

Course: Entrepreneurial Finance (BUS 332)
Days and Times: T/Th 2:00pm-3:20pm
Classroom: B204

Semester: Spring 2020

Instructor's Name: Professor Chihmao Hsieh (*pronounced 'shay'*)
Email: chihmao.hsieh at sunykorea
Office: B5.22
Office Hours: T/Th: 11:00am-12:00noon & 1:00-2:00pm (appointment preferred)

COURSE BACKGROUND

Objectives: To launch or "ramp up" a venture often requires external funding -- from friends and family, from a bank, from other financial institutions, or from wealthy individuals. How do you choose who to approach? What kind of financing should you ask for? What analysis are you expected to show them? We will cover the basics of financial statements, as well as the various investment decision criteria, financing arrangements and exit strategies. The ethics of entrepreneurial finance may also be covered. Real-life case studies may supplement the readings and guide class discussion.

Because we will be linking financial concepts to other business concepts your broad business education will also come in handy. It is important for you to explain your positions or arguments to each other and to try to argue for the implementation of your recommendations.

Required Materials: All material (including any cases, readings, and lecture material) will be available on <http://chsieh.com>. The password for the course page is "minor".

COURSE GRADING (these are weights!)

Individual grading (orange)

-Homework #1a, 1b, 1c	9%
-Homework #2	9%
-Homework #3	9%
-Homework #4	9%
-Homework #5	9%
-Midterm	12%
-Final Exam	12%
-360-degree peer evaluations	6%

Team grading (yellow)

-Homework #1: PPT for Go/no-go	5%
-Homework #2: Final PPT	10%
-Final Pitch	10%

Don't worry too much! This looks like a lot of work, but if you are efficient, only the red part is difficult!

Schedule for "Entrepreneurial Finance" (Spring 2020)*

updated February 25th

Tues	3-Mar		Introduction to Entrepreneurial Finance; Valuation (DCF vs. Multiples) & the entrepreneur's cash flow (A)	
Thurs	5-Mar		Pitchfest (1-minute each), Q&A, & some roadblocks to generating an entrepreneurial mindset (activity)	Individual Homework #1a due on Wed 4-Mar: ideas and trends
Tues	10-Mar		Share your newly created ideas (activity)	Individual Homework #1b due on Mon 09-Mar: combine trends
Thurs	12-Mar		Ideamarket and discussion (activity)	Individual Homework #1c due on Wed 11-Mar: submit A3's
				Individual Homework #2 due on Sun 15-Mar

Fri 13-Mar Last day to drop without a "W" on transcript.

Tues	17-Mar		Watching and discussing Shark Tank or Dragon's Den (activity)	Team deliverable: member list due on Sun 15-Mar
Thurs	19-Mar		Go/no-go pitches (activity)	Team Homework #1: PPT for Go/no-go due on Wed 18-Mar
Tues	24-Mar		Private equity, Venture capital, Angel investment, and Crowdfunding (B)	
Thurs	26-Mar			Individual Homework #3 due on 28-Mar
Tues	31-Mar		Prototyping and attracting investment (C)	
Thurs	2-Apr			
Tues	7-Apr		Risk vs. return in entrepreneurship (D)	
Thurs	9-Apr			
Tues	14-Apr		Staged financing (E)	
Thurs	16-Apr			Individual Homework #4 due on Fri 17-Apr
Tues	21-Apr		Review	
Thurs	23-Apr		Midterm	
Tues	28-Apr			

Fri 1-May Last day to drop. Withdraw "W" will be recorded on transcript.

Thurs	30-Apr	No class		
Tues	5-May			
Thurs	7-May		Practice Pitches (each team pitches their idea and investment requirement for 5 minutes), and Dragon's Den	
Tues	12-May		Debt, equity, and convertible securities (F)	
Thurs	14-May			
Tues	19-May		Exit and negotiation (G)	
Thurs	21-May		Managing founder equity (H)	
Tues	26-May			
Thurs	28-May		Cryptocurrency and ICO's (I)	PPT due on 29-May (optional, ungraded)
Tues	2-Jun		Ethics and the ethics of financing (J)	Individual Homework #5 due on Wed 03-Jun
Thurs	4-Jun		Review	Team Homework #2: Final PPT due on 08-Jun (graded)
Tues	9-Jun		Final Pitches (and then Dragon's Den again)	360° peer evaluations due on Thurs 18-Jun
Thurs	11-Jun	No class		
Tues	16-Jun			
Thurs	18-Jun		Final exam (12:30-3:00pm)	

GRADING

Individual grading components

Individual homework. There are 5 individual homework sets assigned during the semester. This homework will be assigned via Qualtrics. Homework #1-3 are easy, and Homework #4-5 require reading and are much more difficult. On average, you can expect roughly 30+ pages of reading, per week, for those last two homework sets. Please save your homework as a .doc file, and *then* upload to Qualtrics because sometimes that software runs into technical difficulties! All these assignments must be completed in English.

In general, these individual homeworks are graded on **whether you answered the questions clearly, completely, and concisely**. Please come see me if you have a need for specialized feedback. If I ask you to re-do an assignment, the best score that you can receive will still be lower than the next higher score on that assignment in our class this semester. You cannot re-do an assignment unless I request it.

Midterm. This midterm will be a midterm mainly based on short answer from applying concepts learned in class. You may also find a few questions about the class ventures on the midterm. No notes or A4 sheet allowed.

Final exam. This final exam will be based mainly on short answer from applying concepts learned in class. There will be a focus on the 2nd half of the semester. You may also find a few questions about the class ventures on the Final exam. No notes or A4 sheet allowed.

360-degree peer feedback. You will be required to grade your teammates on how much they contributed to the team's idea, opportunity analysis, pitches, and team documents, according to the following criteria: quantity of effort, quality of effort, and professionalism. You will score yourself and your teammates from a scale of 0% to 100%.

Team grading components

PPT's and Pitches. Your team's "PPT for Go/no-go" must address the first 4 basic issues described below. Your team's "Second PPT" and "Final PPT" must address the all 5 basic issues in 5 minutes. For your team's "Final Pitch," the grading criteria is based on those five criteria and also the Quality of your delivery.

- The Problem (What is the consumer or industrial pain or need that we've identified? Or perhaps there is a condition or incongruity that we've identified, and from that incongruity we can identify a problem?)
- Our Solution (What are the candidate solutions to the problem? What is your team's solution? In a few sentences, why is your solution superior?)
- Value Proposition or Business Model (i.e. What is the structure of the revenue-generating mechanisms? For example, is it a one-time fee, or a subscription model? Do consumers pay after products or services are rendered, or before?)
- Keys to Success (What are the most important decisions or actions that must be addressed or implemented, respectively, in order to maximize profit?)
- Financing request (How much funding are you seeking? Why? And what are your proposed terms of the funding? Why?)

Course grades. Grades will be updated roughly once a month (or when appropriate) and sent to you via a pdf. My final grade grading policy is simple enough: I know that my courses are difficult and I will generally give grades that 'beat' the straight scale. For example, it's common in my courses (but not guaranteed) that an 89% or 88% can still be an A-.