

**COMMERCE 4FW3 (C02)
FINANCE FOR ENTREPRENEURS
Fall 2024 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 2: Wed 11:30 am – 2:20 pm
Class Location: (Available on Mosaic)

Prof. Sumit Bose, MBA CFP FMA CIWM FCSI
Instructor
sbose@mcmaster.ca
Office: TBA
Office Hours: By Appointment

Course website: <http://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.

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
<http://avenue.mcmaster.ca>

Textbook: *Entrepreneurial Finance, 7th Edition, Leah and Melicor.*

- ISBN-10: 0357442040 | ISBN-13: 9780357442043
Purchase a copy at the bookstore

OPTIONAL COURSE MATERIALS AND READINGS

Small Business Management: Launching and Growing New Ventures, 6th Cdn. Edition | Longenecker, Donlevy, Champion, Petty, Palich and Hoy

- ISBN-13: 9780176532215 | ISBN-10: 0176532218

COURSE DELIVERY AND TOOLS

LEARNING ACTIVITIES	DELIVERY	DESCRIPTION	TOOL(S)
Lecture Core Content	In-person	Live in-person lectures	
Readings	Asynch	Textbook Chapters and Readings on Avenue	Textbook
Class Discussions	In Person	Participation Questions and cases discussed during Live Class	

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.

Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF.

All work will be evaluated on an individual basis except in certain cases where group work is expected. In these cases, group members will share the same grade.

Your final grade will be calculated as follows:

Components and Weights

EVALUATION	DESCRIPTION	WEIGHT
Participation	Attendance and engagement in weekly class Contribution (individual)	10%
Mid-Term #1	Ch. 1-7: Multiple Choice Exam with few short answer (individual)	25%
Mid-Term #2	Ch. 9-16: Multiple-Choice Exam with few short answer (individual)	35%
Term Project	Group Case Assignment (group): Business Plan	30%
Total		100%

NOTE: The use of a McMaster standard calculator is allowed during examinations in this course. See McMaster calculator policy at the following URL:

www.mcmaster.ca/policy/Students-AcademicStudies/UndergraduateExaminationsPolicy.pdf

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

COURSE DELIVERABLES

Midterm #1 Examination

This midterm #1 examination will be written in the 6th week of class and that accounts for **25%** of your final grade. The exam will cover material from the text book, readings, lectures and class discussion. The multiple-choice exam will **NOT** cover case content material and will NOT cover optional readings. It will be a closed book examination covering chapters 1-7. The format will be mostly M/C with a few short answers. 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.

Midterm #2 Examination

The Midterm #2 examination will account for **35%** of your final grade and will be written in the 13th week of class. It will be closed book and will cover chapters 9-16. The MT #2 exam will be mostly M/C with a few short answers. Details will be provided during class and on Avenue.

USE OF CALCULATORS AND COMPUTERS

Students may use any calculator or computer during the term as aids.

Calculators are allowed during the exam; however, ***no calculator, computer, or device may be used to access the Internet during the time of a test or an exam.***

Participation / Class contribution

Class Participation is worth **10%** of your final grade.

It is imperative that students prepare for every class. No class attendance results in zero mark.

NOTE:

There are two sections in this course with different instructors. **The sections are not interchangeable.** Participation and attendance marks will only be assigned for the section in which the student is enrolled.

Name cards and class pictures are used to help give credit for your participation. You must have a name card with your full first and last name clearly written and displayed in front of you for every class.

Your contribution is an essential component in the overall education process. Contribution takes place in many forms: asking informed questions in class, making intelligent comments, reading the case and being prepared to discuss the issues, actively listening to your peers and working with others. Please remember that quantity is no substitute for quality.

There will be ample opportunity to contribute to the class. The format of the in-class discussions of cases may take a variety of forms including: group analysis of single case issues during class, presentation of issues and leading discussions of the case issues.

It is your responsibility to ensure that you take an active role in class. If this is a problem for you, I urge you to talk to me to discuss ways that you can make a contribution. The grading for the class contribution in each class is as follows:

Grade	Student Contribution
0	Does not show up for class.
1	Attends class but says very little.
2	Makes a significant contribution to the class by making important points with a significant element of originality or demonstrating mastery of difficult theoretical issues or concepts; is always prepared having read and analyzed prior to class, the various aspects of the problems and issues involved, shares in class presentations, contributes to in-class group work.

Note that there is no partial (non-integer) participation grade awarded for a class. Students may be asked to share their detailed analysis with, or otherwise present their solutions to, the class in order for their contribution to be qualified as significant.

Term Project

The Term Project Group Assignment will account for **30%** of your final grade and group members will share the same grade.

Students will look to create a business plan of a 'real life company' or 'start-up' implementing the different financial stages of a business cycle in class.

Specific details regarding format, structure, and process will be provided to students online and in class as it pertains to the term project (by each chapter).

The group assignment report can be completed in groups of **maximum 5** students. The **Group leader will email the list of group members** to the instructor by the end of the **third week** of the term. All group members will be assigned identical grades for group work. A representative of your group should submit the assignment (only one submission for each group) of your group's answer to the **Assignments Dropbox** on Avenue. Make sure all contributing group members' names are on the assignment. Each group member is expected to contribute to the assignment.

Your mark will be first based on content, and second, on presentation. Presentation includes effective and correct use of the English language.

Each report must include an executive summary (maximum length of two pages) outlining key issues and conclusion. Figures and tables should be put in an appendix at the end of the report. All tables and figures must be numbered and all pages (including pages with tables and figures) must also be numbered.

The written assignments and presentation materials are due by 9:00 am ET on the due date indicated on the class schedule section of the course outline. Late assignments will not be accepted unless the student and the professor have made prior arrangements.

Oral Group Presentations will be held in class **on the due date indicated on the class schedule section of the course outline** and should not be more than **15 minutes** per group. You may use powerpoints or any other tool to make your presentations interesting and professional.

COMMUNICATING WITH YOUR INSTRUCTOR:

Communicating with Your Instructor:

During the course, your instructor will interact with you on various course matters on the course website using the following ways of communication:

- **Announcements:** The instructor will use **Announcements** on the **Avenue Course Home page** to provide you with course reminders and updates. Please check this section frequently for course updates from your instructor.
- **Email:** If you have a conflict that prevents you from completing course requirements, or have a question concerning a personal matter, you can send your instructor a private message by email. The instructor will respond to your email within 24 to 48 hours. Make sure to add '4FW3 – C02' in the subject line of email.
- **Zoom Meetings:** Students can also request a Zoom meeting by requesting the instructor by e-mail.
- **(In Case of classes moving to an online format,** Online Virtual classes will be held via Zoom meeting. The link to register for the online class will be posted on Avenue. Students are required to join the online lectures with their full names for participation and attendance.)

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.

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.

- *For Level 1 and Level 2 courses, this feedback must equal a minimum of 20% of the final grade.*
- *For Level 3 courses and above, this feedback must equal a minimum of 10% of the final grade.*

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

Students who have concerns about the course content, evaluation methods, or delivery should first reach out to the course instructor. If your concern remains unresolved after speaking with the instructor, you may then reach out to the relevant Area Chair for further consideration.

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.degroot.mcmaster.ca/forms-and-resources/missed-course-work-policy/>

* Non-Commerce students must follow the Missed Course Work protocols outlined by their home faculty and Program Office.

COURSE MODIFICATION

From time to time there may be a need to remove/add topics or to change the schedule or the delivery format. If these are necessary, you will be given as much advance notice as possible.

GENERATIVE AI

USE PROHIBITED

Students are not permitted to use generative AI in this course. In alignment with [McMaster academic integrity policy](#), it "shall be an offence knowingly to ... submit academic work for assessment that was purchased or acquired from another source". This includes work created by generative AI tools. Also state in the policy is the following, "Contract Cheating is the act of "outsourcing of student work to third parties" (Lancaster & Clarke, 2016, p. 639) with or without payment." Using Generative AI tools is a form of contract cheating. Charges of academic dishonesty will be brought forward to the Office of Academic Integrity.

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](#).

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

Some courses may use a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. For courses using such software, students will be expected to submit their work electronically either directly to Turnitin.com or via an online learning platform (e.g. Avenue to Learn, 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

Some courses may use on-line elements (e.g. e-mail, Avenue to Learn, LearnLink, web pages, capa, Moodle, ThinkingCap, etc.). 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

Some courses may use online proctoring software for tests and exams. 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, Avenue to Learn and/or McMaster email.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in **Commerce 4FW3 (C02)** 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.

COURSE EVALUATIONS

A course evaluation will be conducted near the end of the term. Students are asked to participate in this evaluation.

COURSE SCHEDULE

**COMMERCE 4FW3 (C02)
FINANCE FOR ENTREPRENEURS
Fall 2024 Course Schedule**

WEEK	LECTURE	DATE	CHAPTER	
1	<i>Background:</i>	Sept 4	1	Review Course Outline Introduction to Finance for Entrepreneurs
2		Sept 11	2, 3	Developing Business Idea Organizing and Financing a New Venture
3	<i>Organizing and Operating:</i>	Sept 18	4, 5	Preparing and Using Financial Statements. Evaluating Operating and Financial Performance.
4		Sept 25	6	Managing Cash Flow`
5	<i>Planning:</i>	Oct 2	7, 9	Types and Costs of Financial Capital Projecting Financial Statements Term Project Proposal (Phase I)
6	MIDTERM #1 EXAM	Oct 9		Midterm Exam #1 (Ch 1-7)
7		Oct 14 – Oct 20		Midterm Recess – No Class
8		Oct 23	10	Valuing Early-Stage Ventures
9	<i>Creating and Recognizing Value:</i>	Oct 30	11, 12	Venture Capital Valuation Methods. Professional Venture Capital
10		Nov 6	13	Other Financing Alternatives
11		Nov 13	14	Security Structures and Determining Enterprise Values
12	<i>Exit and Turnaround Strategies:</i>	Nov 20	15, 16	Harvesting Business Venture Financially Troubled Ventures: Turnaround Opportunities?
13	MIDTERM #2 EXAM	Nov 27		Midterm Exam #2 (Ch 9-16)
14	<i>Term Project Report</i>	Dec 3 (9:00 am)		(9:00 am) Term Project Due (Phase III)
14	<i>Term Project Presentations</i>	Dec 4		(In-class) Group Presentations (Phase II)