

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

CONSULTATION

Email: mcstewart@central.uh.edu

Office: Melcher Hall, room 210C

Date/Time: Wednesday. 6 – 9p CST

Office Hours: Immediately after class or by appointment.

Classroom: Melcher Hall 112, the class is also administered via Blackboard Learn

COURSE MATERIALS

- Required:
- > Text: Investment Banking: Valuation, LBOs, M&A, and IPOs, 3rd 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.

GRADE DETERMINATION

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

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.

RECORDING LANGUAGE

Students may not record all or part of class, livestream all or part of class, or make/distribute screen captures, without advanced written consent of the instructor. If you have or think you may have a disability such that you need to record class-related activities, please contact the Center for Students with Disabilities. If you have an accommodation to record class-related activities, those recordings may not be shared with any other student, whether in this course or not, or with any other person or on any other platform. Classes may be recorded by the instructor. Students may use instructor's recordings for their own studying and notetaking. Instructor's recordings are not authorized to be shared with anyone without the prior written approval of the instructor. Failure to comply with requirements regarding recordings will result in a disciplinary referral to the Dean of Students Office and may result in disciplinary action.

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.

WEEK 1: (8/25)	Theme	❖ Orientation to class / Introduction to Private Equity & Investment Banking
	Discussion	❖ Case Method & Project Descriptions
WEEK 2: (9/1)	Theme	❖ Introduction to Private Equity & Investment Banking
	Pre-Reading	❖ Selected Article
	Assignment	❖ Assigned Questions
	Added Discussion points	❖ Additional Suggested Readings
WEEK 3: (9/8)	Theme	❖ Historical & Recent Trends ❖ PE: Leverage Buy-Outs
	Pre-Reading	❖ Chap. 1 & 2 of Text ❖ Selected Case
	Assignment	❖ Assigned Questions
	Added Discussion points	❖ Capital Structure ❖ Cap Tables ❖ Sources & Uses
WEEK 4: (9/15)	Theme	❖ Special Projects I: Private Equity Exercise
	Pre-Reading	❖ Chap. 3 & 4 of Text
	Added Discussion points	❖ Project Roll-Out
WEEK 5: (9/22)	Theme	❖ Cont. Special Projects I: Private Equity Exercise

	Pre-Reading	❖ Project Preparation
	Added Discussion points	❖ Project Presentations
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WEEK 6: (9/29)	Theme	❖ M&A Transactions ❖ Guest Speaker
	Pre-Reading	❖ Chap. 6 & 7 of Text ❖ Selected Case
	Assignment	❖ Selected Questions
	Added Discussion points	❖ Industry Specific; Additional Suggested Readings
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WEEK 7: (10/6)	Theme	❖ Equity Underwriting & IPOs
	Pre-Reading	❖ Selected Case, Chap. 8 Text
	Added Discussion points	❖ Private vs. Public, Project Roll-Out
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WEEK 8: (10/13)	Theme	❖ Special Project II: Cashing Out, IPO, Exit Options
	Pre-Reading	❖ IPO, MLP, Dividend Recaps Material
	Added Discussion points	❖ Private vs. Public, Project Roll-Out
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WEEK 9: (10/20)	Theme	❖ Cont. Special Project II: Cashing Out, IPO, Exit Options
	Pre-Reading	❖ Project Preparation
	Added Discussion points	❖ Project Presentations
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WEEK 10: (10/27)	Theme	❖ Debt Underwriting & Securitization
	Pre-Reading	❖ Selected Article ❖ Selected Case
	Added Discussion points	❖ Industry Specific

WEEK 11: (11/3)	Theme	❖ International Trends ❖ Additional Topics ❖ Guest Speaker
	Pre-Reading	❖ Selected Article
	Added Discussion points	❖ Industry Specific
WEEK 12: (11/10)	Theme	❖ Cont. Additional Topics ❖ Special Project III: Buy-side, Sell-side Exercise
	Pre-Reading	❖ Selected Article
	Added Discussion points	❖ Project Roll-Out
WEEK 13: (11/17)	Theme	❖ Cont. Special Project III: Buy-side, Sell-side Exercise
	Pre-Reading	❖ Project Preparation
	Added Discussion points	❖ First Iteration Presentations - Negotiations
WEEK 14: (11/24)	Theme	❖ Cont. Special Project III: Buy-side, Sell-side Exercise
	Pre-Reading	❖ Project Preparation
	Added Discussion points	❖ Second Iteration Presentations – Negotiations ❖ Deal Closing – Final Presentations
Final Project Write-up due by noon CST 12/8; Final Class held on 12/1.		