to be biased upward.

B) standard deviations of fund returns to be biased upward.

C) correlations of fund returns with equity returns to be biased downward.

Question #11 of 14

Question ID: 1577984

What type of private debt is *least likely* to have warrants?

A) Direct lending.

B) Mezzanine debt.

C) Venture debt.

Question #12 of 14

Question ID: 1574531

To exit an investment in a portfolio company through a trade sale, a private equity firm sells:

A) the portfolio company to one of the portfolio company's competitors.

B) shares of a portfolio company to the public.

C) the portfolio company to another private equity firm.

Question #13 of 14

Question ID: 1577986

Compared to traditional bonds, private debt provides:

A) higher returns.

B) higher liquidity.

C) lower risk.

Question #14 of 14

Question ID: 1574535

The stage at which venture capital financing is used to fund market research and product development is *best* characterized as the:

A) seed stage.

B) early stage.

C) angel investing stage.