

Finance**Course Number: 22:390:697****Course Title: Entrepreneurial Finance for Business of Fashion Program****COURSE DESCRIPTION**

Entrepreneurial Finance is a course designed for students who plan to get engaged in working with a high growth venture. The course focuses on financing of new ventures that are expected to grow and in which students may take a role of an entrepreneur, an advisor, an investor or an employee. Entrepreneurial Finance is created to expose students to the basic problems that are specific to financing new and growing ventures such as design of a business plan, contracting and valuation, choice of seed and follow-up financing and financing venture's growth. The course also offers a basic coverage of venture capital and angel investors.

Entrepreneurial Finance is taught through the combination lectures, casework and problem sets. It uses teaching materials from Harvard Business School that are especially designed for practical approach to financing of new ventures. The lectures will focus on macroeconomic background and understanding the facts behind financing and growth of technological startups. They also include learning about foundational tools such as valuation, term sheets and contracting. Cases and problem sets are designed around the material learned during the lectures and allow students to practice newly acquired knowledge through studying actual firms and their challenges.

COURSE MATERIALS

Lecture Notes (Mandatory) are available on Canvas.

Cases are available through the Harvard Business Publishing at <https://cb.hbsp.harvard.edu/>.

Check Canvas (canvas.rutgers.edu) and your official Rutgers email account regularly.

Optional Readings:

“Entrepreneurial Finance”, by Steven Rogers (EF)

“Venture Deals: Be Smarter than your Lawyer and Venture Capitalist”, by Brad Feid (VD)

“Venture Capital and the Finance of Innovation”, by Andrew Metrick and Ayako Yasuda (VCFI)

LEARNING GOALS AND OBJECTIVES

This course is designed to help students develop skills and knowledge in the following area(s):

- Understanding current and historical trends in financing strategies of technological startups.
- Learning about types of startups and their potential financing sources.

- Developing basic tools for early stage financing such as business plan, valuation and term sheets and capitalization tables.
- Learning about different types of seed and follow-up financing such as angel investors and venture capital funds.
- Understanding growth financing and potential exit strategies.
- Learning about new types of entrepreneurial financing sources such as crowdfunding and business incubators.

ACADEMIC INTEGRITY

I do NOT tolerate cheating. Students are responsible for understanding the RU Academic Integrity Policy (<http://academicintegrity.rutgers.edu/>)

I will strongly enforce this Policy and pursue *all* violations. On all examinations and assignments, students must sign the RU Honor Pledge, which states, “On my honor, I have neither received nor given any unauthorized assistance on this examination or assignment.” I will screen all written assignments through *SafeAssign* or *Turnitin*, plagiarism detection services that compare the work against a large database of past work. Don’t let cheating destroy your hard-earned opportunity to learn. See business.rutgers.edu/ai for more details.

EVALUATION POLICY

The grades are based on the following weighting scheme:

Case Preparation and Participation	40%
Midterm Exam (Closed Notes, Formula Sheet, Quiz)	20%
Final Exam (Closed Notes, Formula Sheet, Quiz)	20%
3 Problem Sets	20%

Based on the scheme above, the weighted grade is converted to the letter grade according to the following table:

A	93-100
A-	89 -92
B+	85-88
B	80-84
B-	75-79
C+	70-74
C	65-69
C-	60-64
D	50-59

COURSE SCHEDULE

Topic

Introduction, Evaluation of High Growth Firms I

Slides: Introduction, Discounted Cash Flow Valuation.
Readings: EF- Chapters 1,2,7,8; VCFI – Chapter 11.

Evaluation of High Growth Firms II

Problem Set 1 is due

Slides: Evaluation Framework for New Ventures, Multiples Approach to Valuation.
Readings: EF- Chapter 5, VCFI – Chapter 12.

Contracting and Returns I

Case study: Athleta

Slides: Multi Stage Contracting (Examples 1-3)
Readings: VD – Chapter 7; VCFI – Chapter 7-10.

Contracting and Returns II

Case study: Coupa

Slides: Multi Stage Contracting (Examples 4-5)
Slides: Term Sheets (preferred stock)
Readings: VD – Chapters 3-6,8; VCFI – Chapter 7-10.

Contracting and Returns II

Problem Set 2 is due.

Slides: Term Sheets (other control rights)
Readings: VD – Chapters 3-6,8; VCFI – Chapter 7-10.

Contracting and Returns III

Case study: Fast Ion Battery

Contracting and Returns IV, Midterm Review

Case: Webtracker

Slides: Midterm Review.

Midterm Exam

****NO CLASS****

Venture Capital and Angels I

Slides: Convertible Notes, Venture Capital and Angels

Readings: VD – Chapters 9,10; VCFI – Chapters 1-6.

Venture Capital and Angels II

Problem Set 3 is due.

Growth Financing and IPO Market I

Case study: Angelist

Slides: Growth Financing and IPO Market.

Growth Financing and IPO Market II

Case study: RightNowTechnologies

Review Session

Final Exam

SUPPORT SERVICES

If you need accommodation for a *disability*, obtain a Letter of Accommodation from the Office of Disability Services. The Office of Disability Services at Rutgers, The State University of New Jersey, provides student-centered and student-inclusive programming in compliance with the Americans with Disabilities Act of 1990, the Americans with Disabilities Act Amendments of 2008, Section 504 of the Rehabilitation Act of 1973, Section 508 of the Rehabilitation Act of 1998, and the New Jersey Law Against Discrimination. More information can be found at ods.rutgers.edu.

[Rutgers University-New Brunswick ODS phone (848)445-6800 or email dsoffice@echo.rutgers.edu]

[Rutgers University-Newark ODS phone (973)353-5375 or email ods@newark.rutgers.edu]

If you are ***pregnant***, the Office of Title IX and ADA Compliance is available to assist with any concerns or potential accommodations related to pregnancy.

[Rutgers University-New Brunswick Title IX Coordinator phone (848)932-8200 or email jackie.moran@rutgers.edu]

[Rutgers University-Newark Office of Title IX and ADA Compliance phone (973)353-1906 or email TitleIX@newark.rutgers.edu]

If you seek ***religious accommodations***, the Office of the Dean of Students is available to verify absences for religious observance, as needed.

[Rutgers University-New Brunswick Dean of Students phone (848)932-2300 or email deanofstudents@echo.rutgers.edu]

[Rutgers University-Newark Dean of Students phone (973)353-5063 or email DeanofStudents@newark.rutgers.edu]

If you have experienced any form of ***gender or sex-based discrimination or harassment***, including sexual assault, sexual harassment, relationship violence, or stalking, the Office for Violence Prevention and Victim Assistance provides help and support. More information can be found at <http://vpva.rutgers.edu/>.

[Rutgers University-New Brunswick incident report link: <http://studentconduct.rutgers.edu/concern/>. You may contact the Office for Violence Prevention and Victim Assistance at (848)932-1181]

[Rutgers University-Newark incident report link: https://cm.maxient.com/reportingform.php?RutgersUniv&layout_id=7 . You may also contact the Office of Title IX and ADA Compliance at (973)353-1906 or email at TitleIX@newark.rutgers.edu. If you wish to speak with a staff member who is confidential and does **not** have a reporting responsibility, you may contact the Office for Violence Prevention and Victim Assistance at (973)353-1918 or email run.vpva@rutgers.edu]

If students who have experienced a temporary condition or injury that is adversely affecting their ability to fully participate, you should submit a request via <https://temporaryconditions.rutgers.edu> .

If you are a military ***veteran*** or are on active military duty, you can obtain support through the Office of Veteran and Military Programs and Services. <http://veterans.rutgers.edu/>

If you are in need of **mental health** services, please use our readily available services.

[Rutgers University-Newark Counseling Center: <http://counseling.newark.rutgers.edu/>]

[Rutgers Counseling and Psychological Services–New Brunswick: <http://rhscaps.rutgers.edu/>]

If you are in need of **physical health** services, please use our readily available services.

[Rutgers Health Services – Newark: <http://health.newark.rutgers.edu/>]

[Rutgers Health Services – New Brunswick: <http://health.rutgers.edu/>]

If you are in need of **legal** services, please use our readily available services: <http://rusls.rutgers.edu/>

Students experiencing difficulty in courses due to **English as a second language (ESL)** should contact the Program in American Language Studies for supports.

[Rutgers–Newark: PALS@newark.rutgers.edu]

[Rutgers–New Brunswick: eslpals@english.rutgers.edu]

If you are in need of additional **academic assistance**, please use our readily available services.

[Rutgers University-Newark Learning Center: <http://www.ncas.rutgers.edu/rlc>]

[Rutgers University-Newark Writing Center: <http://www.ncas.rutgers.edu/writingcenter>]

[Rutgers University-New Brunswick Learning Center: <https://rlc.rutgers.edu/>]

[Optional items that many faculty include:

- Students must sign, date, and return a statement declaring that they understand the RU Academic Integrity Policy.

- Students must sign, date, and return a statement declaring that they understand this syllabus.]