

(Spring 2015)

PREREQUISITES:	AF 2006 Financial Accounting EC 1000 Principles of Microeconomics FN 2127 Financial Markets and Instruments or FN 3105 Foundations of Corporate Finance MG 2003 Management Principles MG 3133 New Venture Creation									
CATALOG DESCRIPTION:	This course provides a rigorous and systematic study of theories and tools necessary for entrepreneurs to start, build and harvest a successful venture. The course discusses the financial needs and peculiarities of small scale businesses and the qualities required to obtain financing, and successfully manage investment projects.									
RATIONALE:	Despite common underlying theory, entrepreneurial finance differs from corporate finance in several important aspects as far as investing and financing decisions are concerned. Differences are also found in accessing capital, and in managing capital projects. This course is appropriate for those students interested in the financial management of small businesses.									
LEARNING OUTCOMES:	<ol style="list-style-type: none">1. Discuss the role and the purpose of small business finance and describe the influences of the economic environment on entrepreneurship2. Demonstrate knowledge of the financial management tools and techniques available to entrepreneurs in different stages of the life cycle of business ventures3. Make use of different sources of finance for new ventures and develop exit strategies for entrepreneurs4. Estimate the market value of new ventures using cash flows and other valuation methods									
METHOD OF TEACHING AND LEARNING:	<p>In congruence with the teaching and learning strategy of the college, the following tools are used:</p> <ul style="list-style-type: none">➤ In class exercises and real life examples that help lecturer to illustrate basic concepts, and techniques used in entrepreneurial finance➤ Use of interactive cases that encourage students to identify the peculiarities and differences between corporate finance and entrepreneurial financial applications➤ Value new ventures taking into account uncertainty and flexibility in management➤ Group discussion - students are divided into groups to finish case projects and short research activities that involve the use of web search or the use of financial data bases➤ Blackboard - use of material made available online									
ASSESSMENT:	<p>Summative:</p> <table><tr><td>First Assessment: Individual project (Business development, financial forecasting and valuation, 1,800-2,200 words)</td><td>50</td></tr><tr><td>Second Assessment: In-class written examination (Two-hour, closed-book, problems/essays combination)</td><td>50</td></tr></table> <p>Formative:</p> <table><tr><td>One written examination</td><td>0</td></tr><tr><td>In class assignments 4 quizzes</td><td>0</td></tr></table> <p>The formative assessments aim to prepare students for the final written</p>		First Assessment: Individual project (Business development, financial forecasting and valuation, 1,800-2,200 words)	50	Second Assessment: In-class written examination (Two-hour, closed-book, problems/essays combination)	50	One written examination	0	In class assignments 4 quizzes	0
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	<p>examination.</p> <p>The “first summative assessment” tests Learning Outcomes 2, 3 and 4, emphasis on learning outcomes 2 and 4</p> <p>The “second summative assessment” tests Learning Outcomes 1 and 3</p>
INDICATIVE READING:	<p>REQUIRED READING: Smith, J.k., Smith R. L., Bliss, R. T. (2011). <i>Entrepreneurial Finance: Strategy Valuation & Deal Structure</i>. Stanford University Press</p> <p>RECOMMENDED READING:</p> <ul style="list-style-type: none"> • Amram, M. and Kulatilaka, N. (1999). Real Options. <i>Harvard Business School Press</i>. • Black, S. (2013). Why the LEAN Sart-up Changes Everything. <i>Harvard Business Review</i>. May. • Headd, B. (2003). Redefining Business Success: Distinguishing between Closure and Failure. <i>Small Business Economics</i>, Vol., 21. • Higgins, R. (2009). “Analysis for Financial Analysis”. <i>McGraw-Hill</i>, 9 ed • Timmons J. and Spinneli S. (2009). <i>New Venture Creation</i>. McGraw-Hill, 8th ed. <p>Additional library sources, including journal articles accessed through the library databases are recommended by the instructor throughout the semester.</p>
INDICATIVE MATERIAL: (e.g. audiovisual, digital material, etc.)	N/A
COMMUNICATION REQUIREMENTS:	<p>Preparation of a research proposal as well as a pilot study for a given topic, submitted in Word.</p> <p>Participation in class discussions should be delivered in a professional manner, using English and proper communication skills and techniques.</p>
SOFTWARE REQUIREMENTS:	MS Office, Internet, Blackboard, Financial Data Bases
WWW RESOURCES:	<p>www.bloomberg.com</p> <p>www.quicktake.morningstar.com</p> <p>http://finance.yahoo.com/</p> <p>www.investinginbonds.com</p> <p>www.isda.org</p> <p>www.bis.org</p> <p>www.federalreserve.gov</p>
INDICATIVE CONTENT:	<ul style="list-style-type: none"> • The basic principles of Entrepreneurial Finance • New venture financing and development of Venture capital markets • Financial Aspects of business plans • Real Option Strategies for new ventures • Forecasting the financial needs of new ventures • Entrepreneurial valuation in practice • Deal structure, contract design and harvesting