

Standard Course Outline

Title: *Entrepreneurial Finance*

I. General Information

Course Number	FIN 675
Title	Entrepreneurial Finance
Units	3.0 credits
Prerequisites	Graduate standing
Course Coordinator	Peter A. Ammermann
SCO Prepared by	Peter A. Ammermann
Date prepared/revised	August 2016

II. Catalog Description

Introduction to the financial analysis of and the financial decisions surrounding start-up businesses. This class explores important issues entrepreneurs face, such as how and where to obtain financing, using business cash flow models, and positioning the early-stage company strategically. For future managers, investors, and those who have engineering and science background. Case studies, lectures, workshops, and projects that involve real-world business ideas.

Letter grade only (A-F)

III. Curriculum Justifications

An interest in entrepreneurship is a driving force leading many students to pursue their MBA studies. But, an important aspect of entrepreneurship is understanding the

financial issues involved in running a start-up business and the financial choices that must be made along the way. The goal of this course is to provide the student with an understanding of how a company's financial needs change as it moves through the "life cycle of the firm" and to introduce the student to various theories, knowledge, and corporate finance tools, techniques, and approaches an entrepreneur needs to establish and develop a successful venture.

IV. Course Objectives

The purpose of this course is to introduce financial thinking, tools, and techniques as they impact, influence, and come to bear on the realm of entrepreneurship. Thus, this course introduces MBA students to the theories, knowledge, and financial tools entrepreneurs need to start, build, and harvest successful ventures. Specific learning objectives of this course include:

- **Critical Thinking Skills:** Students will build their critical thinking skills through the managerial decision-making process in developing a business model and determining the . Students will be able to demonstrate these skills through case analysis and problem solving exercises.
- **Interpersonal, Leadership, and Team Skills:** Students will develop their team work, interpersonal and leadership skills in a business start-up and/or in an enterprise. Students will be able to demonstrate the interpersonal, leadership and team skills through team projects including case analysis and group presentations.
- **Business Functions Skills:** Students will be able to demonstrate that a successful business model requires the understanding of all business functional areas as well as close cooperation with them.
- **Quantitative & Technical Skills:** Students will acquire the necessary quantitative and technical skills to analyze and interpret business decisions based on data and information. They will understand their effects on the business model they intend to build. Students will be able to demonstrate these skills through technology forecasting, risk analysis, technology valuation, capital budgeting, and financial analysis along with case studies and problem-solving exercises.

V. Outline of Subject Matter

The business model encompasses your strategies, product and services as well as customers. It describes how a firm would deliver the value propositions and the capabilities and the economic parameters that will enable you to meet your business objectives. Understanding, analyzing, and developing a business model based on current and emerging technologies is a critical and demanding work process of

management and also new hiring across industries. Moreover, how to relate the business model with the required capital and financial resources is of utmost importance for a firm to continue transforming the new idea to a viable product and service for a market. This course focuses on developing and sustaining a technology-based business model in a digital and competitive environment.

A typical set of topics to be covered in this class includes the following:

Week	Topic
1	Introduction to Finance for Entrepreneurs and Developing the Business Idea
2	Organizing and Financing a New Venture
3	Preparing and Using Financial Statements
4	Evaluating Operating and Financial Performance
5	Managing Cash Flow
6	Types and Costs of Financial Capital and Securities Law Considerations When Obtaining Venture Financing
7	Projecting Financial Statements
8	Valuing Early Stage Ventures
9	Venture Capital Valuation
10	Professional Venture Capital
11	Other Financing Alternatives
12	Security Structures and Determining Enterprise Values
13	Harvesting the Business Venture Investment
14	Financially Troubled Ventures and Turnaround Opportunities
15	Project Presentations
16	Final Exam

Note that this specific outline is based on the chapter structure of Entrepreneurial Finance, 5th Ed., by Leach and Melicher. The course outline could be modified to be based on other textbooks or cases as long as similar sets of topics are covered.

VI. Methods of Instruction

This course will use a variety of methods or techniques to deliver the instructional materials and to achieve the course objectives. Classroom lectures, case studies,

reading assignments, and group activities are among the methods that may be used to present the topics and enhance the student's understanding of the course material.

Students are required to preview the course materials before each class. With good preparation, students will be able to actively participate in class discussions and achieve effective learning. Students are encouraged to read the supplemental materials and to explore library resources and the internet for in-depth studies on interested topics. Field observations, real world projects, and guest speakers and debate may be included to enrich students' learning experience.

Instructors in planning the exams, and other grading procedures, should adhere to the relevant [University Policy on "Grades, Grading Procedures, and Final Assessments, Final Course."](#)

The textbooks for this course should be chosen in accordance with the [University Policy on textbooks](#). There are many appropriate textbooks and/or cases on which this course could be based; it is generally agreed that none of them is perfect. Potential textbooks and required reading materials could include one or more of the following:

Suggested Textbooks:

1. Entrepreneurial Finance, 5th edition, Chris Leach and Ronald Melicher, Cengage Learning, 2015.
2. Venture Capital and the Finance of Innovation, 2nd edition, Andrew Metrick and Ayako Yasuda, Wiley, 2010
3. Harvard Business School Publishing Cases and Articles

VII. Instructional Policy Requirements

The students are expected to comply with the universally accepted norms of considerate and courteous behavior, and with all University rules and policies found in the current [University Catalog](#), including the [Withdrawal Policy](#) and [Policy on Cheating and Plagiarism](#). It will be assumed that the students will adhere to the tenets of *academic integrity* as articulated in [Dean's Letter on Academic Integrity](#) throughout this course. Instructors may specify their own policies with regard to plagiarism, withdrawal, absences, etc. as long as these policies are consistent with the above mentioned University policies.

It is expected that all students to attend classes regularly and to be responsible from all materials covered in class, regardless of their attendance. Make-up exams are strongly discouraged and will only be given with documented proof of an excused absence. Acceptability of the excuse will be determined based on the appropriateness of the documents. It is important that the student provides all documentation without special prompting from the instructor. The student should

give earliest possible notification of an anticipated excused absence. The students refer to [the specific university policy](#) on these issues.

Occasionally adjustments in the course assignments become necessary. The students should be notified about changes, if any, and, whenever possible, they should be consulted in advance about any changes.

Students with Disabilities: Students with disabilities are responsible for notifying their instructor as early as possible of their needs for an accommodation of a verified disability. A student with a disability is urged to consult with Disabled Student Services as soon as possible in order to identify possible accommodations to enhance academic success.