

**COURSE SYLLABUS**  
**Entrepreneurial Finance – FIN 6315-001 – Spring 2017**  
**THE UNIVERSITY OF TEXAS AT DALLAS - Naveen Jindal School of Management**

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**Course Information**

<i>Course Number/Section</i>	<b>FIN 6315 – 001 / ENTP 6315 -001</b>
<i>Course Title</i>	<b>Entrepreneurial Finance</b>
<i>Term</i>	<b>Spring 2017</b>
<i>Days &amp; Times</i>	Tuesdays, 4 pm – 6:45 pm
<i>Location</i>	JSOM 1.212

**Professor Contact Information**

<i>Professor</i>	David J. Springate, Ph.D. Finance Professor and Director, Center for Finance Strategy Innovation Academic Director, Executive MBA Programs
<i>Office Phone</i>	972-883-2647
<i>Email Address</i>	<a href="mailto:spring8@utdallas.edu">spring8@utdallas.edu</a> (eLearning email is preferred for the course.)
<i>Office Location</i>	JSOM 2.403
<i>Office Hours</i>	By appointment

**Administrative Contact Information**

<i>Administrative Assistant</i>	Jeanette Henriques (Copy me on all emails to the professor.)
<i>Office Phone</i>	972-883-4276
<i>Email Address</i>	<a href="mailto:Jeanette.Henriques@utdallas.edu">Jeanette.Henriques@utdallas.edu</a> (eLearning email is preferred for the course.)
<i>Office Location</i>	JSOM 1.803
<i>Office Hours</i>	8:00 a.m. – 5:00 p.m.

**COURSE PRE-REQUISITES, CO-REQUISITES, AND/OR OTHER RESTRICTIONS**

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FIN 6301 or consent of instructor is required

**COURSE DESCRIPTION**

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The course aims to develop understanding and professional effectiveness in dealing with issues common in entrepreneurial finance. The emphasis of the course will be on financial issues of importance to owners and investors. The instructional focus will be individual development.

The course is broken into six major areas of concern. After an introduction to the course and subject, we will consider valuation models. We will then move sequentially through sections dealing with bank financing, angel financing, and venture capital financing. The final area will deal with investor exits and initial public offerings. These topics have been selectively chosen and do not comprise complete coverage of the entrepreneurial finance field. They do represent, however, principal areas of concern for financial, operating, and investing executives.

This course is designed for practicing business people. The learning will come from the professor, individual study, the contributions of classmates, from preparation for class discussions and presentations, and from a few visitors. The book is for reference and guidance. You must be prepared to discuss your analyses and the work of others to succeed in the course. Success will be judged by demonstrated reasoning and effort, not by memorization or “correct” answers.

## STUDENT LEARNING OBJECTIVES/OUTCOMES

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At the end of the course, you will be able to:

- Understand how to project funding needs for an entrepreneurial venture
- Understand how to best value an entrepreneurial venture
- Understand how to work with bankers, angels, venture capitalists and how their roles and perspectives differ
- Understand term sheets used in entrepreneurial finance
- Understand staged financing
- Understand how to use initial public offerings as funding vehicles and/or exit mechanisms
- Choose better financial plans for an entrepreneurial venture

## REQUIRED TEXTBOOKS AND MATERIALS

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Your finance textbooks will serve well as a basic reference. In addition to the book below, you will need the thirteen required cases and supplemental spreadsheets listed below. The cases can be purchased from Harvard Business Publishing. The link for the Harvard course pack is: <http://cb.hbsp.harvard.edu/cbmp/access/57617721>. On occasion, readings may be distributed to you via eLearning or handed out in class.

- **Required Text:** *Entrepreneurial Finance*, Leach & Melicher, Cengage, 2018.
- **Cases:** Available through Harvard course pack
- **Readings:** Available in the text. Any supplements provided will be available on eLearning

### Harvard Cases, Supplemental Spreadsheets and Case Notes:

Ferrari – Valuing the Prancing Horse	TB0459-PDF-ENG
Netflix (2000)	201037-PDF-ENG
Netflix (2000) Spreadsheet	XLS041-XLS-ENG
Netflix (2000) Spreadsheet	201705-XLS-ENG
Outreach Networks: First Venture Round	UV6569-PDF-ENG
Outreach Networks: First Venture Round Spreadsheet	UV6571-XLS-ENG
Montainarious Sporting Co.	907N15-PDF-ENG
Angellist	814036-PDF-ENG
Walnut Venture Associates	899062-PDF-ENG
Walnut Venture Associates Spreadsheet	XLS349-XLS-ENG
How Much and From Whom: An Exercise in Seed-Stage Financing	W91C65-PDF-ENG
Term Sheet Negotiations for Trendsetter, Inc.	801358-PDF-ENG
Grove Street Advisors: September 2009	804050-PDF-ENG
DermaCare: Zapping Zits Directly	808064-PDF-ENG
Oregon Public Employees Retirement Fund: Push and Pull Over GP/LP Compensation	UV5622-PDF-ENG
Oregon Public Employees Retirement Fund Spreadsheet	UV5624-XLS-ENG
Marin Software	E541-PDF-ENG
Brentwood Associates: Exiting Zoe’s Kitchen	815102-PDF-ENG
China’s Venture Capital and Tech Startup Landscape	NTU097-PDF-ENG

## CLASS PARTICIPATION

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As mentioned, class discussions and participation are central to this course. The assigned cases, invited speakers and occasional ad-hoc in-class presentations offer abundant opportunities for discussion and learning.

### Assignment Page and Calendar\* - Entrepreneurial Finance – Spring 2017 – Dr. David Springate

Class	Date	Title	Topic	Reading	Style	Case
1	10-Jan	Introduction	<ul style="list-style-type: none"> <li>Differences From Corporate Finance</li> <li>Conduct of the Course</li> <li>Introductions</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Lecture</li> <li>Discussion</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>
2	17-Jan	Valuation Models	<ul style="list-style-type: none"> <li>DCF Valuation</li> <li>Multiples Valuation</li> </ul>	<ul style="list-style-type: none"> <li>Ch 6</li> <li>Ch 7</li> <li>Ch 9</li> </ul>	<ul style="list-style-type: none"> <li>Lecture</li> <li>Discussion</li> <li>Case Discussion</li> </ul>	<ul style="list-style-type: none"> <li>Ferrari – Valuing the Prancing Horse</li> </ul>
3	24-Jan		<ul style="list-style-type: none"> <li>Subscriber Model Valuation</li> </ul>			<ul style="list-style-type: none"> <li>Netflix (2000)</li> </ul>
4	31-Jan		<ul style="list-style-type: none"> <li>Venture Capital Method</li> <li>Options</li> </ul>			<ul style="list-style-type: none"> <li>Outreach Networks</li> </ul>
5	7-Feb	Bank Financing	<ul style="list-style-type: none"> <li>Projection of Funding Needs</li> <li>Bank Financing</li> </ul>			<ul style="list-style-type: none"> <li>Montainarious Sporting Co.</li> </ul>
6	14-Feb	Angel Financing	<ul style="list-style-type: none"> <li>Angel Investors</li> <li>Angel Groups</li> <li>Crowdfunding</li> </ul>	<ul style="list-style-type: none"> <li>Ch 1</li> <li>Ch 3</li> <li>Ch 4</li> <li>Ch 5</li> <li>Ch 13</li> </ul>	<ul style="list-style-type: none"> <li>Lecture</li> <li>Case Discussion</li> <li>Visitor</li> </ul>	<ul style="list-style-type: none"> <li>Angellist</li> </ul>
7	21-Feb		<ul style="list-style-type: none"> <li>Due Diligence</li> <li>Term Sheets</li> </ul>		<ul style="list-style-type: none"> <li>Lecture</li> <li>Case Discussion</li> </ul>	<ul style="list-style-type: none"> <li>Walnut Venture Associates</li> </ul>
8	28-Feb		<ul style="list-style-type: none"> <li>Choosing among Financing sources</li> </ul>		<ul style="list-style-type: none"> <li>Case Discussion</li> </ul>	<ul style="list-style-type: none"> <li>How Much and From Whom</li> </ul>
9	7-Mar	Venture Capital Financing	<ul style="list-style-type: none"> <li>Term Sheets</li> </ul>	<ul style="list-style-type: none"> <li>Ch 10</li> <li>Ch 11</li> <li>Ch 12</li> <li>Ch 14</li> </ul>	<ul style="list-style-type: none"> <li>Lecture</li> <li>Case Discussion</li> <li>Visitor</li> </ul>	<ul style="list-style-type: none"> <li>Term Sheet Negotiations for Trend-setter, Inc.</li> </ul>
10	21-Mar		<ul style="list-style-type: none"> <li>VC Organization</li> <li>VC Funds</li> </ul>			<ul style="list-style-type: none"> <li>Grove Street Advisors (2009)</li> </ul>
11	28-Mar		<ul style="list-style-type: none"> <li>Choice of VC vs. Angels</li> </ul>			<ul style="list-style-type: none"> <li>DermaCare: Zapping Zits Directly</li> </ul>
12	4-Apr		<ul style="list-style-type: none"> <li>Compensation of VC's</li> </ul>			<ul style="list-style-type: none"> <li>Oregon Public Employees Retirement Fund</li> </ul>
13	11-Apr		<ul style="list-style-type: none"> <li>International Venture Capital</li> </ul>			<ul style="list-style-type: none"> <li>China's Venture Capital and Tech Startup Landscape</li> </ul>
14	18-Apr	Exits	<ul style="list-style-type: none"> <li>IPO vs. Alternatives</li> </ul>	<ul style="list-style-type: none"> <li>Ch 15</li> </ul>	<ul style="list-style-type: none"> <li>Lecture</li> <li>Case Discussion</li> </ul>	<ul style="list-style-type: none"> <li>Brentwood Associates Exiting Zoe's Kitchen</li> </ul>
15	25-Apr		<ul style="list-style-type: none"> <li>IPO vs. Term Sheet</li> </ul>			<ul style="list-style-type: none"> <li>Marin Software</li> </ul>

**\*These descriptions and timelines are subject to change at the discretion of the professor.**

## GRADING POLICIES

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### Grading Criteria

A	A-	B+	B	B-	C+	C	P	F	I
4.0	3.67	3.33	3.00	2.67	2.33	2.00	Pass	Fail	Incomplete

### Deliverables

You will be judged in three ways. The first is by your class discussions of cases and on your questions for visitors we may have. The second is by submitted individually written analyses of two cases. The first case will be written-up in the February/March timeframe during class time. One of the cases scheduled for use in classes 6, 7, 8, 9, and 10 will be chosen by the professor on an unannounced basis. Similarly, one of the cases scheduled for March/April classes 11, 12, 13, 14 and 15 will be chosen by the professor on an unannounced basis for in-class write-up. Finally, each week you will submit a one or two-page summary of your thoughts and analysis prior to the class discussion. Feedback and comments will be provided to you on all submissions.

eLearning will be the primary vehicle for correspondence. Assignments will be posted on eLearning. A class discussion area, group chat areas, and a group sign-up sheet will also be available on the eLearning website for this course. eLearning will provide the prime professor feedback channel.

### Evaluation and Grades

Class discussion: frequency and content	25%
Two individual written analyses (in-class)	50%
One or two-page write-ups submitted before class	25%
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	100%

## COURSE AND PROFESSOR POLICIES

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### Late Work

All work should be submitted even if late. Penalties will apply. Specifically, there will be a daily grade reduction for late submission of work.

### Class Attendance

Grades depend, in part, on attendance. You are expected to be in class.

### Classroom Citizenship

Participation calls for due respect of classmates and the instructors. Do not embarrass yourself. Come prepared to class with required readings and case preparation completed.

### Academic Honesty

TurnItIn will be used extensively. Academic dishonesty will be referred to Judicial Affairs.

## FIELD TRIP POLICIES

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None

## UNIVERSITY POLICIES

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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.

***The descriptions and timelines contained in this syllabus are subject to change at the discretion of the Professor.***