



AI1133 Financial Systems and Venture Capital 7.5 credits

Finansiella system och riskkapital

This is a translation of the Swedish, legally binding, course syllabus.

Establishment

Course syllabus for AI1133 valid from Autumn 2007

Grading scale

A, B, C, D, E, FX, F

Education cycle

First cycle

Main field of study

Technology

Specific prerequisites

Capital Markets and Financial Instruments

Language of instruction

The language of instruction is specified in the course offering information in the course catalogue.

Intended learning outcomes

The course aims at providing participants with insights into management of upside potentials and downside risks when investing in ventures, designs of financing and syndication, start-up valuations and fair designs, and tools for due diligence and strategy choice.

Course contents

To provide an understanding of the specifics of venture financing and management it is contrasted with other kinds of business financing. The course has the following content and organisation:

- Technology and knowledge intensive companies properties
- Business categories and stages
- Financial properties and needs
- Financial sources and instruments
- Best Practice Venture Capital methodology – Pre-empting downside risk and setting the stage for optimising upside potentials
- Tools for analysis and decision-making in the handling of downside risks and upside potentials
- Definitions of upside potential, downside risk, entrepreneurial rent
- Specialised contracting, ownership control and leadership
- Best Practice Venture Capital methodology – Strategy analysis and choice
- Tools for analysis and decision-making in the identification of first mover advantages and strategies
- Applied first mover advantage and strategy analysis on classes of ventures and venture stages
- Normative issues regarding start-up valuation, fair deal designs and policy institutions
- Pre-money valuations of start-ups
- Design of fair deals
- Policy institutions in best practice environments

Course literature

- Ohlsson, L., Vinell, L. (1987), Tillväxtens drivkrafter. Industriförbundet. In Swedish.
- Ohlsson, L. (2006), Best Practice Venture Capital. Principles, tools and approaches for investment, strategy and policy. Ibis Förlag.

- Shapiro, C. and H. Varian (1999), Information Rules, A Strategic Guide to the Network Economy. Harvard Business School Press

Examination

- INL1 - Assignments, 4.0 credits, grading scale: A, B, C, D, E, FX, F

Based on recommendation from KTH's coordinator for disabilities, the examiner will decide how to adapt an examination for students with documented disability.

The examiner may apply another examination format when re-examining individual students.

If the course is discontinued, students may request to be examined during the following two academic years.

Other requirements for final grade

One written exam (TEN1; 3c)

Two term papers/exercises (INL1 - 2; 2c)

Ethical approach

- All members of a group are responsible for the group's work.
- In any assessment, every student shall honestly disclose any help received and sources used.
- In an oral assessment, every student shall be able to present and answer questions about the entire assignment and solution.