

**Commerce 4FW3
Finance for Entrepreneurs
Fall 2021 Course Outline**

**Finance and Business Economics
DeGroot School of Business
McMaster University**

COURSE OBJECTIVE

This course is intended for students who wish to enhance their skills and knowledge in those areas of business that lead to successful entrepreneurship and/or small business management. The focus will be on those financial issues and decisions of particular concern to sole proprietors, partnerships, family-owned businesses and small non-public corporations. This will include the financial aspects of the relationship between the firm and its owners. The course is intended to be non-technical in order to be accessible by students with a variety of backgrounds.

INSTRUCTOR AND CONTACT INFORMATION

Section C01: Wednesday 14:30-17:20
Class Location: Online

Section C02: Monday 19:00-22:00
Class Location: Online

Office Hours: **Zoom and by appointment**

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Instructor
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Course Website: avenue.mcmaster.ca

COURSE ELEMENTS

Credit Value:	3	Leadership:	Yes	IT skills:	No	Global view:	Yes
A2L:	Yes	Ethics:	No	Numeracy:	Yes	Written skills:	Yes
Participation:	Yes	Innovation:	Yes	Group work:	Yes	Oral skills:	Yes
Evidence-based:	Yes	Experiential:	No	Final Exam:	Yes	Guest speaker(s):	Yes

COURSE DESCRIPTION

This course covers key aspects of successful entrepreneurship and/or small business management, including development of a business plan, organizing and financing a new venture, measuring and evaluating financial performance, short-term and long-term financial planning, creating and recognizing venture value, structuring financing for the growing venture, and exit and turnaround strategies. This course is delivered in an online format using Avenue to Learn as the principal mode of learning. Topics are explored through readings, problem assignments, case studies and online discussions.

Students are expected to read the assigned course material, analyze information, and share their new knowledge and understanding with their classmates so that they learn from each other as well as from the instructors. Instead of face-to-face small group discussions, students will interact online with other students and the course instructors. Typically, discussions will occur asynchronously (not in real time) as this enables students from different time zones to participate more easily and to organize their learning activities around work, family and personal demands. Live chat rooms and video links may also be used as needed. The instructors and students will also maintain regular contact by email.

LEARNING OUTCOMES

Upon completion of this course, students will be able to complete the following key tasks:

- Understand the components of a sound business model;
- Develop and write a business plan;
- Be able to decide whether the venture should be a proprietorship, partnership or corporation;
- Be able to measure and evaluate financial performance;
- Be able to prepare a cash budget;
- Be able to explain how the time pattern of cash flows relates to the value of the venture;
- Be able to identify various sources of financing; and
- Develop an exit strategy.

REQUIRED COURSE MATERIALS AND READINGS

- Avenue registration for course content, readings, and case materials \$ FREE
<http://avenue.mcmaster.ca>.
- Textbook: Entrepreneurial Finance, 7th Edition, Leah and Melicor.

EVALUATION

A combination of lectures, discussion and problem solving. Students will be encouraged to think, analyze, evaluate, and problem-solve, not memorize. Students are expected to attend class on time and be prepared

for the class, i.e., to have read the assigned reading and to have done the assigned problems. Your final grade will be calculated as follows:

Components and Weights

Two Group Assignments (2@10% each)	20%
Midterm Exam	40%
Final Exam covering both text and class material	40%
Total	100%

Group Assignments

This assignment will cover the broader class theory and case material covered in lecture. It is to be completed by groups of 2-3 students and submitted online via the ‘Dropbox’ on A2L by the given deadlines. The assignments will be posted two weeks prior to its due date with details regarding the content and evaluation. Students will be able to choose their group members.

Midterm Examination

This midterm examination will be written in the 6th week of class. Details will be provided closer to the midterm examination.

Any student missing this test is required to follow the procedures listed below in this course outline.

Final Exam

Details will be provided during the examination review during class.

Grade Conversion

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme.

LETTER GRADE	PERCENT	LETTER GRADE	PERCENT
A+	90 - 100	C+	67 - 69
A	85 - 89	C	63 - 66
A-	80 - 84	C-	60 - 62
B+	77 - 79	D+	57 - 59
B	73 - 76	D	53 - 56
B-	70 - 72	D-	50 - 52
		F	00 - 49

COMMUNICATION AND FEEDBACK

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Area Administrative Assistants. All students must receive feedback regarding their progress prior to the final date by which a student may cancel the course without failure by default.

Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar “Requests for Relief for Missed Academic Term Work” and the link below;

<http://ug.degroote.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

ACADEMIC INTEGRITY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity. It is your responsibility to understand what constitutes academic dishonesty.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g. the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/), located at <https://secretariat.mcmaster.ca/university-policies-procedures-guidelines/>

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
- improper collaboration in group work.
- copying or using unauthorized aids in tests and examinations.

AUTHENTICITY/PLAGIARISM DETECTION

Students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. A2L, etc.) using plagiarism detection (a service supported by Turnitin.com) so it can be checked for academic dishonesty.

Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software.

All submitted work is subject to normal verification that standards of academic integrity have been upheld (e.g., on-line search, other software, etc.). For more details about McMaster’s use of Turnitin.com please go to www.mcmaster.ca/academicintegrity.

COURSES WITH AN ON-LINE ELEMENT

Students should be aware that, when they access the electronic components of a course using these elements, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course.

The available information is dependent on the technology used. Continuation in a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

ONLINE PROCTORING

This software may require students to turn on their video camera, present identification, monitor and record their computer activities, and/or lock/restrict their browser or other applications/software during tests or exams. This software may be required to be installed before the test/exam begins.

CONDUCT EXPECTATIONS

As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the “Code”). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, whether in person or online.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students’ access to these platforms.

ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES

Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or sas@mcmaster.ca to make arrangements with a Program Coordinator. For further information, consult McMaster University’s [Academic Accommodation of Students with Disabilities](#) policy.

ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the RISO policy. Students should submit their request to their Faculty Office normally within 10 working days of the beginning of term in which they anticipate a need for accommodation or to the Registrar's Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

COPYRIGHT AND RECORDING

Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, including lectures by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

EXTREME CIRCUMSTANCES

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, A2L and/or McMaster email.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce 4FW3 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.

Lack of awareness of the course policies cannot be invoked at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

COMMERCE 4FW3 FINANCE FOR ENTREPRENEURS Fall 2021 Course Schedule

LECTURE	DATE C01	DATE C02	CHAPTER	
<i>Background:</i>	Sept 8 th	Sept 8 th	1	Review Course Outline Introduction to finance for Entrepreneurs.
	Sept 15 th	Sept 13 th	2, 3	Developing Business Idea Organizing and Financing a New Venture
<i>Organizing and Operating:</i>	Sept 22 nd	Sept 20 th	4,5	Preparing and Using Financial Statements. Evaluating Operating and Financial Performance.
	Sept 29 th	Sept 27 th	6	Managing Cash Flow` Midterm Review Group Assignment 1 Due: Oct 2nd
	October 8 th 19:00	October 8 th 19:00		No Class – Midterm Scheduled Online (through A2L)
	Oct 11 th	Oct 13 th		Midterm Recess – No Class
<i>Planning:</i>	Oct 18 th	Oct 20 th	7 9	Types and Costs of Financial Capital Projecting Financial Statements
	Oct 25 th	Oct 27 th	10	Valuing Early-Stage Ventures
<i>Creating and Recognizing Value:</i>	Nov 1 st	Nov 3 rd	11,12	Venture Capital Valuation Methods. Professional Venture Capital
	Nov 8 th	Nov 10 th	13	Other Financing Alternatives Group Assignment #2 Due: Nov 13th
	Nov 15 th	Nov 17 th	14	Security Structures and Determining Enterprise Values
<i>Exit and Turnaround Strategies:</i>	Nov 22 nd	Nov 25 th	15	Harvesting Business Venture
	Nov 29 th	Dec 1 st	16	Financially Troubled Ventures: Turnaround Opportunities? Exam Review