



FIN 374S: Entrepreneurial Finance

Spring 2018

Course Information

Time: M/W 12:30, 2:00

Location: CBA 4.332

BBA Upper Division

E-mail: Regina.Hughes@McCombs.utexas.edu

Student Coach: TBA

Instructor Information

Instructor: Regina W. Hughes

Office: CBA 2.222 for a while

Office Hrs: MW 11:00-12:15

Phone: 512-471-4764 (not for messages)

Cell Phone: 512-567-9286 (texts only) - include your name in the text, ask me to check my email or call you

I. Introduction

Entrepreneurial Finance is worthy of special study. After mastering the basic principles of Corporate Finance (Fin 357 for us) we can now discern between the concerns of investors and financial analyst of large public corporations. Investors and analyst use evaluation models that sometimes differ from the focus on smaller issues that dramatically affect the early-stage entrepreneur or new venture. You will employ the concepts and tools of finance with a special focus, such as thinking about investment opportunities as portfolios of real options- while they are particularly useful in a new venture setting, are also useful in the context of large public corporations. Entrepreneurial Finance and Private Equity are two sides of a similar coin. The goal of this course is to familiarize you with the new venture or entrepreneurial process of analyzing problems, weighing alternative actions, and choosing the best possible solution(s) to enhance wealth. The course is designed to model the new venture workplace and prepare you for a job as a future analyst of this type of investment opportunity. Private Equity firms greatly value the concepts and practices mastered throughout this course. Much of the educational process in this class takes place outside of the classroom; learning by doing gives us all a better understanding of this field. The academic description is “experiential learning”.

II. Goals

The primary goal of the course is to enhance your analytical and problem solving abilities. Through a combination of readings, lectures, class discussions, guest speakers and milestone presentations students should: (a) improve their speaking and business writing skills, (b) gain exposure to issues frequently encountered by business decision makers, (c) develop personal and professional skills valued by employers (e.g., time management, planning, collaboration, responsibility, and integrity), and d) discover that success in the workplace requires a combination of quantitative and qualitative skills.

III. Classroom Expectations

Active attendance, participation, and preparation are required, as some of our classroom activities are devoted to milestone presentations of our entrepreneurial ventures. Students are expected to attend every class, prepare every assignment, and participate in every class discussion. Specific information will be furnished for your Milestone Presentations. The Strengths Finder research tool will provide great value to your own assessments and your work in our class.

IV. Course Materials (Required)

1. Entrepreneurial Finance 2011 Stanford University Press by Janet Smith and Richard Smith ISBN 978-0-804707091-0 (available online) **or available free of charge through the UT Library system as an online textbook.**

2. Builder Profile 10 Assessment- available @ www.gallupstrengthscenter.com

Your assessment results are due to your instructor by January 24, 2018.

V. Grade Computation

2 Exams @ 20% each	40%
Milestone assignments and presentations 1-5 @ 4% each	20%
Milestone 6 Cash Flows and presentation	6%
Final Pitch & Notebook (50/50)	10%
Attendance @ .5% each on days Denoted by "A" on the schedule	10%
Final Case	10%
BP10 Strengths Finder	2%
Peer Assessment	2%

Final letter grades will be assigned according to the following criteria:

A >94 A- 89-93.9 B+ 87-88.9 B 83-86.9 B- 80-82.9 C+ 77-79.9 C 73-76.9 C- 70-72.9, etc.

You will receive a numeric score for each assignment. Final grades will not be determined until the scores for all assignments are entered, as indicated above. The target GPA for the course is approximately 3.40. **All course grades are final, except in the instance of a recording error.**

Assignments that are submitted on a timely basis will be returned approximately two weeks after its submission. If you have a question about any grade assigned, you must submit the question in writing, within one week after the assignment is returned. Your inquiry should include your name, UT EID, the title of the assignment, and a written explanation of why you think the grade is incorrect. A reasonable discussion does not start with "my buddy got a higher grade". **I retain the right to raise or lower grades after review. Please do not come up after class to discuss your individual grade. Please come during office hours or leave the assignment with your explanation in my mailbox in the Finance Department, CBA 6.222.**

VI. Exams and Final Case

Exams will be take-home essay style. **YOU WORK ALONE ON EXAMS.** Exam questions will come from both class lecture/discussion, assigned readings and other materials. I do not give makeup exams (subject to applicable University policy). If you miss Exam 1, the percentage weight of that exam will be applied to Exam 2, subject to a 25-point penalty. So, for example, if you miss Exam 1, and you make an 85 on Exam 2, then your Exam 2 grade will be 85 and the replacement grade will be 60, (85-25). **If you miss Exam 2, then the grade you made on Exam 1 minus 30 points will be your Exam 2 grade.** Late Exams receive 10 pt. reduction per day, 2-day max. Due Dates are on the semester schedule.

The Final Case will also be take-home style. You will work on it with your group and submit your results by the Due Date assigned; a late penalty of 20 points per day will be enforced, one day max. More information on these assignments will be discussed in class. A total of 50% of your final grade comes from your exams and final case assignment.

VII. Milestone Assignments

All students are expected to participate in the Milestones Project. Instructions are included separately and on Canvas. The assignments are divided into Milestones each clearly explained with content and presentation requirements. Milestones 1 and 2 will be assigned and submitted on Canvas before classmates have been sorted into teams. Milestones 3 through 5 will be completed by designated groups selected/constructed by the instructor. Each student will be responsible for posting his or her own portion of each assignment as noted on Canvas and for bringing a copy of it to class. Milestones 1 through 5 each count 4% of each student's grade, equally divided by oral and written contribution. Milestone 6 is an in-depth analysis worth 6%. Your Final Pitch is worth 10% with the grade for your Project Notebook included, 50-50. If you are absent the day your group presents any milestone assignment, your oral portion of your grade will be "zero". Only University Excused Absences will apply when presentation days are missed. The class will be organized into teams of approximately five students. Groups are formed from the results of your Builder Profile 10 Assessment. All group members must be a part of Milestone presentations. A five-point penalty per day is assessed to all late assignments posted to Canvas. Your Cash Flows are **Milestone 6, your Financial Plan. Team development and presentation will be worth 6% of your overall grade. It will also be an integral part of your Final Pitch, worth 10%.**

The ***FINAL PITCH*** Assignment will develop from the first six Milestone assignments. A notebook of all milestone assessments will be due on Final Pitch Day and becomes a part of that grade. Think of your Notebook as both a Pitch Book and history of your research. Final Pitch presentations will be made in a competitive environment. Outside investors critiquing and giving feedback will be included. Expect this final portion of your grade to be the most challenging. Be prepared to seek mock investment as a part of your Final Pitch. *Note- this will be a Round One and Final Round "competition".

VIII. Class Attendance/Participation/Preparation (A/P/P)

This is a discussion-based and team-based course and students learn as much or more from interacting with each other than from the formal presentations by the instructor. When all students attend every class it is easier to develop a culture and atmosphere conducive to sharing experiences and discussing opinions. Formal attendance will be taken each class, and you are expected to participate actively in discussions and class exercises. You will be expected to be able to answer questions and ask relevant and thoughtful questions. Come to class prepared. No attendance credit will be awarded to those who are not attentive and respectful to guest speakers. View class attendance as if you are being paid. Certain class days, 22 in total, are marked by an "A" on your semester schedule; plan to attend. You will receive .5 points for each of those days, maximum 20, that you attend. This gives a maximum of 10 total points to your final grade. The ONLY time an absence can be exempt from this policy is for observance of a religious holy day (see University policies below) or in the case of exigent circumstances. The Builder Profile 10 Assessment and the Peer Review are each worth 2% points when completed as directed.

IX. Other Grading Criteria

The primary basis for grading written assignments is content; however, professionalism in presentation is also given substantial weight. The writing skills component of the analysis considers grammar, spelling, punctuation, appropriateness, clarity, and thought. The following book is recommended for aiding in the preparation of written work: Strunk, William, Jr. and E.B. White, "The Elements of Style," Macmillan.

A. Students with Disabilities – *Students with disabilities may request appropriate academic accommodations from the Division of Diversity and Community Engagement, Services for Students with Disabilities, 512-471-6259, <http://www.utexas.edu/diversity/ddce/ssd/>.*

B. Access to Canvas – All students must have access to the Canvas web site for this course. I will use this venue to post chapter slides, assignments, announcements, and grades. I will also use the Announcement feature of Canvas to correspond with you. Check the site regularly to ensure that you have the most current information. Please note the following:

Web-based, password-protected class sites will be available for all accredited courses taught at The University. Syllabi, handouts, assignments and other resources are types of information that may be available within these sites. Site activities could include exchanging e-mail, engaging in class discussions and chats, and exchanging files. In addition, class e-mail rosters will be a component of the sites. Students who do not want their names included in these electronic class rosters must restrict their directory information in the Office of the Registrar, Main Building, and Room 1. For information on restricting directory information see:

<http://www.utexas.edu/student/registrar/catalogs/gi02-03/app/appc09.html>

C. Computers and Electronic Devices – In accordance with Finance Department policy, the use of laptop and tablet computers are prohibited, except for making class presentations. All electronic devices (cell phones, MP3s, etc.) should be stowed away during the class session. **Violation of these policies, including texting during class, will reduce your A/P/P grade. Consider this your warning notice, we will also discuss in class. Disrespecting a speaker or visitor to our class will negate your attendance credit.**

XI. Additional Comments

The requirements and recommendations for succeeding in this course are outlined in this syllabus. Since no extra-credit is available, I encourage you to follow these policies and utilize office hours to maximize your understanding of the assignments and their specific requirements. The aforementioned policies provide the basic guidelines and code of conduct for this course. They are designed to reduce confusion and establish an equitable framework for the entire class. As a matter of principle, I will enforce these policies equitably. The “spirit” of the course is just as important as the “rules and regulations.” My goal is to create a cooperative classroom environment in which we learn from each other. To that end, I welcome your constructive comments and suggestions as we progress through the course. Your feedback is an important element of course delivery and development. The academic term is “experiential”.

Barring an emergency, I will be available during office hours and at additional times. I encourage you to visit with me regarding the class assignments, concerns with the course, or just to say “hello.” I am also accessible via telephone or E-mail. I will make every effort to return your call or respond to your E-mail within one business day of its receipt. I have given you my cell number to use for texting. When you text, remember to include your name and the message “please check your email”. I only check OUTLOOK. Thank you.

Hook ‘em Horns,

Regina Wilson Hughes

Religious Holy Days

By UT Austin policy, you must notify me of your pending absence at least fourteen days prior to the date of observance of a religious holy day. If you must miss a class, an examination, a work assignment, or a project in order to observe a religious holy day, you will be given an opportunity to complete the missed work within a reasonable time after the absence.

Policy on Scholastic Dishonesty

The McCombs School of Business has no tolerance for acts of scholastic dishonesty. The responsibilities of both students and faculty with regard to scholastic dishonesty are described in detail in the BBA Program's Statement on Scholastic Dishonesty at <http://www.mcombs.utexas.edu/BBA/Code-of-Ethics.aspx>. By teaching this course, I have agreed to observe all faculty responsibilities described in that document. By enrolling in this class, you have agreed to observe all student responsibilities described in that document. If the application of the Statement on Scholastic Dishonesty to this class or its assignments is unclear in any way, it is your responsibility to ask me for clarification. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties, including the possibility of failure in the course and/or dismissal from the University. Since dishonesty harms the individual, all students, the integrity of the University, and the value of our academic brand, policies on scholastic dishonesty will be strictly enforced. You should refer to the Student Judicial Services website at <http://deanofstudents.utexas.edu/sjs/> to access the official University policies and procedures on scholastic dishonesty as well as further elaboration on what constitutes scholastic dishonesty.

Campus Safety

Please note the following recommendations regarding emergency evacuation, provided by the Office of Campus Safety and Security, 512-471-5767, <http://www.utexas.edu/safety>:

- Occupants of buildings on The University of Texas at Austin campus are required to evacuate buildings when a fire alarm is activated. Alarm activation or announcement requires exiting and assembling outside.
- Familiarize yourself with all exit doors of each classroom and building you may occupy. Remember that the nearest exit door may not be the one you used when entering the building.
- Students requiring assistance in evacuation should inform the instructor in writing during the first week of class.
- In the event of an evacuation, follow the instruction of faculty or class instructors.
- Do not re-enter a building unless given instructions by the following: Austin Fire Department, The University of Texas at Austin Police Department, or Fire Prevention Services office.
- Behavior Concerns Advice Line (BCAL): 512-232-5050
- Further information regarding emergency evacuation routes and emergency procedures can be found at: <http://www.utexas.edu/emergency>

