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*MIT Sloan School of Management
Course 15.498
Practice of Finance: Project Finance Fall 2017, H2*

Course Description

Instructor: John E. Parsons
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Tuesdays & Thursdays, 10:00 – 11:30
Room E51-151

Teaching Assistant: TBD
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Course Objective

Project financings are highly structured tools that enable major infrastructure investments, from renewable energy projects to highways to oil field developments. This course will introduce students to the principles and practice of project finance through two main activities.

First we will host a series of guest speakers from the industry to provide insight into how they have successfully utilized project finance and the challenges involved. These will be supplemented with readings and occasional lectures by the instructor.

Second, students will work in teams on a realistic project finance assignment. Teams will be given a detailed presentation on the assets being financed and their forecasted cash flows. Teams will also be given the outline of alternative project finance structures and the key terms around which a negotiation can proceed. Teams will be assigned to represent opposite sides of the deal and will be responsible to negotiating terms that work for both sides. Projects assignments will be handed out at the beginning of the course, and we will use in-class time as well as out-of-class time to get familiar with the projects and associated materials. Negotiations will conclude by the end of the semester, and teams will hand in a short report.