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## FIN 668 | Private Equity

**Klaas P. Baks, PhD**

**Professor in the Practice of Finance**

**Goizueta Business School, Emory University**

**[www.linkedin.com/in/klaasbaks](https://www.linkedin.com/in/klaasbaks) | [klaasbaks.com](https://klaasbaks.com) | [emoryprof.com](https://emoryprof.com)**

**Courses ([www.emoryprof.com](https://www.emoryprof.com))**

**Emory Center for Alternative Investments ([goizueta.emory.edu/faculty/cai](https://goizueta.emory.edu/faculty/cai))**

### Summary

Compared to traditional investments, such as public stock, public bonds, and cash, alternative investments represent the largest and fastest growing asset class in the world. Alternative asset classes include venture capital, private equity, real estate, hedge funds, and distressed securities. In this course we examine transaction structures used in these asset classes, with particular attention to private equity. Over the course of the semester the class covers the entire middle-market private equity transaction process, from fundraising to sourcing to structuring to value creation to exit. The course focuses on (a) the core technical aspects of private equity: identifying key value drivers, structuring deals, and financing deals, as well as (b) the strategic and tactical aspects of the private equity industry including the dynamics between investors and fund managers, fundraising, deal sourcing, deal process, operational and transactional value creation, and exit strategies. The audience for the course is students interested in private equity, M&A, entrepreneurship, investment banking, institutional investing, and commercial banking. The course is in a case/discussion format and is highly interactive. A few classes feature one or more panelists from the private equity industry. Grading is based on class participation, case assignments, and a final exam.

### Goals of the Course

After completing this course, students should have a better understanding of how private equity investors (1) identify key value drivers, (2) source, structure, negotiate and finance deals, (3) generate operational and transactional value, and (4) strategically exit investments.

### Format

Most of the classes are lectures, which are primarily in a discussion format and highly interactive. For a few classes we will have a guest speaker.

## Materials

Most of the materials used in the course are business cases and other materials from various books, journals, and newspapers. All non-copyrighted class materials are made available through the class website located at [classes.emory.edu](https://classes.emory.edu). Copyrighted class materials are made available through [study.net](https://study.net).

The optional textbooks for this course are "Buying a Small Business" by Ruback and Yudkoff and "An Introduction to Investment Banks, Hedge Funds, and Private Equity" by David Stowell.

## Deliverables and Grading

Course grades are based on each individual's cumulative score relative to the rest of the class.

Assignments submitted past the due date incur a penalty. The severity of the penalty depends upon (i) whether the assignment has been discussed in class and (ii) the amount of time the assignment is late. There is no credit for assignments submitted more than a week late. Students have two weeks from the date grades are released to dispute/discuss them. Grades are final two weeks after release. You are responsible for making sure your work is uploaded correctly and completely to Canvas. Incomplete and/or blank documents will be treated according to the late policy or receive no credit.

Students who are registered with the Department of Accessibility Services (DAS) should submit their accommodation requests to me within the first week of classes. Additionally, students who have accommodations that include assessments and exams must register accommodation requests with the BBA Program Office. The form to do so can be found [here](#).

The following elements determine one's grade:

**Case Reports** ([%weight cases] of overall grade): There are [%number of cases] case assignments. To execute the case assignments, students form into self-selected [%team size] person teams or partnerships at the beginning of the semester. Partnerships are expected to meet (in-person or virtually) to discuss and execute each team assignment. For each case, each partnership designates one person as "managing partner" (MP). The managing partner structure allows partnerships to efficiently allocate the work within the partnership, with the managing partner taking the lead on the case and the other members of the partnership supporting the managing partner. Each student must serve at least [%MP number alt] as a MP. Since there are [%number of cases] cases, each partnership cannot have more than [%team size] members. Partnerships with less than [%team size] members need to complete all cases but can select (if any) which cases will have no MP at the end of the semester (as long as each member serves at least [%MP number alt] as a MP). For each case, each partnership is expected to turn in a two-page report (plus up to three pages of supporting calculations) at the start of the class in which the respective case discussion takes place. A case score counts twice for the managing partner on that case.

**Class Participation & Attendance** ([%weight participation] of overall grade): Class participation and attendance are vital to the success of the course.

For class participation, the main grading criteria is "Did you help other people learn?" Quality is better than quantity. You need not speak often; you need to speak thoughtfully. There are multiple opportunities for class participation, inside and outside of class including: in-class questions and responses, discussion boards on Canvas (if any), and volunteer presentations (if any). All students are expected to participate in class discussions. Class participation is assessed through a student survey at the end of the semester in which each student can acknowledge those peers who contributed most to their learning and class experience.

Attendance of every [%attendance elements] is mandatory. All students get [%miss class] free unexcused absences. More than [%miss class] unexcused absences from the course may impact your grade. For unique circumstances please send an email in advance of missing a class with the reason for doing so. Attendance is taken at the end of each class. All attendance discrepancies must be addressed within three days of the class session; after that period, no adjustments will be made.

**Final Exam** ([%weight exam] of overall grade): There is a closed book in class exam reviewing the materials of the entire semester.

[%MBA exam criteria]

The philosophy behind the PS option is for students to have the option to skip the final exam and still be able to achieve a PS grade in the course. Although the vast majority of students who qualify for the PS option receive a PS grade or better in the course, please note that qualifying for the PS option does **not guarantee** a PS grade or better. Rather, qualifying for the PS option allows students to skip the final exam without being penalized for doing so.

Here are the precise rules for students who qualify for the PS option: Students who choose not to take the final exam will receive a grade based on all graded elements except for the final exam and cannot receive a course grade higher than a "PS." For students who do take the final exam, we compute a course grade both with and without the final exam, and then give the higher grade of the two. To prevent gaming, if the final exam is taken without serious effort we may void the final exam. Summarizing the above, if you take the final exam, your grade is based on the maximum of the two weighting schemes in the table below; if you do not take the final exam, your grade is based on the right column in the table below.

| Grading Element      | Weights With Exam        | Weights Without Exam         |
|----------------------|--------------------------|------------------------------|
| Class Participation  | [%weight participation]% | [%weight participation alt]% |
| Case Assignments     | [%weight cases]%         | [%weight cases alt]%         |
| Final Exam           | [%weight exam]%          | 0%                           |
| <i>Maximum Grade</i> | <i>DS</i>                | <i>PS</i>                    |

**Grade Distribution:** The final grades in this course adhere to the Goizueta recommended grade distribution:

| MAF Grade | Frequency |
|-----------|-----------|
| DS        | 15% - 20% |

| MAF Grade | Frequency |
|-----------|-----------|
| HP - DS   | 50% - 60% |
| PS        | 35% - 45% |
| LP and NC | 0% - 5%   |

## Contact Information & Office Hours

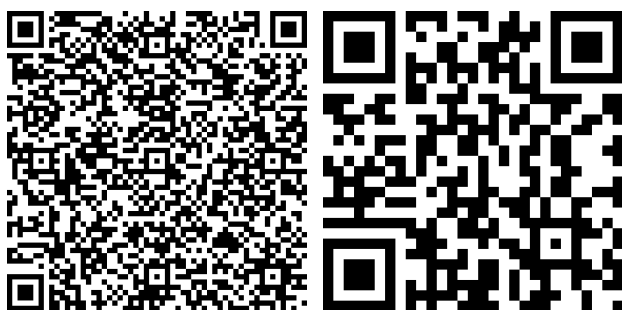
### Prof. Klaas P. Baks PhD

Email: [emoryprof@listserv.cc.emory.edu](mailto:emoryprof@listserv.cc.emory.edu)

Phone: [%phone], Fax: (404) 727-5238

Office: GBS 506

Hours: For appointments please visit <https://calendly.com/baks/office-hours>



## Professor Bio

**Klaas P. Baks PhD** is a recognized thought-leader in the alternative investments industry. The combination of cutting-edge academic insights and leading industry practices forms the foundation of his investment ideas and research. An award-winning professor and a frequent speaker on topics related to alternative investments, investing and entrepreneurship, he is known for a unique ability to combine original and useful business content with an engaging and dynamic speaking style.

Dr. Baks is a Professor in the Practice of Finance at Emory University's Goizueta Business School. His research and teaching focuses on issues in alternative investments, entrepreneurial finance and investment management, and he has published papers in numerous academic and business journals, including the Wall Street Journal. He teaches courses in private equity, venture capital and entrepreneurial finance at Emory University and has been recognized by students and alumni with ten awards, including the Marc F. Adler Prize for Teaching Excellence awarded by alumni, the Donald R. Keough Award for Excellence, and the university's highest award for teaching excellence, the Emory Williams Distinguished Teaching Award.

Dr. Baks serves as director or advisor for over 13 public and private companies and investment funds with over \$1.5 billion in assets under management. He served as the chair and member of various publicly traded companies' audit committees.

Prior to joining Emory University, Dr. Baks held positions at Fuji Bank in Tokyo, Japan, Deutsche Bank in Hong Kong and the International Monetary Fund in Washington DC.

Dr. Baks studied at the Wharton School at the University of Pennsylvania (PhD in Finance), Brown University (Master's in Economics), Groningen University (Master's in Econometrics, cum laude) and Leiden University (Diploma in Japanese Language and Business Studies). He spent two years at Harvard University as part of his doctoral research at Wharton on the performance of actively managed mutual funds.

Born and raised in the Netherlands, Dr. Baks resides with his wife and son in Atlanta, Georgia.