



Module Specification

Key Information			
Module title	Venture Capital and Entrepreneurship		
Level	7	Credit value	15
Lead College	QMUL	Notional study hours and duration of course	150
Module lead author/ Subject matter expert	Dr Lutao Ning		
Module co-author(s)	None		
Notice to students	None		

Rationale for the module

Venture capital has been the driving force behind some of the fastest growing sectors of today's economy. Companies famous for receiving venture capital or business angel funding, early in their development include Apple, Microsoft, Google and Amazon. From an entrepreneurial perspective, venture capital is a significant source of investment for innovative entrepreneurs with attractive growth prospects, including start-ups in the information technology, life sciences and advanced engineering sectors. Therefore, it is essential that entrepreneurs and business managers understand strategies, tools and techniques in securing venture capital finance. One topic of the module explores globalisation of the venture capital industry (e.g. China, the Middle East, India).

This module is intended for those interested in how funding is obtained from venture capital firms by entrepreneurs, and also how those working within the industry make and manage investments. It sits alongside the *Entrepreneurial Finance and Private Equity* module which takes a broad look at the production and analysis of company financial information for entrepreneurs, and the range of debt and equity financing methods available.

Aims of the module

The module aims to provide a detailed understanding of the operation of the venture capital industry by approaching it both from an entrepreneurial perspective, and from an investor's viewpoint. It looks in detail at the growth of the venture capital industry and its role in the economy, how venture capital firms operate, and what entrepreneurs need to know when seeking investment.

The module provides a deep knowledge of the investment process including the decision-making process with respect to screening and selecting of business proposals, negotiating and structuring the deal, and following up on investments and exiting.

Topics covered in this module:

1. The Venture Capital Circle;
2. Investment Strategy & Deal Sourcing;
3. Evaluation & Decision Making Process;
4. The Entrepreneur's Journey;
5. Company Valuations;
6. Deal Structuring;
7. Post-Investment and Exit;
8. Return Measurements & Performance Drivers;
9. The Globalisation of the VC industry; and,
10. The Impact of VC on Society.

The topics covered may be revised to ensure currency and relevance. Students will be advised of any changes in advance of their study.

Learning outcomes for the module

A. Knowledge, Understanding and Cognitive Skills

By the end of this module learners will be able to:

1. Understand the history of private equity and venture capital and describe the current regulatory and ethical challenges the venture capital industry faces
2. Recognise how venture capital varies across different parts of the world
3. Understand the role of venture capital in supporting the entrepreneurial process and company growth
4. Explain the venture capital cycle and the structure of a venture capital fund and how the structure varies for businesses in different stages
5. Explain how company valuations are set and how the investment deal is negotiated and structured
6. Demonstrate the screening and the due diligence processes and the factors that govern venture capitalist investment decisions
7. Critically discuss and evaluate how venture capital firms measure the performance and optimize returns from their investments
8. Demonstrate how an entrepreneur with a start-up business plan would seek to obtain venture capital investment
9. Critically appraise opportunities from a venture capitalist perspective, and demonstrate how suitable investments are identified
10. Determine how venture capitalists evaluate, monitor and enhance business opportunities

B. Practical, Professional and Key Skills

By the end of this module learners will have developed:

1. The ability to construct arguments based on the interpretation of quantitative data
2. Effective written communication skills for formulating business plans, strategies and outcomes
3. Time management skills (including working under time pressure)
4. Analytical, problem-solving and decision making skills (including determining how venture capital firms would decide an investment deal)
5. The ability to synthesise and use company valuation information and knowledge about venture capital effectively in the entrepreneurial sector
6. Digital and information literacy skills
7. Research skills

Learning and Teaching Strategy and Methods

In addition to the core principles of the learning & teaching strategy and methods for this programme provided in the Programme Specification, Regulations and programme induction, the learning resources for this module are designed by a team supporting the module author with instructional design, learning technology and project management skills.

All students receive comprehensive learning materials in a variety of e-formats for use with different electronic devices. Online learning activities and formative assessments are a key feature of this framework and are linked to the online materials with a Student Progress Log illustrating the level of progress against learning outcomes and syllabus progress. Students can see their skills development through a 'Skills Portfolio', which evolves through the student's completion of formative and summative assessment.

Students will demonstrate their learning through a variety of activities. Moderated peer group exercises will help students demonstrate achievement of learning objectives from conceptual understanding to critical analysis. Students will demonstrate critical analysis skills through participation in discussions to review business models with which they were familiar and others of which they were unaware. Module tutors and programme Student Relationship Managers will be a useful resource for students looking for support with their online discussion and engagement.

Self-assessment exercises will provide students with the opportunity to gauge their learning against topic and module learning objectives as well as against confidence level in their own understanding. This will allow students to identify which content areas require further work on their part.

Learning materials are divided into topics of 10-12 hours of student effort to support student's time management and motivation for study. The learning content is a mixture of video, text, learning activities and formative assessments, with allocated time for preparation, revision and review relating to each item of summative assessment.

Assessment strategy, assessment methods

Pass Mark

The pass mark is 50% for each element of assessment.

Compensation between elements of assessment is available on this module for marginal fails between 45%-49%.

Assessment Elements

1. Coursework (30% weighting)

There is one item of coursework for this module which contributes to the final assessment mark for this module:

Coursework: an essay analysing a venture capital investment deal of 2,500 words in length (maximum) (deadline – weeks 9–12)

The coursework is designed to check student progress, extend and reinforce concepts covered and also test individual performance.

2. Examination (70% weighting)

The final piece of assessment will be an unseen written examination of 2 hours' duration.

Learning resources

Learning materials

Learning activities and formative assessments for this module are designed and developed by the Lead Author/Module Leader and incorporate the following:

- Short videos
- Learning activities (including discussion forum activities)
- Formative assessments (multiple-choice and True/False quizzes, short answer self-assessments and matching exercises)
- Learning content

E-resources

All students can access to the e-resources of the University of London which includes a wide range of *entrepreneurial marketing, entrepreneurship and marketing journals*. Students will be directed to journals within each topic of study and given online resources to enhance their information literacy skills as part of the student induction.

Core text(s)

The learning content will be drawn from two key texts (see below).

Author Lerner, J. Leamon A. and Hardyman, F.

Title *Venture Capital, Private Equity, and the Financing of Entrepreneurship*

Publisher Wiley

Year 2012

Other references

The following is an illustrative list of the reading materials that will be referred to in the module:

Landstrom, H. and C. Mason, (2014), *Handbook of Research on Venture Capital: 2: A Globalizing Industry (Handbooks in Venture Capital Series)*, Edward Elgar

Lerner, J. (2009), *Venture capital and private equity : a casebook*, Hoboken, NJ : Wiley

Bygrave, W. B., and Timmons, J.A. 1992. *Venture Capital at the Crossroads*, Boston: Harvard Business School Press

Florida, R. and D.F. Smith jr. 1992. Venture capital's role in economic development: an empirical analysis, in E. S. Mills and J.F. McDonald (eds.) *Sources of Metropolitan Growth*, New Brunswick, NJ: Center for Urban Policy Research, p. 183-209.

Hall, B. 2005. "The Financing of Innovation". In *Blackwell Handbook of Technology and Innovation Management*, Edited by: Shane, S. Oxford: Blackwell Publishers, Ltd

Kenney, M., and Florida, R. 2000. *Venture capital in Silicon Valley: Fuelling new firm formation. In Understanding Silicon Valley: the anatomy of an entrepreneurial region*, ed. M. Kenny, 98-123. Stanford: Stanford University Press

Lerner, J. 2009. *Boulevard of Broken Dreams: Why Public Efforts to Boost Entrepreneurship and Venture Capital Have Failed – and What to Do about It*. Princeton, N.J: Princeton University Press

Mondher C., and Sana, E., 2009. *Venture Capital Financing: A Theoretical Model*, University of Reims OMI-LAME, ISG-Sousse

Zook M.A., 2005. *The Geography of the Internet Industry. Venture Capital, Dot-coms and Local Knowledge*, Blackwell Publishers: Oxford

Journals

- *Venture Capital: An International Journal of Entrepreneurial Finance;*
- *Entrepreneurship: Theory and Practice;*
- *International Small Business Journal;*
- *Journal of Business Venturing;*
- *Small Business Economics*