Entrepreneurial Finance: *Venture Capital, Deal Structure & Valuation, Second Edition*

**Chapter** 3 Venture Capital and Angel Investing

***Learning Objectives***

After reading this chapter you should be able to:

* Understand the development of the venture capital (VC) market and its current status
* Describe the structure of a typical VC fund and understand how regulation influences the structure
* Explain how VC fund structure influences the types of investors and investments the fund seeks
* Understand the role of the VC fund general partner and how the role changes over the life of a fund
* Understand the contract structure that exists between the investors in a fund (the limited partners) and the general partner, and how the structure promotes efficient investment and asset management
* Understand the important role of reputation in defining relationships among venture capitalists, investors, and portfolio companies
* Understand the differences between VC investing and angel investing