**Innovative finance**

Professor Matteo Cotugno

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course illustrates the venture capital and private equity investors approach for financing entrepreneurial activity in the various phases of the firm life cycle (seed financing, early growth financing, expansion financing, buy-out financing, turnaround financing) and investment banks in times of business turnaround.

The study of investment banks approach and the typical technicalities of equity finance represent the focus of the teaching, with emphasis on modeling through the use of the spreadsheet of business valuation methodology.

At the end of the course the student will be able to:

• Discuss venture capital and private equity investors approach

• Evaluate an equity stake in a company;

• Understand the other activities typically carried out by an investment bank

***COURSE CONTENT***

* Corporate and investment banking
* Company evaluation
* Capital budgeting
* Venture capital
* Private equity
* Mezzanine finance
* The leveraged buy-out
* Medium-term financial instruments

***READING LIST***

Monferra’ S., Cotugno M., Mazzu’ S., *Corporate & Investmnet Banking*, 2017, FrancoAngeli.

The parts of the textbook necessary for the preparation of the exam will be indicated on the blackboard platform and on the professor's webpage. The teaching material used during the lessons will be made available on the blackboard platform.

***TEACHING METHOD***

The course includes lectures and guided exercises focused on both theoretical and technical aspects of the topic.

***ASSESSMENT METHOD AND CRITERIA***

Learning assessment methodologies are different for students who decide to participate at business evaluation case and other students.

Students who develop a business evaluation case in small groups (max. 7 points). They will also take a written test, consisting of 10 multiple-choices (max. 10 points) and two open-ended questions (max. 14 points).

Other studens will only take a written exam consisting of 10 multiple-choices (max. 10 points), two open-ended questions (max. 14 points) and a practical exercise (max. 7 points).

Relative to the group work, clarity of exposition, quality of power point presentation and accuracy of the excel template developed to support the presentation will be evaluated.

For open-end questions, the ability to expound in a rigorous manner and with appropriate terminology, the ability to link the different topics of the program, and critical thinking will be assessed. The final course grade will be on a 30-point scale.

***NOTES AND PREREQUISITES***

The student must have an advance knowledge of financial analysis and corporate finance. Therefore is recommended a basic knowledge of financial math and spreadsheet skills. Attendance, even if not compulsory, is strongly recommended.

***SCHEDULE AND PLACE OF RECEPTION OF STUDENTS***

Office hours are available online on the professor’s personal page, which can be consulted at <http://docenti.unicatt.it/>