

Department of Finance

## **FINA 7326 Private Equity and Investment Banking**

Prof. Nisan Langberg

Lecture time:	Wednesday [section 26787] 6pm-9pm
Location:	MH 118
Office hours:	You are welcome to stop by my office at 5pm before class or to set an appointment. My office 210E is located on the second floor of the MH building
Email:	nlangberg@uh.edu

## **Syllabus**

### **Course Description**

The goal of this course is to introduce students to the economics and finance of private equity. Students will learn the considerations of the entrepreneurs seeking funds and that of the Venture Capital investors that invest in such early stage ventures or larger private equity funds that invest in public corporations. These issues will mainly be introduced through cases, assigned readings, and class notes. The students will receive hands-on experience by evaluating a private-equity investment in a public firm of their choice (this part of the class will be done in groups).

### **Course Web Site**

Material will be posted on line. Students are encouraged to visit the class web site – specific URL will be provided in class. On the class web site students can find lecture notes beforehand – I recommend that students printout the class notes before they come to class each week. Also, handouts, announcements, and other class materials will be posted throughout the semester.

## **Reading material**

- HBS Case 9-803-045 “Athleta”
- HBS Case 9-813-114 “Coupa”
- HBS Case 9-815-025 “Fast Ion Battery”
- HBS Case TBD

## **Assignments**

### Cases:

- Prior to each case discussion in class students are required to read the case and answer a few key questions in groups of up to four students
- Particular case-questions will be provided in class

### Project:

- Students will divide into groups of up to four students
- Each group will choose an industry and each student a particular public firm in that industry
- The project includes an industry analysis and a debt-strategy valuation analysis.
- Both parts will be presented in class toward the end of the semester according to the syllabus schedule.

## Course Outline

A tentative time-line is provided below. The actual material covered in class might change, homework due-dates might shift, and the course might not eventually cover all the material intended due to time constraints.

<b>Week</b>	<b>Topic covered and assignments</b>
<b>1</b> August 23	Introduction and some background
<b>2</b> August 30	<i>Class canceled/Hurricane Harvey</i>
<b>3</b> Sept. 9	From Private to Public Initial Public Offerings
<b>4</b> September 13	No class meeting
<b>5</b> September 20	Cash flow analysis for young ventures <b>Case: Athleta</b>
<b>6</b> September 27	Discussion of Project guidelines Part A1 – A3
<b>7</b> October 4	Financing and growth <b>Case: Coupa</b>
<b>8 – 9</b>	Independent work on Part A
<b>10</b> October 25	<u>Final Project part A Due</u> <i>Student Presentations</i>
<b>11</b> November 1	Discussion of Project guidelines Part B1 – B3
<b>12</b> November 8	Venture Capital <b>Case: Fast Ion Battery</b>
<b>13 – 14</b>	Independent work on Part B
<b>15</b> November 29	<u>Final Project part B Due</u>

## Office Hours

Office hours will be held upon appointment. Students are of course welcome to approach me at the end of the class for clarifications or to discuss any other class related issues. If you have questions on the material covered in class, I encourage you to send me an email rather than waiting till the next class meeting in order to allow faster feedback.

## **Grades**

The course grade will be based on the cases, the project, and class participation.

## **Required knowledge**

Prior knowledge of basic financial concepts or methodologies is assumed (e.g., FINA 635). Knowledge of spreadsheet software (like Excel) will come in extremely handy.

## **Accessibility Statement**

The University of Houston would like to help students who have disabilities achieve their highest potential. To receive academic accommodations, students shall register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400).

## **Academic Honesty**

Students are expected to follow the University of Houston's Academic Honesty Policy. While I encourage students in my class to work in groups on homework assignments, I consider it a violation of academic honesty to sign one's name to an assignment if others completed the assignment substantially.

**UH CAPS Statement:** Counseling and Psychological Services (CAPS) can help students who are having difficulties managing stress, adjusting to college, or feeling sad and hopeless. You can reach CAPS ([www.uh.edu/caps](http://www.uh.edu/caps)) by calling 713-743-5454 during and after business hours for routine appointments or if you or someone you know is in crisis. No appointment is necessary for the "Let's Talk" program, a drop-in consultation service at convenient locations and hours around campus. [http://www.uh.edu/caps/outreach/lets\\_talk.html](http://www.uh.edu/caps/outreach/lets_talk.html)