



## BFXU-02-BFE-FNE2450 – Private Equity, Venture Capital and other Alternative Assets

### B.A.F&E – Cross Elective

#### **Course Information**

Course Duration: 15 Weeks

Credit Hours: 60 hours

Meetings:

Location:

Prerequisites: **Foundational understanding of finance** (Time Value of Money, Net Present Value, Internal Rate of Return, Basic Discounted Cash Flow Analysis, Cost of Capital) and **accounting concepts** (Ability to read financial statements like Income Statement, Balance Sheet and Cash Flow Statements, Ratio Analysis) and a **working proficiency in Excel** (enough to understand how to use Excel to for analyzing some financial information).

Equivalent Courses: **Corporate Finance, Financial Accounting**

Exclusive Courses:

#### **Instructor Information**

Instructor: Dr. Shivangi Gupta

Biography: Shivangi Gupta has earned her doctorate in the area of Finance & Control from the Indian Institute of Management Calcutta. Her research interests lie at the intersection of corporate finance and entrepreneurship. Prior to her Ph.D., Shivangi attained her Bachelors in Business Studies from Shaheed Sukhdev College of Business Studies, University of Delhi, and Masters in Commerce from Department of Commerce, Delhi School of Economics, University of Delhi, with a specialization in finance. Here at JSBF, she works as an Assistant Professor and is a member of the Office of International Strategy and Mobility at JSBF.

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Office: 23 East, Second Floor, New Faculty Office Block

Office Hours: By appointment

## 1. Course Description

The Private Equity, Venture Capital, and Alternative Assets elective provides an applied understanding of how private capital shapes firm growth, innovation, and investment outcomes in today's evolving financial landscape. The course examines the role of institutional investors such as pension funds, endowments, and sovereign wealth funds in allocating capital across alternative assets. It develops a deep understanding of Private Equity and Venture Capital, focusing on deal structuring, valuation, fundraising, and exit strategies, while emphasizing real-world decision-making through case-based learning.

The course also incorporates contemporary developments, including changing funding cycles, private credit markets, and the growing importance of data-driven investing. A dedicated module explores the impact of Artificial Intelligence on private markets, covering its role in deal sourcing, due diligence, portfolio monitoring, and the rise of AI-driven startups.

Overall, the course equips students with practical tools and strategic insights to navigate modern private capital markets.

**Note to students:** Please be aware that this course demands a **substantial time commitment for preparation and active participation**. It explores the dynamic world of private equity and venture capital through the analysis of **Harvard Business School cases**. Students will engage in in-depth readings and case preparation to actively participate in class discussions, fostering critical thinking and decision-making skills. This course will challenge you to apply your financial knowledge in real-world scenarios. On average, you should expect to spend approximately **6-8 hours per week outside of class** on readings and case preparation. This will ensure that you can actively contribute to class discussions and perform well in assessments.

## 2. Course Intended Learning Objectives(Aim)

Course Intended Learning Outcomes	Teaching and Learning Activities	Assessments/ Activities
Private Equity & Venture Capital Essentials:  Uncover the nature and functions of Venture Capital and Private Equity funds. Explore their investment strategies, including the types of investments they make and the mechanisms by which they generate returns.	<i>Lectures/ Case Discussion</i>	<i>HBS Case discussion</i>
Deal Lifecycle and Management:  Delve into the intricacies of deal sourcing, selection, and due diligence. Master enterprise valuation techniques.	<i>Lectures/Class Discussion</i>	<i>Excel Exercise</i>
Analytical Proficiency:	<i>Lectures/ Case Discussion</i>	<i>Case Discussion</i>

Develop advanced analytical and deal structuring skills, addressing complexities such as uncertainty and asymmetric information		
<b>Fundraising Dynamics and LP-GP Relationships:</b>  Gain insights into the fundraising process for Venture Capital and Private Equity funds. Understand the intricate relationships between Limited Partners (LPs) and General Partners (GPs).	<i>Lectures/Case Discussion</i>	<i>Role Play Exercise using HBS Case Discussion</i>
<b>Risk and Rewards:</b>  Assess the risks and rewards associated with investments in these sectors. Analyze incentive structures and performance-based compensation in Private Equity and Venture Capital.	<i>Lectures</i>	<i>Excel Exercise</i>
<b>Performance Measurement:</b>  Explore performance evaluation metrics specific to Alternative Investment Strategies.	<i>Lectures</i>	<i>Excel Exercise</i>
<b>Valuation Challenges:</b>  Tackle valuation challenges unique to Private Equity and Venture Capital transactions, including valuing intangible assets and dealing with illiquid markets.	<i>Lectures/ Case Discussion</i>	<i>Excel Exercise/Case Discussion</i>

### 3. Scheme of Evaluation and Grading

#### Evaluation breakup

#### Internal breakup : 70% of the final grade

1. Class Participation: 20% of the final grade
  - a. Active participation in case discussions
  - b. Contributions to class debates and analysis
  - c. Week of Assessment - Week 1 – Week 14
2. Two In-class Quizzes: 30% of the final grade
  - a. Assess understanding of course material
  - b. Week of Assessment - Week 8& 13
  - c. Best of two marking scheme
3. Case Presentation (Group Assignment): 20% of the final grade
  - a. Quality of analysis and presentation
  - b. Ability to defend investment decisions
  - c. Week of Assessment - Rolling Basis – Will be assigned at the beginning of the course.

#### External breakup : 30% of the final grade

1. End Term Exam: 30% of the final grade

- a. In-Class, Open Book, Closed Internet Exam
- b. Comprehension of course material
- c. Critical thinking and problem-solving skills

### **Grade Definition**

The schema of the grade sheet may change. Students will be informed well in advance of any changes in the schema of the grade sheet.

<b>Letter Grade</b>	<b>Percentage Of marks</b>	<b>Grade Value</b>	<b>Grade Definitions</b>
O	80 and above	8	Outstanding: Exceptional knowledge of the subject matter, thorough understanding of issues; ability to synthesize ideas, rules and principles and extraordinary critical and analytical ability.
A+	75-79	7.5	Excellent: Sound knowledge of the subject matter, thorough understanding of issues; ability to synthesize ideas, rules and principles and critical and analytical ability.
A	70-74	7	Very Good: Sound knowledge of the subject matter, excellent organizational capacity, ability to synthesize ideas, rules and principles, critically analyse existing material and originality in thinking and presentation.
A-	65-69	6	Good: Good understanding of the subject matter, ability to identify issues and provide balanced solutions to problems and good critical and analytical skills.
B+	60-64	5	Fair: Average understanding of the subject matter, limited ability to identify issues and provide solutions to problems and reasonable critical and analytical skills.
B	55-59	4	Acceptable: Adequate knowledge of the subject matter to go to the next level of the study and reasonable critical and analytical skills.
B-	50-54	3	Marginal: Limited knowledge of the subject matter and irrelevant use of materials, and poor critical and analytical skills.
P1	45-49	2	Pass 1: Pass with Basic understanding of the subject matter.
P2	40-44	1	Pass 2: Pass with Rudimentary understanding of the subject matter. (Not applicable to Bachelor of Architecture)
F	Below 40	0	Fail: Poor comprehension of the subject matter; poor critical and analytical skills and marginal use of the relevant materials. Will require repeating the course.

Letter Grade	Percentage Of marks	Grade Value	Grade Definitions
P	Pass		'P' represents the option of choosing between Pass/Fail grading system over the CGPA grading system in the COVID 19 semester in Spring 2020. The option is provided when students attain a minimum of 40 percentage marks under the current grading structure in a given subject.
I	Incomplete		Extenuating circumstances preventing the student from completing coursework assessment, or taking the examination; or where the Assessment Panel at its discretion assigns this grade. If an "I" grade is assigned, the Assessment Panel will suggest a schedule for the completion of work, or a supplementary examination.

#### 4. Academic Integrity

##### **Academic Integrity and Plagiarism:**

Learning and knowledge production of any kind is a collaborative process. Collaboration demands an ethical responsibility to acknowledge who we have learnt from, what we have learned, and how reading and learning from others have helped us shape our own ideas. Even our own ideas demand an acknowledgement of the sources and processes through which those ideas have emerged. Thus, all ideas must be supported by citations. All ideas borrowed from articles, books, journals, magazines, case laws, statutes, photographs, films, paintings, etc., in print or online, must be credited with the original source. If the source or inspiration of your idea is a friend, a casual chat, something that you overheard, or heard being discussed at a conference or in class, even they must be duly credited. If you paraphrase or directly quote from a web source in the examination, presentation or essays, the source must be acknowledged. The university has a framework to deal with cases of plagiarism. All form of plagiarism will be taken seriously by the University and prescribed sanctions will be imposed on those who commit plagiarism.

##### **Disability Support and Accommodation Requirements:**

JGU endeavours to make all its courses accessible to students. All students with any known disability needing academic accommodation are required to register with the Disability Support Committee [dsc@jgu.edu.in](mailto:dsc@jgu.edu.in). The Committee has so far identified the following conditions that could possibly hinder student's overall well-being. These include physical and mobility related difficulties; visual impairment; hearing impairment; medical conditions; specific learning difficulties e.g., dyslexia; mental health. The Disability Support Committee maintains strict confidentiality of its discussions. Students should preferably register with the Committee during the month of June/January as disability accommodation requires early planning. DSC will approve of and coordinate all disability related services such as appointment of academic mentors, arranging infrastructural facilities, and course related requirements such as special lectures, tutorials, and examinations.

##### **Safe Space Pledge:**

This course may discuss a range of issues and events that might result in distress for some students. Discussions in the course might also provoke strong emotional responses. To make sure that all students collectively benefit from the course, and do not feel disturbed due to either the content of the course or the conduct of the discussions. Therefore, it is incumbent upon all within the classroom to pledge to maintain respect towards our peers. This does not mean that you need to feel restrained about what you feel and what

you want to say. Conversely, this is about creating a safe space where everyone can speak and learn without inhibitions and fear. This responsibility lies not only with students, but also with the instructor.

### **Class Participation Guidelines:**

- 1) **Quality Over Quantity:** Your class participation grade will be primarily based on the quality and relevance of your contributions, not the quantity. Meaningful insights and well-thought-out analysis are valued over the frequency of your comments.
- 2) **Express Analysis, Not Opinion:** When participating in class discussions, strive to express analytical viewpoints rather than personal opinions. Focus on providing evidence-based arguments and insights.
- 3) **Active Engagement:** Actively engage in the collective problem-solving process during class discussions. Your contributions should contribute to the overall understanding of the subject matter.
- 4) **No Silence:** In the classroom, silence is not considered valuable. Do not hesitate to speak up and share your perspectives, even if you believe your viewpoint might be controversial.
- 5) **Cold Calling:** Be aware that the instructor reserves the right to cold call on any student during class discussions to encourage active participation.
- 6) **Grading Criteria:** Your class participation grade will be assessed on a scale of 0 to 4 for each session. The following criteria will be used:
  - a) **Attendance:** Regular attendance is essential. Absence will negatively affect your class participation grade.
  - b) **Contribution to Discussion:** Actively contribute to class discussions with thoughtful insights and relevant observations.
  - c) **Evidence-Based Analysis:** Demonstrate a deep understanding of the case material by using data and facts from the case to support your arguments.
  - d) **Valid Inferences:** Make logical and valid inferences based on the information presented in the case.
  - e) **Examples and Comparisons:** Enhance the discussion by providing interesting real-world examples and relevant comparisons.
  - f) **Critical Thinking:** Exhibit the ability to consider issues beyond the obvious, showing depth of analysis.
  - g) **Active Listening:** Act as an engaged and attentive listener when others are speaking.
  - h) **Constructive Debate:** Engage in constructive debates and discussions with your fellow participants, respecting diverse viewpoints.
- 7) **Attendance Impact:** Please note that consistent absence from class will, all else being equal (*ceteris paribus*), result in a lower class participation grade.

These guidelines are designed to foster a dynamic and intellectually stimulating classroom environment where active participation is encouraged and valued as an integral part of the learning process.

### **Laptop Use Policy:**

- **Laptop Use Allowed:** Laptops are permitted in class as long as they are used for academic purposes related to the course material, such as taking notes, referencing digital course materials, or participating in in-class exercises.

- **No Distractions:** Laptop usage should not cause disruptions or distract you, the instructor, or fellow students. It is essential to maintain a focus on the class discussion.
- **Respect for the Learning Environment:** If students are found using their laptops for purposes unrelated to the class, such as browsing social media, shopping online, or engaging in other non-academic activities, they may be asked to leave the class, and their attendance for that session may not be recorded.

#### **Phone and Texting Policy:**

- **Phone Usage Prohibited:** The use of phones for texting or any activity that disrupts the class is strictly prohibited. This includes making or receiving calls, texting, or any other activity that diverts your attention away from the class content.
- **Maintain a Disturbance-Free Environment:** Please ensure that your phone is set to silent mode or turned off during the class to prevent any disruptions. Vibrating phones should also be avoided if they can be heard.
- **Consequences of Disruption:** Any disruption caused by phone use or texting may result in a warning, and repeated violations may lead to the student being asked to leave the class. In such cases, attendance may not be recorded for that session.

These policies are in place to maintain a conducive and respectful learning environment for all students and the instructor. They aim to strike a balance between the educational use of technology and the need for an undistracted and focused classroom experience.

### **5. Keyword Syllabus**

Private Equity, Venture Capital , Alternative Assets, Valuation, Portfolio Management , Fundraising, Case Studies

### **6. Course Material**

There is no one textbook for this course. Two broader textbooks which can be referred to by students are as follows:

1. Fundamentals of Entrepreneurial Finance, Marco Da Rin and Thomas Hellmann, Oxford University Press 2020
2. Mastering Private Equity, Claudia Zeisberger, Michael Prahl, & Bowen White, Wiley 2017

In addition, most sessions will be anchored in the discussion of a case and informed by readings from outside the text as well. The details of readings for each session are given below in the session-wise schedule and will be shared prior to the class.

#### **Recommended Web Sources:**

- PitchBook ([pitchbook.com](http://pitchbook.com))
- Inc42 ([inc42.com](http://inc42.com))
- TechCrunch ([techcrunch.com](http://techcrunch.com))
- Bloomberg ([bloomberg.com](http://bloomberg.com))
- The Wall Street Journal ([wsj.com](http://wsj.com))
- Harvard Business Review ([hbr.org](http://hbr.org))

#Students can refer to this link to become comfortable with new terms related to this course :  
<https://pitchbook.com/blog/private-equity-and-venture-capital-glossary>

<https://pitchbook.com/blog/what-are-the-private-markets>

These web sources will provide students with valuable information and insights related to the course topics and can be used for research and reference purposes.

## 7. Session Plan

Session (with Date)	General Topic	Readings	Approach/Pedagogy
Week 1	Introduction to the Private Financing Ecosystem <ul style="list-style-type: none"> <li>• Evolution of the PE/VC globally and in India</li> <li>• Role of Private markets versus public markets</li> </ul>	**	Lecture Based
Week 2	Introduction to Case Study Method for PEVC <ul style="list-style-type: none"> <li>• How to read and analyze PE/VC cases</li> <li>• Decision-making under uncertainty</li> </ul>	**	Case Discussion
Week 3-4	Alternative Fund Structure and GP-LP Exchange <ul style="list-style-type: none"> <li>• Endowments, pension funds, SWFs, family offices</li> <li>• Portfolio allocation, liquidity, benchmarking</li> <li>• PE/VC Economics</li> </ul>	**	Lecture Based/Case Discussion
Week 5- 8	Fundraising Module <ul style="list-style-type: none"> <li>• Focus on Limited Partners, types</li> <li>• LP-GP Incentives</li> <li>• Return Structures and Portfolio Allocation</li> <li>• Benchmarking and Performance Evaluation</li> </ul>	**	Lecture, Case Discussion, Excel Exercises, Quiz 1
Week 9-13	Investing and Harvesting Module <ul style="list-style-type: none"> <li>• Focus on General Partners &amp; Portfolio Company Relationships</li> <li>• Deal flow generation and evaluation</li> <li>• Due diligence (market, financial, strategic)</li> </ul>	**	Lecture, Case Discussion, Excel Exercises, Quiz 2

	<ul style="list-style-type: none"> <li>• Role of data and emerging AI tools in screening</li> <li>• VC valuation, PE valuation, LBO basics</li> <li>• Term sheets, governance, incentives</li> </ul>		
Week 14	<b>AI in Private Markets &amp; Venture Ecosystem</b> <ul style="list-style-type: none"> <li>• AI in deal sourcing, due diligence, and portfolio monitoring</li> <li>• AI-driven startups and VC strategy</li> <li>• Risks, biases, and limitations of AI in investing</li> </ul>	**	Lectures; mini-cases
Week 15	Revision & End Term Discussion	**	Revision

**\*\*Fundraising Module:**

- Readings:
  - Learning using the Case Study Method
  - The basics of private equity funds , HBS Reading
  - Fundraising for Private Equity Investors, HBS Reading
  - Chapter 12, Fundamentals of Entrepreneurial Finance, Da Rin & Hellman
  - Assessing Private Equity Performance, HBS Reading
- HBS Cases:
  - VCPE strategy Vignettes
  - Yale University Investment Office
  - Beroni Group Case
  - Calpers versus Mercury News: Disclosure Comes to Private Equity

**Investing and Harvesting Module:**

- Readings:
  - A note on Private Equity securities, HBS Reading
  - Note on Valuation of Venture Capital Deals, HBS Reading
  - Note on Valuation in Private Equity Settings, HBS Reading
  - Valuation Techniques in Private Equity
  - Chapter 4, 5, 6 , Fundamentals of Entrepreneurial Finance, Da Rin & Hellman
- HBS Cases:
  - Endeca Technologies
  - Avid Radiopharmaceuticals and Lighthouse Capital Partners
  - Uber Deliberates
- Brazos and Tri Northern Exit