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

**Chapter** 12 Designing and Valuing Staged Investment with Real Options

***Learning Objectives***

After reading this chapter you should be able to:

* Understand how and why staging and real options affect the values of new venture financial claims
* Value venture financial claims using either scenario analysis or simulation
* Use financial modeling and valuation to study game theoretic issues that arise for the parties to a venture
* Evaluate how alternative financial contracts affect the values of entrepreneur and investor claims
* Know how to construct financial contracts to signal information and align incentives