

Entrepreneurial Finance and Venture Capital
FIN 420 01W
Meets 8/26/2024 through 12/13/2024
Fall 2024
Syllabus

Instructor: Srinivas Nippani, PhD.

Classroom: Online Class

Meeting Time: The course will be based on each chapter's live Zoom D2L video lectures or pre-recorded sessions (usually of PowerPoint and/or calculator). Once you listen to the live or the recorded lecture, which I post/Email every week, I encourage you to work on homework problems given in Content. I answer my email quickly, usually within a day or two. I encourage you to ask me questions by email. Please do your best to attend this in D2L or listen to the recording. We will meet on Tuesday evenings at 5 pm in class D2L for live lectures. I fully understand if you cannot attend any lecture live and can only listen to the recording because of work or time conflicts with other commitments. There is no need to inform me if you cannot attend a session as long as you listen to the recording within a day or two. The D2L is your opportunity to have a live and interactive session with me and to check and extend what you are learning. I will also work through real-world applications of the theory.

Office: BA 229 (Texas A&M Commerce)

Office Phone: 903-886-5659 (Secretary). I have no direct line, so the best way to reach me is by email. All emails must contain "FIN 420 01W" in the subject line and be sent from your myLeo accounts.

Office Hours: Wednesdays, 9 am to 12.00 p.m. (online at <https://tamuc.zoom.us/j/95942771037?pwd=CrYeUGsqpuoZxi7btADJ8iuKpPKRRp.1> and 2.00-4.00 pm in person in my office, BA 229. You can also email me for an appointment.

Fax: 903-468-3216

Email: Sri.Nippani@tamuc.edu

Course Description: The goal of this course is to help students understand the dynamics of the capital food chain within the context of the entrepreneurial ecosystem affecting the global economy. To this end, we explore various stages of venture capital investing such as seed, start-up, early, mid, and later. Next, we introduce the venture capital model and the valuation aspects of entrepreneurial finance. There is a strong emphasis on modeling cash flows as the most critical component of venture capital decision making. The mechanics of venture capital financing in the form of term sheets, business plans, and due diligence process are discussed with respect to deal structuring (the entrepreneur perspective) and deal evaluation (the venture capitalist perspective).

Prerequisites: FIN 304 with a minimum grade of C.

Textbook and other materials required:

1. Entrepreneurial Finance **Seventh Edition** by J. Chris Leach and Ronald W. Melicher, Cengage learning, 2021. ISBN: 978-0-357-44204-3 (Please do not get the sixth edition. It is very old)
2. A Good Financial Calculator. **I strongly recommend the Texas Instruments BA II plus Professional calculator and my explanations will be based on this calculator in the class.**
3. The Wall Street Journal (recommended)

Attendance, Course Requirements, Assignments, and Grading

Students taking the course are expected to attend all lecture sessions. I reserve the right to penalize students for more than three unexcused absences during the semester. The course will cover the textbook and material presented in class. Some material that is not part of the book will be used in the recordings. **All announcements will be made in class and sometimes using email/posted in course announcement page. I expect you to know all announcements.** The grading is based on the following scale:

(Mid-Term) Exam 1 (September 29-30, 2024 tentatively)	100 points
(Mid-Term) Exam 2 (tentatively October 28-29, 2024)	100 points
Final Exam in last week of class (December 8 and 9, 2024)	100 points

Total (counting the higher of the two mid-terms and the final)	200 points

All exams are to online in the course D2L. I will drop the lower of the two scores on the first two exams (Mid-Terms) in determining the final grade. If you miss a mid-term exam that will be your dropped grade. You cannot miss the final. My exams will be based on the material covered in class. For each student, the total points will be added up and converted to a percentage at the end of the semester to decide the final grade. The following scale will be applied to decide the final grade for students: 90 and above: A grade, 80-89.99%: B grade, 70-79.99%: C grade, 60%-69.99%: D grade and below 60%: F grade. I will try to adhere to the above grading scale, but I reserve the right to deviate from it. My exams are normally of multiple choices, and you can use a calculator on them. No student will be allowed to make up for an inadequate performance on an exam and make-up exams will be given for only medical reasons.

Tentative Course Schedule

Please see the Schedule below. I reserve the right to deviate from this schedule.

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*Only a part of the material will be used in some of the chapters. We may do some chapters only in part. I reserve the right to change anything in the syllabus if I feel it is necessary.

Email Lectures Schedule. Please keep an eye on your email for a schedule of live and

review sessions. Live Review Classes are scheduled for Tuesday evenings at 5 pm. We will meet some weeks for live lectures. Please always keep an eye on your email for zoom links to live lectures. These are in addition to the chapter lectures, which are pre-recorded.

The class schedule is given below:

Introduction to Finance for Entrepreneurs, Ch. 1

Developing the Business Idea, Ch. 2

Organizing and Financing a New Venture, Ch. 3

Preparing and Using Financial Statements, Ch. 4

Mid-Term Exam #1 (Ch. 1-4) tentatively scheduled for September 29-30, 2024.

Evaluating Operating and Financial Performance, Ch. 5

Managing Cash Flow, Ch. 6

Types and Costs of Financial Capital, Ch. 7

Projecting Financial Statements, Ch. 9

Mid-Term Exam #2 (Ch. 5, 6, 7, 9) tentatively scheduled for October 28-29, 2024.

Valuing Early-Stage Ventures, Ch. 10

Venture Capital Valuation Methods, Ch. 11

Other Financing Alternatives, Ch. 13

Professional Venture Capital, Ch. 12

Final Exam #3 (Ch. 10-13) December 8 and 9, 2024

⚡ **The schedule is due to possible changes. We will cover news outlet articles from the popular press with these chapters at times. I will make sure you have access to the articles.**

A Good Way to Succeed:

Please read the assigned chapter for the week before you attend the class for the best results.

Academic Misconduct: Cheating will not be tolerated in this class. Please remember that this is a senior level class, and you are graded against each other. By giving someone answers to exam questions helps neither you nor them. If I catch someone cheating, I will deal with that in accordance with the policies of the Texas A&M University-Commerce.

An Important Note:

Tenets of Common Behavior statement: All students enrolled at the university shall follow the tenets of common decency and acceptable behavior conducive to a positive learning environment. (See current Student Guidebook).

Students with Disabilities:

Students with Disabilities information: The Americans with Disabilities Act (ADA) is a federal anti-discrimination statute that provides comprehensive civil rights protection for persons with disabilities. Among other things, this legislation requires that all students

with disabilities be guaranteed a learning environment that provides for reasonable accommodation of their disabilities. If you have a disability requiring an accommodation, please contact: Office of Student Disability Resources and Services, Gee Library, Room 162
(903) 886-5150 or (903) 886-5835 phone (903) 468-8148 fax
Email: Rebecca.Tuerk@tamuc.edu

Nondiscrimination Statement

Nondiscrimination notice: A&M–Commerce will comply in the classroom, and in online courses, with all federal and state laws prohibiting discrimination and related retaliation on the basis of race, color, religion, sex, national origin, disability, age, genetic information or veteran status. Further, an environment free from discrimination on the basis of sexual orientation, gender identity, or gender expression will be maintained.

Campus Concealed Carry

Texas Senate Bill - 11 (Government Code 411.2031, et al.) authorizes the carrying of a concealed handgun in Texas A&M University-Commerce buildings only by persons who have been issued and are in possession of a Texas License to Carry a Handgun. Qualified law enforcement officers or those who are otherwise authorized to carry a concealed handgun in the State of Texas are also permitted to do so. Pursuant to Penal Code (PC) 46.035 and A&M-Commerce Rule 34.06.02.R1, license holders may not carry a concealed handgun in restricted locations. For a list of locations, please refer to ((<http://www.tamuc.edu/aboutUs/policiesProceduresStandardsStatements/rulesProcedure/s/34SafetyOfEmployeesAndStudents/34.06.02.R1.pdf>) and/or consult your event organizer). Pursuant to PC 46.035, the open carrying of handguns is prohibited on all A&M-Commerce campuses. Report violations to the University Police Department at 903-886-5868 or 9-1-1.

Important Information about Counseling Center

The Counseling Center at A&M-Commerce, located in the Halladay Building, Room 203, offers counseling services, educational programming, and connection to community resources for students. Students have 24/7 access to the Counseling Center’s crisis assessment services by calling 903-886-5145. For more information regarding Counseling Center events and confidential services, please visit www.tamuc.edu/counsel