

Entrepreneurial Finance FNCE 4319

Professor:	Dr. Paul Gilson
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Office Hours:	I will generally be in from 2 – 3pm on Tuesdays and 12:30 to 1:30 on Wednesdays. I am often around outside office hours, so stop by if you need to see me.

COURSE OBJECTIVE

The object of this course is to educate students on the financial skills and techniques that are valuable in entrepreneurial ventures. On completion of this course students should have the necessary skills to both understand the financial problems associated with a new business and how to tackle these problems. During the semester we will cover all aspects of project evaluation including the use of option methodology.

COMMUNICATION

I will generally be in from 2 – 3pm on Tuesdays and 12:30 to 1:30 on Wednesdays. And I am also available by appointment. Students are encouraged to communicate through email as much as possible. PowerPoint presentations, class notes and handouts, if any, will be posted on HuskyCT.

TEXTBOOK

The *optional* textbook is Venture Capital and the Finance of Innovation by Metrick (henceforth “Met”). Get this any way you can – the first or second edition is fine. I will also extensively use Entrepreneurial Finance by Smith and Smith – but this is not a required or optional textbook.

COURSES REQUIREMENTS AND GRADING

The following (apart from the final exam info is SUBJECT TO CHANGE). There will be one final exam worth 35% of your final grade. The final exam will be during finals week, time and location as per official record. There will also be a number of group projects and homework (likely 5-8), each will be worth an equal amount of the final grade with the total of all projects and homework worth 65%. NOTE, in the syllabus as it stands, I have most work denoted as HOMEWORK – this may change as we progress. The difference between homework and project is that for homework, I expect a hardcopy answer from EACH student. For projects, I will assign teams (randomly selected for each project); only one hardcopy solution PER TEAM.

For all graded work, you must properly cite sources of information as well as the ideas and words of others. Misrepresenting someone else’s work as one’s own is a serious offense in any academic setting and it will not be condoned. Cheating of any sort will not be tolerated and will result in a failure of the exam or assignment, deduction in the class participation grading component, and potential failure of the course.

A student who knowingly assists another student in committing an act of academic misconduct shall be equally accountable for the violation, and shall be subject to the sanctions and other remedies described in The Student Code. For details refer to http://www.dos.uconn.edu/student_code.html Appendix A

section B.- Conduct Rules and Regulation item 1 - Violation of the Academic Integrity in Undergraduate Education and Research.

On February 2, 2009, the University Senate passed a motion on about religious observances which stipulated that “Students anticipating such a conflict should inform their instructor in writing within the first three weeks of the semester, and prior to the anticipated absence, and should take the initiative to work out with the instructor a schedule for making up missed work.” For conflicts with final examinations, students should, as usual, contact the Office of Student Services and Advocacy (formerly the Dean of Students Office).

TOPICS TO BE COVERED

Topic	Comment
Introduction	Cover the syllabus and discuss the focus of this course, we will also set the framework with a general discussion of startup financing
Financing of Startups	Various Sources. When Founders go to Far
Preferred Stock	Met 9. Homework 1 – Preferred Stock. Everything You Wanted to Know About VC Liquidation Preference but Were Afraid to Ask
Valuation – The VC and FC Method	Met 10. Homework 2 – VC and FC Valuation.
Valuation – DCF Analysis of Growth Companies	Met 11. Homework 3.
Comparables Analysis	Met 12. Project 1.
Option Pricing	Met 13. Homework 4.
Valuation of Preferred Stock	Met 14. Homework 5.
IF We have sufficient time:	
Revenue Forecasts for New Ventures	Various Sources. Project 2.
Monte Carlo Simulation	Met 20. Project 3.
Real Options	Met 21. Project 4.
Game Theory	Met 23. Homework 6.