

<b>Code</b>		<b>ECTS Credit</b>	<b>3</b>	<b>HUN Credit</b>	<b>3</b>
<b>Term:</b>	<i>fall</i>	<b>Level:</b>	<b>2</b>		
<b>Module Title:</b>	<b>ENTREPRENEURIAL FINANCE</b>				
<b>Module Leader:</b>	<i>Dr. Monika Kuti, PhD</i> assistant professor	<b>Office Hours:</b>	<i>TBA</i>		
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<b>Short Description:</b>	<p>On the course we examine how to raise funds for different phases in entrepreneurial growth. The course will navigate you through a wide range of financing forms, including crowdfunding, business angels, VCs, bank finance and the importance of financial flexibility. You will learn how to develop your own crowdfunding campaign on <a href="http://pecs.hubbub.net">pecs.hubbub.net</a>. Advanced valuation techniques will also be addressed to enhance your understanding of value creation. FinTech revolution will also be revealed for you so that you can think in terms of technological innovation available for entrepreneurs.</p>				
<b>Sessions (weeks): 14</b>					
<b>Schedule is tentative and subject to change.</b>					
<b>1.</b>	Stages in entrepreneurial finance				
<b>2.</b>	Cash flow management				
<b>3.</b>	Crowdfunding and open source innovation				
<b>4.</b>	Characteristics of donation-, reward-, equity- and debt-based crowdfunding				
<b>5.</b>	Equity financing: angels, VCs, private equity				
<b>6.</b>	Bank finance and covenant design				
<b>7.</b>	Financial distress and financial failure				
<b>8.</b>	<i>Fall break</i>				
<b>9.</b>	Advanced techniques for enterprise valuation				
<b>10.</b>	Risk management and hedging tools for entrepreneurs				
<b>11.</b>	Financial flexibility				
<b>12.</b>	Access to sustainable finance for socially responsible entrepreneurs				
<b>13.</b>	FinTech and technological disruption in finance				
<b>14.</b>	Presentation of crowdfunding campaign developed on <a href="http://pecs.hubbub.net">pecs.hubbub.net</a>				

<p><b>Rationale Including Aims:</b></p>	<ul style="list-style-type: none"> <li>• To become familiar with the different forms of finance available for different investment needs during entrepreneurial life cycle</li> <li>• To grasp information asymmetry problems of financiers.</li> <li>• To know the structure and the logic of business valuation.</li> <li>• To understand the difference between the motives of finance providers.</li> <li>• To be able to determine the main drivers of the value creation.</li> <li>• To know how to communicate to different investors.</li> <li>• To work with others within a team.</li> </ul>
<p><b>Learning Outcomes: Knowledge</b></p>	<ul style="list-style-type: none"> <li>• <b>Discuss</b> the importance how to make relevant financing decisions for entrepreneurship and innovation.</li> <li>• <b>Recognize</b> the difference between theory and practice of entrepreneurial finance.</li> <li>• <b>Describe</b> the mechanics of fundraising.</li> <li>• <b>Demonstrate</b> the ability to participate effectively as a team member or leader.</li> <li>• <b>Prepare</b> and deliver persuasive presentations.</li> </ul>
<p><b>Learning Outcomes: Skills</b></p>	<ul style="list-style-type: none"> <li>• <b>Analyze</b> pros and cons of any financing alternatives.</li> <li>• <b>Articulate</b> the level of financial flexibility.</li> <li>• <b>Identify</b> and <b>assess</b> crowdfunding opportunities and campaign quality.</li> <li>• <b>Use</b> the risk management techniques as an entrepreneur.</li> </ul>
<p><b>Teaching and Learning Strategies:</b></p>	<p>The lectures, readings, exercises and projects challenge you to think critically about the fundraising options open for entrepreneurs. Learning-based crowdfunding will be a new teaching method to build relevant competences and to foster group work. You can raise funds directly to your business ideas via <a href="http://pecs.hubbub.net">pecs.hubbub.net</a>. Professionals will be invited to discuss finance related issues and to contract theory with reality. For group assignment you will have to formulate groups of 3 on the first week.</p>
<p><b>Assessment Scheme:</b></p>	<p>Boostrapping plan, crowdfunding campaign development, matching VC venture selection criteria – 40%</p> <p>Credit analysis and bankruptcy prediction – 20%</p> <p>Valuation techniques – 20%</p> <p>Risk analysis – 10%</p> <p>Class participation – 10%</p>
<p><b>Further on Assessment:</b></p>	<p>Class participation will be assessed on your contribution to class discussions.</p>
<p><b>Core Learning Materials:</b></p>	<ul style="list-style-type: none"> <li>• Rogers, S, Makonnen, R. (2014): Entrepreneurial finance. McGraw-Hill Education.</li> <li>• Smith, J. K; Smith, R. L.; Bliss, R. T. (2011): Entrepreneurial Finance. Strategy, Value and Deal Structure. Stanford University Press</li> <li>• Arner, Douglas W. and Barberis, Janos Nathan and Buckley, Ross P., The Evolution of Fintech: A New Post-Crisis Paradigm? (October 1, 2015). University of Hong Kong Faculty of Law Research Paper No. 2015/047. Available at SSRN: <a href="http://ssrn.com/abstract=2676553">http://ssrn.com/abstract=2676553</a></li> <li>• Articles and case studies published on Neptun MeetStreet</li> </ul>