

Syllabus: FIN 341 Financial Aspects of New Ventures (Fall 2021)

Class Hours: Tuesday and Thursday, 10:30 to 11:45am
Class Location: All classes will be online using the **Zoom** platform
Instructor: Ben Bystrom
Office: BusAd E602j (Note: I will be mostly working from my home office)
Office Hours: E-mail or call me to discuss projects, assignments and lecture notes.
If I don't pick-up my cell, leave a message and I will get back to you ASAP. Catching me before or after class is fine too. If your group would like to meet up on Zoom, just let me know and I am happy to do so.
Phone: Cell: 808-226-6049 (call me on my cell, not on my office number)
E-mail: bbystrom@hawaii.edu

Textbook: Entrepreneurial Finance, By: J. Chris Leach and Ronald W. Melicher
(Purchasing the textbook is optional. The textbook is a helpful reference but the key concepts and exam material will be covered in class notes, assignments and lectures.)

Class Notes: Lecture outlines/notes will be made available on Lulima. Expand on these notes as necessary during class lectures, discussions, and activities. Financial statements, case studies, excel models and other material will also be provided on Lulima.

Course Goals and Objectives:

- Provide practical financial skills for planning, launching, funding, operating, expanding and selling entrepreneurial/venture businesses.
- Topics covered will include:
 - Identifying a viable and profitable venture opportunity
 - Forming the business organization
 - Developing an efficient financial plan and policies (managing cash and growth)
 - Raising capital for growth (venture capital, equity, debt, asset-based financing)
 - Analyzing financial statements and ratios from a new venture perspective
 - Creating pro-forma financials for a fast growth venture business
 - Valuing and modeling (in excel) a new entrepreneurial company or venture
 - Developing exit strategies (IPO, private sale)
 - Creating term sheets for issuance of debt and equity securities
 - Pitching your venture business to equity and debt investors
- Course is taught via lecture and interactive, in-class exercises. Students must prepare for and participate in class activities. Assignments are developed to get students to learn from experience.
- Strong “real-world” focus (i.e. case studies, problem solving, deals, trades, etc.).

Additional:

- **Calculators:** Have your business/finance calculator available for class each day. The Hewlett Packard 10bII and Texas Instruments BAII Plus are fine for the problems we will cover.
- **Laptop and Excel:** Make sure to have your laptop with Excel open during all class meetings. An understanding of math in Excel is necessary for FIN341 so be sure to brush up a bit if you are rusty. More specifically for this course you will need to master the time-value of money (TVM)

functions in Excel to complete projects and in-class assignments. If you are unfamiliar with TVM functions in Excel, prepare by going over online tutorials such as those listed below.

- <https://www.youtube.com/watch?v=TDpuYH7d7Nc>
- <https://www.youtube.com/watch?v=fH2dbwplLas>
- <https://www.youtube.com/watch?v=s4Nwc9diIsc>

Grading:

The following factors will be used to measure students' progress through the course.

Assignments/Cases: In-class cases and short homework assignments. Assignments will be done in both individual and group formats. These assignments provide a foundation for your major projects.

Examinations: Due to the online format of the course, there will not be any exams this semester. Alternatively, there will be more project and assignment-based work.

Excel Projects: There will be computer-based assignments during the semester designed to financially model the concepts and skills discussed in class. The main assignment will involve spreadsheet application, analysis and a written executive summary (600 words maximum). Detailed instructions will be provided in class.

Group Project: Groups (5 students per group) will present a 15-minute (limit) oral presentation. Each group will pitch a new business venture to potential equity and debt investors. In addition to the oral presentation, requirements include: 1) Written executive summary (800 words maximum), 2) Term sheet detailing your equity issuance, 3) Power Point presentation (25 content slide maximum) 4) PDF of any supporting information (excel model details, pro-forma financial statements, etc.) and 5) Excel file of your pro-forma financials and valuation model.

Class Participation: Students are strongly encouraged to actively participate in class discussions. Note: quality (not just quantity) of participation is important. We will have in-class assignments (case studies and problems) and regularly discuss current events/market trends providing students with various opportunities to participate.

Your course grade will be based on a **reasonable curve** over the total points accumulated on all assignments. The following weights pertain to those assignments:

Assignments/Cases	40%
Excel Project(s)	25%
Final Group Presentation	35%
Participation	4% (bonus points)

Note: All presentations, write-ups and excels should be Emailed to me (bbystrom@hawaii.edu) on the due date prior to class.

Academic Dishonesty: Instances of academic dishonesty, as defined by the University Student Conduct Code (<http://www.hawaii.edu/student/conduct>), will not be tolerated and any instance of academic dishonesty may result in a grade of "F." Further disciplinary sanctions may also be imposed by the Dean of Students in accordance with the fore-mentioned Student Conduct Code.

Course Prerequisites: BUS 314

Attendance Policy:

Do your very best to attend class because participating in completing in-class assignments are an important component of your grade. You must have a written medical excuse or sanctioned school event (e.g. sports road trip) if absent.

Schedule of Events:

Below is the **tentative** schedule of events subject to changes depending on progress made during the course. Required reading includes my Class Lecture Notes and additional handouts. You should read the material prior to class so as to maximize the usefulness of classroom time. I will be asking questions in class.

Session	Date	Day	Topic	Pre-reading Notes
1	Aug 24	Tues	Trends, Ideas, Ventures and Viability	Chps 1 & 2
2	Aug 26	Thur	Trends, Ideas, Ventures and Viability	Chps 1 & 2
3	Aug 31	Tues	Business Form	Chp 3
4	Sept 2	Thur	Financial Statement & Cash Flow Analysis	Chp 4
5	Sept 7	Tues	Financial Statement & Cash Flow Analysis	Chp 4
6	Sept 9	Thur	Financial Statement & Cash Flow Analysis	Chp 4
7	Sept 14	Tues	Financial Policy Analysis – Breakeven	Chp 5
8	Sept 16	Thur	Financial Policy Analysis -- Ratios	Chp 5
9	Sept 21	Tues	Raising Debt Capital	Chp 5 & Case
10	Sept 23	Thur	Raising Debt Capital	Chp 5 & Case
11	Sept 28	Tues	Analyzing Funding Needs	Chp 6
12	Sept 30	Thur	Building Pro-forma Financials	Chp 6 / Excel
13	Oct 5	Tues	Building Pro-forma Financials	Chp 6 / Excel
14	Oct 7	Thur	Building Pro-forma Financials	Chp 6 / Excel
15	Oct 12	Tues	Cost of Capital and Risk Analysis	Chp 7
16	Oct 14	Thur	Cost of Capital and Risk Analysis	Chp 7
17	Oct 19	Tues	Financial Modeling / Pro-forma Financials	Excel models
18	Oct 21	Thur	Raising Equity Capital and Venture Valuation	Venture Valuation Notes
19	Oct 26	Tues	Raising Equity Capital and Venture Valuation	Venture Valuation Notes
20	Oct 28	Thur	Raising Equity Capital and Venture Valuation	Venture Valuation Notes
21	Nov 2	Tues	Raising Equity Capital and Venture Valuation	Venture Valuation Notes
22	Nov 4	Thur	Case Study on Raising Equity Capital	Case
23	Nov 9	Tues	Case Study on Raising Equity Capital	Case
	Nov 11	Thur	Holiday: Election Day	Get out the Vote!
24	Nov 16	Tues	Using Securities to Raising Capital	Chp 8
25	Nov 18	Thur	Venture Capital and Financing Alternatives	Chps 11 & 12
26	Nov 23	Tues	Exit Strategies/Harvesting (IPOs, Private Sales)	Chp 14
	Nov 25	Thur	Holiday: Thanksgiving	
27	Nov 30	Tues	Reserved for Guest Speakers	
28	Dec 2	Thur	Group Presentations	
29	Dec 7	Tues	Group Presentations	
	Dec 14	Tues	All Final Group Presentation Project material due by 12 noon	

Note: Scheduling of guest lecturers is still being arranged. The time and specific subjects will be announced in class.