



The University of Chicago Booth School of Business

BUSN 34101: Entrepreneurial Finance & Private Equity

Syllabus: Spring 2025

Professor: Scott F. Meadow, Clinical Professor of Entrepreneurship

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Office: Harper Center 440

Course Description

Using the case method and an array of guest lecturers to supplement casework, this course is meant to aid students looking to be part of an entrepreneurial enterprise or evaluate such enterprises from the seat of a public or private investor.

The chief objective of the course is to provide students an analytical framework and understanding of the methods of analysis that help investors and entrepreneurs identify successful enterprises within the broader entrepreneurial ecology. The casework considers an array of ventures across a variety of sectors in the economy, including telecommunications, healthcare, and consumer services. Analysis of several sectors will help students explore how various markets and methods of analysis differ based on the focus of your analysis. Special consideration will be given to the internet and how it has interwoven itself throughout various sectors.

The class analyzes the role of various functional areas (e.g., finance, marketing, and strategy) toward achieving success in new ventures. Discussions will cover issues across private equity finance from seed stage to growth equity to leveraged buyouts to recapitalization. Also included will be deal structures, incentive design, risk-based valuation, and financial management in private, rapidly growing enterprises. Exit strategies will be covered, including initial public offerings, mergers, and strategic partnerships. The restructuring of poorly performing projects will also be considered. Attention is given to analyzing the suppliers of capital, including individual investors, venture capitalists, commercial banks, asset-based lenders, and investment banks. Below is a testimonial from a former student who took this class.

"Last week I got a term sheet with a few uncommon terms. Thanks to the notes from your EFPE class I was able to decipher what those terms mean. This is not the first time the course notes came in handy and so EFPE remains one of the most valuable courses I took at Booth. I just wanted to share this with you and thank you again for a wonderful class."

- Lior Shachaf, Investor at Skydeck LLC and Polksky Holdings, Booth 2019

Meeting Times & Locations

Section 01, FT: Wednesdays, 8:30am-11:30am @ Harper Center

Teaching Assistants

Lead TA

Kathleen McGing, kmcging@chicagobooth.edu

TA Team

See Canvas for complete list of TAs for the quarter

Communication

At the start of the quarter, all registered students should join the class Slack channel (#efpe-spring-25). Use this channel for questions related to the course, including questions on homework, lectures, and class logistics.

Course Materials

No book. All course materials are available on Canvas

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Modality

The course is taught in person and will include the following features to help students fully engage:

- 1-on-1 office hours with Professor Meadow – See Canvas to schedule
- TA office hours and review sessions – See Canvas for Zoom link and schedule
- Slack channel (#efpe-spring-25) to correspond with the TA team and connect with classmates

Classroom Etiquette

Cell phones are to be turned off or placed on silent. Laptops are only allowed when being used to follow the lecture or to take notes. You are encouraged to sit with your group in the same part of the classroom every week. Class starts promptly so please arrive on time. In circumstances in which you cannot arrive on time, please enter through the back of the classroom and find an empty seat without interrupting the lecture.

Attendance

Class is in-person only. Attendance is taken based on your name tag being easily visible for the duration of class. Talk to the TA in class if you forget your Booth issued name card. Attendance will not be granted retroactively after class. Students who arrive more than 15 minutes late once, disrupt the learning environment, or are inattentive will be counted as absent. Consistent tardiness can also impact your attendance grade.

Everyone is given one automatic excused absence. This is done by counting your final participation grade out of 8 classes instead of 9. No additional excused absences will be given. You do not need to notify us that you are missing class. Week 5 (in-class midterm negotiation) is required and will not be excused.

If you are not enrolled by the start of the quarter, but plan to be, you must attend class and complete homework assignments so you are not behind when officially enrolled. Contact the Lead TA to get the Class 1 homework and reading material if you are on the wait list.

Recordings & Zoom

Per [Booth policy](#), class recordings are not distributed. There is no option to attend class via Zoom.

Student Groups

All graded work will be completed in a group. Students should form groups within these guidelines:

- 5 – 6 students per group
- All members must be registered in the same section of class
- Form groups by the end of the first class. You will work in this same group the whole quarter.

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Grade Composition

- Class Participation: 10%
- Weekly Cases: 15%
- Midterm (take-home case): 20%
- Term Sheet Negotiation (in-class component of midterm): 10%
- Final Examination (take-home case): 45%

Final course grades are curved to Booth's max class average of 3.33 (B+) so your course grade may differ from the raw score calculated based on the grade composition breakdown. Your course grade can also be affected by your peers' evaluation of your contributions throughout the quarter.

Class Participation (10%)

Tracked and evaluated based on attendance and participation.

Weekly Cases (Group work) (15%)

You will gain the most from this class by investing time in completing the homework assignments thoroughly. There will be one group assignment per week. Cases are graded on a check plus to check minus scale. Please see previous course evaluations for average hours spent per week on homework assignments.

There is a first-class assignment due at the start of the first class. The first assignment may be completed as a group or individually. If completing as a group, the group formation form must be submitted at least 24hrs before the case submissions. After the first week, all work must be submitted as a group.

Midterm (Group work, take-home case) (20%)

The take-home midterm case will be completed in your group. The midterm will be due in week 5.

Term Sheet Negotiation (Group work, in-class component of midterm) (10%)

As part of the midterm, teams will be assigned either the role of a venture capital investor or entrepreneur and perform a live negotiation. This negotiation will take place in-class during the same week the midterm is due. In-person class attendance is required for the midterm.

Final Examination (Group work, take-home case) (45%)

The written take-home final exam will be completed in your group. Teams will evaluate a prospective private equity transaction (leveraged buyout). There is no live presentation or class meeting week 10.

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Grading

Grading & Feedback

- Each midterm and final is graded by multiple TAs, with the same TA grading a section of the assignment for multiple groups. The Lead TA then reviews, summarizes, and posts grades to Canvas.
- Rubrics with a breakdown of the grading criteria are provided with most assignment instructions.
- Graded rubrics are not returned to students. Brief feedback and a score will be posted to Canvas.
- Students may email the Lead TA to request additional feedback, but they cannot request a regrade after requesting more detailed feedback.

Regrade Requests

- If students feel their grade is not accurate, they may email the Lead TA and Professor Meadow to request a regrade within 5 days of the assignment score being posted to Canvas.
- The regrade will be completed by the Lead TA or Professor Meadow, who will strictly adhere to the rubric. Note – Regrades may result in a lower score since grading TAs usually err on the side of giving students the benefit of the doubt and award partial credit for attempted work during the initial grading.
- The whole group must agree to the regrade request and to accept the regraded score.

AI Policy

This course is designed for you to learn to evaluate opportunities just as you would in a professional environment. To mirror the environment outside of the classroom, submissions must be your own clear assessment of the opportunity based on research and analysis using a variety of sources, which may include AI tools . You are permitted to use AI tools such as ChatGPT or Dall-E 2 to support your research, writing, and editing, but your submissions should your own, original work. Be cautious with the manner and extent to which you use AI as their direct output does not typically align with the concise, clear, and well-cited work required in the course or expected professionally.

Failure to properly cite any work product created by the AI tools is considered a violation of the [University of Chicago's Academic Honesty and Plagiarism](#) policy. AI tools can be used to aide your analysis and deliverable preparation, but are not considered a valid, citable source for research or facts.

Accommodations

The University of Chicago is committed to ensuring the full participation of all students in its programs. If you have a documented disability (or think you may have a disability) and, as a result, need a reasonable accommodation to participate in class, complete course requirements, or benefit from the University's programs or services, you are encouraged to contact Student Disability Services as soon as possible. To receive reasonable accommodation, you must be appropriately registered with Student Disability Services.

Contact information for Student Disability Services is listed below:

Phone: 773-702-6000 / TTY 773-795-1186

Email: disabilities@uchicago.edu

Website: disabilities.uchicago.edu

Office: Student Disability Services is located at 5501 S Ellis Avenue

Disclaimer

The information contained in this course syllabus and all course documents is confidential, privileged, and only for the information of the intended recipient and may not be used, published, or redistributed without the prior written consent of the Booth faculty member(s) teaching the course.

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Schedule

Week / Case	Assignment / Class Topic
Class 1 Introduction: The Venture Capital Investment	<p><i>Due Before Class (see course Canvas site for any further details):</i></p> <ul style="list-style-type: none"> • Group formation • Self-introduction • Assignment 1: Technical Data Corporation <p><i>In-Class:</i></p> <ul style="list-style-type: none"> • Yale University Investments Office: November 1997 • Technical Data Corporation <p><i>Recommended Readings (optional):</i></p> <ul style="list-style-type: none"> • “A Note on Private Equity Information Sources”
Class 2 The Venture Capital Investment	<p><i>Due Before Class (see course Canvas site for any further details):</i></p> <ul style="list-style-type: none"> • Assignment 0: Group formation due • Assignment 2: Visible Interactive (A) <p><i>In-Class:</i></p> <ul style="list-style-type: none"> • Visible Interactive (A) • Term Sheet for NewCo, Inc. <p><i>Recommended Readings (optional):</i></p> <ul style="list-style-type: none"> • “A Note on Discounted Cash Flow Valuation Methods” • “A Note on the Cash Flow to (Levered) Equity Method”
Class 3 The Venture Capital Investment	<p><i>Due Before Class (see course Canvas site for any further details):</i></p> <ul style="list-style-type: none"> • Assignment 3: Horizon Communications Corporation (A) & (B) <p><i>In-Class:</i></p> <ul style="list-style-type: none"> • Horizon Communications Corporation (A) & (B) <p><i>Recommended Readings (optional):</i></p> <ul style="list-style-type: none"> • “The Valuation of Cash Flow Forecasts: An Empirical Analysis” • “A Note on Valuation in Entrepreneurial Settings” • “The Structure and Governance of Venture Capital Organizations”
Class 4 The Venture Capital Investment	<p><i>Due Before Class (see course Canvas site for any further details):</i></p> <ul style="list-style-type: none"> • Assignment 4: Angstrom Medica <p><i>In-Class:</i></p> <ul style="list-style-type: none"> • Angstrom Medica • Apex Investment Partners <p><i>After Class:</i></p> <ul style="list-style-type: none"> • Midterm will be distributed <p><i>Recommended Readings (optional):</i></p>

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	<ul style="list-style-type: none"> • “Venture Capital (Ch. 15)” • “A Note on Securities Law and Tax and Issues ...”
Class 5 The Venture Capital Investment	<p><i>Due Before Class (see course Canvas site for any further details):</i></p> <ul style="list-style-type: none"> • Midterm <p><i>In-class:</i></p> <ul style="list-style-type: none"> • Live Term Sheet Negotiation between student teams using the Midterm case
Class 6 Leveraged Buyouts	<p><i>Due Before Class (see course Canvas site for any further details):</i></p> <ul style="list-style-type: none"> • Assignment 5: BW/IP International, Inc. <p><i>In-Class:</i></p> <ul style="list-style-type: none"> • Introduction to Leveraged Buyouts • BW/IP International, Inc. • Guest Speaker – TBD <p><i>Recommended Readings (optional):</i></p> <ul style="list-style-type: none"> • “A Note on the Venture Leasing Industry” • “US PE Breakdown”
Class 7 Financial Engineering, The Leveraged Acquisition	<p><i>Due Before Class (see course Canvas site for any further details):</i></p> <ul style="list-style-type: none"> • Assignment 6: Wentworth Browning Lawn & Garden <p><i>In-Class:</i></p> <ul style="list-style-type: none"> • Wentworth Browning Lawn & Garden • AbleCare Products • Guest Speaker – TBD <p><i>Recommended Readings (optional):</i></p> <ul style="list-style-type: none"> • “Newco, Inc. LBO Lender Commitment Letter” • “Newco, Inc. LBO Letter of Intent” • “Newco, Inc. LBO Management Term sheet” • “Going Public (Ch. 23)”
Class 8 Exit Alternatives: Raising Funds for the Private Equity Firm PE/VC Career	<p><i>Due Before Class (see course Canvas site for any further details):</i></p> <ul style="list-style-type: none"> • Assignment 7A: Bolder Healthcare Solutions • Assignment 7B: Financing Chart <p><i>In-Class:</i></p> <ul style="list-style-type: none"> • Guest Speaker - TBD • Bolder Healthcare Solutions <p><i>After Class:</i></p> <ul style="list-style-type: none"> • Final Examination will be distributed <p><i>Recommended Readings (optional):</i></p> <ul style="list-style-type: none"> • “The Staying Power of Leveraged Buyouts”
Class 9 Course Wrap-up	<i>No assignment due</i>

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	<p><i>In-Class:</i></p> <ul style="list-style-type: none">• InnerWorkings• PE/VC Career• Course Wrap-Up <p><i>Recommended Readings (optional):</i></p> <ul style="list-style-type: none">• “The Economics of the Private Equity Market”• “Initial Public Offerings”• “Venture Capitalists and the Decision to Go Public”
Final Exam No class	<p><i>Due Wednesday, May 28th @ 11:59PM</i></p> <ul style="list-style-type: none">• Final examination submission due on Canvas• Peer review due