

 FLORIDA ATLANTIC UNIVERSITY	NEW COURSE PROPOSAL Undergraduate Programs		UUPC Approval <u>3-29-21</u> UFS Approval _____ SCNS Submittal _____ Confirmed _____ Banner Posted _____ Catalog _____
	Department Management Programs College Business Administration <i>(To obtain a course number, contact erudolph@fau.edu)</i>		
Prefix ENT Number 4412	<i>(L = Lab Course; C = Combined Lecture/Lab; add if appropriate)</i> Lab Code	Type of Course Lecture	Course Title Entrepreneurial Finance
Credits <i>(Review Provost Memorandum)</i> 3	Grading <i>(Select One Option)</i> Regular <input checked="" type="radio"/> Pass/Fail <input type="radio"/> Sat/UnSat <input type="radio"/>	Course Description <i>(Syllabus must be attached; Syllabus Checklist recommended; see Guidelines)</i> Addresses challenging issues that new ventures face such as how investors evaluate new business opportunities, how entrepreneurs manage to attract interest from investors, how investors pick winners, and how startups are valued.	
Effective Date <i>(TERM & YEAR)</i> Spring 2022		Prerequisites, with minimum grade* ENT 4024 with a C or department permission	Corequisites None
		Registration Controls <i>(Major, College, Level)</i> Junior Standing	
<i>*Default minimum passing grade is D-. Prereqs., Coreqs. & Reg. Controls are enforced for all sections of course</i>			
WAC/Gordon Rule Course <input type="radio"/> Yes <input checked="" type="radio"/> No WAC/Gordon Rule criteria must be indicated in syllabus and approval attached to proposal. See WAC Guidelines .		Intellectual Foundations Program (General Education) Requirement <i>(Select One Option)</i> None General Education criteria must be indicated in the syllabus and approval attached to the proposal. See GE Guidelines .	
Minimum qualifications to teach course PhD in a related discipline or 18 credits of graduate coursework in a related discipline and significant entrepreneurial experience			
Faculty Contact/Email/Phone Gary Castrogiovanni / castrogi@fau.edu / 7-2523		List/Attach comments from departments affected by new course None	
Approved by Department Chair <u>Neil S. Gault</u> College Curriculum Chair <u>Ethlyn Withams</u> College Dean <u>Paul Hall</u> UUPC Chair <u>Jerry Haky</u> Undergraduate Studies Dean <u>Edward Pratt</u> UFS President _____ Provost _____		Date <u>2/10/21</u> <u>3/9/21</u> <u>3.12.21</u> <u>3-29-21</u> <u>3-29-21</u> _____ _____	

Email this form and syllabus to mjenning@fau.edu seven business days before the UUPC meeting.

Entrepreneurial Finance
College of Business
Florida Atlantic University
ENT 4412 (Three Credits)
Spring 2021 (Fully Online)

Dr. Chandra S. Mishra
Professor of Management
Office : FW 123
Phone : 561-297-0251
E-mail : cmishra@fau.edu

Course Description

Entrepreneurial finance addresses some challenging issues that new ventures face such as how investors evaluate new business opportunities, how entrepreneurs manage to attract interest from investors, how investors pick winners, how startups are valued, how much equity entrepreneurs share with investors, how entrepreneurs and investors work together to mitigate risks associated with new ventures, how and when investors exit a venture, how a venture finds a strategic acquirer or when a venture is ready to go public, how deals are structured that protect entrepreneurs and investors, among other popular topics. Entrepreneurial finance operates in a fast-moving environment where business models and investment models change over time.

Course Objectives

You will learn venture finance related topics such as investor value-add, due diligence, startup valuation, risk mitigation, deal structuring, investor exit, staged financing, and investment term sheets within the framework of strategic decision making and entrepreneurial value creation. The course is experiential, and case based. The course is geared to those who are interested to play a managerial role in a rapidly growing venture, obtain financing for startup, develop and launch new products in established companies, negotiate with angel investors and venture capitalists, work in venture capital firms, join an angel investor group, source profitable new business opportunities, join investment banking and advisory firms that help clients to find potential acquirers or to go public, join law and accounting firms that address challenges ventures face, and work in companies developing new products and commercializing new technologies.

Required Text and Course Material

1. *Fundamentals of Entrepreneurial Finance* by Rin and Hellman, Oxford University Press. Download the spreadsheets to use with the text from website: <https://www.entrepreneurialfinance.net/courseware>
2. Additionally, a course packet is required and available at the HBSP site. You can purchase the course packet by clicking on the link below. For assistance, please contact the Harvard Business Publishing Tech Help line at 800 545-7685 or 617-783-7600; or email techhelp@hbsp.harvard.edu. Our business hours are 24 hours a day, 7 days a week.

Coursepack: Entrepreneurial Finance Spring 2021 <https://hbsp.harvard.edu/import/772628>

COVID-19 Statement

All students in face-to-face classes are required to wear masks during class, and students must sanitize their own workstations upon entering the classroom. Taking these measures supports the safety and protection of the FAU community. Students who do not adhere to these rules will be asked to leave the classroom and/or be removed from the course. Students experiencing flu-like symptoms (fever, cough, shortness of breath), or students who have come in contact with an infected person should immediately contact FAU Student Health Services (561-297-3512).

Office Hours

Office hours are via Cisco WebEx (<https://fau.webex.com/meet/cmishra>) on Mondays, 3:00 pm - 5:00 pm.

Course Grading

Investment Memorandum	40%
Chapter Quizzes	20%
Case Assignments	20%
Team Participation	20%

The following grading scale will be used (as percentage of total points):

Percentage Points	Letter Grade	Percentage Points	Letter Grade
96 to 100	A	73 to 76	C
90 to 95	A-	70 to 72	C-
87 to 89	B+	67 to 69	D+
83 to 86	B	63 to 66	D
80 to 82	B-	60 to 62	D-
77 to 79	C+	59 or below	F

Course Evaluation Policies

Late Assignments

No late submissions will be graded. The schedule of deliverables at the end of the syllabus has due dates and times for class assignments.

Chapter Quizzes

There are no exams. The chapter content quizzes are available in Canvas. You have one attempt to complete each quiz. The quizzes are due by their due dates. Read the chapter prior to taking the quiz. The quizzes allow open-book and open notes. Chapter quizzes carry 20 percent grade.

Case Assignment

Case assignment is your response to the case questions posted on Canvas. Read the case (see HBS Course packet) prior to posting your response. The quality of your response to case questions on Canvas assignments will be graded. Case question response carries 20 percent grade. If you do not respond to case assignment question in Canvas, you will receive zero points for the case. See the schedule of deliverables at the end of the syllabus for case assignment due dates.

Investment Memorandum

Students will work in teams. The investment memorandum deliverable consists of two parts. The first part is investor due diligence that requires each team to analyze, identify, evaluate, and prioritize critical risks associated with a new venture's market concept, business model, and financial model. The second part is investment deal structure that requires each team to value the venture and craft a term sheet to mitigate the risks and incent the management to grow the company to achieve a successful investor exit. Each team evaluates the venture's path to market, path to cash flow, and path to investor exit. The investment memorandum deliverables are in Word with appendix that explains all supporting work and analysis. The quality of analysis will be graded. You must show all work to earn grade. The investment memorandum

deliverables carry 40 percent grade: 20 percent for due diligence and 20 percent for deal structure (see the schedule of deliverables).

Team Participation

Each team member will evaluate fellow team members at the end of the course. The team members will be evaluated based on their availability and contribution. Team participation carries 20 percent grade. Each team member will keep a log of availability and contribution of fellow team members.

Selected University and College Policies

Code of Academic Integrity Policy Statement

Students at Florida Atlantic University are expected to maintain the highest ethical standards. Academic dishonesty is considered a serious breach of these ethical standards, because it interferes with the university mission to provide a high quality education in which no student enjoys an unfair advantage over any other. Academic dishonesty is also destructive of the university community, which is grounded in a system of mutual trust and places high value on personal integrity and individual responsibility. Harsh penalties are associated with academic dishonesty. For more information, see [University Regulation 4.001](#).

Disability Policy Statement

In compliance with the Americans with Disabilities Act Amendments Act (ADAAA), students who require reasonable accommodations due to a disability to properly execute coursework must register with Student Accessibility Services (SAS)—in Boca Raton, SU 133 (561-297-3880); in Davie, LA 131 (954-236-1222); or in Jupiter, SR 110 (561-799-8585)—and follow all SAS procedures.

Religious Accommodation Policy Statement

In accordance with rules of the Florida Board of Education and Florida law, students have the right to reasonable accommodations from the University in order to observe religious practices **and beliefs with regard to admissions, registration, class attendance and the scheduling of examinations and work assignments**. For further information, please see [Academic Policies and Regulations](#).

University Approved Absence Policy Statement

In accordance with rules of the Florida Atlantic University, students have the right to reasonable accommodations to participate in University approved activities, including athletic or scholastics teams, musical and theatrical performances and debate activities. It is the student's responsibility to notify the course instructor at least one week prior to missing any course assignment.

College of Business Minimum Grade Policy Statement

The minimum grade for College of Business requirements is a "C". This includes all courses that are a part of the pre-business foundation, business core, and major program. In addition, courses that are used to satisfy the university's "Writing Across the Curriculum" and Gordon Rule math requirements also have a minimum grade requirement of a "C". Course syllabi give individualized information about grading as it pertains to the individual classes.

Incomplete Grade Policy Statement

A student who is passing a course, but has not completed all work due to exceptional circumstances, may, with consent of the instructor, temporarily receive a grade of incomplete ("I"). The assignment of the "I" grade is at the discretion of the instructor, but is allowed only if the student is passing the course.

The specific time required to make up an incomplete grade is at the discretion of the instructor. However, the College of Business policy on the resolution of incomplete grades requires that all work required to satisfy an incomplete ("I") grade must be completed within a period of time not exceeding one calendar

year from the assignment of the incomplete grade. After one calendar year, the incomplete grade automatically becomes a failing (“F”) grade.

Withdrawals

Any student who decides to drop is responsible for completing the proper paper work required to withdraw from the course.

Grade Appeal Process

A student may request a review of the final course grade when s/he believes that one of the following conditions apply:

- There was a computational or recording error in the grading.
- Non-academic criteria were applied in the grading process.
- There was a gross violation of the instructor’s own grading system.

The procedures for a grade appeal may be found in [Chapter 4 of the University Regulations](#).

Disruptive Behavior Policy Statement

Disruptive behavior is defined in the FAU Student Code of Conduct as “... activities which interfere *with the educational mission within classroom*.” Students who behave in the classroom such that the educational experiences of other students and/or the instructor’s course objectives are disrupted are subject to disciplinary action. Such behavior impedes students’ ability to learn or an instructor’s ability to teach. Disruptive behavior may include but is not limited to: non-approved use of electronic devices (including cellular telephones); cursing or shouting at others in such a way as to be disruptive; or, other violations of an instructor’s expectations for classroom conduct.

Faculty Rights and Responsibilities

Florida Atlantic University respects the right of instructors to teach and students to learn. Maintenance of these rights requires classroom conditions which do not impede their exercise. To ensure these rights, faculty members have the prerogative:

- To establish and implement academic standards
- To establish and enforce reasonable behavior standards in each class
- To refer disciplinary action to those students whose behavior may be judged to be disruptive under the Student Code of Conduct

Anti-plagiarism Software

Written components of any assignment or project may be submitted to anti-plagiarism software to evaluate the originality of the work. Any students found to be submitting work that is not their own will be deemed in violation of the University’s honor code discussed above.

Counseling and Psychological Services (CAPS) Center

Life as a university student can be challenging physically, mentally and emotionally. Students who find stress negatively affecting their ability to achieve academic or personal goals may wish to consider utilizing FAU’s Counseling and Psychological Services (CAPS) Center. CAPS provides FAU students a range of services – individual counseling, support meetings, and psychiatric services, to name a few – offered to help improve and maintain emotional well-being. For more information:

<http://www.fau.edu/counseling/>

Schedule of Topics and Deliverables

Week 1	Jan 11	Value-Added Investors
	Readings	Chapter 1 (Text) Value-Added Investing (Canvas Files)
	Individual Deliverable	Chapter 1 Quiz (due by Jan 11, 10 pm)
Week 2	Jan 25	Evaluate Venture Opportunity
	Readings	Chapters 2 and 3 (Text) Beating the Odds When you Launch a New Venture (HBS)
	Individual Deliverable	Chapters 2 and 3 Quizzes (due by Jan 25, 10 pm)
Week 3	Feb 1	Investor Due Diligence
	Readings	Valhalla Partners (HBS) Investor Due Diligence Best Practices ACA (Canvas Files)
	Individual Deliverable	Case Assignment 1 (due by Feb 1, 10 pm)
Week 4	Feb 8	Online Team Meeting: Due Diligence
	Investment Exercise	Walnut Venture Associates (A)
Week 5	Feb 15	Investor Due Diligence
	Team Deliverable	Investment Memorandum – Due Diligence (due Feb 15, 10 pm)
Week 6	Feb 22	Early Stage Investors and Venture Capitalists
	Readings	Chapters 12 and 13 (Text)
	Individual Deliverables	Chapters 12 and 13 Quizzes (due by Feb 22, 10 pm)
Week 7	Mar 1	Venture Capital Fund Private Placement
	Readings	ONSET Ventures (HBS) Best Practices: Decision Making Among Venture Capital Firms (HBS)
	Individual Deliverable	Case Assignment 2 (due by Mar 1, 10 pm)

Week 8	Mar 8	Venture Equity Ownership and Valuation
	Readings	Chapters 4 and 5 (Text)
	Individual Deliverable	Chapters 4 and 5 Quizzes (due by Mar 8, 10 pm)
Week 9	Mar 15	Venture Valuations
	Readings	OutReach Networks: First Venture Round (HBS) Note on Venture Capital Valuation Deals (HBS)
	Individual Deliverable	Case Assignment 3 (due by Mar 15, 10 pm)
Week 10	Mar 22	Investment Term Sheets
	Readings	Chapters 6 and 9 (Text) BVCA Guide to Term Sheets (Canvas Files)
	Individual Deliverable	Chapters 6 and 9 Quizzes (due by Mar 22, 10 pm)
Week 11	Mar 29	Venture Capital Negotiations
	Readings	WebTracker (HBS) Venture Capital Negotiations: VC vs. Entrepreneur (HBS)
	Individual Deliverable	Case Assignment 4 (due by Mar 29, 10 pm)
Week 12	Apr 5	Investor Exit
	Readings	Chapter 11 (Text) Better Exits (Canvas Files)
	Individual Deliverable	Chapter 11 Quiz (due by Apr 5, 10 pm)
Week 13	Apr 12	Online Team Meeting: Deal Structuring
	Investment Exercise	Walnut Venture Associates (A)
Week 14	Apr 19	Investment Deal Structure
	Team Deliverable	Investment Memorandum – Deal Structure (due Apr 19, 10 pm)
	Individual Deliverable	Team Evaluation emailed to me via Canvas (due Apr 19, 10 pm)