

NATIONAL UNIVERSITY OF SINGAPORE
NUS Business School
Department of Finance

FIN4761A Seminars in Finance: Private Equity

Session : Semester 2, 2023/2024

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1. COURSE DESCRIPTION AND SCOPE

This course aims to prepare and equip students with the necessary knowledge and fundamental skills to take on roles at an analyst level in a Venture Capital/Private Equity firm. It will cover the What, Why, When and How of the VC/PE process, giving students the knowhow to identify an investment opportunity, evaluate and assess it, conduct due diligence, perform valuation and financial assessment, monitor and value-add to the investment and finally develop an exit strategy.

The course will be organized as a series of topics combining interactive lectures, discussions with group projects and case analyses. Students are expected to read ahead of lectures and be prepared to discuss topics relevant to the Cases. Students are required to think independently and also work in groups both on Case Studies and Group Projects using real life cases.

2. PRE-REQUISITES

Students need to have read the following modules: FIN3701 Corporate Finance, FIN3702 Investment Analysis and Portfolio Management, and FIN3703 Financial Markets. A good grasp of valuation principles is necessary for the course.

3. COURSE OUTLINE

TOPICS
<ul style="list-style-type: none"> ● Overview and Roles of Venture Capital, Growth and Buyout <ul style="list-style-type: none"> - Definitions, Key Differences between PE & VC - Industry Trends (Global, Asia, SEA) - Fundraising - Investments
<ul style="list-style-type: none"> ● Fund Structures <ul style="list-style-type: none"> - PE Cycle - Fund Mandate & Implications - Investment Thesis - Fund Terms & LP Expectations <p>Case Discussion: Symphony Capital</p>
<ul style="list-style-type: none"> ● Opportunity Assessment <ul style="list-style-type: none"> - Entrepreneurial Perspectives - Changes, Disruptions - Value Proposition - Business Models <p>Case Discussion: Rent the Runway</p>
<ul style="list-style-type: none"> ● Deal Sourcing Strategies ● Screening
<ul style="list-style-type: none"> ● Due Diligence <ul style="list-style-type: none"> - What PE/VCS look for
<ul style="list-style-type: none"> ● Financials & Valuation <ul style="list-style-type: none"> - Analysis & Projections - Dilution - Market Comparables Approach - Income Approach - Leverage
<ul style="list-style-type: none"> ● Term Sheet & Negotiation <ul style="list-style-type: none"> - Preferred Shares & Rights - Implications: Theory & Practice - Pre/Post Investment Terms
<ul style="list-style-type: none"> ● Value-Adding Strategies <ul style="list-style-type: none"> - Growth & Value Drivers in PE - Operational Value-Add
<ul style="list-style-type: none"> ● Exit Strategies <ul style="list-style-type: none"> - IPO - Trade Sale - IRR
<ul style="list-style-type: none"> ● Use of Leverage
<ul style="list-style-type: none"> ● Use of Case Studies throughout the Course ● Final Project utilising all the principles/concepts covered

4. CASE STUDIES & PROJECTS

Case Studies will be used extensively to highlight and examine the key issues/challenges and discuss principles and practices pertaining to each of the topics. Case Studies will be taken across different geographies (US, China, Korea, Singapore) and investment types (venture, buyout).

The Final Project will allow students to bring together all the concepts, principles covered in real-life case giving students hands-on practice to research, analyse and present an investment proposal.

5. REFERENCE TEXTS

- a. Lerner, Josh, Felda Hardymon and Ann Leamon. 2009. *Venture Capital and Private Equity: A Casebook*, 4th Edition. U.S.A.: Wiley.
- b. Wong, L.H. 2005. *Venture Capital Fund Management: A Comprehensive Approach to Investment Practices & the Operations of a VC Firm*. Singapore: Aspatores Books.
- c. Rosenbaum, Joshua and Joshua Pearl. 2009. *Investment Banking Valuation, Leveraged Buyouts, and Merger & Acquisitions*

6. COURSE ASSESSMENT

Case Analysis (Group Questions)	:	20%
Case Analysis (Individual Question)	:	10%
Financial Modelling Exercise	:	10%
Final Project	:	30%
Presentation	:	10%
Class Participation	:	20%

ACADEMIC HONESTY & PLAGIARISM

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is 'the practice of taking someone else's work or ideas and passing them off as one's own' (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. **In case of any doubts, you should consult your instructor.**

Additional guidance is available at:

<http://www.nus.edu.sg/registrar/adminpolicy/acceptance.html#NUSCodeofStudentConduct>

Online Module on Plagiarism:

<http://emodule.nus.edu.sg/ac/>