



# Research Seminar in Finance

## Topic: "Private Equity"

### Seminar Overview

As an asset class, private equity (PE) is increasingly becoming the focus of companies that need access to capital, as well as investors looking to diversify beyond the traditional public markets. What exactly do PE funds do? How do buyout funds create value? Do they fundamentally transform the companies they invest in? What kind of returns do these funds generate? In this seminar, we will delve into these and related questions.

### Organizational Matters

The seminar is intended for **all** students in the Master's program:

- **Management:** Schwerpunktseminar "Financial Concepts und Methods" (5106-650)
- **Management:** Schwerpunktseminar "Investments and Institutions" (5104-640)
- **Management:** Schwerpunktseminar "Rechnungswesen" (5101-420)
- **International Business and Economics:** "Master Seminar in Finance" (5104-650)

Seminar participants discuss recent research and the corresponding introductory literature. Seminar participants will:

- write a **seminar thesis** (10-15 pages) based on one selected research paper
- hold a **group presentation** in a block seminar (2 days)

The "**official**" seminar language is **English**. Seminar thesis and presentation may be conducted in **German** or **English**. The seminar will take place in-person and via Microsoft Teams (details below and to be announced).

Students can select three preferred topics (see pages 2-3 for an overview of the seminar topics). The final assignment of seminar topics will be announced at the **Kick-Off Meeting**. Furthermore, all seminar participants will attend a **Scientific Writing Class** as outlined in the schedule on page 5.

The seminar is held by Prof. Dr. Daniel Hoang. If you have any organizational questions, please contact Dr. Andreas Benz ([andreas.benz@uni-hohenheim.de](mailto:andreas.benz@uni-hohenheim.de)).

## **Seminar Topics**

### **Topic 1: Introduction and General Overview on PE Funds**

- Lerner, J., Leamon, A., and Hardyman, F., 2012. Venture Capital, Private Equity, and the Financing of Entrepreneurship. Wiley. - **Chapter 1 und 2**

#### **Supplementary Literature:**

- Metrick, A., Yasuda, A., 2011. Venture Capital and Other Private Equity: A Survey. *European Financial Management* 17, 619–654. - Chapter 1
- Ljungqvist, A., 2024. The Economics of Private Equity: A Critical Review, CFA Institute Research Foundation.
- Kaplan, S.N. and P. Stromberg, 2009. Leveraged Buyouts and Private Equity. *Journal of Economic Perspectives* 23, **pp. 121-130 only!**
- Metrick, A., Yasuda, A., 2011. Venture Capital and Other Private Equity: A Survey. *European Financial Management* 17, **pp. 625–626 only!**

### **Topic 2: What Do Private Equity Funds Do? The Economic Activities of PE Funds**

- Gompers, P., Kaplan, S.N., and V. Mukharlyamov, 2016. What Do Private Equity Firms Say They Do? *Journal of Financial Economics* 121, pp. 449–476.

#### **Supplementary Literature:**

- Lerner, J., Leamon, A., Hardyman, F., 2012. Venture Capital, Private Equity, and the Financing of Entrepreneurship. Wiley. - **Chapter 6**
- Ljungqvist, A., 2024. The Economics of Private Equity: A Critical Review, *CFA Institute Research Foundation*, **pp. 13-18 only!**
- Kaplan, S.N. and P. Stromberg, 2009. Leveraged Buyouts and Private Equity. *Journal of Economic Perspectives* 23, **pp. 130-136 only!**

### **Topic 3: The Returns to Private Equity Funds**

- Kaplan, S.N., Schoar, A., 2005. Private Equity Performance: Returns, Persistence, and Capital Flows. *The Journal of Finance* 60, 1791–1823. **or**
- Phalippou, L., Gottschalg, O., 2009. The Performance of Private Equity Funds. *The Review of Financial Studies* 22, 1747–1776.

#### **Supplementary Literature:**

- Ljungqvist, A., 2024. The Economics of Private Equity: A Critical Review, *CFA Institute Research Foundation*, **pp. 7-12 only!**
- Kaplan, S.N. and P. Stromberg, 2009. Leveraged Buyouts and Private Equity. *Journal of Economic Perspectives* 23, **pp. 136-137 only!**
- Kaplan, S.N., Sensoy, B.A., 2015. Private Equity Performance: A Survey. *Annual Review of Financial Economics* 7, 597–614.

#### **Topic 4: Sources of PE Value Creation – The Effect of Private Equity Funds on Operating Performance**

- Cohn, J.B., Hotchkiss, E.S., Towery, E.M., 2022. Sources of Value Creation in Private Equity Buyouts of Private Firms. *Review of Finance* 26, 257–285.

##### **Supplementary Literature:**

- Ljungqvist, A., 2024. The Economics of Private Equity: A Critical Review, *CFA Institute Research Foundation*, **pp. 13-18 only!**
- Lerner, J., Leamon, A., Hardymon, F., 2012. *Venture Capital, Private Equity, and the Financing of Entrepreneurship*. Wiley. - **Chapter 6**
- Kaplan, S.N. and P. Stromberg, 2009. Leveraged Buyouts and Private Equity. *Journal of Economic Perspectives* 23, **pp. 130-136 only!**

#### **Topic 5: Sources of PE Fund Value Creation – The Effect of Private Equity on Innovation**

- Cohn, J.B., Hotchkiss, E.S., Towery, E.M., 2022. Sources of Value Creation in Private Equity Buyouts of Private Firms. *Review of Finance* 26, 257–285.

##### **Supplementary Literature:**

- Ljungqvist, A., 2024. The Economics of Private Equity: A Critical Review, *CFA Institute Research Foundation*, **pp. 13-18 only!**
- Lerner, J., Leamon, A., Hardymon, F., 2012. *Venture Capital, Private Equity, and the Financing of Entrepreneurship*. Wiley. - **Chapter 6**
- Kaplan, S.N. and P. Stromberg, 2009. Leveraged Buyouts and Private Equity. *Journal of Economic Perspectives* 23, **pp. 130-136 only!**

#### **Topic 6: How are Private Equity Deals Structured? The Contracts between PE Funds and Portfolio Companies**

- Lerner, J., Leamon, A., Hardymon, F., 2012. *Venture Capital, Private Equity, and the Financing of Entrepreneurship*. Wiley. - **Chapter 5**

##### **Supplementary Literature:**

- Metrick, A., Yasuda, A., 2011. Venture Capital and Other Private Equity: A Survey. *European Financial Management* 17, 619–654. – **Chapter 5.3 only!**

#### **Topic 7: How Do PE Funds Affect Society?**

- Fracassi, C., Previtro, A. and A. Sheen, 2022. Barbarians at the Store? Private Equity, Products, and Consumers. *The Journal of Finance* 77, pp. 1439–1488.

##### **Supplementary Literature:**

- Lerner, J., Leamon, A., Hardymon, F., 2012. *Venture Capital, Private Equity, and the Financing of Entrepreneurship*. Wiley. - **Chapter 10 (first part, up to page 312)**
- Ljungqvist, A. (2024): The Economics of Private Equity: A Critical Review, *CFA Institute Research Foundation*, **pp. 18-20 only!**

## **Introductory Literature**

- Ljungqvist, A., 2024. The Economics of Private Equity: A Critical Review, *CFA Institute Research Foundation*.
- Kaplan, S.N. and P. Stromberg, 2009. Leveraged Buyouts and Private Equity. *Journal of Economic Perspectives* 23, pp. 121-146.
- Lerner, J., Leamon, A., Hardyman, F., 2012. Venture Capital, Private Equity, and the Financing of Entrepreneurship. Wiley.
- Metrick, A., Yasuda, A., 2011. Venture Capital and Other Private Equity: A Survey. *European Financial Management* 17, 619–654.

## **Grading**

The final grade will be a weighted average of

- Seminar thesis (60%)
- Group presentation (30%)
- Active participation (10%)

## **Application Process**

The seminar has limited capacity with a **maximum of 16 participants**. To submit your application for the seminar, please complete the application form under the following [link](#).

As part of your application, please merge the following documents into a single PDF file:

- 1) Up-to-date CV**
- 2) Bachelor's degree transcript of grades**
- 3) Current master's degree transcript of grades**

Only complete and timely applications can be considered.

### **Application schedule:**

- The application deadline is **September 29, 2024 (Sunday)**.
- Applicants will be notified of their acceptance or rejection by the seminar provider no later than **October 4, 2024 (Friday)**.

### **Application form options:**

- Seminar applicants can choose **three** seminar topics of their preference.
- The assignment of seminar topics will be announced during the kick-off.
- Please keep in mind that not all individual preferences can be guaranteed.

If you have questions about the application process or other organizational matters, please contact Dr. Andreas Benz ([andreas.benz@uni-hohenheim.de](mailto:andreas.benz@uni-hohenheim.de)).

## Preliminary Schedule

The schedule provided below is tentative and subject to change based on room availability. The final schedule will be announced in the Kick-Off Meeting.

Date	Description
Oct 16, 2024 Wednesday 16:00 – 20:00 Location: HS 36	<b>Kick-Off Meeting:</b> <ul style="list-style-type: none"><li>• Introduction to the PE literature</li><li>• Assignment of seminar topics, research papers, and advisors</li><li>• Seminar organization</li></ul>
Oct 17, 2024 Thursday 16:00 – 20:00 Location: HS 34	<b>Scientific Writing Class:</b> <ul style="list-style-type: none"><li>• Introduction to research and scientific writing</li><li>• Aims &amp; objectives of seminar thesis and presentation</li><li>• Practical guidance and recommendations</li></ul>
Nov 22, 2024 Friday 14:00 – 20:00 Location: tba	<b>Q&amp;A and Progress Discussion Session 1:</b> <ul style="list-style-type: none"><li>• Dedicated and interactive feedback sessions for students</li><li>• Aim: Clarify seminar topics; address questions and concerns; share progress, ideas, and challenges</li></ul>
Dec 19, 2024 Thursday 14:00 – 18:00 Location: tba	<b>Q&amp;A and Progress Discussion Session 2:</b> <ul style="list-style-type: none"><li>• Dedicated and interactive feedback sessions for students</li><li>• Aim: Clarify seminar topics; address questions and concerns; share progress, ideas, and challenges</li></ul>
Jan 13, 2025 Monday 14:00 – 20:00 Location: tba	<b>Q&amp;A and Progress Discussion Session 3:</b> <ul style="list-style-type: none"><li>• Dedicated and interactive feedback sessions for students</li><li>• Aim: Clarify seminar topics; address questions and concerns; share progress, ideas, and challenges</li></ul>
Jan 16, 2025 Thursday & Jan 17, 2025 Friday Location: tba	<b>Block Seminar (2 days):</b> <ul style="list-style-type: none"><li>• Submission of the seminar thesis and presentation slides</li><li>• Seminar (group) presentation</li><li>• Discussion</li></ul>