MSc Course Outline 2015/16
Private Equity - EC5370

Course Leader: Pierre-Olivier Fortin
Spring Term- 20 credits

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Office hours: Tuesday 2pm - 4pm during teaching term

AIMS
The aim of the post-graduate level course is to give a more in-depth look at corporate finance issues related with company evaluation and with the main user of those evaluations e.g. private equity and Venture Capitalist (VC). It also aims at giving a practical approach to key aspects of corporate valuation, for example leverage. Finally this course will detail the dynamic and the valuation specificity for the different stages of the company from the start up, to the IPO to the mature company doing merger and acquisition.

LEARNING OBJECTIVES
By the end of this course, students should:
• master the different methods of company evaluations for each phase of a corporation;
• have a good understanding of the various financing mean for start up and mature firms;
• demonstrate familiarity with the capital budgeting and the valuation of company in the presence of leverage;
• have a good understanding of the leverage buyout and private equity technics;
• analyse and critically evaluate the motivation for mergers and acquisitions.

COURSE DELIVERY
One 2-hour lecture and one 1-hour seminar every week over a 10-week period.

ASSESSMENT
Formative assessment:
• Weekly problem sets and classes provide feedback. The problem sets for each seminar will be available a week in advance and can be done as homework. Those works will get feedback.

Summative assessment:
• A valuation project contributing 25% of the final mark.
• One 2-hour exam taken in the summer term which contributes 75% of the final mark

Coursework deadlines and dates of tests will be confirmed in the Departmental Student Handbook and on the Economics Department Website.

READING
The main textbooks for the course is:
WEEKLY TIMETABLE

Intro and corporation vs. private equity
Introduction to Financial Statement Analysis
Valuing Stocks
Investor Behaviour and Capital Market Efficiency
Debt and Taxes
Financial Distress, Managerial Incentives, and Information Pay-out Policy
Capital Budgeting and Valuation with Leverage
Valuation and Financial Modelling: A Case Study
Raising Equity Capital
Debt Financing
Mergers and Acquisitions