

Department:	Economics and Finance
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Course Name:	Entrepreneurial Finance	Course No.:	FIN 644
Prerequisite:	Corporate Finance	Credit Hours:	3

Brief Description:

Entrepreneurial Finance is designed primarily for students who plan to be involved with a startup venture at some point in their career as a Founder, early Joiner, Investor, Board Member, or Advisor. However, the course is also very applicable for students interested in gaining a broader view of the financing landscape for startup companies, going far beyond the basics of venture capital and angel financing. Throughout the course, we emphasise financial opportunities and decisions of entrepreneurs and private equity investors investing in these entrepreneurs. The programme is broadly structured into 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:

1. Explain the entrepreneurial process and identify the financing through the venture life cycle.
2. Measure and analyse SMEs financial performance.
3. Establish short and long term financial planning for SMEs.
4. Distinguish the different financing techniques appropriate for SMEs and measure their respective costs.
5. Value Early-Stage Ventures.
6. Recognise the ways that a successful entrepreneur can harvest or exit the venture.
7. Identify, gather and analyse the required data to design and implement their own ventures.
8. Deliver an effective presentation on their ventures' proposals.

Course Topics:

1. Course Introduction
2. Measuring Financial Performance
3. Evaluating Financial Performance
4. Financial Planning: Short Term and Long Term
5. Types and Costs of Financial Capital
6. Valuing Early-Stage Ventures
7. Venture Capital Valuation Methods
8. Harvesting the business venture investment
9. Financially troubled ventures: turnaround opportunities?

Text Book:

Chris Leach & Ronald Melicher (2017). Entrepreneurial Finance. Sixth Edition. Cengage Learning. ISBN 978-1305968356

Additional References:

Steven Rogers (2014). Entrepreneurial Finance: Finance and Business Strategies for the Serious Entrepreneur. Third Edition. McGraw Hill. ISBN 978-0071825399

Online Resources:

📖 Academic databases available through the University's Library website.

Measurement & Assessment Tools:

Objectives			Obj 1.1 &1.2	Obj 2.2	Obj 3.1
Assessment tools	Grade	Week (Time period)	1	2	3
Mid-term Exam	20	10 th	×		
Research Project (Case Study)	20	14 th			×
Oral Presentation	20	14 th		×	
Final Exam	40	As Dated	×		
Total	100				

Tentative Course Outline:

Week	Hours	Topics	Readings
1	3	Course Introduction The Entrepreneurial Process Principles of Entrepreneurial Finance Role of Entrepreneurial Finance	Ch1
2	3	The Venture Life cycle Financing Through the Venture Life Cycle	Ch1
3	3	Measuring Financial Performance Venture Assets, Liabilities, and Owner's Equity sales, Expenses and Profits Internal operating Schedules Statement of cash Flow Operating Breakeven Analyses	Ch4
4	3	Measuring Financial Performance (Continued) Venture Assets, Liabilities, and Owner's Equity sales, Expenses and Profits Internal operating Schedules Statement of cash Flow Operating Breakeven Analyses	Ch4
5	3	Evaluating Financial Performance	Ch5

		Financial Ratios Cash Burn Rates and Liquidity Ratios Conversion Period Ratios Leverage Ratios Profitability and Efficiency Ratios	
6	3	Evaluating Financial Performance (Continued) Financial Ratios Cash Burn Rates and Liquidity Ratios Conversion Period Ratios Leverage Ratios Profitability and Efficiency Ratios	Ch5
7	3	Financial Planning: Short Term and Long Term Financial Planning Throughout the Venture's Life Cycle Short-Term Cash-Planning Tools Systematic Forecasting Estimating sustainable Sales Growth Rate	Ch6
8	3	Financial Planning: Short Term and Long Term (Continued) Financial Planning Throughout the Venture's Life Cycle Short-Term Cash-Planning Tools Systematic Forecasting Estimating sustainable Sales Growth Rate	Ch6
9	3	Types and Costs of Financial Capital Implicit and Explicit Financial Capital Costs The Cost of Debt Capital The cost of Equity Capital Weighted Average Cost of Capital	Ch7
10	1.5 1.5	Mid-term Exam Valuing Early-Sage Ventures Basic Mechanics of Valuation Required Versus Surplus Cash DCF Valuation Just-in-Time Equity Valuation	Ch9
11	3	Valuing Early-Sage Ventures (Continued) Basic Mechanics of Valuation Required Versus Surplus Cash DCF Valuation Just-in-Time Equity Valuation	Ch9
12	3	Venture Capital Valuation Methods Basic Venture Capital Valuation Methods Earnings Multipliers And Discounted Dividends Adjusting VCSCs for Multiple rounds Adjusting VCSCs for incentive ownership	Ch10
13	3	Harvesting the business venture investment Planning an exit strategy Valuing the equity or valuing the enterprise	Ch14

		Systematic liquidation Outright sales Going public	
14	1.5	Harvesting the business venture investment Planning an exit strategy Valuing the equity or valuing the enterprise Systematic liquidation Outright sales Going public	Ch14
	1.5	Oral Presentation	
15	3	General Review	

Approved by Dept. Chair:

Dr Fahad Al Mohaimeed

Date of Approval:

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Extra Information: *(Updated every semester and filled by course instructor)*

Course Instructor:
Office No:
Extension:
Email:
Office Hours: