COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title	Code
Accounting of Alternative Investments **Alternatyvių investicijų apskaita**	

Academic staff	Core academic unit(s)
Coordinating: Prof. dr. Rasa Subačienė **Other:** Gabriele Reccia, Russell Logan, Ieva Šileikaitė,	Faculty of Economics and Business Administration Saulėtekio av. 9, II building, LT 10222 Vilnius

Study cycle	Type of the course unit
First	Individualized studies

Mode of delivery	Semester or period when it is delivered	Language of instruction
Face-to-face, remote	Spring semester	English

Requisites	
Prerequisites: FUNDAMENTALS OF ACCOUNTING / BASICS OF FINANCIAL ACCOUNTING / ACCOUNTING	**Co-requisites (if relevant):** NO POSSIBILITY TO ENTER THE COURSE AFTER THE FIRST LECTURE

Number of ECTS credits allocated	Student's workload (total)	Contact hours	Individual work
5	130	48	82

Purpose of the course unit		
The purpose of the course is to provide students with a comprehensive understanding of private markets and the alternative investment industry, integrating accounting fundamentals, fund structures, valuation practices, taxation, and compliance to prepare them for informed analysis and decision-making in this field.		
Learning outcomes of the course unit	**Teaching and learning methods**	**Assessment methods**
Will know the structure and functioning of private markets and the alternative investment industry globally, regionally (Europe, Asia, US), and in Lithuania, as well as the main segments (private equity, real assets, private debt) and current trends.	Lectures, independent study of the literature, seminars, working on practical assignments, analysis of cases and preparation of presentations in teams.	Presentation of the case study in teams.
Will understand the principles of fund structures, key roles (GP, LP, AIFM, depositories, regulators), and the accounting implications of main fund activities such as capital calls, distributions, management fees, equalizations, rebalances, and waterfall mechanisms. will be able to perform Net Asset Value (NAV) calculations, use worksheets for practical fund cases, and evaluate the impact of fund transactions on financial results.	Seminars, independent study of the literature, individual work on practical exercises, tasks, analysis of cases.	Midterm tests

Will understand the principles of fund structures and key roles (GP, LP, AIFM, depositories, regulators), and will be able to apply this knowledge in practice by performing Net Asset Value (NAV) calculations, solving fund case studies, and evaluating the accounting implications of core fund activities such as capital calls, distributions, management fees, equalizations, rebalances, and waterfall mechanisms.	Seminars, independent study of the literature, individual work on practical exercises, tasks, analysis of cases.	Midterm tests
Will know and critically assess key performance indicators, enterprise risk, and ESG factors influencing investment decision-making, understand the regulatory and taxation environment in Europe with emphasis on Luxembourg, and be able to apply compliance principles (KYC/AML, investor due diligence) as well as governance practices related to corporate secretarial services (CoSec) and boards in the management of alternative investment funds.	Lectures, seminars, independent study of the literature.	Midterm tests

Content	**Contact hours**							**Individual work: time and assignments**	
	Lectures	Tutorials	Seminars	Workshops	Laboratory work	Internship	**Contact hours, total**	**Individual work**	**Tasks for individual work**
Private Markets and the Alternative Investment Industry									
1. Intro to Private Markets. What are Private Markets and Alternative Investment Industry? Private vs Public markets, key concepts.	1						**1**	**0**	
2. Alternative Investment, **Industry in Europe & Asia, US**. Introduction to Alternative Investment Industry in Europe & Asia, key segments (Private Equity, Real Assets, Private Debt), trends and tendencies	1		4				**5**	**30**	Independent study of literature Preparation of the presentation on the selected fund strategy in teams
Fund Accounting Fundamentals									
3. Intro to Funds Structure, Key Concepts. General GP, LP, etc; Key players (AIFM, Depository, Local Regulators)	2		2				**4**	**5**	Independent study of literature, case study, solving tasks, exercises Preparation for the first midterm test.
4. Key fund activities and their implications to financial result. Capital Call & Distributions; Management Fees; Equalizations & Rebalances, Waterfalls.	6		6				**12**	**16**	Independent study of literature, case study, solving tasks, exercises Preparation for the first midterm test.

5. NAV calculations and & Practical Case study	1		1				**2**	**15**	Independent study of literature, case study, solving tasks, exercises Preparation for the first midterm test.
6. Key performance indicators.	1		1				**2**	**0**	
7. Enterprise Risk and ESG. ESG Impact to Investment decision process, Enterprise Risk / Governance	1		1				**2**	**2**	Independent study of literature, case study, solving tasks, exercises Preparation for the first midterm test.
The second midterm	2						**2**		
Regulatory Compliance and Governance Fundamentals									
8. Introduction to VAT & TAX for Funds in Luxembourg. General taxation principles within EU – governing laws & regulations, direct vs. indirect taxes, transfer pricing, etc. Intro to Direct taxes in Luxembourg – requirements, exemptions, etc.	4		4				**8**	**7**	Independent study of literature, case study, solving tasks, exercises Preparation for the second midterm test.
9. Introduction to KYC/ AML and risk. A foundational understanding of Anti-Money Laundering (AML) and Know Your Customer (KYC) regulations within the alternative assets industry. It covers key compliance concepts, common regulatory requirements, and the importance of investor due diligence in mitigating financial crime risks.	2		4				**6**	**7**	Independent study of literature, case study, solving tasks, exercises Preparation for the second midterm test.
10. Introduction to CoSec and Boards, internal governance.	2						**2**	**0**	
The second midterm	2						**2**		
Total	**22**		**26**				**48**	**82**	

Assessment strategy	Weight %	Deadline	Assessment criteria
Preparation of the analysis of the selected fund strategy and its presentation (Includes topics 1-2)	30	During semester	The presentation assignment, titled "Exploring Global Alternative Investment Fund Managers," aims to research and present the strategy, role, and impact of a specific global private markets fund manager. Evaluation will be based on content accuracy and depth (40%), structure and clarity (30%), and engagement and delivery (30%). Students are to form groups of five and select one fund manager from a provided list. The presentation, lasting five minutes, should include a firm overview detailing the name, headquarters, founding year, and size (including assets under management and global presence). It should also cover the investment focus and strategy, explaining the firm's investment philosophy and any specialization in sectors or regions. Additionally, students should highlight one or two notable investments or acquisitions, discussing their significance, and address recent trends such as new fund launches or ESG initiatives. Finally, the presentation should offer insights into how the firm contributes to shaping the alternative investment landscape. The final grade takes the assessment of presentation multiplied by a coefficient of 0.3.

<table>
<tr>
<td>The first midterm test (Includes topics 3-7).</td>
<td>40</td>
<td>During the semester</td>
<td>The test consists of closed-ended and open-ended questions based on the theory analysed, tasks, cases and exercises solved during classes. The test is given in an open-book format (the material on Moodle in open during assessment) on Moodle (eLearning system: emokymai.vu.lt) and includes 4-8 topics.
The final grade takes the test’s score multiplied by a coefficient of 0.4.
The assessment of the second midterm test:
<table>
<tr><th>The number of correctly answered questions, %</th><th>The value of the final grade</th></tr>
<tr><td>100</td><td>4,0</td></tr>
<tr><td>90</td><td>3,6</td></tr>
<tr><td>80</td><td>3,2</td></tr>
<tr><td>70</td><td>2,8</td></tr>
<tr><td>60</td><td>2,4</td></tr>
<tr><td>50</td><td>2,0</td></tr>
<tr><td>40</td><td>1,6</td></tr>
<tr><td>30</td><td>1,2</td></tr>
<tr><td>20</td><td>0,8</td></tr>
<tr><td>10</td><td>0,4</td></tr>
<tr><td>0</td><td>0,0</td></tr>
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<tr>
<td>The second midterm test (includes 8-10 topics).</td>
<td>30</td>
<td>During the semester</td>
<td>The test consists of closed-ended and open-ended questions based on the theory analysed, tasks, cases and exercises solved during classes. The test is given in a open-book format (the material on Moodle in open during assessment) on Moodle (eLearning system: emokymai.vu.lt) and includes 9-11 topics.
The final grade takes the test’s score multiplied by a coefficient of 0.3.
The assessment of the first midterm test:
<table>
<tr><th>The number of correctly answered questions, %</th><th>The value of the final grade</th></tr>
<tr><td>100</td><td>3,0</td></tr>
<tr><td>90</td><td>2,7</td></tr>
<tr><td>80</td><td>2,4</td></tr>
<tr><td>70</td><td>2,1</td></tr>
<tr><td>60</td><td>1,8</td></tr>
<tr><td>50</td><td>1,5</td></tr>
<tr><td>40</td><td>1,2</td></tr>
<tr><td>30</td><td>0,9</td></tr>
<tr><td>20</td><td>0,6</td></tr>
<tr><td>10</td><td>0,3</td></tr>
<tr><td>0</td><td>0,0</td></tr>
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</td>
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<tr>
<td>Final grade</td>
<td>100</td>
<td></td>
<td>The final grade consists of the total of all assessments (presentation, three midterm tests) and is expressed in the following way:
95 – 100 % - 10 (excellent)
85 – 94 % - 9 (very good)
75 – 84 % - 8 (good)
65 – 74 % - 7 (average)
55 – 64 % - 6 (satisfactory)
45 – 54 % - 5 (weak)
35 – 44 % - 4 (unsatisfactory)
25 – 34 % - 3 (very unsatisfactory)
15 – 24 % - 2 (poor)
0 – 14 % - 1 (extremely poor)</td>
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Author (-s)	Publishing year	Title	Issue of a periodical or volume of a publication	Publishing house or web link
Required reading				

Annand D., Dauderis H. (adapted by Jensen T.)	2020	Introduction to Financial Accounting		https://lyryx.com/introduction-financial-accounting/
Chambers, D. R., Anson, M. J. P., Black, K. H., Kazemi, H. B., & CAIA Association. (2020	2020	Alternative investments: CAIA Level I	4th ed	Wiley Alternative Investments–CAIA Level I - Donald R. Chambers, Mark J. P. Anson, Keith H. Black, Hossein B. Kazemi, CAIA Association - Google knygos
Recommended reading				
Dyson J., Franklin E.	2017	Accounting for Non-Accounting Students	9th edition	Pearson
	2018	Financial accounting (ACCA/FA), study text		Kaplan Publishing
Franklin M., Graybeal P., Cooper D.	2019	Principles of Accounting Volume 1: Financial Accounting		https://d3bxy9euw4e147.cloudfront.net/oscms-prodcms/media/documents/FinancialAccounting-OP_YioY6nY.pdf
Zeisberger, C., Prahl, M., & White, B.	2025	Mastering private equity: Transformation via venture capital, minority investments & buyouts	2nd ed	Wiley
Hudson, M.	2014	Funds: Private equity, hedge and all core structures		Wiley
Staiger, R.	2023	Foundations of real estate financial modelling	3rd ed	Routledge
Stefanova, M.	2011	Private equity accounting: The global guide for private equity firms and fund accountants		PEI Media
PEI Media	2015	Private equity accounting, investor reporting, and beyond.		Financial Times Prentice Hall
Williams, D	2012	Private equity compensation and incentives: A practical guide for general partners, limited partners and portfolio-company managers		PEI Media
Scharfman, J. A.	2018	Private equity compliance: Analyzing conflicts, fees, and risks		Wiley
Zeisberger, C., Prahl, M., & White, B.	2017	Private equity in action: Case studies from developed and emerging markets.		Wiley
van Zyl, N., & Lee, E. (Eds.).	2018	The LPA anatomised	2nd ed	PEI Media