

PRIVATE EQUITY AND VENTURE CAPITAL

Responsible: Professor Zsuzsanna Fluck

Hours: 21h

1. Course Description

1.1 Course Objective

The main objective of the course is to familiarize students with recent developments in private equity and venture capital research in the field of corporate finance investment. This is a very active and interesting field of research area within finance. This course will provide the fundamentals and will give an in-depth coverage of the most important recent developments in the field. We cover topics on venture capital and private equity contracting and investments, the structure and governance of venture capital and private equity funds, and the performance of the venture capital and private equity industry. We will discuss modeling techniques, institutional details, empirical strategies and methods used in private equity and venture capital research.

1.2. Course Materials

There is a reading list of articles. There will be 7 lectures of 3 hours each. On each lecture we will discuss 2-3 articles thoroughly and you are expected to read them carefully before each class. You are encouraged to look at the other recommended readings on your own. They will help to develop your general knowledge of the topic and modeling skills.

1.2 Grading Policy

Evaluation will be based on presentation and class participation. Each student or team is asked to make a twenty minute presentation of an academic article from a list of articles to be distributed by the instructor. The students are expected to prepare 12-16 slide PowerPoint presentations for their presentations. The slides are to be submitted to the instructor at the beginning of the class and will represent the written part of the evaluation. Each student is expected to raise questions and to comment on the papers being discussed on lecture.

• COURSE PLAN

1. The structure of the private equity organizations and an overview of research on private equity and venture capital
2. Private equity and venture capital contracting, investment and syndication
3. Incentives and compensation in private equity and venture capital
4. The value added of venture capital and private equity
5. The use of leverage in funding private equity investments: recent developments in LBOs and MBOs
6. Exiting venture capital and private equity investments
7. The performance of the venture capital and private equity industry

- **LEARNING METHODS**

PowerPoint

- **COURSE ASSESSMENT**

Presentation, presentation write-up and class participation

- **READINGS**

The reading list for the course will be posted on the course website. The reading list is comprised of leading edge articles in the field by Acharya, Axelson, Cassamatta, Chemla, Cornelli, Fluck, Helmann, Kaplan, Lerner, Lyngquist, Myers, Phalippou, Puri, Robinson, Schmidt, Schoar, Sensoy, Sorensen, Stromberg, Wilhelm and Yasuda.