

**Commerce 4FW3  
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 by thoroughly understanding, applying and integrating the following six Business Life Cycle Stages: the Pre Development/Ideation Stage; the Development Stage; the Start Up Stage; the Survival Stage; the Rapid Growth Stage; and the Early Maturity Stage. The focus will be on those financial and business issues and decisions of particular concern to those entrepreneurs who are looking to start up, commercialize and globally scale their entrepreneurial initiatives. This will include a thorough understanding of the financial aspects of the interconnected relationships between the firm, its employees, and key stakeholders such as: the owners; the creditors; the regulatory bodies, the media, and the overall public. This course is designed for non-business majors.

***PROFESSOR AND CONTACT INFORMATION***

**Professor Thomas G.C. Gerginis  
B.A. (Hons.); M.I.A; JD; MBA**

**Each Monday from September 9th to Monday December 3rd 8:30 am – 11:20 am**

***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: YES	
Final Exam: Yes,	Guest speaker(s): Yes			

## ***COURSE DESCRIPTION***

This course covers key aspects of successful entrepreneurship including development of a business plan, organizing and financing a new venture, measuring and evaluating financial performance, short-term and long-term financial planning and cash flow analysis, creating and recognizing venture value, structuring financing for the growing venture, and exit and turnaround strategies.

## ***LEARNING OUTCOMES***

Upon successful 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 a 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.

## ***COURSE MATERIALS AND READINGS***

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

*Avenue registration for course content, readings, and case materials <http://avenue.mcmaster.ca>.*

## **COURSE DELIVERY AND TOOLS**

### **LEARNING ACTIVITIES DELIVERY DESCRIPTION TOOL(S)**

<b>Lecture Core Content</b>	In-person	Live in-person lectures	
<b>Readings</b>	Asynch	Textbook Chapters and Readings on Avenue	Textbook
<b>Class Discussions</b>	In Person	Participation Questions and cases discussed during Live Class	

## **COURSE OVERVIEW AND ASSESSMENT**

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 and case studies.

Missed tests/exams will receive a grade of zero unless the student has submitted and has 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.

One of the key components in which to be a successful entrepreneur is learning to push oneself outside of one's respective comfort zones in order to attain the best possible option or the best combination of options to attain the optimal entrepreneurial objective.

The format of this course is a hybrid combination of individual and group learning. The goal of this course is helping the student learn Finance for Entrepreneurs by integrating three learning modules:

Learning Module One = learning via one's individual study of the readings and the assignments.

Learning Module Two = learning via knowledge sharing amongst one's study group (each student will belong to a group study of approximately 4 to 5 students); and

Learning Module Three = learning via knowledge amongst the entire class sharing with all students and professors during the weekly classes.

Your final grade will be calculated as follows:

### Components and Weights

EVALUATION	WEIGHT	DESCRIPTION
<b>Participation</b>	30%	Attendance and engagement in weekly class Contribution (individual)
<b>Mid-Term</b>	30%	Ch. 1-9: Multiple Choice Exam with few short answer (individual)
<b>Final Exam</b>	40%	Ch. 1 - 15 Capstone Cases Which Will Cover the Entire Course
<b>Total</b>	<b>100%</b>	

#### *Format of the Course*

Please see Course Schedule 2024 for a description of the Format of each class.

### **COURSE DELIVERABLES**

#### ***Participation/ Class Contribution = 30%***

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

**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 Participation/Class Contribution of 30% is divided into two equal parts:**

**Part “A” = 15% Group Participation Assessment**

- This 15% grade will comprise approximately 3 oral assessments conducted throughout the course.
- Each Study Group will have three assessments (oral and written), each worth 5%.
- At the beginning of each class, I will select a Study Group to present their answers, insights and findings gained from completing the assigned problem packs and case studies.
- The Study Group will be rewarded with one grade which will be shared by all members of the Study Group.
- The grade will reflect the level of thoroughness and understanding of the assigned questions and cases and the ability to answer follow up questions from the class discussions.
- There will be 3 group assignments worth **5%** each for a total of **15% of your final grade** and will cover the broader class theory and case material covered in lecture.
- It is to be completed by groups of 3-5 students.
- 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.

**Part “B” = 15% Individual Participation Assessment**

- At the second part of each class, I will select 5 students to provide their understanding, analysis, and comprehension gained from the assigned readings for that day's class.
- Each student will have three opportunities throughout the course in which to be assessed (i.e., each oral assessment will be worth 5%).
- The grade will reflect the level of thoroughness and understanding of the assigned readings and the ability to answer follow up questions from the class discussions.

**The grading for the class contribution in each class is as follows:**

Grade	Student Contribution
0	Does not show up for class or if the student has not completed the reading or is ill-prepared for the class.
1	Attends class but says very little.
2	Has read the material but is unable to extrapolate further than what has been read.
3 - 5	Makes a <b>significant</b> 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.

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.

***Midterm Examination***

This midterm examination will be written in the 6th week of class and that accounts for **30%** of your final grade. The exam will cover material from the textbook, 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 1-9. 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.

***Final Exam***

The Final examination will account for 40% of your final grade and will be scheduled by the registrar. It will be a closed book and will cover chapters 1 - 15. The final exam will be a Capstone Case requiring the student to ascertain what the issues are and providing the necessary analysis and recommendations for a solution. 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.***

### ***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

## ***COMMUNICATING WITH YOUR PROFESSOR:***

### **Communicating with Your Professor:**

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

**Announcements:** The professor 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 professor.

**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 professor a private message by email. The professor will respond to your email within 24 to 48 hours. Make sure to add '4FW3' in the subject line of email.

**Zoom Meetings:** (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.) Students can also **request** a Zoom meeting by requesting the professor by e-mail.

### **COMMUNICATION AND FEEDBACK**

Students who wish to correspond with professors 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.

- *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.*

Professors 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.degroot.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***

**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. 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 professor 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](http://www.mcmaster.ca/academicintegrity).

## ***COURSES WITH AN ON-LINE ELEMENT***

***Some courses may*** use on-line elements (e.g. email, Avenue to Learn (A2L), web pages, TopHat, MS Teams, 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 online elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure, please discuss this with the course professor.

## ***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](mailto: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 **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 professors 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 professor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University professors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the professor 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 professor 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.

## ***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 FINANCE FOR ENTREPRENEURS Fall 2024 Course Schedule

WEEK	LECTURE	DATE C01	CHAPTER	
1	<b>Introduction:</b>  <b>Part I: The Entrepreneurial Environment</b>	Sept 9th	1	<ul style="list-style-type: none"> <li>● Introductions and Review Course Outline</li> <li>● Students form Study Groups (5 Study Groups of 4 to 5) and advise the professor of names of team members in each group.</li> <li>● Ch 1 Introduction to Finance for Entrepreneurs.</li> <li>● Before End of Each Class:               <ol style="list-style-type: none"> <li>1. Professor to assign questions and case studies which are to be completed for the next class by each of the Study Groups.</li> <li>2. Professor to advise which Chapters must be read for the next class.</li> </ol> </li> </ul>
2	<b>Part 1:</b> <b>The Entrepreneurial Environment</b>  <b>Part 2:</b> <b>Organizing and Operating the Venture</b>	Sept 16th	2, 3	<p><b>Part I:</b> This part of each class will be devoted to taking up the answers to the questions from the previous session's questions and case studies.</p> <ul style="list-style-type: none"> <li>● At the start of Part I, the professor will select one Study Group where each member of the selected Study Group will provide the research, analysis and learnings gained from the assigned questions and case studies.</li> <li>● The non-selected Group Study members are expected to participate in the discussions that are led by the selected Group Study members plus the other students and the professor.</li> <li>● The goal is to build and apply the learnings from the previous class.</li> <li>● It provides us with an opportunity to determine whether the concepts, principles and teachings are properly understood and applied.</li> </ul> <p><b>Part II:</b> This part of each class will be devoted to discussing the assigned chapters for the class.</p> <ul style="list-style-type: none"> <li>● At the start of Part II, the professor will select 5 students who will be called upon to explain key components of their learnings from the assigned chapters for the class: Chapter 2: Developing Business Idea Chapter 3: Organizing and Financing a New Venture</li> <li>● Before end of the class, the professor will"               <ol style="list-style-type: none"> <li>1. Assign questions and case studies which are to be completed by all of the Group Study Groups.</li> <li>2. Assign which Chapters to have been read by the next class.</li> </ol> </li> </ul>

3	<b>Part 2: Organizing and Operating the Venture</b>	Sept 23rd	4, 5	Chapter 4: Preparing and Using Financial Statements. Chapter 5: Evaluating Operating and Financial Performance.
4	No Class	Sept 30		
5	<b>Part 3: Planning for the Future</b>	Oct 7th	6, 7	Chapter 6: Managing Cash Flow Chapter 7: Types and Costs of Financial Capital <b>Chapter 8: Securities Law Will Not Be Covered in This Course</b>
			Midterm Recess – No Class	
	<b>MIDTERM EXAM</b>	Oct 21st		<b>Midterm Exam (Ch 1- 7).</b>
6	<b>Part 4: Creating and Recognizing Venture Value</b>	<b>Oct 28<sup>th</sup></b>	9, 10	Chapter 9: Projecting Financial Statements Chapter 10: Valuing Early-Stage Ventures
7	<b>Part 4: Creating and Recognizing Venture Value</b>  <b>Part 5: Structuring Financing for the Growing Venture</b>	Nov 4 <sup>th</sup>	11, 12	Chapter 11: Venture Capital Valuation Methods Chapter 12: Professional Venture Capital  <b>Guest Lecturer: Entrepreneurial Business Builders</b>
8	<b>Part 5: Structuring Financing for the Growing Venture</b>	Nov 11 <sup>th</sup>	13	Chapter 13: Other Financing Alternatives  <b>Guest Lecturer: Entrepreneurial Business Builders</b>
9	<b>Part 5: Structuring Financing for the Growing Venture</b>	Nov 18 <sup>th</sup>	14	Chapter 14: Security Structures & Determining Enterprise Values
10	<b>Part 6: Exit</b>	Nov 25 <sup>th</sup>	15	Chapter 15: Harvesting Business Venture <b>C. 16 Financially Troubled Ventures: Turnaround Opportunities? Will Not Be on the Exam</b>

11		Dec 2 <sup>nd</sup>		
	<b>FINAL EXAM</b>	<b>Final Exam (Ch 1 – 15). Chapters 8 and 16 will not be on the exam.</b>		