

Potentials and challenges of venture funds investing in Iran Case Study: Research and Technology Fund Khorasan Razavi

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Abstract: The main objective of this research is to study of the potential and challenges of venture funds investing in Iran. This case study research and technology fund research Khorasan Razavi province. The sample of the study, all venture funds in the country. Sampling is systematic elimination of Research and Technology Fund Razavi Khorasan Province as the only venture capital fund East countries have been selected as statistical sample. Also, to test the hypothesis of this study, combined with the effects of multivariate linear regression method was used. The results of this research show that the variables of financial levers and the levers of power have the effect of incentives on venture investment funds; also, the variables sequence of returns, investors, venture funds affect the book value.

Keywords: investment funds, finance, tax leverage, encouragement, book value, sequence of returns, Khorasan Razavi

Introduction

In today's world, scientific and technological progress backed economic competitiveness, political, cultural and military. . Research Institute, a strategic think tanks, universities, research and development and industrial units each think tank and other science, industry and services that are the engine of prosperity and security organizations and countries can provide. In Iran, knowledge production and development of scientific activities has been of interest for many. Rising countless graduate students and faculty members of universities, acceleration ISI journals and tacit support of business knowledge, show explaining the importance of science and technology in the country's overall progress. But the scientific activities should be initiated and innovations that are the core of entrepreneurship and theoretical achievements to advance the commercialization stage. The synergy of science and wealth can be hoped for. Appropriate financing may be the most important factor for business success and innovation of technology, he said. Financing system of innovation includes a variety of tools and actors, each of which has its own role and function in accordance with different procedures idea to play the market. There is a tool that due to a long term venture capital, equity participation and risk-taking, the best tool for financing growth stage technology. Both individual venture capitalists (business angels) and institutional (fund or venture capitalist firms) are present.

There is a favorable legal infrastructure for the successful development of the venture capital industry, particularly in the form of funds or venture capital companies are essential.

Legal basis for venture capital in the country, the first time in article (100) Third Development Plan was introduced. In this article regulation for the implementation Research and Technology Fund that the fund was edited. In the fourth paragraph "e" of article (45) such an attitude was occurring. But the program. The fifth, proposed the creation of public and private funds were raised over implementation previous funds. This different approach in the "Law for the Protection of knowledge-based companies and institutions and business innovations and inventions of" crystallized. In this way and according to business need for current research results as the most important concern among policymakers innovation system of Iran, Legal challenges to the development of the venture capital industry need to be resolved according to existing capacities.

The importance and necessity of research

As one of the current weaknesses of the national innovation system, lack of commercialization of inventions and ideas into wealth or lack of innovations that ultimately causes of the effects of different sectors of society have no technology, so one of the ideal ways to support entrepreneurs, inventors, innovators and owners of ideas, participation and effective business plan the owners of the project, while preserving intellectual property scheme, the scheme will also become a partner in its success or failure.

Among the most important knowledge-based companies at the same time finance institutions by providing financial services, marketing services, enterprise storage, management and deal advisory, and venture capitalists are. Despite the

development of these institutions in developed countries and developing countries and the creation of mechanisms of state support of these institutions in developing comprehensive rules and regulations and the specific provisions in other laws, One of the basic infrastructure that can finance development of this method and consequently lead to the development of knowledge-based companies, the infrastructure is good law. In all documents of the country, support entrepreneurship and knowledge-based financing has been emphasized while the strict approach towards investment rules downstream of Innovation and Technology has adopted. The risk of failure of these investments has reduced interest the private sector in this area. In this context, to explain the issues and challenges of venture capital and providing pragmatic and practical solutions, strengthening the legal framework and strengthening non-governmental funds research and technology is imperative. The law established a permanent fund non-government research and technology, field technology is provided to the private sector in financing and this fund has a solid legal capacity for the development of the venture capital industry can accept that as part of its activities in venture projects are also entered. Of course, we must venture capital industry to fund non-government research and technology limit the other challenges to the development of the industry, especially the success of venture capital funds and companies there. In this study, Khorasan Razavi Research and Technology Fund selected for the study because it is the only venture capital fund East country Through lending to natural and legal persons to carry out research projects, applied research, culture, art and technology, As well as research institutes and technology required to issue guarantees for private sector research projects and technology related to the applicants for obtaining necessary guarantees, is active.

Theoretical

The introduction of venture capital industry

Engine of technological advances, creative practical ideas with that in mind, entrepreneurs, inventors and innovators are shaped and serious follow them in the form of new business starts to load sits and concept of entrepreneurship. But most of these entrepreneurs, young graduates who lack experience and soundness in the three main factors for success in the competitive market. These factors include:

1. Knowledge and management experience,
2. Sufficient funds,
3. Client market and to dispose of the products of this business.

Many of these efforts to launch a new business, the lack of these three factors will fail.

Today, the key is in the hands of investors, who relied on his extraordinary intuition and to undertake measurable or incalculable risks,

Actively coupled with entrepreneurs with the aim of making a profit, their weak points (management experience, financial resources and market) cover.

These investors, venture capitalists say that in developed countries is converted into one of the rings of the NIS.

Venture capitalists usually:

Financial resources and rapidly growing small companies to provide new and addressing.

The ownership of the firms is involved.

Assist in the development of new goods and services.

With their active participation, value-adding for the company to the ranking.

With expect to earn huge profits, accept more risk.

Long-term orientation.

Therefore, participating companies, venture capital investment is not only limited funding, but also provide ongoing support and advice as well. The company also practical and administrative roles, and since, like other owners, shared risk companies, have close parallels with their goals.

Equity firms, venture companies in the simplest case, an entrepreneur with an idea for a business plan has been proposed for mature and support the independent companies. Venture capital support beyond the capital is spent; because these investors are actively involved in corporate affairs, mainly to have a board seat. The company's success also depends on the active cooperation venture capitalists. About startups daily meetings with managers of corporations are common and that the number of investment funds is limited. Venture capital by creating a "portfolio" and investing in a few young companies at the same time reduce their investment risk. Sometimes they venture investment with other professional companies, the joint venture are. For decades, the venture capital-backed companies

Small, entrepreneurial and technology play a significant role in creating jobs, economic growth and increasing international competition, the country-have. Reputable companies such as "digital Elopement", "Apple", "Federal Express""Compaq", "Sun Micro Systems", "Intel", "Microsoft" and "Jantak" are the most famous companies in the development of its first venture capital have used.

The mechanism of venture investment

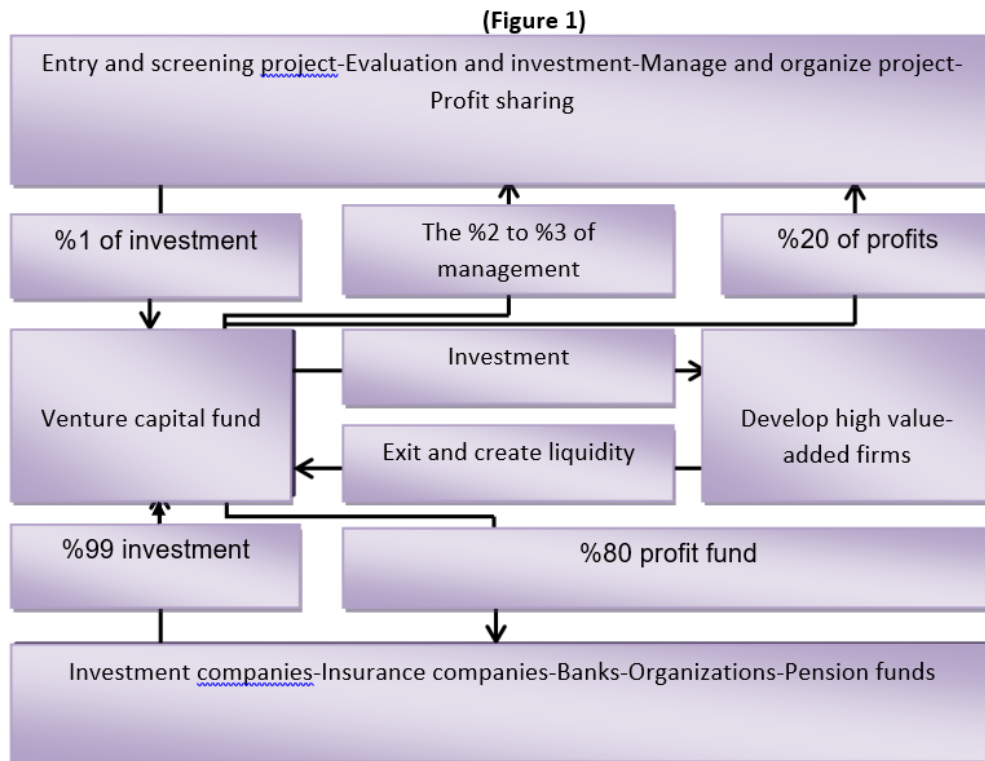
So far, venture investors tried to draw a picture, but we must know that the activities of all venture funds are not the same in other words, the activity is this fund different from each other. Which requires special attention? So in this section is a little effort to deal with these differences. Both institutional and individual venture capital (business angels) is performed. Including institutional venture capitalists, investment funds, corporate venture that branches of financial institutions, especially commercial banks are mainly for the development of a set of companies that ultimately profitable customers are largely composed of the parent company (financial institution) and the return on investment will be high gain. Another category of corporate venture capital funds that have been created from branches or entities by financial companies these have been developed mainly by industrial companies are keen on investing in early stage technology companies based in the emerging technologies to achieve. One of the main weaknesses of the two models is that the venture capital funds due to financial and corporate loyalty to the interests of the organization or parent company, possible conflicts of interest between financial providers and entrepreneurs develop.

Finally, the limited partnerships accept venture capital, venture investment funds that have been developed by professional firms.

Finally, the limited partnerships accept venture capital, venture investment funds that have been developed by professional firms. In these funds, general partners (co-venture capital) owns the expertise and experience in venture capital and have unlimited liability and are organized, funded and managed prevailing capital investors (limited partners) is obtained (Ghazinuri et al, 1388).

Some of these venture capital firms sometimes at the same time, some fund managers are responsible. Financiers or investors risk-taking hedge funds often institutional investors with long-term investment period, Such as insurance and pension funds and investment companies and large industrial holding company that manages the fund constitute assigned to venture capital firms. However, venture capital firms usually between 1 and 1.5 percent of their risk-taking hedge fund provide the And the annual management fees of between (1 to 3) (usually 2.5%) of the total capital committed by the fund as a fixed management fees paid to fund managers (Gazinuri et al, 1388). During the activity, and then cash fund assets and accounting, part of the profits, for example, Profit Performance Management as fund and the remaining 20 percent to be divided among investors

Mode of implementation of venture capita



Besides venture capital firm (sponsor) during a limited life fund to capitalize venture partnership, which is mostly 7 to 10 years, has the following responsibilities: Search for investment opportunities and negotiate the terms of the investments. Search for investment opportunities and negotiate the terms of the investments. Besides venture capital firm (sponsor) during a limited life fund to capitalize venture partnership, which is mostly 7 to 10 years, has the following responsibilities:

Search for investment opportunities and negotiate the terms of the investments.

Limited partnerships can be on one industry: technology or section specific focus, but not affiliated with a particular company or group. This partnership venture capital industry dominant in all countries with successful venture capital industry are born. First, this type of partnership can fully focus on financing and development of investee companies and unlike funds and investee company suffered a conflict of interest between the company and the parent company is not-be. Second, limited partnerships and limited liability for investors with benefits such as lifetime is limited.

Required infrastructure for venture capital in Iran

Investigations indicate capitalize indispensable for the formation and development of risk-taking, there are proper grounds and if it is the lack of specific infrastructure and environmental factors, every effort to develop the venture capital industry in the tangential direction likely to fail.

To achieve optimum condition for the realization of venture capital in the country, constructing infrastructure in the following fields noteworthy is the:

Entrepreneurial culture

Necessary and a prerequisite for developing a venture capital industry in each country, there is an appropriate culture of entrepreneurship in the country. Without such a culture, not to local development and the industry had hoped.

Our country's entrepreneurial cultures have inherent weaknesses and still have not internalized the culture in our society. According to the characteristics of different and varied skills and entrepreneurship is essential to the development of entrepreneurial culture, without continuous and regular training will Entrepreneurial University training in the world today, in the form of units be possible. Entrepreneurial university education in the world today, in the form of several school units in the faculties of Engineering and Management (Commerce), which are special schools have been established entrepreneurs. But in this field in our country, little has been done this, need special attention the country's education policy.

Encourage financial leverage

One of the important roles of government is to protect and capitalize venture development and entrepreneurship, encouragement and financial support to the entrepreneurs and venture capitalists. Government can encourage start-ups and venture capital financing, they have to set up new companies in the field of new technologies and advanced, and thus encourage less developed regions, and the pace of technological development in the country will increase and lead to job creation. Currently, relatively good financial mechanisms to support projects and research activities in the country, but systematic mechanism for financial support from entrepreneurs and venture capitalists are not available. Financial support in this area has more to encourage job creation and entrepreneurship, such as urgent plan according to its employment, low interest loans to small and medium industries to attract and hire the unemployed are given. In addition, in recent years, budget rules, some credits and financial incentives to invest in disadvantaged areas and less developed, free trade zones, special economic zones and industrial estates taken into account that much success in leading investors to regions is not mentioned in any of the aforementioned rules, certain financial facilities capitalize venture, perhaps most significant because it is unexpected, unfamiliar venture capital industry is an important country policy makers. In addition, in recent years, budget rules, some credits and financial incentives to invest in disadvantaged areas and less developed, free trade zones, special economic zones and industrial estates taken into account that much success in leading investors to regions is not mentioned in any of the aforementioned rules, certain financial facilities capitalize venture, perhaps most significant because it is unexpected, unfamiliar venture capital industry is an important country policy makers.

Tax

Tax laws and politics in every country, is one of the most important factors affecting the level of investors and entrepreneurs in the country. Tax levers such as reducing the tax rate on profits from investments, in many developed countries of the world, the growth of Entrepreneurship strengthening tendencies and creation of new products and services and Also, flourishing venture capital industry is affected Tax levers such as reducing the tax rate on profits from investments, in many developed countries of the world, to foster entrepreneurship and creation of new products and services and growth Also, the flourishing venture capital industry has been influential Iranian authorities could also efficient and calculated using the levers and using the experiences of other countries, the development of venture investment particularly help capitalize. To foster entrepreneurship and creation of new products and services and growth Also, the flourishing venture capital industry is

affected and the Iranian authorities could use this leverage and efficient and calculated using the experiences of other countries, the development of venture investment particularly help capitalize.

Intellectual Property

It is proven that a lot of upfront costs necessary for the formation of an innovation and invention, and entrepreneurs will not shift on a single charge these costs, unless you know some of the benefits that accrue to the community, in the form of profit gain. Patent and copyright, and so on, that are legal mechanisms for a limited time to creative entrepreneurs, have the exclusive power to withdraw the product of their work. In the absence of legal protections, copies of thought and intellectual property products, it is very simple and increased competition for imitation and copying, any incentive to create new ideas and innovative destroyed. On the other hand, in most cases, the only asset startups and entrepreneurs, the intellectual property and in the absence of mechanisms sympathy, entrepreneurs of exposing your data (even for potential investors) have refused. This issue could be a serious obstacle in the way of creativity, entrepreneurship and ultimately, investors are venture....

Withdrawal mechanism

One of the venture capitalists, the investors pay attention to it and are very sensitive to it, there is an appropriate mechanism out of the investment. Most venture capital funds in startup companies or start-ups in the early stages of development involving high risk, yet more profits, invest and then the company behind the early stages of their growth and the steady state with a stable and low-risk growth rate and profit rose, overview of the current Iranian capital market shows that this market encompasses a small set. As a result, its role in economic development is negligible.

A review of the single market and small-market value of securities, as the main symbol of Iran's capital market (especially in comparison with other countries) indicate that capital market, in its current form so limited, and follow traditional activities and the supply of the financial requirements of national development can do.

Capital market as a supplier of one of the most important factors of production (capital) of the structural problems of the economy has seen a lot of damage. Unfortunately, production facilities and Technology, for their needs, the government and the banking system are more dependent and less turn to the capital market. Experience has shown that when attention is paid to the capital market the government is unable to meet its financial needs covered companies and if its financial situation improved, capital market inefficiency forgotten. In fact, the costs of inefficiency of local government resources, funded

Labor Law

Rules pertaining to labor and legal relations between employers and workers in a "labor law" is specified, there is a significant impact on entrepreneurship and venture capital.

Weaknesses and shortcomings that exist in the new labor law passed in November 1369, of the obstacles facing entrepreneurs and investors risk taking. In fact, the current job is not synchronized with the conditions and requirements of the day.

Research model

The criteria in order to evaluate the performance of venture capital funds, 4-factor model of work (1996) are.

$$R_{it} = \alpha_i + \beta_i (RM_t - R_{ft}) + \beta_i SMB_t + \beta_i VMG_t + \beta_i MOM_t + \epsilon_{it}$$

R_{it}: return on investment venture fund i in month t

RM_t: tax levers, total market index fund research and technology website Khorasan Razavi collected monthly and based on the market return minus index beginning of the end of the beginning of the month divided by the index is calculated.

R_{ft}: incentive levers, the total index market returns collected from Khorasan Razavi Research and Technology Fund website and by the end of the month minus index return as the market index is calculated beginning of the month divided by the index earlier this month.

SMB_t: Financing, this variable by multiplying the number of investment units of investment funds at the end of the period during which the average price (net asset value) achieved a monthly basis.

VMG_t: Book value to market value, which is also shown by HML. This ratio by dividing the book value to market value of units of investment funds achieved a monthly basis (Mojtahedzadeh and Taromi, 1385).

MOM_t: the motor (output sequence) UMD Fund has also shown that by subtracting funds yield higher returns with MOM and MOM funds with lower achieved a monthly basis.

β_i: market factor

β_i: size factor

α_i: the value of portfolios i

ε_{it}: the sensitivity of the portfolio i

$$R_{it} = \alpha_i + \beta_i (RM_t - R_{ft}) + \beta_i SMB_t + \beta_i VMG_t + \beta_i MOM_t + \epsilon_{it}$$

ai: excess returns of venture fund i is that it is used as an indicator of performance.

Hypotheses

- Book value is the development of venture investment funds.
- There is funding the development of venture investment funds.
- There is a sequence of return on the development of venture investment funds.
- Financial leverage to encourage the development of venture investment funds is.
- The existence of tax leverage to the development of the venture investment fund.

Research Methodology

The purpose of this study is an applied research because its results can be used in decisions of managers and investors. Also, after the deduction, and the nature of the research hypothesis, the research group is solidarity, because to explore the relationships between variables, regression techniques will be used.

Also, as in this study, the result of data obtained through testing, research in the department is positive theories. The study population of all venture investment funds in the country, Removal of systematic sampling which funds research and technology venture investment fund East Khorasan Razavi province as the only country to have been selected as the sample for this study.

Data analysis

The reliability test variables

The first step is to estimate the pattern after collecting data, the reliability characteristics or static variables. For this purpose, reliability testing Levin, Lin and Chu used panel data. According to this test, P-Value of less than 5%, So the variables are stable level. This means that the mean and variance covariance over time and between different variables were constant. As a result, the use of these variables in the template does not cause spurious regression. The results in Table 1 indicate the reliability of all variables.

Table 1: Results of reliability Levin, Lin and Chu for variables

observations	Cross-sections	Significance level	T-statistic	Variable name
6	1	0.0000	-29.4063	Ai
6	1	0.0000	-10.6156	RMt
6	1	0.0000	-20.7397	Rft
6	1	0.0000	-31.8401	SMBt
6	1	0.0000	-61.0075	VMGt
6	1	0.0000	-34.3518	MOMt

Correlation and linear variables

Spearman's rank correlation coefficients in Table 2 between the independent variables studied, the research is used to estimate model. Minus sign means a negative and positive relationship means the relationship between two variables. The correlation coefficient shows only the equation and it cannot be used to test the effect of one variable on another variable. As can be seen from the table, the variables correlation coefficient close to zero or less than 0.05 indicates a pattern in which a lack of correlation between the independent variables. So, we can run the model.

Table 2: Results of Spearman's rank correlation between independent variables

LNMEET	HHI	OPER	LNSIZE	LEV	Pearson correlation risk
				1	RMt
			1	0.014	Rft
		1	0.017	0.018	SMBt
	1	-0.212	-0.012	0.000	VMGt
1	-0.076	0.219	0.218	0.134	MOMt

Choose a fixed effects or random effects test

To choose between fixed and random method can be used Hasman test.

$$H = [(\beta f_e - \beta_{re}) [\text{cov } f_e - \text{cov}_{re}]^{-1} (\beta f_e - \beta_{re})] \sim \chi^2$$

H number of explanatory variables and coefficients in the vector of fixed effects and random manner, and the covariance matrix coefficients are fixed and random effects methods.

The null hypothesis: the random effects method is more efficient.
 Alternative hypothesis: constant effects method is more efficient.

Table 3: Summary Hasman test for research model

Significance level	Chi-Sq. d.f.	Chi square	Variable name
0.0000	4	11.231	Original

In general, the use of panel data is that the question is mainly fixed or random sections which should be used for curve fitting. In order to test the hypothesis of this study in the context of fixed effects, EViews8 software is used.

Test research hypotheses

According to Table 4, the results of research using random-effects model has shown that:

Fisher F-statistic is used to evaluate the significance of regression. The F-statistic significant level of 05/0 model is smaller, and then at 95% significance of the model is verified.

Waste independence test model:

To search for models fitted waste independence of the statistic Durbin - Watson used. If this statistic is limited to 5/2 7/1 (5/1 to 5/2 mentioned in some sources) is. Independence is approved model waste; otherwise there is evidence of lack of independence or waste serial correlation model. The Durbin-Watson statistic in this model is equal to 1.954632, after the assumption of serial correlation between variables is rejected.

determining model:

This model is adjusted coefficient of determination equal to 0.52. Therefore, according to this value, this model can explain 52 percent of dependent variable predicted by variables.

Continue to investigate the significance of explanatory variables regression coefficients using the t discussed. If the probability statistic is less than the 5% level, the relationship between the dependent and independent variables is approved model. Otherwise, evidence of a lack of respect.

Table 4: Summary the results of the random effects model

Variable symbol: α_i Type: Fusion Views: 6		The dependent variable: venture capital fund Template: Multivariate linear regression Sections (count): 1 Courses count 4			
Significance level	T-statistic	Standard error	Coefficient	Explanatory symbol	Explanatory variables name
0.000	4.279349	0.178468	0.763729	RMt	Tax levers
0.000	4.131136	0.184839	0.763595	Rft	Incentive levers
2.610	1.124941	0.008479	0.009539	SMBt	Financing
0.000	6.327995	0.007278	0.046052	VMGt	Book Value
0.01	4.108468	0.081388	0.334381	MOMt	Sequence output
0.000	4.535913	1.102134	4.999185	C	Intercept
0.525587	Coefficient of determination				
0.213695	The mean dependent variable		0.789654	Adjusted coefficient of determination	
0.865423	Deviation of dependent variable		21.45625	F. Fisher statistics	
1.954632	Durbin – Watsons statistic		0.000000	The probability statistic F. Fisher	

The first hypothesis test

The first hypothesis states that the book value of the development of venture investment funds. The possibility of the independent variable T book value (VMGt) in Table 2 and 0.000 numbers is less than the level of 5 percent. The book value is the development of venture capital funds. Therefore, the first hypothesis is accepted.

The second hypothesis test

The second hypothesis states that there is financing the development of the venture investment fund. The possibility of financing the independent variable T statistic (SMBt) in Table 2 to 61/2 times and a numerically higher than the level of 5 percent. Therefore, the effect of financing the venture investment fund will fund the development. Therefore, the second hypothesis it is not accepted.

The third hypothesis testing

The third hypothesis suggests that there is a sequence of return on the development of venture investment funds. T-values of the independent variable sequence of returns (MOMt) in Table 2 equal to 0.01 and the number is less than the level of 5 percent. The third hypothesis testing

The third hypothesis suggests that there is a sequence of return on the development of venture investment funds. T-values of the independent variable sequence of returns (MOMt) in Table 2 equal to 0.01 and the number is less than the level of 5 percent. Thus, the sequence returns to the development of the venture capital funds. Also, coefficient of the independent variable, in Table 4-6 positive value, that represents a direct positive relationship of these variables on the venture capital fund. Therefore,

The fourth hypothesis testing

The fourth hypothesis says that financial leverage to encourage the development of venture capital funds ore. The independent variable t statistic encourages financial levers (Rft) in Table 2 numerically equal to 0.000 and less than the level of 5 percent. So, there is financial leverage to encourage the development of venture investment fund to be. Also, the coefficient of the independent variable is positive value in Table 2, which shows the direct and positive relationship of these variables on the venture capital fund. The fourth research hypothesis is accepted.

Fifth hypothesis test

Fifth hypothesis states that the tax lever to encourage the development of venture investment fund. T-values of the independent variable tax levers (RMt) in Table 2 numerically equal to 0.000 and less than the level of 5 percent. Therefore, tax lever to encourage the development of venture investment fund. Also, the coefficient of the the independent variable is positive value in Table 2, which shows a positive relationship between direct and venture investment fund is based. The fifth hypothesis is research acceptance.

Conclusion and Recommendations

Venture investment funds are one of the most important financial institutions in the capital market with professional management efforts to attract small capital drawn towards the capital markets and the efficiency of capital markets. The main constituent's capital markets are the financial institutions that they can be active and powerful promise of a strong and efficient financial system. Venture investment funds for the purchase and sale of securities with the aim of creating specialized management and reduce investment risk and ultimately created incentives for the development of the capital market. For any investment to diversify their investments and risks associated with the planning, venture investment funds can help diversify the opportunity to provide possible based on the portfolio

For this purpose, based on theoretical study, five hypotheses and using, sample data from Khorasan Razavi Research and Technology.

At this stage, according to the results of research, practical suggestions are provided as follows:

Hypothesis 1: The book value is the development of venture capital funds.

Recommended:

Due to the influence of two factors: company size and book-to-market and ease of calculation of these two factors, It is possible for investors to make their investment decisions easily use these factors to incur less risk.

Hypothesis 3: There is a sequence of return on the development of venture capital funds. Recommended:

Investors to earn higher returns on factors such as the number of fund industry, Issuance and revocation of fund units, the value of the fund's assets, the percentage ownership of investors, cash and growth in selected market index fund their attention.

Hypothesis 4:

There are financial levers to encourage the development of venture capital are funds. Recommended:

Develop specific policies in the foreign exchange, trade policy with regard to import raw materials and export stability and stable customs legislation, particularly in the area of property in capital assets, Insurance of Investment and ... including financial incentives for the development and venture capital activity is continuing.

Hypotheses 5:

There leverage tax is the development of venture capital funds. Recommended:

Tax levers such as reduced tax rates on profits from investments on entrepreneurship growth and the creation of new products and services as well as flourishing venture capital industry is effective and government can use the efficient and accounts of the levers and by benefiting from the experiences of other leading countries in this industry, Contribute to the development of venture capital.

Research limitations

Full information regarding the venture investor funds collected for years have been very difficult to Unfortunately, reference can be said for giving this information is not available within the country and researchers to provide such information from various sources that this process is a long time to do research.

Return limited time and are used to extract statistical data due to data limitations Financial Reporting institutions including Khorasan Razavi Research and Technology Fund of the limitations of this research.

Because of the variables used in this study is the venture investment funds, liquidity ratios are calculated because the discrete random variable, it can be said that there is limited statistical power in the estimation.

The results should be generalized with caution because of the efficiency of study, population and sample limitations. The results of this research in the first place for investment funds and credit organizations and financial institutions active in investment will be used.

Offers

Comments on Results

At this stage, according to the results of research, practical suggestions are provided as follows:

Hypothesis 1: there is the book value of the development of venture capital funds. Recommended:

Due to the influence of two factors: company size and book-to-market and ease of calculation of these two factors, It is possible for investors to make their investment decisions easily use these factors to incur less risk.

Hypothesis 4: There are financial levers to encourage the development of venture capital funds is. the proposal is:

Formulating concrete policies in the foreign exchange, trade policy with regard to import raw materials and export stability and stable customs legislation, particularly in the areas of land ownership in the area of capital assets, including insurance, investment and financial incentives venture capital activity is to develop and continue.

Hypotheses 5: There are tax levers to the development of the venture capital funds. Recommended:

Tax levers such as reduced tax rates on profits from investments to foster entrepreneurship and growth companies, new products and services as well as effective venture capital industry is flourishing And an effective and accountable government can use this leverage and using the experiences of other leading countries in this industry, Contribute to the development of venture capital.

Suggestions for future research to investors

Due to the impact of investment on capital markets, knowledge of the more investors will bring growth and economic development select the correct decisions in the context of non-specialist investors and investment funds can lead to efficient markets and increase market efficiency savings to help. Investors tried to have that all important variables to consider on fund performance.

Finally, it is proposed that in future a few points below the preceding studies:

The effects of factors such liquidity on financial performance, taking into account risk factors in the insurance and banking industry.

The effects of factors such liquidity on financial performance in uncertainty and financial constraints venture capital funds.

The effects of environmental factors and variables such as socio-cultural and political factors on liquidity management and venture capital fund performance.

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