



Private Equity Investments - A Conceptual Framework

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ABSTRACT

Private equity investment refers to the medium to the long-term investment made in potential companies which are not eligible for raising funds from the public through stock exchanges. Private equity and venture capital are used synonymously. The term venture capital is restricted to early-stage investments in new and expanding businesses. Private equity investment is not made in the early stage of business. Private equity is about generating capital gains. The objective of private equity investments focuses on increasing shareholder value. Modern private equity investing origin began in the 1940s, becoming more prominent when public pensions and endowments began making investments in the 1980s. The growth of private equity investments positively affects the entrepreneurship, employment and the economy of the country. The present study focused on an overview of private equity investments, design and development of a conceptual framework. The study helps to secure greater insights into the nature, objectives, types, advantages and challenges, exit strategy and comparison between public and private investments in private equity investments.

KEYWORDS: Conceptual framework, Entrepreneurship, Investments, Private equity, Venture capital.

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