Course	**ENTP/FIN 3360-002** Entrepreneurial Finance
Instructor	Madison Pedigo
Term	Spring 2017
Meeting Time	Tues/Thurs 1:00 - 2:15 PM
Location	JSOM 2.803

Professor Contact Information

Instructor: Madison Pedigo
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Office hours: After class or by appointment
Office Location: JSOM 4.202

Course Prerequisites, Co-requisites, and/or Other Restrictions

Prerequisites: FIN 3320

Course Description

The objective of this course is to build skills and knowledge in the financing of entrepreneurial ventures and understand the process of financing entrepreneurial ventures from the perspective of the entrepreneur and from the investor. Entrepreneurial Finance concerns not only the processes of financing and investing in start-up companies, but also the changes to the initial capital structure that may be required as start-up companies mature and grow. The course also addresses analysis of financial statements, the projection of cash flows, cash flow management, valuation, and alternative financing arrangements and methods (including bootstrapping, angel investors, venture capitalists, and IPO's).

Student Learning Objectives/Outcomes

1. Understand the motivation and roles of participants in entrepreneurial finance.
2. Develop basic pro-forma financial statements for a new venture or project.
3. Estimate the market value of a new venture or project.
4. Study exit and turnaround strategies.
5. Gain an appreciation and skills for analyzing an entrepreneurial company.

Required Textbooks and Materials

Entrepreneurial Finance; South-Western (Cengage Learning) 5th ed., by Leach and Melicher (**ISBN 13: 978-1-285-42575-7.**

Calculator: The TI-BA II Plus Professional Calculator or TI BA II Plus Calculator is preferred.

Assignments & Academic Calendar**

Unit	Date	Description	Chapters	Problem Set Assigned/Due; Research Report	Homework Assigned	Homework Due
1	1/10/17	Course Overview	-			
2	1/12/17	Introduction to Entrepreneurship and Entrepreneurial Finance	1		Ch 1- None	
	Monday, 1/16/17	Holiday	-			
3	1/17/17	Feasibility Analysis and Business Plans	2		Ch 2- Exercises/Problems 2, 3, 4, Page 78	
-	1/19/17	No Class				
4	1/24/17	Organizing and Financing a Venture + IP Overview	3		Ch 3- Exercises/Problems 2, 10, Pages 124-126	
5	1/26/17	Preparing and Using Financial Statements	4		Ch 4 -Exercises/Problems 1, 2, 5, 6 (A-E), Pages 152-154	Ch2 H/W Due
6	1/31/17	Evaluating Financial Performance	5, 6			Ch 3 H/W Due
7	2/2/17	No class (Study Time or Optional Class Review)		Individual Research Report Topics Due	Ch 5- Exercises/Problems 3, 4, 5A, Pages 187-188	Ch 4 H/W Due
8	2/7/17	Exam 1 (Chapters 1-5)				
9	2/9/17	Financial Planning	6, 9		Ch 6- Exercises/Problem 8 A-B only,Pages 219-220	Ch 5 H/W Due
10	2/14/17	Cost of Capital	7		Ch 7- Exercises/Problems 3, 10, 13, Pages 258-260	
11	2/16/17	Angel Investors			-	
12	2/21/17	Guest Lecture- Financial Planning External Persepctive			Ch 9- Exercises/Problems 4, 6A, Pages 346-348	Ch 6 H/W Due
13	2/23/17	Valuing Early Stage Ventures	10		Ch 10- Exercises/Problems 6 A-C, Pages 384-385	Ch 7 H/W Due
14	2/28/17	Venture Capital Valuation Methods	11		Ch 11- Exercises/Problems 1, 3, 4 A-C, 8 and 9, Pages 422-423	Ch 9 Homework Due
15	3/2/17	Review for Exam 2				Ch 10 H/W Due
16	3/7/17	Exam 2 (Primarily 6, 7, 9, 10 and 11 with some review of prior material from a specified list of topics)				Ch 11 H/W Due
17	3/9/17	Other Financing Alternatives; Securities Structures and Determining Enterprise Value	13, 14	Individual Research Report Due From Each Student; Sign Up For A Team Online	Ch 13- Exercises/Problems 1 and 2, Page 494; Ch 14- Exercises/Problems 1 A-D, 3, 8, 12, 13, Pages 526-527	
-	3/13 - 3/19	Spring Break				
18	3/21/17	Guest Lecture- Securities Law	8		Ch 8- Exercises/Problems 1, 3, Page 295	
19	3/23/17	Harvesting the Venture	15		None	
20	3/28/17	Professional Venture Capital	12		None	Ch 8 H/W Due
21	3/30/17	Team time in class to work on group presentations	-			Ch 14 H/W Due
22	4/4/17	Crowdfunding or Venture Debt	-			
23	4/6/17	Group In Class Presentations of Research Report(s)	-	All Groups- Presentatons Due Electronically before class begins; Also Bring to Class on a USB Drive.		
24	4/11/17	Group In Class Presentations of Research Report(s)	-			
25	4/13/17	Group In Class Presentations of Research Report(s)	-			
26	4/18/17	Continue Group Presentations if needed	-	Peer Evaluations Due		
27	4/20/17	Review for Exam 3	-			
-	4/25/17	No class- Study Time				
28	4/27/16	Exam 3 (Primarily Chapters 8 and 11-16 with some prior material from a specified list of topics)				

Class timeline, assignments, and due dates are subject to change at the discretion of the professor. A current class schedule that includes assignments will be included at the beginning of class lectures.

Grading Policy

Your final course grade will be calculated as follows:

Exam 1 **Exam 2** **Exam 3**	**50%**
Homework	**5%**
Practice Quizzes	**-**
Participation	**15%**
Research Report (Individual written reports)	**15%**
Group Presentation of Research Reports	**15%**

The following scale applies to the overall course grade:

A+ :	**98 +**	**C+ :**	**78-79**
A :	**93-97**	**C :**	**73-77**
A- :	**90-92**	**C- :**	**70-72**
B+ :	**88-89**	**D+:**	**68-69**
B :	**83-87**	**D :**	**63-67**
B- :	**80-82**	**D- :**	**60-62**

F: Less than 60

Course and Instructor Policies
Exams, Practice Quizzes, Problem Sets, Homework, Research Report, and Group Presentation

You must take exams on the scheduled date/time, and as a general rule, there are NO make-up exams. If you have a legitimate reason to be absent from one of the exams, you MUST discuss this with me in ADVANCE. The instructor reserves the right to determine whether it is a legitimate reason for missing an exam. There will be three exams during the semester. No final exam is required for this course. A SCANTRON is required for all exams.

Practice quizzes may or may not be given intermittently during the semester to reinforce the material. These assignments will not count as part of your grade. If we have practice quizzes, we will work through the quizzes during class.

Homework will be assigned for most of the chapters and will be due about one week from the assignment date unless otherwise communicated. Homework solutions will be posted and/or discussed in class with each student self-grading their assignments. Homework will count as 5% of your grade.

Participation in class and class discussions will count as 15% of your grade (discussed further in a later section of the syllabus.)

An individual written research report is required on a topic related to the course, such as start-up financing, term sheet terms, trends in the venture capital industry, angel investment, evaluation of a VC firm, valuation techniques, or crowd sourcing, etc. The report topic needs to be approved in advance, but in general, this is a chance for you to dive deeper in an area of interest. Each student should submit two rank ordered report topics for approval by 2/2/17. Research Reports will be due on 3/9/17. Maximum length of Research Report is 7 pages including exhibits (typed, double spaced). Footnote the source of any data you use on each page of the report.

The class will be divided into small teams of ~4-6 team members as the semester progresses (exact number of students may vary by team). Students will have the chance to select their teams over the first ~8 weeks of the course, and those without teams at that time will be assigned to teams by the instructor. The project will require close coordination with your team members. The team members will be collectively responsible for reviewing the Research Reports prepared by their individual team members, and developing a PowerPoint presentation that summarizes the highlights of selected research reports. The team can elect to report highlights from one research report or from multiple research reports. The main purpose of the presentation is to share the content and lessons learned with the rest of the class. Each team will have 10 minutes to present with 5 minutes of Q&A. One team member will submit an electronic copy of the presentation on behalf of the entire team in eLearning by or before the beginning of class on 4/6/17. Also email to my UTD email address and bring to class on 4/6/17 on a USB drive. The grades earned on Team Projects will be assigned equally to each group member, subject to individual adjustment based on the instructor's assessment of the student's presentation and based on the Peer Evaluation inputs (each team member must contribute equally based on their peer evaluation to qualify for the full team grade—as described in the peer evaluation note). All students will present as part of the team presentation. Students must sign up for a team online no later than 3/9/17.

The majority of the content for this course will be taken from the slides and textbook. Occasionally, I may post outside readings, and if so, test questions may also be taken from this material.

Class Attendance and Participation

Fifteen percent (15%) of your grade will be based on attendance and/or active participation in class discussions. Attendance and/or class participation will be tracked. From time to time, it may be necessary to miss a class due to illness or personal matters. Inform the instructor in advance of these absences.

I will take attendance during each class. I will post slides on eLearning, but I may discuss points or work through examples in class (which may not be posted on eLearning), so attending and/or actively participating in class is highly encouraged (in addition to being part of your grade)!

Each student is expected to have read all assigned materials prior to the start of class and be prepared to discuss the ideas, concepts and issues they raise.

Peer Evaluation

An optional peer evaluation process will be utilized to adjust individual grades on the team assignment. The peer evaluation form is attached at the back of this syllabus and will also be provided on eLearning. The form should be completed individually and either emailed through eLearning or sealed in an

envelope and turned in to me by or before 4/18/17. Late inputs of peer evaluations may or may not be accepted at the discretion of the instructor. The peer evaluation is an optional process. If you do not make an input, I will assume that all team members made equal contributions to the group presentation and everyone in the group will receive the group grade.

UT Dallas Syllabus Policies and Procedures

The information contained in the following link constitutes the University's policies and procedures segment of the course syllabus.

Please go to http://go.utdallas.edu/syllabus-policies for these policies.

PEER EVALUATION FORM (Optional)

The peer evaluation process is intended to provide group members with an opportunity to contribute to the evaluation of the performance of your team members on group activities. On the form below, you may rate the performance and contributions of your team members (including yourself) in the preparation of the group assignments from 80 to 120. (Note: the rating must fall within this range.)

1. Enter the names of your group members (alphabetically by last name and first initial). Include yourself.
2. Evaluate each assignment separately. Each team member will begin with 100 points on each assignment.
3. You may reallocate the total number of points among team members within a range of 80 to 120 points for each individual, based on their contributions to the group effort on that assignment.
4. The total number of points allocated on any single assignment must equal 100 times the number of members of the team. If you have five members on the team, the total for each column must equal 500.
5. I will calculate an overall assessment as a weighted average of the individual ratings, using the percentage weights indicated below.

Please sign the evaluation, place it in a sealed envelope, and turn it in at the instructor's office or email it to the instructor through the eLearning system on or before **4/18/17**.

Group Member (list names alphabetically)	Presentation of Research Report(s) (80-120)
1	
2	
3	
4	
5	
6	
7	
Total	**700**

PEER EVALUATION COMMENTS

Group Member	**Comments** (please support and justify your assessment. Continue on reverse if necessary.
1	
2	
3	
4	
5	
6	
7	

Signature: _____

Print Name: _____