

**MGMT 516:
Entrepreneurial Finance in High Technology
Spring 2016**

Instructor: Saurabh Ahluwalia
Office: GSM Rm 309*
Office Hours: T 6.30- 7.30 pm, TH 4.00-6.00 pm and by appointment
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Class Schedule: Th 12.30- 3.00 pm, GSM 230

Required Materials:

Class Packet will have cases and readings. The packet is available for purchase from the Harvard Business School Website. Link will be provided in the first class.

Recommended Materials:

Steven Rogers -Entrepreneurial Finance: Finance and Business Strategies for the Serious Entrepreneur, Third Edition; Kellogg School of Management; The McGraw-Hill Companies

Adelman and Marks- Entrepreneurial Finance – Pearson Education, 6th edition

J. Chris Leach and Ronald W. Melicher- Entrepreneurial Finance - Mason, Ohio: South-Western Cengage Learning, 4th edition, 2012

Berk, Jonathan, Peter DeMarzo, and Jarrad Harford, Fundamentals of Corporate Finance *Second Edition*, Prentice Hall

Barringer, Ireland- Entrepreneurship: Successfully Launching New Ventures

Useful material available online:

There are numerous excellent articles about new venture finance and venture capitalists available online; following are the few examples of such materials:

The Economics of the Private Equity Market,
<http://www.federalreserve.gov/pubs/staffstudies/1990-99/ss168.pdf>
What do VCs do and where do they learn to do it; Fred Dotzler
www.denovovc.com/articles/2001_Dotzler.pdf

* My office is on the third floor in GSM building. Make a right from elevator and then another right, office will be on your left opposite to the conference room.

Course Description:

The course focuses on the theory and practice of finance with emphasis on valuing and arranging financing for start-up companies. This course offers the academic tools, real world expertise, and practical knowledge necessary to build financial plans for early stage companies and to make smart financing decisions. It is targeted to those who want to learn about and understand the unique issues related to starting and financing an entrepreneurial company from the earliest idea stage to a full-fledged and economically viable enterprise.

Students are encouraged to understand various financing issues from many different perspectives- including those of a venture capitalist, lender, and an entrepreneur. Students will solve numerous real world entrepreneurship cases to gain broader understanding of how various financial skills learned in the class are applied in the business world.

Course Objectives:

Course will cover following areas related to entrepreneurial finance:

- 1) Create a financial plan based on a business idea.
- 2) Evaluate the economic feasibility of a new venture.
- 3) Understand various financial issues and problems related to a new venture.
- 4) Calculate the amount of funding needed for a new venture.
- 5) Explore and understand the nuances of various funding sources such as Venture Capitalists, Angel Investors, Debt Financing, Hybrid Financing etc.
- 6) Learn various tools and techniques to value a start-up company.

Pre- and Co-requisites:

We will make extensive use of accounting principles and net present value concepts in this course. I will review but not re-teach some of these principles and skills. You may have to review and relearn others on your own.

The pre-requisite courses can be waived for motivated students. Please email the instructor to get a waiver.

Grading

The final grade in the course will be determined as follows

| | |
|---------------------------|------------|
| Individual Grade: | 40% |
| Individual Assignments | 20% |
| Class Participation | 20% |
| Group Based Grade: | 60% |
| Cases/Assignments | 25% |
| Presentations | 15% |
| Final Project | 20% |

Working in teams is an important aspect of this course. Group based grade is based on group assignments. Your individual grade for these group assignments will be calculated as follows: Towards the end of the course, each student will rate his/her team members on scale of 1 to 5, with 5 being the best. Your individual grade for the group assignments will reflect the rating your team members gave you. Hence it is important for all team members to do their part in the group assignments.

Grading Scale

| | |
|----|----------|
| A+ | 97-100 |
| A | 93-96.99 |
| A- | 90-92.99 |
| B+ | 87-89.99 |
| B | 83-86.99 |
| B- | 80-82.99 |
| C+ | 77-79.99 |
| C | 73-76.99 |
| C- | 70-72.99 |
| D+ | 67-69.99 |
| D | 63-66.99 |
| D- | 60-62.99 |
| F | below 60 |

Class Participation:

Active class participation is encouraged. When we are discussing the business cases it is expected that each student will come prepared to the class to critique the important aspects of the case and provide relevant recommendations.

Attendance:

You are not required to attend every class and I will not penalize you for absences (apart from the points you may lose for class participation). However, in first couple of weeks of the class, I may take attendance and may drop a student who is regularly absent. I do this to give waitlisted students a chance to attend the class. Moreover, you are responsible for all material presented in class, regardless if you were present or not. This includes instructions on assignment format and turn-in procedures. If you miss a class, I will be glad to tell you what material you may have missed but I will not re-teach it. You should inform the instructor in advance if you must miss any deliverable.

Cell Phone and Laptop Usage:

Cell phone calls and texting is not allowed in the class. If you must use these devices do it outside of class. Using these devices not only affects your learning but also disturbs your fellow students. Laptops are permitted to be used only when we are doing problems in the class.

Conduct in the Class:

Conduct yourself in class in the same manner as you will in a business meeting. It's a good practice for your future jobs! Be professional and courteous to others.

How to do well in this course:

- Come to class. Participate in class discussions. Take notes. Get to know others in the class.
- Do all the assigned readings, homework assignments, and suggested study problems and questions.
- Participate in business plan/entrepreneurship competitions at UNM.
- Stay current! It is important that you review class notes on a routine basis in order to identify things you don't understand or may need help with. I recommend that you review your class notes at least once a week.
- Make an appointment to meet me whenever you're having difficulty or have questions you would like to discuss outside of class.
- Form or join and participate in a study group.
- I want you to do well in the class and your future business endeavors. Being able to think on your feet in front of an audience is a much vaunted skill in any business. I will call you out in class and ask you questions or ask for your suggestions in solving problems. You should consider such cold calls as an opportunity to develop your public speaking skills. But, please no speeches!

ACADEMIC INTEGRITY

Anderson School of Management faculty, staff and students commit to values of trust, honesty, integrity, and accountability. We will not tolerate academic dishonesty. By enrolling in any course at Anderson, the student accepts the Anderson Academic Honesty Code and affirms the following pledge:

I will not lie, cheat, fabricate, plagiarize or use any other dishonest means to gain unfair academic advantage.

Any violation of the code of conduct will be taken very seriously and appropriate sanctions will be applied. FOR FULL TEXT OF ANDERSON'S ACADEMIC HONESTY CODE, please visit <http://www.mgt.unm.edu/honesty>

ADA Statement

Reasonable accommodation will be given to any individual with a legitimate disability. Please contact the instructor privately for arrangements. If you are a qualified person with disabilities who might need appropriate academic adjustments, please communicate with me as soon as possible so that we may make appropriate arrangements to meet your needs in a timely manner. Frequently, we will need to coordinate accommodating activities with other offices on campus. Course materials can be made available in alternative formats.

Instructor Drop Policy Example:

The instructor may drop a student, if the student regularly misses the class and/or misses assignments or exam. Any absence from exam needs to be explained within a week of the exam or the student will be dropped. This course falls under all UNM policies for the last day to drop courses, etc. Please see <http://www.unm.edu/studentinfo.html> or the UNM Course Catalog for information on UNM services and policies. Please see the UNM academic calendar for course dates, the last day to drop courses without penalty, and for financial disenrollment dates.