

Course Outline

RSM 439 H1F

Private Equity and Entrepreneurial Finance

Fall 2020

Course Meets: Thursdays: Section 5101 – 5:10pm, Section 5201 – 7:10pm

Course Delivery: This course / section will be offered online synchronously weekly on Thursdays for 1 hour and 50 minutes

Instructor: Steve Balaban
Email: steve.balaban@rotman.utoronto.ca
Webpage: <https://q.utoronto.ca>
Office Hours: TBD

Course Scope and Mission

The primary objective of the course is to improve students' ability to understand the concepts and institutions involved in private equity. The course will provide students with skill sets so they can analyze and understand private equity from multiple perspectives: the perspective of the individual/firm seeking and receiving private equity finance; the perspective of the private equity fund; and, the perspective of the limited partners that provide finance for private equity funds. Students will also learn how to build Leverage Buyout (LBO) models.

This course uses analysis to learn about private equity, including an emphasis on practical elements. Whether students are interested in a career in private equity or are looking to familiarize themselves with the industry, this course will offer an in-depth understanding of how private equity works and an ability to analyze and present complex situations in the private markets.

Course Prerequisites

RSM333H1

Statement on Equity, Diversity and Inclusion

The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another's differences. U of T does not condone discrimination or harassment against any persons or communities.

Required Technology

For Fall-Winter 2020-21, this course may be conducted entirely online. To participate fully and to complete the course successfully, you must ensure you have a computer with a working webcam, microphone and reliable access to an internet connection. For further details, please visit this link: [Recommended Technology Requirements for Remote/Online Learning](#)

Required Readings

TBD

Evaluation and Grades

Grades are a measure of the performance of a student in individual courses. Each student shall be judged on the basis of how well they have command of the course materials.

<u>Work</u>	<u>Weight</u>	<u>Due Date</u>
Class Participation	30%	Ongoing
Quizzes	5%	Ongoing
Written Assignment	20%	October 23 rd , 2020 at 11:59pm
Video Submission	10%	October 23 rd , 2020 at 11:59pm
Case #1	3%	November 18 th , 2020 at 11:59pm
Case #2	7%	November 25 th , 2020 at 11:59pm
Case #3	25%	December 7 th , 2020 at 11:59pm

Course Format and Expectations

Class Participation

Further details will be given in class.

Quizzes

The quizzes will cover all material assigned in the course. The quiz questions may be either multiple choice or true/ false questions. Details to be discussed in class

Written Assignment

The assignment will cover details on how private equity fits into a portfolio. Further details will be given in class.

Video Submission

Further details will be given in class.

Cases (#1, #2 and #3)

The cases will cover the details of building an LBO. Further details will be given in class

Written Assignments:

Please note that **clear, concise and correct writing** will be considered in the evaluation of Assignments and Cases. You may lose points for writing that impedes communication: poor organization, weak paragraph development, excessive wordiness, hard-to-follow sentence structure, spelling mistakes and grammatical errors. Students who require additional support and/or tutoring with respect to their writing skills are encouraged to visit the Academic Success Centre (<http://www.studentlife.utoronto.ca/asc>) or one of the College Writing Centres (writing.utoronto.ca/writing-centres). These Centres are teaching facilities – not editing services – where trained staff can assist students in developing their academic writing skills. There is no charge for the instruction and support.

Rotman Commerce Centre for Professional Skills Teamwork Support:

Some assessments may require students to work in teams. Working as a team is challenging; this is true both in the real world and in your academic classes. However, learning to work together in teams is an important aspect of your education and preparation for your future

careers. You are encouraged to review the teamwork resources available to all Rotman Commerce students at <https://rotmancommerce.utoronto.ca/teamwork-resources> while navigating these challenges, but keep in mind that supports are also available for when you think you may need extra help.

New in the 2020-2021 academic year, the Rotman Commerce Centre for Professional Skills (RC-CPS) will offer appointments with Teamwork Mentors for any teams encountering challenges in their teamwork. Some possible reasons you might book an appointment with a Teamwork Mentor include:

- Team members have identified constraints on their time, work or accommodations they require that conflict with necessary timelines for the team.
- Teams are unsure how to divide their workload for a team project.
- Teams are concerned about how to integrate the individual contributions of each member and how to ensure team members are contributing equally.
- Teams are concerned about how to ensure all group members are aware of academic integrity guidelines (e.g. properly attributing sources) and follow them.
- Teams would like to be able to communicate more effectively with each other, particularly when navigating a remote work academic environment.

To book a meeting with a Teamwork Mentor, send an email to rotmancommerce.teamworkhelp@utoronto.ca with the course code (e.g. RSM100) and team number (if available) in the subject line of the email. Any member of the team may reach out individually to book an appointment, but we also encourage teams to book their appointments as a team. You will normally receive a response within 24-36 hours, but note that during busy times of the semester the waiting period may be longer. Be proactive in booking your meeting, and do so **as soon as** challenges arise!

If you are a student registered with Accessibility Services, and extensions are one of your academic accommodations, you should consult with your Accessibility Advisor about this course. For considerations pertaining to teamwork and accessibility, please see information in the section on Accessibility Needs below under the Policies and Procedures heading.

Credit/No-Credit Option in Rotman Commerce

You may request to Credit/No-Credit (CR/NCR) an RSM course in the following cases only:

- The course will not be used for any specialist or focus, including the 8.0 RSM FCE requirement.
- The course does not have a group work component.

If you wish to request CR/NCR for an RSM course, you must contact a Rotman Commerce academic advisor by the drop deadline for the current term. **The deadline for this term is November 9, 2020.**

Final approval is on a case-by-case basis with the permission of the Director, Rotman Commerce.

Weekly Schedule (*EXAMPLE*)

Session	Date	Topic	Readings
1	Sept. 10 th	Intro to alternative assets (incl. PE) How to build a pitch deck (tips)	PE Overview
2	Sept. 17 th	PE overview (real world examples, forum content, polls) Intro to portfolio allocations	
3	Sept. 24 th	Portfolio allocations (real world examples, forum content, polls) Intro to PE Performance & Compensation metrics	PE Performance and Compensation
4	Oct. 1 st	PE Performance & Compensation (real world examples, forum content, polls) Intro to Written Assignment	PE Industry
5	Oct. 8 th	PE Industry (real world examples, forum content, polls) Intro to PE Life Cycle	PE Life Cycle
6	Oct. 15 th	PE Life Cycle (real world examples, forum content, polls)	
7	Oct. 22 nd	ASSIGNMENT Q&A	
8	Oct. 29 th	Discuss Family Office Assignment Intro to PE Value Creation	PE Value Creation
9	Nov. 5 th	PE Value Creation (real world examples, forum content, polls) <u>Introduction to Case #1</u>	
10	Nov. 19 th	Discuss Case #1 <u>Introduction to Case #2</u>	
11	Nov. 26 th	Discuss Case #2 <u>Introduction to Case #3</u>	
12	Dec 3 rd	Final project Q&A Course wrap-up	

Please note that the last day you can drop this course without academic penalty is November 9, 2020.

Policies and Procedures

Missed Tests and Assignments (including mid-term and final-term examinations)

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may request special consideration.

In such cases, students must:

1. Notify the instructor AND the Rotman Commerce Program Office **on the date** of the missed course deliverable, e.g. missed test, final assessments, assignment or class (in the case of participation marks).
2. Complete a [Request for Special Consideration Form](#) and submit it along with supporting documentation this may include either your Self-Declaration of Absence on ACORN, or [Verification of Student Illness or Injury form](#) to the Rotman Commerce Office within **2 business days** of the originally scheduled course deliverable.

Students who do not provide appropriate or sufficient supporting documentation will be given a grade of 0 (zero) for the missed course deliverable.

Note that documentation must clearly establish that you were ill or had other circumstances that prevented you from attending on the date in question. After-the-fact reports are not sufficient.

If appropriate or sufficient supporting documentation is given, the instructor will use his best judgment in deciding the most appropriate re-weighting of assessments.

Late Assignments

All assignments are due on the date and at the time specified in this course outline or as outlined during class. Late submissions will normally be penalized by 20% if the assignment is not received on the specified date, at the specified time. A further penalty of 20% will be applied to each subsequent day.

Students who, for reasons beyond their control, are unable to submit an assignment by its deadline must obtain approval from the instructor for an extension. Supporting documentation will be required as per the policy on missed tests and assignments.

Accessibility Needs

The University of Toronto is committed to accessibility. If you require accommodations for a temporary or ongoing disability or health concern, or have any accessibility concerns about the course, the classroom or course materials, please contact Accessibility Services as soon as possible at accessibility.services@utoronto.ca or studentlife.utoronto.ca/as.

For courses with deliverables that require you to work in teams, please note the following. If you are a student registered with Accessibility Services, and extensions are one of your academic accommodations, requests for extensions impact everyone in the group. As a result, requests for late submissions of any component of teamwork will require compelling reasons, advance notice, and must work for everyone in the team. You are encouraged to discuss with your course instructor, Accessibility Advisor, and other team members what you need in order to successfully complete your coursework. Additionally, the Rotman Commerce Centre for Professional Skills offers Teamwork Mentors (see section above) who can help you and your team discuss how to support you effectively and how to develop a work plan that meets the needs and constraints of all team members.

Volunteer Notetaking

If you're interested in helping to make our classroom more accessible, volunteer to be a notetaker!

Accessibility Services needs dependable volunteer notetakers to assist students living with a disability to achieve academic success. All you have to do is attend classes regularly and submit your notes consistently.

1. Register online as a Volunteer Note-Taker at:

<https://clockwork.studentlife.utoronto.ca/custom/misc/home.aspx>

2. Follow the link that says "Volunteer Notetakers"

3. Select your course and upload a sample of your notes

4. Once you have been selected as a notetaker, you'll get an email notifying you to upload your Notes.

If you have any questions or require assistance, please email as.notetaking@utoronto.ca or call 416-978-6186.

Volunteers may receive co-curricular credit or a certificate of appreciation.

Academic Integrity

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarship at the University of Toronto. Participating honestly, respectfully, responsibly and fairly in this academic community ensures that the U of T degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

[The University of Toronto's Code of Behaviour on Academic Matters](#) outlines the behaviours that constitute academic misconduct, the process for addressing academic offences and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to) medical notes.

All suspected cases of academic dishonesty will be investigated by the following procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other U of T resources such as College Writing Centres or the Academic Success Centre.

Email

At times, the course instructor may decide to communicate important course information by email. As such, all U of T students are required to have a valid UTmail+ email address. You are responsible for ensuring that your UTmail+ email address is set up and properly entered on ACORN. For more information visit help.ic.utoronto.ca/category/3/utmail.html.

Forwarding your utoronto.ca email to a Gmail or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Gmail accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

Quercus and the Course Page

The online course page for this course is accessed through Quercus. To access the course page, go to q.utoronto.ca and log in using your UTORid and password. Once you have logged in, you will be at the Quercus Dashboard. On this page you will see all of the courses you are presently enrolled in. If you don't see the course listed here but you are properly registered for the course in ACORN, wait 48 hours.

Recording Lectures

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted. Students who have been previously granted permission to record lectures as an accommodation for a disability are excepted. This includes tape recording, filming, photographing PowerPoint slides, Quercus materials, etc.

If permission for recording is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in any way. It is forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.

FIPPA Language

Notice of video recording and sharing (Download and re-use prohibited)

This course, including your participation, will be recorded on video and will be available to students in the course for viewing remotely and after each session.

Course videos and materials belong to your instructor and are protected by copyright. Do not download, copy, or share any course or student materials or videos without the explicit permission of the instructor.

For questions about recording and use of videos in which you appear please contact your instructor.