



Department: Business	s Administration	Program: MBA Finance					
Course Name	Entrepreneurial Fina	nce	Course Code	FIN 644			
Pre-requisite	Not Applicable		Credit Hours	3			

Brief Description

Entrepreneurial Finance is designed primarily for students who plan to be involved with a start-up venture at some point in their career as a founder, early joiner, investor, board member, or advisor. However, the course is also very relevant for students interested in gaining a broader view of the financing landscape for start-up companies, going far beyond the basics of venture capital and angel financing. Throughout the course, we emphasize the financial opportunities and decisions of entrepreneurs and private equity investors investing in these entrepreneurs. The program is broadly structured in four parts. First, we cover the basic ideas, tools and techniques which, once mastered, will greatly facilitate work throughout the remaining modules and group project. We then go on to consider the start-up, then the on-going company in operation and finally possible exit routes.

Course Objectives

Upon completion of this course students are expected to be able to:

- Describe the entrepreneurial process and identify financing through the venture life cycle.
- Analyze and Access SME financial performance in Saudi Arabia.
- Discuss the process of establishing short- and long-term financial planning for SMEs.
- ➤ Compare and contrast the different financing techniques appropriate for SMEs and measure their respective costs.
- Discuss valuation of early-stage ventures.
- Discuss the ways that a successful entrepreneur can harvest or exit a venture.
- Examine, gather and analyze the required data to design and implement their own ventures
- Discuss the main elements of an effective presentation on their ventures' proposals.

Course Learning Outcomes

- Distinguish between concepts, principles, and theories of Entrepreneurial Finance
- Apply the concepts, principles, and theories in different Entrepreneurial Finance situations
- ▶ Demonstrate written communication skills in Entrepreneurial Finance
- Have oral communication skills in Entrepreneurial Finance
- ▶ Have skills of using computer applications in Entrepreneurial Finance
- ▶ Have scientific research skills in the field of Entrepreneurial Finance





- ▶ Have the skills of critical thinking and analysis in the fields of Entrepreneurial Finance
- ▶ Have the skills in strategic thinking and finding solutions in Entrepreneurial Finance
- ▶ Believe, and practice sustainability in Entrepreneurial Finance
- ▶ Have the skills of leadership, teamwork, and decision making in Entrepreneurial Finance
- Have the ability to distinguish between ethical issues in Entrepreneurial Finance
- Have the competence of social responsibility in the fields of Entrepreneurial Finance
- Have the competence to deal with cultural diversity in Entrepreneurial Finance situations

Course Topics

- Course Introduction
- Measuring Financial Performance
- Evaluating Financial Performance
- ➡ Financial Planning: Short-Term and Long-Term
- Types and Costs of Financial Capital
- **№** Valuing Early-Stage Ventures
- **№** Venture Capital Valuation Methods
- Harvesting the Business Venture Investment
- ➤ Financially Troubled Ventures: Turnaround Opportunities?

Text Book

▶ Leach, C. and Melicher, R. (2017). *Entrepreneurial Finance*. 6th edition. South Western, Cengage learning.

Additional References

Nogers, Steven. 2014. Entrepreneurial Finance: Finance and Business Strategies for the Serious Entrepreneur. 3rd ed. New York: McGraw-Hill Education

Online Resources

- https://hbr.org/2007/09/the-strategic-secret-of-private-equity
- https://hbr.org/1998/11/how-venture-capital-works
- https://hbr.org/2012/01/just-how-risky-is-entrepreneur
- https://hbr.org/2011/01/all-hail-the-failure-sector
- https://link.springer.com/article/10.1007/s43546-020-00002

Course Outline

Week	Hours	Topics					
1	3	Course Introduction, The Entrepreneurial Process, Principles of					
		Entrepreneurial Finance, Role of Entrepreneurial Finance					
2	3	The Venture Life cycle, Financing Through the Venture Life Cycle					
3	3	Measuring Financial Performance, Venture Assets, Liabilities, and					
		Owner's Equity					





4	3	Measuring Financial Performance (Continued) Sales, Expenses and Profits					
5	3	Evaluating Financial Performance: Financial Ratios, Cash Burn Rates and Liquidity Ratios, Conversion Period Ratios, Leverage Ratios, Profitability and Efficiency Ratios					
6	3	Financial Planning Throughout the Venture's Life Cycle: Short-Term Cash-Planning Tools, Systematic Forecasting, Estimating sustainable Sales Growth Rate					
7	3	Implicit and Explicit Financial Capital Costs, The Cost of Debt Capital The Cost of Equity Capital, Weighted Average Cost of Capital					
8	3	Midterm Exam					
9	3	Valuing Early-Stage Ventures: Basic Mechanics of Valuation, Required Versus Surplus Cash, DCF Valuation, Just-in-Time Equity Valuation					
10	3	Basic Venture Capital Valuation Methods, Earnings Multipliers and Discounted Dividends, Adjusting VCSCs for Multiple rounds, Adjusting VCSCs for incentive ownership					
11	3	Basic Venture Capital Valuation Methods, Earnings Multipliers and Discounted Dividends, Adjusting VCSCs for Multiple rounds, Adjusting VCSCs for incentive ownership					
12	3	Harvesting the Business Venture Investment: Planning an Exit Strategy, Valuing the Equity or Valuing the Enterprise					
13	3	Harvesting the Business Venture Investment: Planning an Exit Strategy, Valuing the Equity or Valuing the Enterprise					
14	3	Harvesting the Business Venture Investment: Outright Sales, Going public					
15	3	Presentation					

Measurement and Assessment Tools														
			Knowledge	Skills						Values				
Assessment Tools	Grades	Week	Identify and apply	Written	Oral	Information Technology	Research	Critical thinking	Strategic thinking	Sustainability	Leadership	Ethics	Corporate Social responsibility	Cultural diversity
Midterm Exam	20	9	X											
Case Study	10	12		X				X	X	X	X	X	X	X
Project	20	15		X		X	X	X	X	X	X	X	X	X
Presentation	10	15			X	X	•							
Final Exam	40	TBD	X											
Total	100													





Approved by Department Chair	Date of Approval

Additional Information: Updated every Semester by Course Instructor				
Course Instructor				
Department				
Phone No.				
Extension No				
Email				