



AFCP8095

Private Equity Investment

AFC term 3, Special circumstance 2020

Department of Applied Finance

Contents

<u>General Information</u>	2
<u>Learning Outcomes</u>	2
<u>General Assessment Information</u>	3
<u>Assessment Tasks</u>	3
<u>Delivery and Resources</u>	5
<u>Unit Schedule</u>	7
<u>Policies and Procedures</u>	7

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General Information

Unit convenor and teaching staff

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Credit points

5

Prerequisites

ECFS866 or AFCP8003

Corequisites

Co-badged status

Unit description

This unit uses the principles developed in AFCP8003 in the context of private equity investing. The overall structure and dynamics of the industry are discussed and the key issues of assessing, valuing, contracting, monitoring and exiting private equity and venture capital investments are examined. This unit covers a wide spectrum of private equity investments, from venture (seed and start-up) to management and leveraged buy-outs (late stage).

Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

Learning Outcomes

On successful completion of this unit, you will be able to:

ULO1: Identify and explain the role of private equity in the economy including the processes and systems employed in contemporary private equity investing.

ULO2: Explain the key issues of assessing, valuing, contracting, monitoring and exiting private equity investments.

ULO3: Critically analyse alternative private equity valuation approaches.

ULO4: Research and explain a range of private equity investments, including risk and

return considerations in each.

ULO5: Apply private equity investment considerations to 'real world' situations.

General Assessment Information

Extension Requests Information

Participation (10%)

Students who do not attend receive a mark of zero. This penalty does not apply in cases where an application for Special Consideration has been made and approved.

Further information on submitting an Application for Special Consideration can be found at <http://students.mq.edu.au/study/my-study-program/special-consideration>.

Assignment (40%)

No extensions will be granted. There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission incurs a 20% penalty). This penalty does not apply for cases in which an application for Special Consideration is made and approved.

Late submissions will be accepted up to 96 hours after the due date and time.

Further information on submitting an Application for Special Consideration can be found at <http://students.mq.edu.au/study/my-study-program/special-consideration>.

Final Exam (50%)

You are expected to present yourself for examination at the time and place designated in the relevant MAFC Timetable at <https://www.mq.edu.au/about/about-the-university/faculties-and-departments/business/study-with-us/macquarie-applied-finance-centre/timetables>.

Deferral of an examination is not permitted unless an application for Special Consideration is made and approved.

Students who do not attend receive a mark of zero. This penalty does not apply in cases where an application for Special Consideration has been made and approved.

Further information on submitting an Application for Special Consideration can be found at <http://students.mq.edu.au/study/my-study-program/special-consideration>.

Assessment Tasks

Name	Weighting	Hurdle	Due
Participation	10%	No	Refer to iLearn
Assignment	40%	No	Refer to iLearn

Name	Weighting	Hurdle	Due
<u>Final Exam</u>	50%	No	Refer to Exam Timetable

Participation

Assessment Type ¹: Participatory task

Indicative Time on Task ²: 0.00 hours

Due: **Refer to iLearn**

Weighting: **10%**

You will be assessed for both your individual contribution in class discussions generally, and for your contribution in the Session 4 Group Case. Whilst you will work in a team, each student will be assigned an individual mark which assesses preparation, presentation and responses to the Q & A session.

On successful completion you will be able to:

- Identify and explain the role of private equity in the economy including the processes and systems employed in contemporary private equity investing.
- Explain the key issues of assessing, valuing, contracting, monitoring and exiting private equity investments.
- Critically analyse alternative private equity valuation approaches.
- Research and explain a range of private equity investments, including risk and return considerations in each.
- Apply private equity investment considerations to 'real world' situations.

Assignment

Assessment Type ¹: Case study/analysis

Indicative Time on Task ²: 14 hours

Due: **Refer to iLearn**

Weighting: **40%**

An individual report of up to 5,000 words on a private equity case study.

On successful completion you will be able to:

- Identify and explain the role of private equity in the economy including the processes and

systems employed in contemporary private equity investing.

- Explain the key issues of assessing, valuing, contracting, monitoring and exiting private equity investments.
- Critically analyse alternative private equity valuation approaches.
- Research and explain a range of private equity investments, including risk and return considerations in each.
- Apply private equity investment considerations to 'real world' situations.

Final Exam

Assessment Type ¹: Examination

Indicative Time on Task ²: 17.00 hours

Due: **Refer to Exam Timetable**

Weighting: **50%**

Online exam will be held at the end of term and will be administered via iLearn

On successful completion you will be able to:

- Identify and explain the role of private equity in the economy including the processes and systems employed in contemporary private equity investing.
- Explain the key issues of assessing, valuing, contracting, monitoring and exiting private equity investments.
- Apply private equity investment considerations to 'real world' situations.

¹ If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the [Writing Centre](#) for academic skills support.

² Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

Delivery and Resources

Timetable: Detailed timetable for classes are on the Centre's website at www.mafo.mq.edu.au

Consultation Times: Students who wish to contact any of the teaching staff may do so through individual consultation with the lecturer by email.

REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS

Text: International Private Equity, Eli Talmor, Florin Vasvari, ISBN: 978-0-470-97170-3 (<http://au.wiley.com/WileyCDA/WileyTitle/productCd-0470971703.html>)

Additional Readings:

- Reading and case study materials will be supplied and available on iLearn.
- Students will be expected to be familiar with relevant material in the Corporate Finance text, *Corporate Finance* by Ross, Westerfield and Jaffe.
- Students should assume these readings are examinable unless otherwise advised.

Lecture Notes: Available electronically via iLearn.

Study Problems: Students are required to work systematically through suggested problem sets. These problems will not be collected but they will help you prepare for the exams.

Pre-unit Materials: Information papers on statistics, regression, accounting and other material may be found at <http://mafcstudents.mq.edu.au/new-to-mafc/pre-course-materials/>. Students should work through this material prior to commencing the degree. The material will remain a useful reference as students progress through the program.

Useful References: Refer to "Assignments and Required Readings" section in this Unit Guide.

Calculators:

- A financial calculator that can handle time value of money calculations, logs and power functions is required.
- The Hewlett Packard calculator hp17bII+ is recommended.
- In examinations, hand held calculators are permitted. Mobile phones and computers are not permitted.

Assumed Access:

- Access to a computer with word processing and spreadsheet capability is assumed, as is general student computer literacy.

TECHNOLOGY USED AND REQUIRED

Unit iLearn Site:

- Found by logging on to iLearn ilearn.mq.edu.au, then clicking on **AFCP8095 Private Equity Investment**.
- This is where you will find forums, downloadable resources and links to important pages.
- The forum allows you to communicate with other students and lecturer(s) and may provide supplementary material.
- You are requested to post your questions on the forums at least 24 hours prior to the assignment submission date or the examination date. Questions posted after that time may not be answered. **Please try to not leave your questions to the last few days.**

Important Notice:

- It is important that you familiarise yourself with the unit's iLearn site.

Students should check the unit's iLearn site regularly (minimum twice a week and prior to all lectures) and look for updates and distribution of materials (including case studies) related to the unit or assessments and, if relevant, participate in forum discussions.

Learning and Teaching Activities

Strategy

The Master of Applied Finance degree adopts a deep teaching and learning strategy, in which students acquire and retain knowledge and also are able to make sense of the issues and concepts and apply them in the “real world”. The degree relies heavily on student engagement and participation by: (a) Continuous learning throughout the term. This is encouraged through a combination of students undertaking prescribed reading throughout the units and/or completion of practice problems, case studies, assignments, class presentations etc and interaction via forums in the unit's iLearn site; and (b) Assessments, which enable the student to demonstrate his/her understanding of the learning objectives achieved through the continuous learning.

Student Participation

Students participate in this unit by: (a) Attending lectures and participating in class discussion; (b) Before each class, completing the recommended readings of notes and text, and working systematically through suggested problem sets; (c) Interacting on the unit's iLearn site; and (d) Completing all assessment tasks and exams. On average, the unit will require students to complete, for every hour of class time, approximately 3 hours private study.

Unit Schedule

SESSION 1: Introduction, Private Equity as an Asset Class

SESSION 2: Assessing Investment Opportunities

SESSION 3: Focus on buy-outs

SESSION 4: Focus on venture investing

SESSION 5: PE in Australia

Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)

- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Students seeking more policy resources can visit the [Student Policy Gateway](https://students.mq.edu.au/support/study/student-policy-gateway) (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<http://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>).

Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: <https://students.mq.edu.au/study/getting-started/student-conduct>

Results

Results published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit ask.mq.edu.au or if you are a Global MBA student contact globalmba.support@mq.edu.au

Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

Learning Skills

Learning Skills (mq.edu.au/learningskills) provides academic writing resources and study strategies to help you improve your marks and take control of your study.

- [Getting help with your assignment](#)
- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

Student Enquiries

For all student enquiries, visit Student Connect at ask.mq.edu.au

If you are a Global MBA student contact globalmba.support@mq.edu.au

IT Help

For help with University computer systems and technology, visit http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/.

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources Policy](#). The policy applies to all who connect to the MQ network including students.