

Syllabus

for course at advanced level

Finance for Start-Ups

Finansiering av start-ups

7.5 Higher Education

Credits

7.5 ECTS credits

Course code:	FE6609
Valid from:	Autumn 2009
Date of approval:	2009-08-28
Department	Stockholm Business School
Main field:	Företagsekonomi
Specialisation:	AXX - Second cycle, in-depth level of the course cannot be classified

Decision

This syllabus was approved by the Graduate Studies Committee (Masterutbildningsnämnden, MUN) at Stockholm University School of Business 2009-08-28.

Prerequisites and special admittance requirements

120 HE credits. Swedish upper secondary school course English B, or the equivalent, or one of the following tests. Cambridge CPE och CAE: Pass. IELTS : 6.0 (with no part of the test below 5.0). TOEFL (paper based): 550 (with minimum grade 4 on the written test part). TOEFL (computer based): 213. TOEFL (internet based): 79.

Course structure

Examination code	Name	Higher Education Credits
6609	Finance for Start-Ups	7.5

Course content

The course consists of the following course module:

- Finance for Start-Ups 7,5 hp, provkod 6609

Funding a start-up business is a critical first decision for the entrepreneur. The primary objective of this course is to provide an understanding of the concepts and institutions involved in entrepreneurial finance. This course addresses key questions which challenge all entrepreneurs: how much money can and should be raised; when should it be raised and from whom; what is a reasonable valuation of the company; and how funding should be structured. In addition, investing in or buying a controlling equity stake of a company is a common entrepreneurial entry strategy.

However, not only the entrepreneurial perspective will be addressed in the course, but also the perspective from the investor. During the course, challenges in a variety of industry settings and stages of venture development will be examined both from the capital seeker, i.e. the entrepreneur, and the capital provider/investor standpoints.

The course will provide participants with practical insights on a number of issues related to entrepreneurial financing including

- sources of funding

- financial analysis and evaluation of key measurements
- valuation
- structuring deals including terms and conditions
- exit options.

The assumption in the course is that students have a limited knowledge of finance and financial statements. One of the most important outcomes of this course is to ensure that all participants develop a reasonable level of competency and comfort preparing and analyzing financial information.

During seminars, the participants will practice on financial evaluations and analysis and, thus, are expected to bring laptops with Microsoft Excel or similar calculation software installed. Participants are expected to have read the assigned material and case studies thoroughly before each session.

Learning outcomes

The objective of the course is to enhance the participants' understanding of the dynamic challenges faced by entrepreneurial ventures in securing financial backing to support future growth and development.

After the course the participants will have a broad understanding about

- various financial sources available to different types of entrepreneurial businesses
- basic preparation and analysing of financial statements and projections
- how to conduct a basic financial valuation of an entrepreneurial company
- concepts and terminology related to entrepreneurial financing
- how to negotiate and structure terms and conditions with potential external investors
- exit possibilities for startup ventures.

Education

The course is delivered in the form of

- Lectures/seminars for overview of the main subject areas.

The content and schedule for all teaching and learning activities will be given when the course commences. The language of instruction for all teaching and learning activities is English. Instruction will be offered only if enough resources are available.

Forms of examination

a) Examination

- Active participation

The pedagogy of the course is based on active learning and much of the knowledge is created through participation in the exercises and cases; for this reason individual participation will be noted and graded. 75% participation is required to pass the course.

- Literature exam

A literature exam will be held early to mid-course – the purpose of the timing is to make sure that all participants have read the literature and to ensure that their focus is on the exercises for the remainder of the course.

- Written assignments

Grades are given in accordance with a criterion-referenced scale. A, B, C, D, and E are Pass grades. Fx and F stand for Fail grades.

b) Grading criteria

Grading criteria are decided by the head of the course and stated in written information issued when the course commences.

c) Course Requirements

Successful completion of the course requires

- attendance and active participation at seminars as indicated in information available on the course web page or issued when the course commences (course requirement)
- a minimum E grade in the final examination.

d) Other

Students having received the grade E or higher in the final examination are not allowed to retake the examination.

Interim

In the event of major changes to the content or the required readings of the course, or suspension of the course altogether, students are entitled to an opportunity to retake the examination according to the present syllabus once each semester during the subsequent three semesters after the change has been effected.

Limitations

The course can not be included as part of a degree in conjunction with other similar courses accomplished at other universities in Sweden or abroad.

Misc

The course is only offered within Stockholm School of Entrepreneurship (SSES).

Required reading

- The European Venture Capital and Private Equity Association's (EVCA) "The Entrepreneurship Education Toolkit on Private Equity and Venture Capital" is available for personal downloading from the course web.
- Frykman D. and J. Tolleryd (2003). Corporate Valuation: An easy guide to measuring value. Prentice Hall.
- In addition the students are expected to have a book covering basic economic accounting principles. For example: Adelman P. and A. Marks (2007). Entrepreneurial Finance. Fourth Edition. Prentice Hall
- The course will also include a couple of documents available at Internet:
 - Financial Ratio Tutorial from Investopedia www.investopedia.com/university/ratios
 - Mason, C. (2005). Informal sources of venture finance;
www.bbbaa.org.uk/downloads/useful/informal_sources_of_venture_finance.pdf