Course Instructor: Lakshya Datta
Office Location: SSE 3367
Office Hours: Thursdays 3 PM to 4 PM
Email: datta.lakshya@gmail.com

Description
Investment Banks help companies, corporations, businesses, and governments raise money for Initial Public Offerings, Mergers & Acquisitions, and Leveraged Buyouts. Investment Banks actively hire recent college graduates and pay them over $100,000 in annual compensation for possessing the skills taught in this course.

In this course, students will learn the importance, relevance and work that an investment banker does. Students will learn how to value a private or public company using widely known methods, as well as the process of purchasing or selling a company. By the end of this course, students will be equipped with all the knowledge required to apply for and work at leading Investment Banks.

The material isn’t limited to would-be investment bankers, and can be applied to any career where one deals with valuations, such as venture capital, private equity, corporate development, management consulting, and other related fields.

BSBA Goals
BSBA students will graduate being Effective Communicators, Critical Thinkers, Able to Analyze Ethical Problems, Global in their perspective, and Knowledgeable about the essentials of business. This class contributes to those goals through its student learning outcomes.

Course Objectives
To study widely used valuation methods, the process of mergers and acquisitions, and the financial markets.

Student Learning Outcomes
• Identify the many ways to value a company, and describe the key differences between them.
• Describe the various ways an individual or a company raises money from investors.
• Calculate the value of a company, forecast its success or failure, and determine its stock price or sale price.
• Identify the advantages and disadvantages of leveraged buy-outs.
• Analyze how a company can go from $0 to $1 Billion in value without ever making a profit.

Course Materials
The required text for this class is Investment Banking: Valuation, Leveraged Buyouts, and Mergers & Acquisitions, written by Joshua Rosenbaum and Joshua Pearl.
Media Reserves
To be announced in class.

Topics Covered and Timeline

Week 1: The Life & Times of The Investment Banker
An introduction to the course, with a review of the current state of the finance industry and why it should matter to college students, and a discussion about how to make billions.

Week 2: Facebook Vs. Twitter Vs. ? – Valuation by Comparison
A detailed look at the first of three methods to value a company: Comparable Companies Analysis aka Trading Comps.

Week 3: Excel Gods - Trading Comps Continued
How to use Microsoft Excel to turn concepts, theory, and guesstimates into real, tangible numbers that mimic the market valuation.

Week 4: Down To Business – Trading Comps Concluded
Using the concepts and methods learned in the last two sessions, a public company is valued using the Comparable Companies Analysis.

Week 5: Turning The Past Into A Higher Offer
Introduction to the second, and more popular, method used to value a company: Precedent Transactions Analysis.

Week 6: Excel Gods – Transaction Comps Continued
Concepts are converted into calculations in part two of Excel Gods – this session is focused on transaction comps.

Week 7: Show Me The Money – Transaction Comps Concluded
Revaluing the company from week 4 using the Precedent Transactions Analysis – and discussing the possible reasons behind the difference.

Week 8: Midterm Review
Take home portion is discussed. Practice Midterm is discussed.

Week 9: MIDTERM EXAM
Midterm held in class (take home portion due at beginning of session).

Week 10: Assume A Billion, Spend A Million – The Misused DCF
Discounted Cash Flow: The third, and final, valuation method is introduced, followed by a discussion of its importance and relevance in a world blinded by overvalued startups.

Week 11: Truth Above All – The DCF Way
A fresh perspective is taken on the previously twice-valued public company – this time, using the Discounted Cash Flow Method.

**Week 12: Debt is Good, Mostly – Intro to Private Equity**

An introduction to the world of Private Equity, followed by a discussion on how, and more importantly, why they make so much money.

**Week 13: Taking Leverage Seriously – Intro to LBOs**

Concepts regarding Leveraged Buy-Outs are introduced, followed by an overview of the process used by PE firms to value an investment.

**Week 14: THANKSGIVING HOLIDAY (NO CLASS)**

**Week 15: Final Review**

Take home portion is discussed. Practice Final is discussed.

**Week 16: FINAL EXAM**

Final Exam held in class (take home portion due at start of session).

**Book Description**

Investment Banking: Valuation, Leveraged Buyouts, and Mergers & Acquisitions focuses on the primary valuation methodologies currently used on Wall Street – comparable companies, precedent transactions, DCF, and LBO analysis. These methodologies are used to determine valuation for public and private companies within the context of M&A transactions, LBOs, IPOs, restructurings, and investment decisions. Using a step-by-step how-to approach for each methodology, the authors build a chronological knowledge base and define key terms, financial concepts, and processes throughout the book. The authors also provide a comprehensive overview of the fundamentals of LBOs and an organized M&A sale process.

Many leading business schools across the country, including Wharton, Booth, Ross, Kellogg, Columbia, and Johnson. It is also being used as training material at Credit Suisse, Deutsche Bank, Moelis & Co., and UBS.

This book is will be used extensively throughout this course and is highly recommended for anyone interested in a career in investment banking and/or valuation.
Grading System

A, outstanding achievement; B, praiseworthy performance; C, satisfactory performance; D, minimally passing and F, failing. The grade for average undergraduate achievement shall be C.

Grading

Attendance & Participation: 5%

Quizzes: 25%

Midterm: 30%

Final: 40%

TOTAL: 100%

Quizzes

There will be 5 quizzes during the course. Each quiz will count at 5% of the overall grade. Each quiz will be held at the beginning of the session and will last 15 minutes. See schedule below for dates.

Midterm

Take Home: 10%

In Class: 20%

TOTAL: 30%

There will be one midterm during the course, counting at 30% of the overall grade (please see schedule below for date). The take home portion will be an assignment based on Microsoft Excel. Students will have one week to complete it and it will be due at the beginning of the session. The in class portion of the exam will be in written format and will be held in class on the day of the midterm. The concepts from weeks 1 to 7 will be covered in the midterm. More details will be given out in the two weeks prior to the midterm.

Final Exam

Take Home: 15%

In Class: 25%

TOTAL: 40%

There will be one final exam during the course, counting at 40% of the overall grade (please see schedule below for date). The take home portion will be an assignment based on Microsoft Excel. Students will have one week to complete it and it will be due at the beginning of the session. The in class portion of the exam will be in written format and will be held in class on the day of the Final (after the Excel portion is collected). More details will be given out during the course.
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<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Chapter</th>
<th>Quizzes, Exams, Notes</th>
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<td>The Life &amp; Times of the Investment Banker</td>
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<td>September 5</td>
<td>Facebook Vs. Twitter Vs. ?</td>
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<td>September 12</td>
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<td>September 26</td>
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<td>October 10</td>
<td>Show Me the Money - Transaction Comps</td>
<td>2</td>
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<td>October 17</td>
<td>Midterm Review</td>
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<td>Midterm take home portion is given out</td>
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<td>Thanksgiving Holiday - No Class</td>
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<td>December 5</td>
<td>Final Review</td>
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<td>December 12</td>
<td>FINAL EXAM - In Class</td>
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<td>Take home portion of Final exam is due at beginning of class</td>
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