

Syllabus

1. Course Description

- a. Title of a Course: **VENTURE INVESTMENTS**
- b. Pre-requisites: Knowledge in Economics, Financial modeling, Corporate Finance, literacy in Excel
- c. Course Type: Elective
- d. Abstract: The course gives general overview of venture investments as one of the types of alternative investments, widely expanding asset class in last decades. During the course covered will be the history of venture industry, its role in economics and innovations, current state of affairs and dynamic. The course discovers how venture capital industry works, its inherent upsides and downsides, basics of investment process and valuation techniques, goals of the VC players and other equally important aspects.

2. Learning Objectives

The main goal of the course is to provide listeners with a wide, however, general knowledge of Venture Capital Industry and with tools and resources to track it and self-develop to the level sufficient for participation in venture capital fundraising and analysis of potential investments into venture companies. The objective of this course is to survey the venture capital industry and to provide students with an understanding of the origination, valuation, execution, monitoring, and realization of venture capital transactions and of the process of investing in venture capital funds.

3. Learning Outcomes

The listeners should know the history of VC industry, its current state and dynamics and place in the space of alternative investments; know main aspects of and be able to participate in the due diligence, valuation, structuring steps of the investment process, among others; know differences among VC and other Alternative Investments.

4. Course Plan

This course will use the theory, the market data and the case method to provide a comprehensive overview of venture capital investments. The course will include a series of contact hours designed to provide knowledge and teach specific skills and concepts used in the practice of venture capital and case discussions through which those skills and concepts will be illustrated and utilized.

The course is divided into several parts.

- The first section will cover the basics and history of VC Industry.

- The second part will examine the industry from the perspective of the venture capital firms who invest in portfolio companies (the general partners or "GP"s). Through theory and the cases, we will analyze several venture capital transactions and situations.
- The third section of the course will examine the venture capital industry from the perspective of the institutions that invest in venture capital funds (the limited partners or "LP"s). We will touch the LP universe (family offices, pension funds, endowments, fund-of-funds, sovereign wealth funds, and secondary funds), analyze the investment track records of GPs, identify the factors that lead to strong performance, and review the process for VC fund raising, due diligence and selection. We will also discuss the terms of fund agreements and the current state of LP/GP relationships. The last part will shortly cover the state of the VC Industry in Russia.

5. Reading List

a. Required:

- Lerner J. Venture capital, private equity, and the financing of entrepreneurship: the power of active investing. John Wiley & Sons. 2012.
- Ramsinghani, Mahendra.
- [The Business of Venture Capital: Insights from Leading Practitioners on the Art of Raising a Fund, Deal Structuring, Value Creation, and Exit Strategies. John Wiley & Sons. 2014.](#) (e-book).

b. Optional:

- Camp J. J. Venture capital due diligence: a guide to making smart investment choices and increasing your portfolio returns. John Wiley & Sons. 2002.

6. Grading system

Students' performance is evaluated on a 10-point mark scale as follows:

Points	Description
10	Distinguished performance
8-9	Excellent performance
6-7	Good performance
4-5	Satisfactory performance
0-3	Fail

The rounding of the definitive performance grade is conducted in accordance with the standard mathematical rounding rules. The rounding of the intermediate grades is not conducted to avoid the rounding bias.

7. Guidelines for Knowledge Assessment

The final grade on the scale from 1 to 10 is a blended weighted of student's presence and active participation in classes (25%), intermediate test (30%) and final exam (50%). Additional scores will be assigned to students who has performed presentations on-demand in front of the class.

8. Methods of instruction

The instructors use traditional methods of instruction by providing well-structured reading during contact hours with a lot of illustrations, problems and real case studies and discussing the materials.

9. Special equipment and software support

Not required.