

Department Of Management  
**University Of Minnesota Duluth**  
**MGTS 4921/5921** (3 credits)  
**Entrepreneurial Finance Syllabus<sup>1</sup>**  
Spring 2022

<b>Professor</b>	:	<b>Kanhaiya Sinha, Ph.D.</b>
Class Hours	:	T, Th 12:30 pm - 1:45 pm
Office hours	:	T, Th 2.30 pm to 3:30 pm or by scheduled appointment on <b>Zoom</b>
Office	:	LSBE 365-B
Phone	:	218-726-7932
Email	:	<a href="mailto:sinhak@d.umn.edu">sinhak@d.umn.edu</a>
Required Readings	:	Cornwall, Vang and Martman, Entrepreneurial Financial Management, 5th Edition, Routledge-Taylor and Francis Group
Supplemental Readings:	:	Readings, videos, etc., from other sources may be assigned each week, per course schedule.
Course Companion Site:	:	<a href="https://canvas.umn.edu/courses/281563">https://canvas.umn.edu/courses/281563</a>

### **COVID-19**

COVID-related guidelines are constantly evolving; please refer to UMD's COVID site and follow the campus/university requirements: <https://www.d.umn.edu/coronavirus/>.

### **Course description**

*MGST 4921/5921*: Course topics include raising seed and growth capital from venture capital, business angels, investment banking, commercial banking, bootstrapping sources, and understanding financial problems unique to the small and medium-sized firms undergoing rapid growth. The course examines proposals made to venture capital firms, particularly in their financial viability and financial management for entrepreneurs over the life of business projects. Includes financing start-ups, financial planning for the nonpublic smaller enterprise, going public, selling out, bankruptcy, sources of capital, and other related topics (*UMD Undergraduate catalog*).

### **Course Objectives:**

This course is for aspiring or active entrepreneurs who want to understand how to secure funding

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<sup>1</sup> Instructor reserves the right to make changes to the syllabus, as needed.

for their companies. This course will demystify key financing concepts to guide entrepreneurs and aspiring entrepreneurs to secure funding. Examine the many financing options available to get your new venture funded. Learn the basics of finance, valuations, dilution, and non-dilutive funding sources.

**Student Learning Outcomes**

Upon completion of the course, participants should –

1. Understand the importance of managing finances for the success of the new venture
2. Develop short term and long term financial goals for the entrepreneur
3. Evaluate and forecast financing needs at different stages of the growth of the new venture
4. Understand financial performance and manage cash flow
5. Understand, evaluate, and decide on the types and timing of different sources of funding
6. Estimating the value of the firm and exit planning

**Mapping of Course Learner Outcomes to Program Learning Goals**

Course Learner Outcome	Program Learning Goal
1	1, 2
2	1, 2
3	1, 2, 4
4	1,2, 3
5	1,2, 3
6	1,2, 3, 4

**Course Pedagogy**

This course provides students with an opportunity to learn the nuances of entrepreneurial finance with a practical focus. You will discover new ventures' financing needs and decide on the best financing management solutions to these unique needs. Accordingly, a significant component of this course is an experiential learning exercise.

Reading the book chapters and other assigned material is essential for your success. **You are expected to read the assigned text before coming to the class.** We will use class time to discuss key issues and the application of knowledge.

This is not a course that can easily be passed by only reading course material. This is a very hands-on course, and a lot of intense research/fieldwork is needed inside and outside of the class.

Learning should be an enjoyable experience for both the students and the instructor. The learning process is greatly facilitated by the active involvement of both the students and the instructor. I expect you to create a positive learning atmosphere by attending every class and

actively participating in the discussion.

### **Teaching Platform**

This course uses **Canvas** - Note that all course assignments will be accepted only through the Canvas site. After the first week of the semester, it is assumed that all students can use the tools outlined in the Canvas Student Guides. [The Canvas site](#)

### **Communication**

The four primary communication functionalities in this course:

1. **Course Announcements:** This is the primary means I communicate important information to the entire class. Note, anything posted here will also be sent to your email. Therefore, make a habit of checking the course at least every 24 hours. Read all messages promptly, as they may include important information regarding assignments or the course, and e-mail me with any questions or concerns. This will include general news, announcements, and updates to the course.

**Note:** Students are expected to check the course website at ***least every 24 hours.***

2. **Questions and Answers:** If you have general course content-related questions, please use this discussion forum to ask them. You can post a question or a comment on the discussion forum, which other students or I can reply to.
3. **Face-to-Face or Google Meet/Zoom:** If you feel that you would benefit from a face-to-face discussion, we can schedule to meet during my office hours or using Zoom.
4. **E-mail:** Please follow a formal business protocol on all your emails. Address your professor as **Professor or Dr. Sinha**. I will try to respond to your emails within two business days.

### **Sundown Rule**

Students have five business days from the time grades are posted to inquire about a grade on any graded component during the semester. The purpose is to resolve any question as soon as grades are posted rather than wait until the end of the semester. Please make sure you check your grades on Canvas frequently and contact me immediately with any questions.

Be aware that exams are not returned. Students wishing to review an exam should make an appointment with the instructor. Exams will not be reviewed on the day of an exam or the preceding business day.

### **Academic Integrity**

Academic dishonesty tarnishes UMD's reputation and discredits the accomplishments of students. Academic dishonesty is regarded as a serious offense by all academic community members. UMD's Student Academic Integrity Policy can be found at <https://www.d.umn.edu/evcaa/academic-policies/student-academic-integrity>



e.g.,  
White, John  
88888888  
MGST-4473 Sec 001  
Assignment-1

Except for presentation slides, all written deliverables must be 1.5-spaced, in Times New Roman size 12 font, with 1-inch margins on all sides, written on white letter-sized paper.

Failure to comply with these formatting requirements may result in reduced marks. This norm applies even when you make an electronic submission.

### **Exceptions for Late Assignments or Non-Participation:**

Students are expected to participate fully and turn in all assignments on time. It is the responsibility of students to plan their schedules to avoid excessive conflict with course requirements. However, there are legitimate and verifiable circumstances that lead to excused student absence from the classroom. These are subpoenas, jury duty, military duty, religious observances, illness, bereavement for immediate family, and NCAA varsity intercollegiate athletics. For complete information, please see: <https://www.d.umn.edu/evcaa/academic-policies/excused-absences> Any late assignment submission will be penalized **at 20% per** ( or part of ) calendar day except for legitimate reasons communicated before the deadline.

### **University of Minnesota Definitions of Grades**

The University of Minnesota uniform grading and transcript policy establishes the following scale:

- A - Achievement that is *outstanding* relative to the level necessary to meet course requirements.
- B - Achievement that is *significantly above* the level necessary to meet course requirements.
- C - Achievement that meets the course requirements in every respect.
- D - Achievement that is worthy of credit even though it fails to meet the course requirements fully.
- F - Represents failure (or no credit) and signifies that the work was either (1) completed but at a level of achievement that is not worthy of credit or (2) was not completed and there was no agreement between the instructor and the student that the student would be awarded an I.
- I - Incomplete, assigned at the discretion of the instructor when, due to extraordinary circumstances; e.g., hospitalization, a student is prevented from completing the work of the course on time. It requires a written agreement between instructor and student.

One conventional credit is hereby defined as equivalent to three hours of learning effort per week, averaged over an appropriate time interval, necessary for an average student taking that course to achieve an average grade in that course.

### **Grade Components**

Grading will be based on the following:

Grade Item	Weight %	Course Outcome Assessed
Participation/Attendance	5	1, 2, 3, 4, 5, 6
Class Quizzes (5 in total @3% each)	15	1, 2, 3, 4, 5, 6
Midterm Exam 1 – February 08	25	1, 2, 3, 4
Midterm Exam 2 – March 15	25	1,2, 3, 4, 5
Final Exam Thursday, May 05, at 12.00-1.50 pm	30	1, 2, 3, 4, 5, 6
Total:	100	

All exams, quizzes, and assignments are due only as scheduled on this syllabus and course calendar.

**Class Participation**

The class participation grade will be made up of various components, including professionalism in working & communicating with your classmates and the instructor, and contribution to the classroom discussions, activities, and exercises. Evaluation of the quantity and quality of student participation is at the instructor's sole discretion. You are encouraged to bring name tags to every class session so the instructor can better give you participation marks when you deserve them. Make sure your name tags are readable and include both your first and last name. Regular attendance in classes is required for success in this program.

I will assign contribution grades based on the quality of your contribution, not just the quantity. Some of the criteria I will use to evaluate contribution quality include:

Do you ask insightful questions that facilitate class learning?

Are your points relevant to the discussion?

Do you draw clear implications of your analysis?

Do you present your arguments logically and coherently?

Have you considered relevant counter-arguments, or do they "take you by surprise"?

Do you enhance the class's understanding of the issues?

Can you effectively critique others' comments or act as a "devil's advocate" in the discussion?

Attendance is essential to participate

**Quizzes**

The five in-class quizzes will test your understanding of the concepts discussed in the class and the assigned textbook topics for the relevant period. Please see the schedule for more details.

**Midterm Exam**

The two mid-term exams will take place in a regular class session on **February 8 and March 15**. Attendance at this session is mandatory. The exam will be held during class hours.

You may need calculators for some questions.

**Final Exam**

The final exam will take place in the exam week on **Thursday, May 05, from 12.00-1.50 pm**

The final exam will be cumulative, **covering the entire course up to the end of the term.**

You may need calculators for some questions.

**All grades will be weighted on a straight scale as follows:**

A	$\geq 93$	B+	$87 \geq \& < 90$	C+	$77 \geq \& < 80$	D+	$67 \geq \& < 70$
A-	$90 \geq \& < 93$	B	$83 \geq \& < 87$	C	$73 \geq \& < 77$	D	$60 \geq \& < 67$
		B-	$80 \geq \& < 83$	C-	$70 \geq \& < 73$	F	$< 60$

**Notes:**

1. Grading curves will *not* be given for assignments or exams. Grades will also *not* be rounded up for any circumstances.
2. Late assignments will *not* be accepted for any reason. (See section discussing exceptions)
3. Students will also *not* be able to redo assignments for credit.

**COURSE SCHEDULE**

Entrepreneurial Finance		
DATE	TOPIC & AGENDA	MATERIAL & NOTES

<b>Week 1</b> Jan 13	<b>Introduction</b>	Course Outline Chapter 1 of the textbook
<b>Week 2</b> Jan 18, 20	Financial Goals Understanding Financial Statements	Chapter 2 of the textbook Chapter 3 of the textbook
<b>Week 3</b> Jan 25, 27	<b>Quiz 1 (Tuesday)</b> Revenue Forecasting	<b>Chapters 1, 2, and 3</b> Chapter 4 of the textbook
<b>Week 4</b> Feb 1, 3	Expense Forecasting <i>Review of Exam 1</i>	Chapter 5 of the textbook
<b>Week 5</b> Feb 8, 10	<b>Exam 1 (Feb 8)</b> Integrated Financial Model	<b>Chapter 1, 2, 3, 4, &amp; 5</b> Chapter 6 of the textbook
<b>Week 6</b> Feb 15, 17	<b>Quiz 2 (Tuesday)</b> Monitoring Financial Performance Day to Day Cash Flow Management and Forecasting	<b>Chapters 4,5 and 6</b> Chapter 7 of the textbook Chapter 8 of the textbook
<b>Week 7</b> Feb 22, 24	Financing Over the Life of a Venture	Chapter 9 of the textbook
<b>Week 8</b> Mar 1, 3	<b>Quiz 3 (Tuesday)</b> Start-Up Financing- Self, Friend, and Family, Bootstrapping <i>Review of Exam 2</i>	<b>Chapters 7, 8, and 9</b> Chapter 10 & 11 of the textbook
<b>Week 9</b>	<b>Spring Break on March 07-11</b>	
<b>Week 10</b> Mar 15, 17	<b>Exam 2 (Mar 15)</b> External Sources of Funds: Equity	<b>Chapter 6, 7, 8, 9, 10, &amp; 11</b> Chapter 12 of the textbook
<b>Week 11</b> Mar 22, 24	External Sources of Funds: Debt	Chapter 13 of the textbook
<b>Week 12</b> Mar 29, 31	<b>Quiz 4 (Tuesday)</b> Financing High Growth Business	<b>Chapter 12 and 13</b> Chapter 14 of the textbook

<b>Week 13</b> Apr 5, 7	Business Valuation	Chapter 15 of the textbook
<b>Week 14</b> Apr 12, 14	<b>Quiz 5 (Tuesday)</b> Crowdfunding	<b>Chapter 14 and 15</b> Reading material will be assigned
<b>Week 15</b> Apr 19, 21	Exit Planning	Chapter 16 of the textbook
<b>Week 16</b> Apr 26, 28	<i>Case Study</i> <i>Review of the Final Exam</i>	
<b>Final Exam Week</b>	Final Exam <b>Thursday, May 05, 12.00-1.50 pm</b>	<b>Entire Book</b>

**Good Luck!**