

Advanced Entrepreneurial Finance and Venture Capital
FIN 520 01W
Spring 2025 (Meets 1/13/2025 through 5/9/2025)
Web-Based Class
Syllabus

Meeting Time: The course will be based on each chapter's live and/or recorded video lectures and D2L sessions (usually of PowerPoint and/or calculator). Once you listen to the live/recorded lectures I post every week, I encourage you to work on homework problems given in Content. Please note that during some weeks, we might cover two chapters a week. I answer my email quickly, usually within a day or two except on weekends. I encourage you to ask me questions by email. **All live sessions will be on Zoom Wednesday Afternoons at 4 pm using your D2L. Please do your best to attend this live or listen to the recording. 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 if 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.

Office: BA 229 (Texas A&M Commerce)

Office Phone: 903-886-5659 (Secretary). I have no direct line. The best way to reach me is by email. All emails must contain "FIN 520 01W" in the subject line and be sent from your myLeo accounts.

Office Hours: Tuesdays and Thursdays from 9-10.30 am and from 3.30 to 4.30 pm and online by 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 504.

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 D2L sessions. The course will cover the textbook and material presented in class. I prefer students not to miss any D2L lectures except for emergency situations. **However, as mentioned earlier, there is no need to inform me if you cannot attend if you listen to the recording within a day or two after the lecture.** The grading is based on the following scale:

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|---|-------------------|
| (Mid-Term) Exam 1 posted Online | 100 points |
| (Mid-Term) Exam 2 posted Online | 100 points |
| Final Exam in last week of class (Compulsory in last week online) | 100 points |
| Mandatory Assignment (see * underlined just below) | 50 points |
| | ---- |
| Total (counting the higher of the two mid-terms, the assignment and the final) | 250 points |

*The mandatory assignment is due on April 20, 2025, and should be submitted on or before that date, with no exceptions. Students who submit after that date will not receive credit for the assignment.

What you can use on exams: Textbook, scrap paper, calculator, and any other notes you made.

What you cannot use on exams: the help of another person.

All exams are to be taken Online. I will drop the lower scores on the first two exams to determine the final grade. If you miss a mid-term exam, that will be your dropped grade. You cannot miss the final or the mandatory assignment. My exams will be based on the material covered in class. For each student, the total points will be added 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 multiple-choice, and you can use a calculator. Since this is an online class, you can use a textbook and other material on the exams. The exams are not proctored. However, the exams are designed for speed and accuracy. No student will be given an opportunity to make up for an inadequate performance on an exam and make-up exams will be given for only medical reasons. Make-up exams will likely be essay-type and will not be given online.

Tentative Course Schedule

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

*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.

Please keep an eye on your email for a schedule of live and review sessions. Live Review Classes are scheduled on Wednesdays at 4 pm. We will meet most weeks for live lectures. Please always keep an eye on the course announcements. Some chapter lectures, are pre-recorded.

The class schedule is given below:

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| 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 February 14-15, 2025. |
| 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 March 28-29, 2025. |
| 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) May 3-4, 2025. ¹ (Please also see footnote below) |

***The Mandatory Assignment for FIN 520 students will be due on April 20, 2025, by 5 pm, with no exceptions. I will post the requirements in the Content section no later than February 17, 2024.**

Important Events of Interest:

- Career Fair on February 12th is Sam Rayburn Center
- Resume Workshop on January 27th from 12:00 to 2:00 in BA 246 (Finance Lab).
- Business to Industry is April 11th in Sulphur Springs.

A Good Way to Succeed:

¹ It is possible I might assign some extra non-textbook material for the final exam based on latest press developments in the subject. If included, I will make sure this material is available for you.

This is an online class and requires the student to be more self-directed. Please make sure you have a working microphone. Please read the assigned chapter for the week before you attend the class for best results. You are responsible for all the material in the chapters assigned whether I discuss that material in the D2L or NOT. If you think this class will take less time and be easier than a face to face, you are mistaken indeed. The fact that you may be working a full-time job while taking this class will put additional pressure on you. You should be aware that I still expect you to meet the timelines in this class. Your employer would not accept other time commitments as a reason for missing a deadline. NOR WILL I. You will need to study every week. No kidding. There is just too much material to cover to do otherwise. We will also be assigning self-worked and taught problems for some material. This material will not be covered at length in your D2Ls. In order to connect, you must have a cable, DSL, or high-speed modem connection. Speeds of 5 megs or more work best. Also, since we are using a Voice Over IP system, you will need a headset with earphones.

Students should also consult the Rules of Netiquette for more information regarding how to interact with students in an online forum: [Netiquette](http://www.albion.com/netiquette/corerules.html)
<http://www.albion.com/netiquette/corerules.html>

Academic Misconduct: Cheating will not be tolerated in this class. Please remember that this is a graduate-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 according to the Texas A&M University-Commerce policies. **While you can use the calculator, textbook, and any notes you make on the exam, you should not take the help of any other person. You cannot use any other material other than those mentioned above. I will give an “F” grade to any student who cheats or encourages cheating and will do my best to get them expelled from the University.**

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/rulesProcedures/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