

Venture Capital & Investment Banking DOI-OPT-627

SEMESTER: Spring
CREDITS: 6 ECTS (4 hrs. per week)
LANGUAGE: English
DEGREES: MII, MIT

Course overview

The objective of this course is for the student to learn how to run a company, from a start-up to a listed multinational. The course will prepare the students to meet the highest level of responsibility in a corporation, no matter what specific technical specialty the engineer wants to develop. Students will learn specific financial techniques and work with management tools and will be able to forecast different scenarios that the business might face in an uncertain future. They will learn to manage different situations that the company will have to tackle, from crises to successful periods, and find the proper way to finance any kind of business through its expansion (Venture Capital, Private Equity, Markets, etc). Finally, students will learn how to deal with Institutional Investors, Funds, and Investment Bankers.

Prerequisites

Basic knowledge of Corporate Finance. Students must be familiar with basic concepts such as Time Value of Money, Capital Budgeting (Present Value, NPV, Payback period and IRR), Project Cash Flows, Financial Statements and Ratio Analysis, CAPM, WACC and the Discounted Cash Flow method.

Course contents

Theory:

1. Company's modeling tools
2. Start-up Finance
3. Leveraged transactions: LBO y MBO
4. Private Equity - Mergers and Acquisitions (M&A)
5. Private Equity - Venture Capital
6. Due Diligence
7. Bankruptcy, Chapter 11, crisis and business re-float
8. Investment Banking

9. Executive decision-making
10. Capital markets and debt markets
11. Other Financial Disciplines

Tools and lab sessions:

The units described previously have associated several lab sessions with practicing-tools (Excel) on Company simulation.

Textbook

Ross, S. Westerfield, R. and Jordan, B. (2014) Essentials of Corporate Finance, 8th Edition. McGrawHill.

Other:

- Cornett, M. Adair, T. and Nofsinger, J. (2014) Finance, 2nd Edition, McGrawHill.
- Dyson J.R. (2010) Accounting for Non-accounting Students (8th Edition) Pearson
- Eugene F. Brigham and Michael C. Ehrhardt (2005) Financial Management - Theory and Practice (11th edition) (Thomson South-Western)
- Brealey, R., Myers, S. and Marcus, A. (2012) Fundamentals of Corporate Finance, 7th Edition. McGrawHill.
- Crundwell, F.K. (2008). Finance for Engineers. Evaluation and Funding of Capital Projects. Springer.
- Higgins, R.C. (2011) Analysis for Financial Management, 10th Edition. McGrawHill.
- Valdez, S. and Molyneux, P. (2010) An Introduction to Global Financial Markets, Palgrave MacMillan

Grading

The final grade of the course will result from adding the following elements:

- 40% from the grade in the final exam.
- 20% from the grade in the midterm exam

- 25% from handing in the project.
- 15% from handing in the homework given for out-of-classroom work and the grade corresponding to participation in class.