



# AFIN8047

## Financing New Ventures

Session 2, Special circumstance 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

Unit Convenor

Karl Rodrigues

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

Credit points

10

Prerequisites

(80cp including (MGNT603 or ACCG6003)) or (40cp at 8000 level and admission to MMgmt)

Corequisites

Co-badged status

Unit description

This unit exposes students to the theory and practice associated with the financing of new ventures. It explores sources of funding, risk, venture capital financing terms and models, value creation, and exits. It will enhance students' ability to finance and launch new ventures, from the perspective of both 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:** Understand 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:** Critically review stakeholder relationships to generate new venture finance strategies that create and deliver sustainable value across complex networks.

## General Assessment Information

Assessment criteria for all assessment tasks will be provided on the unit iLearn site.

It is the responsibility of students to view their marks for each within-session-assessment on iLearn within 20 days of posting. If there are any discrepancies, students must contact the unit convenor immediately. Failure to do so will mean that queries received after the release of final results regarding assessment tasks (not including the final exam mark) will not be addressed.

### Late submissions and extensions

Tasks 10% or less – No extensions will be granted. Students who have not submitted the task prior to the deadline will be awarded a mark of 0 for the task, except for cases in which an application for special consideration is made and approved.

Tasks above 10% - 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. No submission will be accepted after solutions have been posted.

## Assessment Tasks

Name	Weighting	Hurdle	Due
<u>Individual Assignment</u>	30%	No	19/08/2020
<u>Group Case Study</u>	30%	No	Pt A Pres 16/08; Pt A TermSheet 30/08; Pt B Report 30/08
<u>Final Examination</u>	40%	No	During University Examination Period

### Individual Assignment

Assessment Type <sup>1</sup>: Problem set

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

Due: **19/08/2020**

Weighting: **30%**

Students will be required to respond to short answer and calculation questions.

On successful completion you will be able to:

- Understand 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.
- Critically review stakeholder relationships to generate new venture finance strategies that create and deliver sustainable value across complex networks.

## Group Case Study

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

Indicative Time on Task <sup>2</sup>: 25 hours

Due: **Pt A Pres 16/08; Pt A TermSheet 30/08; Pt B Report 30/08**

Weighting: **30%**

Part A: Students will work as a group to present the case and develop the Term Sheet (15%).

Part B: Students write an individual report, of up to 1,000 words, based on the group case presentation and Term Sheet (15%).

On successful completion you will be able to:

- Understand 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.
- Critically review 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: **During University Examination Period**

Weighting: **40%**

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

On successful completion you will be able to:

- Understand 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.
- Critically review stakeholder relationships to generate new venture finance strategies that create and deliver sustainable value across complex networks.

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<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 Co-Op Bookshop webpage at <http://www.coop.com.au>

### Unit Materials & Other Readings

Aside from the assigned textbook readings from the prescribed text, all other essential readings are below.

All other information can be found on the unit web page <https://ilearn.mq.edu.au/login/>

#### Essential Readings

##### 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.

### Funding New Ventures: Valuation, Financing and Capitalization Tables

Roberts, M.J. (2005). *Funding New Ventures: Valuation, Financing and Capitalization Tables*, Harvard Business School Publishing, Boston, pp. 1–5.

### Deal Structure and Deal Terms

Roberts, M.J., & Stevenson, H.H. (2005). *Deal Structure and Deal Terms*, Harvard Business School Publishing, Boston, pp. 1–8.

### SpiffyTerm Inc.

Hellmann, T. (2001). *Spiffy Term, Inc.: January 2000*, Stanford Graduate School of Business, Harvard Business School Publishing, Boston, pp. 1–12.

### The Failure Chronicles

Various (2011). *Harvard Business Review*, Harvard Business Publishing

## Unit Schedule

Session	Date	Topic	Reading
1	31 July 2020	Introduction and Context	Leach & Melicher (Textbook) Chapters 1, 2 & 3 New Venture Financing
2	31 July 2020	Planning	Leach & Melicher (Textbook) Chapters 4, 6 & 7 Neverfail (A)
3	1 Aug 2020	Valuation	Leach & Melicher (Textbook) Chapters 9 & 10 Funding New Ventures: Valuation, Financing and Capital Tables
4	1 Aug 2020	Venture Capital	Leach & Melicher (Textbook) Chapters 11
5	2 Aug 2020	Term Sheets	Deal Structure and Deal Terms
6	2 Aug 2020	Deal Financing Detail Workshop 1	Spiffy Term Inc.
7	15 Aug 2020	Deal Financing Detail Workshop 2	Spiffy Term Inc.
8	15 Aug 2020	Harvesting and Exits	Leach & Melicher (Textbook) Chapters 15 (skim 16) The Failure Chronicles
9	16 Aug 2020	Presentations	

## 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](https://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.