



# MMBA8047

## Entrepreneurial Finance

MGSM term 4, Intensive attendance, North Ryde 2020

*Department of Applied Finance*

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### Disclaimer

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### Notice

As part of [Phase 3 of our return to campus plan](#), most units will now run tutorials, seminars and other small group learning activities on campus for the second half-year, while keeping an online version available for those students unable to return or those who choose to continue their studies online.

To check the availability of face-to-face and online activities for your unit, please go to [timetable viewer](#). To check detailed information on unit assessments visit your unit's iLearn space or consult your unit convenor.

## General Information

Unit convenor and teaching staff

Karl Rodrigues

[karl.rodrigues@mq.edu.au](mailto:karl.rodrigues@mq.edu.au)

Contact via Email

Credit points

10

Prerequisites

MGSM840 or MMBA8040 or AFCP801 or AFCP8001

Corequisites

Co-badged status

Unit description

Entrepreneurial Finance examines the theory and practice associated with the financing of new ventures. This unit explores sources of funding, risk, venture capital financing terms and models, value creation, and exits. This study of entrepreneurial finance will enhance your ability to finance and launch new ventures, from both the viewpoints of the entrepreneur and external investors.

## Important Academic Dates

Information about important academic dates including deadlines for withdrawing from units are available at <https://www.mq.edu.au/study/calendar-of-dates>

## Learning Outcomes

On successful completion of this unit, you will be able to:

**ULO1:** Analyse the financial aspects of new venture business strategy and planning to choose the best source of financing.

**ULO2:** Explore the role of diverse mindsets of different cultures and markets in how investors may view opportunities.

**ULO3:** Assess and integrate ethical, social and environmental considerations for responsible new venture financing.

**ULO4:** Analyse stakeholder relationships to generate new venture finance strategies that create and deliver sustainable value across complex networks.

## General Assessment Information

No extensions will be granted. There will be a deduction of 10% of the total available marks made from the total awarded mark for each 24 hour period or part thereof that the submission is late (for example, 25 hours late in submission – 20% penalty). This penalty does not apply for cases in which an application for Special Consideration is made and approved.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<a href="#"><u>Group Case Presentation</u></a>	15%	No	Refer to iLearn
<a href="#"><u>Group Case Term Sheet &amp; Report</u></a>	15%	No	Refer to iLearn
<a href="#"><u>Individual Assignment</u></a>	30%	No	Refer to iLearn
<a href="#"><u>Final Examination</u></a>	40%	No	Refer to timetable

### Group Case Presentation

Assessment Type <sup>1</sup>: Presentation

Indicative Time on Task <sup>2</sup>: 10 hours

Due: **Refer to iLearn**

Weighting: **15%**

Students will work on the case in a group and present individually in class.

On successful completion you will be able to:

- Analyse the financial aspects of new venture business strategy and planning to choose the best source of financing.
- Explore the role of diverse mindsets of different cultures and markets in how investors may view opportunities.
- Assess and integrate ethical, social and environmental considerations for responsible new venture financing.
- Analyse stakeholder relationships to generate new venture finance strategies that create and deliver sustainable value across complex networks.

### Group Case Term Sheet & Report

Assessment Type <sup>1</sup>: Report

Indicative Time on Task <sup>2</sup>: 15 hours

Due: **Refer to iLearn**

Weighting: **15%**

Based on the presentation of the group case studies from the earlier assessment, the group has to submit an agreed Term Sheet and a Report.

On successful completion you will be able to:

- Analyse the financial aspects of new venture business strategy and planning to choose the best source of financing.
- Explore the role of diverse mindsets of different cultures and markets in how investors may view opportunities.
- Assess and integrate ethical, social and environmental considerations for responsible new venture financing.
- Analyse stakeholder relationships to generate new venture finance strategies that create and deliver sustainable value across complex networks.

## Individual Assignment

Assessment Type <sup>1</sup>: Project

Indicative Time on Task <sup>2</sup>: 20 hours

Due: **Refer to iLearn**

Weighting: **30%**

Students will be required to submit answers for an individual short answer and calculation question set.

On successful completion you will be able to:

- Analyse the financial aspects of new venture business strategy and planning to choose the best source of financing.
- Explore the role of diverse mindsets of different cultures and markets in how investors may view opportunities.
- Assess and integrate ethical, social and environmental considerations for responsible new venture financing.
- Analyse stakeholder relationships to generate new venture finance strategies that create and deliver sustainable value across complex networks.

## Final Examination

Assessment Type <sup>1</sup>: Examination

Indicative Time on Task <sup>2</sup>: 15 hours

Due: **Refer to timetable**

Weighting: **40%**

An open book three hour examination will be held during the University Examination Period.

On successful completion you will be able to:

- Analyse the financial aspects of new venture business strategy and planning to choose the best source of financing.
- Explore the role of diverse mindsets of different cultures and markets in how investors may view opportunities.
- Assess and integrate ethical, social and environmental considerations for responsible new venture financing.
- Analyse stakeholder relationships to generate new venture finance strategies that create and deliver sustainable value across complex networks.

<sup>1</sup> If you need help with your assignment, please contact:

- the academic teaching staff in your unit for guidance in understanding or completing this type of assessment
- the [Writing Centre](#) for academic skills support.

<sup>2</sup> Indicative time-on-task is an estimate of the time required for completion of the assessment task and is subject to individual variation

## Delivery and Resources

### Required Text

Leach, J.C. & Melicher, R.W., *Entrepreneurial Finance*, 6th Edition, Cengage Learning, ISBN: 9781305968356

For information on textbook prices and online ordering, please refer to the Booktopia webpage at <https://www.booktopia.com.au/entrepreneurial-finance-j-chris-leach/book/9781305968356.html>

### Unit Materials & Other Readings

Aside from the assigned textbook readings from the required text, all other reading materials are available at iLearn

### MGSM iLearn

The web page for this unit can be found at: <https://ilearn.mq.edu.au/login/MGSM>

#### Essential Readings (Provided at iLearn)

##### New Venture Financing

Stevenson, H.H., & Roberts, M.J. (2002). *New Venture Financing*, Harvard Business School Publishing, Boston, pp. 1–13.

##### Neverfail Computing (A)

D'Heilly, D., Ebel, K., & Bygrave, W.D. (2004). *Neverfail Computing*, Babson College, Harvard Business School Publishing, Boston, pp. 1–22.

<b>Funding New Ventures: Valuation, Financing and Capitalization Tables</b>  Roberts, M.J. (2005). <i>Funding New Ventures: Valuation, Financing and Capitalization Tables</i> , Harvard Business School Publishing, Boston, pp. 1–5.
<b>Deal Structure and Deal Terms</b>  Roberts, M.J., & Stevenson. H.H. (2005). <i>Deal Structure and Deal Terms</i> , Harvard Business School Publishing, Boston, pp. 1–8.
<b>SpiffyTerm Inc.</b>  Hellmann. T. (2001). <i>Spiffy Term, Inc.: January 2000</i> , Stanford Graduate School of Business, Harvard Business School Publishing, Boston, pp. 1–12.
<b>The Failure Chronicles</b>  Various (2011). <i>Harvard Business Review</i> , Harvard Business Publishing
<b>Group Case Studies</b>  To be supplied at the start of class
<b>Individual Case Study</b>  To be supplied at the start of class

## Unit Schedule

Session	Topic	Reading
1	Introduction and Context	Leach & Melicher (Textbook) Chapters 1, 2 & 3 New Venture Financing
2	Planning	Leach & Melicher (Textbook) Chapters 4, 6 & 7 Neverfail (A)
3	Valuation	Leach & Melicher (Textbook) Chapters 9 & 10 Funding New Ventures: Valuation, Financing and Capital Tables
4	Venture Capital	Leach & Melicher (Textbook) Chapters 11
5	Term Sheets	Deal Structure and Deal Terms
6	Deal Financing Detail Workshop 1	Spiffy Term Inc.

7	Deal Financing Detail Workshop 2	
8	Harvesting and Exits	Leach & Melicher (Textbook) Chapters 15 (skim 16) The Failure Chronicles
9	Presentations	
10	Integration and Review	

## Policies and Procedures

Macquarie University policies and procedures are accessible from [Policy Central](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>). Students should be aware of the following policies in particular with regard to Learning and Teaching:

- [Academic Appeals Policy](#)
- [Academic Integrity Policy](#)
- [Academic Progression Policy](#)
- [Assessment Policy](#)
- [Fitness to Practice Procedure](#)
- [Grade Appeal Policy](#)
- [Complaint Management Procedure for Students and Members of the Public](#)
- [Special Consideration Policy](#) (**Note:** *The Special Consideration Policy is effective from 4 December 2017 and replaces the Disruption to Studies Policy.*)

Students seeking more policy resources can visit the [Student Policy Gateway](https://students.mq.edu.au/support/study/student-policy-gateway) (<https://students.mq.edu.au/support/study/student-policy-gateway>). It is your one-stop-shop for the key policies you need to know about throughout your undergraduate student journey.

If you would like to see all the policies relevant to Learning and Teaching visit [Policy Central](https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central) (<https://staff.mq.edu.au/work/strategy-planning-and-governance/university-policies-and-procedures/policy-central>).

## Student Code of Conduct

Macquarie University students have a responsibility to be familiar with the Student Code of Conduct: <https://students.mq.edu.au/study/getting-started/student-conduct>

## Results

Results published on platform other than [eStudent](#), (eg. iLearn, Coursera etc.) or released directly by your Unit Convenor, are not confirmed as they are subject to final approval by the University. Once approved, final results will be sent to your student email address and will be made available in [eStudent](#). For more information visit [ask.mq.edu.au](https://ask.mq.edu.au) or if you are a Global MBA

student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## Student Support

Macquarie University provides a range of support services for students. For details, visit <http://students.mq.edu.au/support/>

## Learning Skills

Learning Skills ([mq.edu.au/learningskills](http://mq.edu.au/learningskills)) provides academic writing resources and study strategies to help you improve your marks and take control of your study.

- [Getting help with your assignment](#)
- [Workshops](#)
- [StudyWise](#)
- [Academic Integrity Module](#)

The Library provides online and face to face support to help you find and use relevant information resources.

- [Subject and Research Guides](#)
- [Ask a Librarian](#)

## Student Services and Support

Students with a disability are encouraged to contact the [Disability Service](#) who can provide appropriate help with any issues that arise during their studies.

## Student Enquiries

For all student enquiries, visit Student Connect at [ask.mq.edu.au](http://ask.mq.edu.au)

If you are a Global MBA student contact [globalmba.support@mq.edu.au](mailto:globalmba.support@mq.edu.au)

## IT Help

For help with University computer systems and technology, visit [http://www.mq.edu.au/about\\_us/offices\\_and\\_units/information\\_technology/help/](http://www.mq.edu.au/about_us/offices_and_units/information_technology/help/).

When using the University's IT, you must adhere to the [Acceptable Use of IT Resources Policy](#). The policy applies to all who connect to the MQ network including students.