

## DSE 18: PRIVATE EQUITY

### CREDIT DISTRIBUTION, ELIGIBILITY AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the course			Eligibility criteria	Pre-requisite of the course (if any)
		Lecture	Tutorial	Practical/ Practice		
<b>Private Equity DSE-18</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>Class XII</b>	<b>NA</b>

#### Course Objectives:

- To provide students with the necessary theoretical and conceptual tools used in private equity deals

#### Learning Outcomes:

After studying this course, students will be able to:

- Understand key variables in play in the development of a successful PE eco-system.
- Develop a sophisticated understanding of the PE industry.
- Analyze and simulate the decisions that private equity investors make in the fundraising, investing and exit stages of the PE cycle.

#### Unit 1: Introduction to Private Equity

**(12 hours)**

Meaning and history of private equity, key players in PE market, types of PE, drivers of value creation and how do they vary, relations with debt and public capital, opportunities and the risks for investors, J-curve

#### Unit 2: The Private Equity Process

**(12 hours)**

Determining the size of the fund, through fund raising, sourcing portfolio investments, acquiring the portfolio companies and converting equity value back to cash by liquidating portfolio holdings. The means by which private equity firms create value and enhance the valuation of their portfolio.

**Unit 3: Valuation and Exit Strategies****(12 hours)**

Valuation techniques in a highly leveraged setting, including a discussion of how private equity firms create value and how deals are structured to realize such value

When to exit an investment and why, variety of exit options and pros and cons of each, valuation in different scenarios, impact of terms negotiated at the time of making an investment

**Unit 4: Due Diligence****(9 hours)**

Intellectual framework necessary to perform due diligence in PE settings, challenges to due diligence in the PE environment, framework and guidance to conduct private equity investment due diligence.

**Essential Readings:** (latest editions should be referred to)

- Cendrowski, Harry, Martin, James P., Petro, Louis W., and Wadecki, Adam A, Private Equity Second Edition: History, Governance, and Operations (Wiley Finance © 2012)

**Additional Readings:** (latest editions should be referred to)

- Rogers, Holland & Haas, "Value Acceleration: Lessons from Private Equity Masters"

**Examination scheme and mode:**

Evaluation scheme and mode will be as per the guidelines notified by the University of Delhi.