

**SYLLABUS: FINANCE 7326  
PRIVATE EQUITY & INVESTMENT BANKING  
STEWART**

**CONSULTATION**

Email: [mcstewart@bauer.uh.edu](mailto:mcstewart@bauer.uh.edu)

Office: Melcher Hall, room 210

Office Hours: Immediately after class or by appointment.

Classroom: Melcher Hall, room 138

**COURSE MATERIALS**

- Required:
- > Text: Investment Banking: Valuation, Leveraged Buyouts, and Mergers and Acquisitions, 2nd Edition, by Rosenbaum & Pearl
  - > Supplemental Business Cases and Articles

**COURSE DESCRIPTION**

This course is the study of private equity and investment banking. The primary objective of the course is to provide a general understanding of the private equity and investment banking industry as well as review the basic skills required for an entry level position in the fields. To do this, I have purposely designed the course to be broad and comprehensive. We will explore private equity and investment banking from a number of perspectives.

**CLASS FORMAT**

This course will use materials from the text and real world cases to convey the material. Each week, reading materials, with accompanying questions, along with case studies, will be assigned. We will discuss the key topics and materials in the case for most of the class period.

**COURSE PROCEDURES**

This course will be time-consuming, challenging, and fun. Unless you have the time to execute the assigned questions and prepare for the case discussion(s) each week, I recommend not taking the course. You are encouraged to meet in groups (2-4 people per group) outside of class to discuss and analyze the cases. In the past, students have found that group work complements class discussion well.

The assigned texts readings are mostly qualitative in nature. Additional materials will supplement that, and are meant to serve as background material to help you analyze the cases. Because of the nature of this course (and its grading criteria), it is extremely important that you attend every class, arrive on time, and be prepared to participate. ***It is mandatory that you bring a name card to each class.***

**GRADE DETERMINATION**

Grades will be based on class participation, assignments, and Special Projects.

Class Participation	10%
Class Assignments (problem sets, case analyses)	25%
Special Project I: Private Equity Exercise	20%
Special Project II: Cashing Out: IPO, Exit Options	20%
Special Project III: Sell-side / Buy-side Exercise	25%

**CLASS PARTICIPATION**

This type of class can only be successful with participation. Class participation will count for 10% of the final grade. I will judge your performance based on the quality, and not the quantity of your comments. Because so much of the learning in this course occurs in the classroom, it is very important that you attend every class. I will randomly call on people and ask questions.

## **ASSIGNMENTS**

For each class I will assign a section of the Text, and perhaps an article or case to read/analyze. Select questions will be assigned for completion individually, by a defined time, after class. Those will be graded as such. The cases will be discussed in detail during the class. Again, students should expect to participate when called on.

## **Special Projects**

Groups will be required to participate in exercises and scenarios, whereby the narrative will be provided to them. Groups will need to present within the context of these storylines, and submit a paper that speaks to their findings or position. These materials will be checked for plagiarism. You are responsible for all the information in the paper. **DO NOT COPY SECTIONS OF A 10-K, S-1, Yahoo finance, etc.** This is plagiarism. Only use as a reference.

## **ACADEMIC DISHONESTY**

The University of Houston Academic Honesty Policy is strictly enforced by the C.T. Bauer College of Business. No violations of this policy will be tolerated in this course. A discussion of the policy is included in the University of Houston Student Handbook.

<http://www.uh.edu/dos.hdbk/acad/achopol.html>. Students are expected to be familiar with this policy.

## **ACCOMMODATIONS FOR STUDENTS WITH DISABILITIES**

The C.T. Bauer College of Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students must register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner.

## **COURSE EVALUATIONS**

The C.T. Bauer College of Business requires all its instructors to be evaluated by their students. The results of these evaluations are important to provide feedback to instructors on how their performance can be improved. We encourage students to provide feedback to instructors through the evaluation process.

## CLASS ASSIGNMENTS

*This schedule is subject to change due to the time required to complete discussions, etc. Any assignment due must be turned in by, or at, the beginning of class.*

***NO ASSIGNMENTS WILL BE ACCEPTED LATE OR VIA EMAIL.***

<b>WEEK 1: (8/20)</b>	<b>Theme</b>	❖ Orientation to class / Introduction to Private Equity & Investment Banking
	<b>Discussion</b>	❖ Case Method & Project Descriptions
<b>WEEK 2: (8/27)</b>	<b>Theme</b>	❖ Introduction to Private Equity & Investment Banking
	<b>Pre-Reading</b>	❖ Selected Article
	<b>Assignment</b>	❖ Assigned Questions
	<b>Added Discussion points</b>	❖ Additional Suggested Readings
<b>WEEK 3: (9/3)</b>	<b>Theme</b>	❖ Historical & Recent Trends ❖ PE: Leverage Buy-Outs
	<b>Pre-Reading</b>	❖ Chap. 1 & 2 of Text ❖ Selected Case
	<b>Assignment</b>	❖ Assigned Questions
	<b>Added Discussion points</b>	❖ Capital Structure ❖ Cap Tables ❖ Sources & Uses
<b>WEEK 4: (9/10)</b>	<b>Theme</b>	❖ Special Projects I: Private Equity Exercise
	<b>Pre-Reading</b>	❖ Chap. 3 & 4 of Text
	<b>Added Discussion points</b>	❖ Project Roll-Out
<b>WEEK 5: (9/17)</b>	<b>Theme</b>	❖ Cont. Special Projects I: Private Equity Exercise

<b>Pre-Reading</b>	❖ Project Preparation
<b>Added Discussion points</b>	❖ Project Presentations

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<b>WEEK 6: (9/24)</b>	<b>Theme</b>	❖ M&A Transactions ❖ <b>Guest Speaker</b>
	<b>Pre-Reading</b>	❖ Chap. 6 & 7 of Text ❖ Selected Case
	<b>Assignment</b>	❖ Selected Questions
	<b>Added Discussion points</b>	❖ Industry Specific; Additional Suggested Readings

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<b>WEEK 7: (10/1)</b>	<b>Theme</b>	❖ Equity Underwriting & IPOs
	<b>Pre-Reading</b>	❖ Selected Case
	<b>Added Discussion points</b>	❖ Private vs. Public, Project Roll-Out

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<b>WEEK 8: (10/8)</b>	<b>Theme</b>	❖ Special Project II: Cashing Out, IPO, Exit Options
	<b>Pre-Reading</b>	❖ IPO, MLP, Dividend Recaps Material
	<b>Added Discussion points</b>	❖ Private vs. Public, Project Roll-Out

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<b>WEEK 9: (10/15)</b>	<b>Theme</b>	❖ Cont. Special Project II: Cashing Out, IPO, Exit Options
	<b>Pre-Reading</b>	❖ Project Preparation
	<b>Added Discussion points</b>	❖ Project Presentations

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<b>WEEK 10: (10/22)</b>	<b>Theme</b>	❖ Debt Underwriting & Securitization
	<b>Pre-Reading</b>	❖ Selected Article ❖ Selected Case
	<b>Added Discussion points</b>	❖ Industry Specific

<b>WEEK 11: (10/29)</b>	<b>Theme</b>	<ul style="list-style-type: none"> <li>❖ International Trends</li> <li>❖ Additional Topics</li> <li>❖ Guest Speaker</li> </ul>
	<b>Pre-Reading</b>	<ul style="list-style-type: none"> <li>❖ Selected Article</li> </ul>
	<b>Added Discussion points</b>	<ul style="list-style-type: none"> <li>❖ Industry Specific</li> </ul>
<b>WEEK 12: (11/5)</b>	<b>Theme</b>	<ul style="list-style-type: none"> <li>❖ Cont. Additional Topics</li> <li>❖ Special Project III: Buy-side, Sell-side Exercise</li> </ul>
	<b>Pre-Reading</b>	<ul style="list-style-type: none"> <li>❖ Selected Article</li> </ul>
	<b>Added Discussion points</b>	<ul style="list-style-type: none"> <li>❖ Project Roll-Out</li> </ul>
<b>WEEK 13: (11/12)</b>	<b>Theme</b>	<ul style="list-style-type: none"> <li>❖ Cont. Special Project III: Buy-side, Sell-side Exercise</li> </ul>
	<b>Pre-Reading</b>	<ul style="list-style-type: none"> <li>❖ Project Preparation</li> </ul>
	<b>Added Discussion points</b>	<ul style="list-style-type: none"> <li>❖ First Iteration Presentations - Negotiations</li> </ul>
<b>WEEK 14: (11/26)</b>	<b>Theme</b>	<ul style="list-style-type: none"> <li>❖ Cont. Special Project III: Buy-side, Sell-side Exercise</li> </ul>
	<b>Pre-Reading</b>	<ul style="list-style-type: none"> <li>❖ Project Preparation</li> </ul>
	<b>Added Discussion points</b>	<ul style="list-style-type: none"> <li>❖ Second Iteration Presentations – Negotiations</li> <li>❖ Deal Closing – Final Presentations</li> </ul>

**Final Project Write-up due by  
12/3 noon CST.**