San José State University  
College of Business/Department of Accounting & Finance  
BUS1 173c, Entrepreneurial Finance, Section 1, Fall 2017

Course and Contact Information

Instructor: Laura Roden
Office Location: BT 852
Telephone: (415) 269-0101
Email: Laura.Roden@SJSU.edu
Office Hours: MW 8:00-8:45am DROP-IN  
MW 12:00-2:45pm BY APPOINTMENT
Class Days/Time: MW 3:00-4:15pm
Classroom: BBC 107
Prerequisites: BUS 170 with a min grade of ‘C’ and Upper Division Standing.

Course Format

This course will include classroom lectures, textbook and other readings, individual and team projects, and several student presentations. Lectures will typically be supported by powerpoint slides which are for presentation support only; slides may or may not be posted and do not replace the textbook material. All students are required to access the Canvas system on a regular basis for homework assignment details and submissions, announcements, and grading information. Additionally, students are requested to download the Canvas Lock Down Browser on a wireless network enabled device of their choosing (tablet or laptop) that can access Canvas from the classroom, and bring the device to every class session in order to take quizzes and tests. Paper versions of quizzes and tests will be available for students without enabled devices but students taking paper tests must come to office hours to review results.

Faculty Web Page and MYSJSU Messaging

Course materials such as syllabus, handouts, notes, assignment instructions, etc. can be found on my faculty web page at www.sjsu.edu/people/laura.roden or on the Canvas learning management system course website at http://sjsu.instructure.com. The daily assignment details and quiz dates that appear on the syllabus only represent the initial plan for the course: this can and WILL change throughout the semester based on the pace of the class, the availability of new learning materials, and other unanticipated reasons. STUDENTS SHOULD FOLLOW THE ASSIGNMENT INSTRUCTIONS AND TEST DATES POSTED ON CANVAS, NOT THE SYLLABUS. You are also responsible for regularly checking with the messaging system through MySJSU at http://my.sjsu.edu to learn of any special announcements or other important communications.

Course Description

Basic principles of finance applied to new ventures and small businesses. Topics include form of organization, financial infrastructure, reporting and controls, business models, cash flow forecasting, sources of debt and equity funding, valuation, and exit strategies.
Course Goals

**BS/BA Program Learning Goals**

**Goal One: Business Knowledge**
Understand basic business principles and demonstrate discipline-specific competencies as applied to local and global environments.

**Goal Two: Communication**
Communicate ideas clearly, logically, and persuasively in oral and written format, using technology appropriately.

**Goal Three: Ethical Awareness**
Recognize, analyze, and articulate solutions to ethical issues that arise in business.

**Goal Four: Leadership, Teams and Diversity**
Comprehend the challenges and opportunities of leading and working in diverse teams and environments.

**Goal Five: Critical Thinking**
Comprehend, analyze, and critically evaluate complex and unstructured qualitative and quantitative business problems, using appropriate tools and technology.

**Goal Six: Innovation**
Recognize, analyze, and articulate strategies for promoting creativity and innovation.

Learning Outcomes

**Course Learning Outcomes (CLO)**

Upon successful completion of this course, students will be able to:

**LO1** Demonstrate an understanding of small business critical success factors – CBPG #1 (Business Knowledge), 5 (Critical Thinking) and 6 (Innovation).

**LO2** Demonstrate an understanding of how to describe and present a new business concept - CBPG #2 (Communications).

**LO3** Demonstrate an understanding of small business valuation methods - CBPG #5 (Critical Thinking).

**LO4** Demonstrate a basic understanding of cash flow forecasting – CBPG #1 (Business Knowledge) and 5 (Critical Thinking).

**LO4** Demonstrate a familiarity with sources of capital for small businesses- CBPG #1 (Business Knowledge) and 6 (Innovation).

**LO5** Demonstrate an ability to contribute effectively to a team effort - CBPG #4 (Leadership, Teams and Diversity).

Required Texts/Readings

Textbooks

Two books are required reading:
The Launch Pad: Inside Y Combinator
Author: Randall Stross
Publisher: Portfolio (September 24, 2013)
ISBN-10: 1591846587

AND

Successful Business Plan Secrets and Strategies
Author: Rhonda Abrams
ISBN-10: 1933895462
Publisher: The Planning Shop; 6th edition (June 12, 2014)

A third book is suggested but not required:

Venture Deals: Be Smarter Than Your Lawyer and Venture Capitalist
Authors: Brad Feld and Jason Mendelson
Publisher: Wiley; 3rd edition (December 12, 2016)
ISBN-10: 1119259754

You may buy a used/earlier edition of either book, but you will be responsible for figuring out differences in page numbers, chapter numbers, or homework problem details. This should be no problem with a little bit of extra effort because the concepts do not change from edition to edition. Both books should have lifetime value to people interested in starting new businesses.

Other Readings

Internet Research: several assignments require internet research using search engines and websites such as Google, Yahoo Finance, and industry trade associations; no assignments require purchase of paid content.

Additional required and suggested readings and study materials will be posted on “Canvas Files”: see assignments for instructions and due dates.

A “Basic Business Calculations” document is posted on Canvas Files: students are responsible for mastering these calculations using the calculator they will be bringing to class (see “Calculator” below). Knowledge of these calculations is required for tests.
Other equipment / material

Calculator: a basic, non-networked mathematical calculator is required and should be brought to every class for use on pop quizzes. Use of phones and other networked devices as calculators is not permitted.

Students are requested to download the Canvas Lock Down Browser on a wireless network enabled device of their choosing (tablet or laptop) that can access Canvas from the classroom, and bring the device to every class session in order to take quizzes and exams. Paper versions of quizzes and exams will be available for students without enabled devices, but students must come to office hours to review results.

Scantrons: every student should bring at least one narrow form 882 (100 question) Scantron to class for each major test, in case they choose to take the paper version or the Canvas interface is not working.

Course Requirements and Assignments

SJSU classes are designed such that in order to be successful, it is expected that students will spend a minimum of forty-five hours for each unit of credit (normally nine hours per week for a 3 unit class), including preparing for class, participating in course activities, completing assignments, and so on.

TEAM PROJECT: Several homework assignments require student teams to meet physically or virtually outside class hours. Each team is responsible for setting meeting schedules and formats consistent with its members’ commuting, work and family obligations; therefore these obligations will not be acceptable excuses for lack of participation or contribution by any team member. Team assignments count for up to approximately 40 points.

PRESENTATIONS: Every student is responsible for making 1-3 graded verbal presentations to the class: discomfort with public speaking is not an acceptable excuse for not completing these assignments. Accommodations for presentations by registered disabled students will be made if you contact me at the start of the semester as noted below.

HOMEWORK: Homework is assigned for every class: some requires submission and is graded, most is not submitted but will be tested in “homework check quizzes” on the date it is due. No make-ups are available for quizzes. Homework assignments requiring submission must be submitted in the format and by the due date indicated in Canvas. If there is a technical problem submitting homework through Canvas, homework must be submitted in “paper” form at the start of class. No emailed homeworks will be accepted (EXCEPT for presentation powerpoints, which should be emailed to me only IF Canvas is not working). All LATE homeworks must be submitted in “paper” form, and will be subject to a minimum 50% point deduction. Homework requiring an essay or write-up will be graded primarily on content, specifically focusing on a) what you learned and b) how it is relevant to the concepts you are studying in this course. Write-ups must be spell- and grammar-checked and proofread as you would business correspondence being submitted to management or a client: write-ups that contain spelling, grammar, vocabulary usage, or other errors will be subject to a point deduction ranging from 10-50% depending on severity of the issues. Writing help is available from several University resources detailed below; if you wish to learn more about these, see me immediately, do not wait to lose points. ANY form of plagiarism on write-ups will result in a ZERO point score (it will hurt your total course grade) AND it will be reported to the University.

SEGMENT EXAMS: there are 3 segment exams counting for approximately 75 points in total. No make-ups will be given for exams unless there is a documented reason that an unforeseen emergency physically prevented the student from taking the exam; offering a make-up exam, or equivalent point earning opportunity, is at my discretion.
University policy F69-24 at http://www.sjsu.edu/senate/docs/F69-24.pdf states, “Students should attend all meetings of their classes, not only because they are responsible for material discussed therein, but because active participation is frequently essential to insure maximum benefit for all members of the class.”

Final Examination

A cumulative, comprehensive final exam will be given on the date set by the University.

Grading Information

Grading will be based on the following, subject to any announced changes:

4 Group Presentations x 10 points each = 40 points (see detail below)
4 Segment Quizzes x 15-25 points each = 60-100 points
4 guest speaker preparation question lists x 3 points = 12 points
4 guest speaker reviews/writeups x 7 points = 28 points
Personal presentation score = 5 points (from powerpoint or elevator pitch presentation)
Miscellaneous homework assignments and homework check quizzes approximately 35-55 points
1 comprehensive Final Exam = 50 points
Total points available = approximately 230-290
Assignments or quizzes may be added or removed at my discretion depending on the pace of learning.

Grading on Group Presentations will be:
2 points for Completeness (contains all required elements)
2 points for Clarity (everybody understands what you’re saying)
2 points for Correctness (numbers calculated properly, assumptions make sense, etc.)
2 points for Format (follows guidelines and looks professional)
2 points for Presentation Delivery (confident, prepared, audible, not dependent on notes; every student does one presentation during the semester, the team rotates who presents. If an individual does not present because there are more than 4 members on the team, that person will do an individual presentation for the Elevator Pitch assignment.)

Individual grades will be based on total team score weighted for individual contributions, as reflected in teammate feedback. Each student typically earns 100% of team points but may be as low as 0% if a student did not participate in the effort. Each student must (a) submit the team presentation powerpoint and (b) submit teammate feedback in order to receive any points for the assignment.

Tests and assignments submitted in paper form are not “handed back”: students are encouraged to come to office hours to review and discuss. Scores and answers on tests taken electronically are available immediately after class; scores and answers for paper assignments are usually available within a week.

NOTE that no Canvas quizzes may be taken outside of a proctored environment unless I specifically approve it in advance in writing. If you take a quiz on Canvas outside an approved proctored environment (the classroom, the AEC lab, or another environment I provide advance approval for) you will be given a zero score. No quizzes in this course are "open book" and it would not be fair to your fellow students who are being proctored.

ALSO NOTE that the ONLY assignments for which a "group submission" is permitted, and required, are the presentation power points. Every other submitted assignment must be your own individual, original work.

Determination of Grades

Grades will be curved based on the performance of all students in my sections of this course this semester. The curve will be published periodically, usually within a week after each Segment Quiz, so that students can gauge
their class standing and take timely action to improve their performance if they choose. No “extra credit” opportunities will be offered to individual students. Late work will be subject to a 50-100% point deduction. “Plus” and “minus” grades will be used at my discretion if I feel they are warranted.

*Passage of the Writing Skills Test (WST) or ENGL/LLD 100A with a C or better (C not accepted), and completion of Core General Education are prerequisite to all SJSU Studies courses. Completion of, or co-registration in, 100W is strongly recommended. A minimum aggregate GPA of 2.0 in GE Areas R, S, & V shall be required of all students.*

**Classroom Protocol**

*Class will be conducted with professional business meeting protocol. Disruptive, distracting, disrespectful, or unsafe activity will not be tolerated, and will result in expulsion from the classroom, grade point deduction, or both.*

Lucas College and Graduate School of Business: Program Goals and Classroom Policy: [www.sjsu.edu/cob/Students/policies/index.html](http://www.sjsu.edu/cob/Students/policies/index.html).

**University Policies**

Per University Policy S16-9, university-wide policy information relevant to all courses, such as academic integrity, accommodations, etc. will be available on Office of Graduate and Undergraduate Programs’ Syllabus Information web page at [http://www.sjsu.edu/gup/syllabusinfo/](http://www.sjsu.edu/gup/syllabusinfo/).

**Dropping and Adding**

*Add priority will be given to (a) Entrepreneurship majors and (b) Graduating seniors, unless other priorities are assigned by the University. You must attend the first 3 class sessions in order to be eligible for an add code.*

Students are responsible for understanding the policies and procedures about add/drop, grade forgiveness, etc. Add/drop deadlines can be found on the current academic year calendars document on the [Academic Calendars webpage](http://www.sjsu.edu/provost/services/academic_calendars/). The [Late Drop Policy](http://www.sjsu.edu/aars/policies/latetransfers/lateDrop/courses/) is available at [http://www.sjsu.edu/aars/policies/latetransfers/lateDrop/courses/].

**SJSU Writing Center**

The SJSU Writing Center is located in Clark Hall, Suite 126. All Writing Specialists have gone through a rigorous hiring process, and they are well trained to assist all students at all levels within all disciplines to become better writers. In addition to one-on-one tutoring services, the Writing Center also offers workshops every semester on a variety of writing topics. To make an appointment or to refer to the numerous online resources offered through the Writing Center, visit the [Writing Center website](http://www.sjsu.edu/writingcenter).

**SJSU Counseling and Psychological Services**

The SJSU Counseling and Psychological Services is located on the corner of 7th Street and San Carlos in the new Student Wellness Center, Room 300B. Professional psychologists, social workers, and counselors are available to provide confidential consultations on issues of student mental health, campus climate or psychological and academic issues on an individual, couple, or group basis. To schedule an appointment or learn more information, visit Counseling and Psychological Services website at [http://www.sjsu.edu/counseling](http://www.sjsu.edu/counseling).
Lucas College and Graduate School of Business:

Mission: We are the institution of opportunity in Silicon Valley, educating future leaders through experiential learning and character development in a global business community and by conducting research that contributes to business theory, practice and education.
This schedule is subject to change; the latest assignment descriptions and due dates will be posted on Canvas.

## Course Schedule

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<tr>
<th>Week</th>
<th>Date</th>
<th>Topics, Readings, Assignments, Deadlines</th>
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<tr>
<td>n/a</td>
<td>Due by Thurs Aug 31</td>
<td>Topic: Readiness for electronic (Canvas) quiz taking  &lt;br&gt; Preparation: Download the Canvas LockDown Browser on the device (tablet or laptop) you will be using to take in-class quizzes and exams, and take the “Test Your Browser” quiz posted on Canvas. You do not need to study anything for this quiz, it is an equipment test. This is a graded quiz; it is the only graded quiz you are permitted to take in an unproctored environment outside the classroom. You should take it from somewhere on the SJSU campus to make sure the LockDown Browser works when you are using the SJSU wifi network. If you don’t have access to a device you can bring to class for quizzes, you must see me BEFORE this due date to arrange for alternate test taking instructions.  &lt;br&gt; Deliverable: Completion of “Test Your Browser” quiz  &lt;br&gt; Format: Canvas quiz  &lt;br&gt; Due: ASAP, no later than end of day (11:59pm) on due date</td>
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<td>1</td>
<td>Wed Aug 23</td>
<td>Topic: Orientation, Overview of Entrepreneurial Finance, Self Intros  &lt;br&gt; Preparation: 1. Review syllabus, obtain textbooks and calculator  &lt;br&gt; 2. Start reading Stross book: complete at least Introduction.  &lt;br&gt; Deliverable: n/a  &lt;br&gt; Format: n/a  &lt;br&gt; Due: Start of class</td>
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<td>2</td>
<td>Mon Aug 28</td>
<td>Topic: Business Concepts, Strategy, and Markets  &lt;br&gt; Preparation: 1. Continue Stross book: read through at least Chapter 1.  &lt;br&gt; 2. Study “Forms of Organization” chart posted in Canvas → Files → Homework Materials  &lt;br&gt; 3. Skim Abrams Chapter 1 (Successful Business Planning)  &lt;br&gt; 4. Online research: where should you base your business? Do internet searches on various aspects of this question, such as which is the best state to incorporate in from a tax standpoint? Which state is most supportive of entrepreneurs? Which state has employment laws and regulations that are favorable to companies? Which state has the lowest cost of living? Etc.  &lt;br&gt; Deliverable: Homework Check Quiz  &lt;br&gt; Format: Paper  &lt;br&gt; Due: In class</td>
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| 2    | Wed Aug 30  | Topic: How to Present and Team Topics  <br> Preparation: 1. Continue Stross book: read through at least Chapter 2.  <br> 2. Skim Abrams Chapters 5, 6 and 7 (Company Description, Industry Analysis, Target Markets)  <br> 3. Propose Group Project Topics  <br> Preparation: Think of at least one for-profit business idea you would be interested
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<td>in working on for the group project. You are welcome to submit more than one idea; I will select 9 ideas from among all those submitted, and those will be the group projects for the semester. Deliverable: Minimum 100 word writeup (for each submitted idea) that clearly explains the a) business concept, b) what industry it fits into, c) what type of customer it targets, and d) what advantage it has over existing competitors/offerings. Grading will be based on whether the submission is thoughtful and well explained, using the learnings of the reading assignment. Format: Canvas “Text” submission (if trying to add: Email) <strong>Due: 5:00pm the day BEFORE class</strong></td>
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<td>3</td>
<td>Mon Sept 4</td>
<td><strong>Labor Day Holiday</strong></td>
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<td>3</td>
<td>Wed Sept 6</td>
<td>Topic: Presentation 1: Business Concept, Target Market, and Competition 1. Continue Stross book: read through at least Chapter 3. 2. Team Contact Information: Preparation: Get full name, email address, and phone number for each member of your team. If every person does not have this information, the team can’t function. Deliverable: memo to me that states what Business Concept your group is working on and lists the full name, email address, and phone number of each person in your group, including yourself. This demonstrates to me that you have all necessary contact information for your team. This is a graded assignment. Format: Canvas “Text” submission <strong>Due: 5:00pm the day BEFORE class</strong> 3. Get together with your team members in person, by conference call, any way that works for everyone, and prepare and practice Presentation 1. This is a GROUP ASSIGNMENT: each team produces one presentation. Deliverable: 5 page Powerpoint presentation, which will be presented by 1 team member of your choosing (each student presents once). Follow format instructions discussed in lecture. Slide 1 is cover slide with company name and logo; slide 2 is Concept; slide 3 is Industry Analysis; slide 4 is Target Market(s); slide 5 is Competitive Positioning. 7 minute maximum including Q&amp;A. No notes may be used. Format: PPT upload to Canvas; every student on the team must upload the same presentation, as evidence that you have reviewed and approved it, or will receive zero credit for assignment. <strong>Due: 5:00pm the day BEFORE class</strong> 4. Confidential Team Member Ranking Preparation: Confidentially rank each team member’s relative contribution, including your own, to this assignment from #1 “contributed most” to #6 “contributed least” to give me a insight into the team dynamic. There is room on</td>
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<td>Week</td>
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<td>the form for your personal comments and observations. Follow detailed instructions on the Team Ranking template in Canvas “Files.” Deliverable: Ranking template completed according to instructions. Any student not submitting completed Ranking sheet will receive zero credit for entire presentation assignment. Format: Paper printout Due: Hand in at start of class</td>
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<td>4</td>
<td>Mon Sept 11</td>
<td>Topic: Sales Forecasting and Basic Business Calculations 1 and 2 Preparation: 1. Continue Stross book: read through at least Chapter 4. 2. Practice calculations 1 and 2 (calculating percent growth and calculated a future value when you know percent growth) on the “Basic Business Calculations” document in Canvas → Files. There are several practice problems at the end of the document to test your knowledge. 3. Review the “Sales Forecast Preparation Worksheet” in Canvas → Files and answer the questions based on the business concept your team is working on. Note this is an INDIVIDUAL assignment. It will be graded for thoughtfulness and reasonableness of assumptions, NOT for whether it matches your teammates’ responses. Deliverable: Fill in answers on the Sales Forecast Preparation Worksheet Questionnaire posted on Canvas Quizzes. Format: Canvas submission. Due: Submit before start of class.</td>
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<td>4</td>
<td>Wed Sept 13</td>
<td>Topic: Guest Speaker Ephraim Lindenbaum of Advance Ventures 1. Continue Stross book: read through at least Chapter 5. 2. Speaker research Preparation: Research guest speaker Ephraim Lindenbaum’s background: Google him, read his bio on LinkedIn, look at the companies he’s worked for including his current company Advance Ventures, look at his portfolio companies. Think about what experiences and expertise he might have relevant to what you are studying in this course, and how you can learn from him. Prepare at least 3 questions to ask that are thoughtful, relevant to the course material, and clearly evidence that you have done the homework research specific to this speaker. Questions that do not meet these criteria will not earn homework points. Avoid questions that are: Generic questions that could be asked of anybody, such as “What are your biggest challenges?” Questions must show research on this specific speaker’s background. Questions that are not related to Entrepreneurial Finance, such as “What do you think of robotics technology?” Focus on questions that can enhance your knowledge of our course material. Career advice questions (you can ask those after class). Deliverable: A list of at least three well-articulated questions that meet the above criteria. Format: Canvas “Text” submission. Also print and bring to class: I will call on selected students to ask your questions and if you do not have them at hand you will lose an assignment point. Due: 5:00pm day BEFORE class</td>
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<td>Week</td>
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<td>3</td>
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<td>3. Speaker review</td>
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<td>Preparation: attend class and take notes</td>
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<td>Deliverable: Minimum 250 word guest speaker review, focusing on what you learned and how it is relevant to the concepts you are studying in this course. Writeups must be written and proof-read to meet business correspondence standards (correct spelling, grammar, vocabulary usage, punctuation, etc.)</td>
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<td>Format: By the start of the next class session</td>
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<td>Due: By the start of the next class session</td>
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<td>5</td>
<td>Mon Sept 18</td>
<td>Topic: Sales, Marketing &amp; Distribution</td>
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<td>2. Skim Abrams Chapters 8, 9 and 10 (Competition, Strategic Positioning, Marketing Plan) for information helpful in thinking about your business in preparation for the next Presentation.</td>
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<td>3. Bring a copy of the “Sales Forecast Preparation Worksheet” you did last week so we can discuss it in class. This will be a participatory session.</td>
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<td>Deliverable: Homework Check Quiz</td>
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<td>Format: Canvas or paper (your choice)</td>
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<td>Due: In class</td>
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<td>5</td>
<td>Wed Sept 20</td>
<td>Topic: Segment Quiz 1: Sales, Marketing, Distribution, Sales Forecasting, and Basic Business Calculations 1 &amp; 2</td>
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<td>Preparation: Study lectures, readings and notes; master Basic Business Calculations #1 &amp; 2 in handout posted in Canvas “Files.” Practice doing a sales forecast using the template in Canvas Files.</td>
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<td>Deliverable: Segment 1 Quiz</td>
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<td>Format: Canvas or Scantron (your choice)</td>
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<td>Due: In class</td>
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<td>6</td>
<td>Mon Sept 25</td>
<td>Topic: Presentation 2: Sales, Marketing, Distribution, &amp; Sales Forecast</td>
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<td>2. Get together with your team members in person, by conference call, any way that works for everyone, and prepare and practice Presentation 2. This is a GROUP ASSIGNMENT: each team produces one presentation.</td>
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<td>Deliverable: 4 page Powerpoint presentation, which will be presented by 1 team member of your choosing (each student presents once). Follow format instructions discussed in lecture. Do NOT repeat slides from Presentation 1: pretend that you are just continuing on. Slide 1 is summary of what you are selling – products, services, etc; slide 2 is summary of your key marketing strategies; slide 3 is summary of your distribution strategies; slide 4 is your sales forecast (use Format for Sales Forecast in Canvas Files. To calculate Average Annual Growth Rate, see Business Calculations problem 3 &amp; 4.) 7 minute maximum including Q&amp;A. No notes may be used.</td>
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<td>Format: PPT upload to Canvas; every student on the team must upload the same presentation, as evidence that you have reviewed and approved it, or will receive zero credit for assignment.</td>
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<td>Due: 5:00pm the day BEFORE class</td>
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<td>3. Confidential Team Member Ranking</td>
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<td>Preparation: Confidentially rank each team member’s relative contribution, including your own, to this assignment from #1 “contributed most” to #6 “contributed least” to give me a insight into the team dynamic. There is room on</td>
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| 6    | Wed Sept 27| the form for your personal comments and observations. Follow detailed instructions on the Team Ranking template in Canvas “Files.”
Deliverable: Ranking template completed according to instructions. Any student not submitting completed Ranking sheet will receive zero credit for entire presentation assignment.
Format: Paper printout
Due: Hand in at start of class

| D    |            | Topic: Management Team and Structure
2. Skim Abrams Chapter 13 (Management)
3. Review the document called “635 Chief Titles” in Canvas “Files” to expand your thinking on various types of management positions that could be relevant to your business.
Deliverable: create an organizational structure for your business that reflects its key success factors. Do not use people’s names, only titles. Make sure lines between boxes accurately reflecting reporting/supervision relationships up or down (no “sideways” lines). You are welcome to add notes so I can understand your intent better: for example, if you were working on a Restaurant business concept, you would need to clarify who is in charge of scheduling workers? Who is in charge of sourcing and negotiating with food suppliers? Who is in charge of finding new restaurant locations?
Format: 1 page, paper. MUST include student name and name/type of business or it cannot be graded.
Due: At end of class (class session will be participatory)
NOTE: during class you will work on this in teams, but each individual is responsible for turning in his/her own assignment at the end of class. Each assignment will be graded on its individual merits, not on whether it matches team members’ assignments. |

| 7    | Mon Oct 2  | Topic: Operations, Technology and Management
2. Skim Abrams Read Abrams Chapter 11 (Operations) and Chapter 12 (Technology). Think about the most important (top 3 or 5) operations and technology issues that could influence the success or failure of the business you are working on.
3. Read online article “The Top 20 Financial Controls to Protect Your Company from Fraud, Theft, and Embezzlement” by David Finkel (posted on Inc.com website and elsewhere)
Deliverable: Homework Check Quiz
Format: Paper or Canvas
Due: In class |

| 7    | Wed Oct 4  | Topic: Forecasting Expenses and Break Even
2. Read Abrams Chapter 16 (The Financials). Refresh your knowledge of Income Statement, Balance Sheet and Working Capital structure and vocabulary.
3. Do an Expense Forecast for your business using the Format for Expense Forecasting in Canvas Files. BRING TO CLASS. You will need this information for quiz and class discussion. |
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<td>4. Practice Basic Business Calculations problem #5, “Calculating Break Even Point.” Make sure you have mastered the concepts and calculations in the practice problems at the end of the document. Deliverable: Homework Check Quiz Format: Canvas or paper, your choice Due: In class</td>
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<td>8</td>
<td>Mon Oct 9</td>
<td>Topic: Forecasting Working Capital 1. Continue Stross book: read through at least Chapter 11. 2. Read “Budget Boot Camp” article posted in Canvas ➔ Files. 3. Read this article “How to Determine your Working Capital Needs” from the Entrepreneur.com website: <a href="https://www.entrepreneur.com/article/225658">https://www.entrepreneur.com/article/225658</a> 4. Read the article “Net Working Capital Basics” <a href="http://2012books.lardbucket.org/books/finance-for-managers/s17-02-net-working-capital-basics.html">http://2012books.lardbucket.org/books/finance-for-managers/s17-02-net-working-capital-basics.html</a> 5. Read the document “Working Capital as a Source or Use of Funds” in Canvas ➔ Files 6. To test your understanding of what Working Capital is, how to forecast it, and why it is so important to do so, do a 5 year Working Capital forecast for your group’s business and determine if Working Capital is a Source or Use of funds for each year, and what $ amount it uses or provides. See Template in Canvas ➔ Files. Bring the worksheet and your questions about it to class and/or office hours. You want to make sure you have mastered this before it is graded as part of Presentation 3 and the Segment 2 quiz. Deliverable: Homework Check Quiz Format: Canvas or paper, your choice Due: In class</td>
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<tr>
<td>8</td>
<td>Wed Oct 11</td>
<td>Topic: Cash is King and Cash Flow Forecasting 1. Continue Stross book: read through at least Chapter 12. 2. Read Feld “Determine How Much Money You are Raising” posted in Canvas ➔ Files 3. Putting together everything you have learned about Sales Forecasting, Expense Forecasting and Working Capital Forecasting, put together a 5 year a Cash Flow Forecast for your business, using the Format for Cash Flow Forecast posted in Canvas ➔ Files. Make 2 copies of it: one to turn in at the start of class, and the other to turn in at the end of class after we have discussed it and you have self-corrected it. You must turn in both to get homework credit. Note: this is an INDIVIDUAL assignment. You will be graded on the quality of your work, not on whether it matches your teammates’ work. 4. Bring a red or green pen to class to do the corrections. Deliverable: 2 copies of your Cash Flow Forecast (one clean, one corrected) Format: Paper Due: Turn in clean copy at start of class and corrected copy at end of class.</td>
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| 9    | Mon Oct 16 | Topic: Presentation 3: Operations, Technology and Management, including Expense Forecast 1. Continue Stross book: read through at least Chapter 13. 2. Get together with your team members in person, by conference call, any way that works for everyone, and prepare and practice Presentation 3. This is a
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<td><strong>GROUP ASSIGNMENT:</strong> each team produces one presentation. Ensure that each student presents once. Follow format instructions discussed in lecture. Do NOT repeat slides from prior Presentations: pretend that you are just continuing on. Slide 1 is summary of key Operating strategies and success factors; Slide 2 is summary of key Technologies and related success factors; slide 3 is summary of Management (can be org chart, bios, etc.: whatever best describes your key success factors for management); slide 4 is your Expense Forecast: use “Expense Forecast” template posted in Canvas. 7 minute maximum including Q&amp;A. No notes may be used. Format: PPT upload to Canvas; <strong>every</strong> student on the team must upload the same presentation, as evidence that you have reviewed and approved it, or will receive zero credit for assignment. <strong>Due: 5:00pm the day BEFORE class</strong></td>
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Preparation: Study lectures, readings and notes  
Deliverable: Segment 2 Quiz  
Format: Canvas or Scantron (your choice)  
Due: In class |
| 10   | Mon Oct 23 | Topic: Equity Sources: Angels, VCs and Crowds  
2. Skim Abrams Chapter 19 (Looking for Money)  
3. Read Feld chapter 1 “The Players” pp 5-14  
4. Read Feld chapter 10 “How Venture Capital Funds Work” and be prepared to explain how the venture capital business is structured and makes money.  
5. Read Feld chapter 9 “Crowdfunding”  
Deliverable: Homework Check Quiz  
Format: Canvas or paper, your choice  
Due: In class |
| 10   | Wed Oct 25 | Topic: Equity Rates of Return  
Examine the 1 year, 5 year, 10 year, 15 year, and 20 year returns for the various VC and public market indexes shown. Print out this page and bring to class for presentation and discussion. |

BUS 173c, Section 1, fall 2017
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<td>class to discuss. Be prepared to answer questions such as: What causes some venture capital period returns to be high or low (understand calculations)? Is there a “normal” return? What return should an investor in venture capital expect? What kinds of investments do the different indexes represent? Which indexes would you expect to show high returns and which to show low returns, and why? What do you think is a reasonable rate of return for an early stage company based on this data? Deliverable: Homework Check Quiz Format: Canvas or Paper, your choice Due: In class</td>
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| 11   | Mon Oct 30 | **Topic: Preferred Stock Structures and the Cap Table**  
1. Continue Stross book: read through at least Chapter 16.  
2. Read Feld Chapter 4 (Economic Terms) and Chapter 7 (Capitalization Table)  
3. Study “Equity Award Plans” document in Canvas Files. What does “vesting” mean? Note how the different types of equity are taxed differently. Which is the most favorable to the recipient from a tax standpoint? Deliverable: Homework Check Quiz Format: Canvas or paper, your choice Due: In class |
| 11   | Wed Nov 1  | **Topic: Equity Financing Terms**  
1. Continue Stross book: read through at least Chapter 17.  
2. Go to these two websites to learn the latest trends in venture capital financing terms and conditions: read, study and print the 2nd QUARTER 2017 report from each of these sites and bring to class to discuss:  
   *Fenwick.com: Silicon Valley Venture Capital Survey*  
   *Cooley.com: Venture Financing Report* (make sure you click on the link in the report to the "interactive data visualization" where you can see the important details and exact numbers)  
Particularly focus on trends in UP vs DOWN rounds; actual pre-money valuations for A and B rounds; % price changes between rounds; and the prevalence of different deal terms we have studied, such as Antidilution, Preference Multiples, Redemption Rights, and Liquidation and Participating Preferences, and whether Preferences were Capped. Is Cooley's data different from Fenwick's for items they both track? Where does each firm get its data?  
3. Read “Toxic Termsheets: Founders Beware” article in Canvas Files, and make sure you understand why term sheets can be “toxic”. Deliverable: Homework Check Quiz Format: Canvas or paper, your choice Due: In class |
| 12   | Mon Nov 6  | **Topic: Debt Sources and Terms**  
2. Practice Basic Business Calculations problem 6: Debt Coverage Calculations  
3. Read Feld Chapter 8 (Convertible Debt) posted in Canvas ➔ Files Deliverable: Homework Check Quiz Format: Canvas or paper, your choice Due: In class |
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| 12   | Wed Nov 8 | **Topic: Guest Speaker Niki Wong, Program Manager of SBA Lending for TechCU**  
2. Speaker research  
Preparation: Research guest speaker Niki Wong’s background: Google her to find articles describing her background, look at the companies she’s worked for including his current company Tech CU. Visit the Small Business Association (SBA) website and read about “SBA Loan Programs.” Think about what experiences and expertise she might have relevant to what you are studying in this course, and how you can learn from her. Prepare at least 3 questions to ask that are thoughtful, relevant to the course material, and clearly evidence that you have done the homework research specific to this speaker. Questions that do not meet these criteria will not earn homework points. **Avoid** questions that are:  
- Generic questions that could be asked of anybody, such as “What are your biggest challenges?” Questions must show research on this specific speaker’s background.  
- Questions that are not related to Entrepreneurial Finance, such as “What do you think of robotics technology?” Focus on questions that can enhance your knowledge of our course material.  
- Career advice questions (you can ask those after class).  
Deliverable: A list of at least three well-articulated questions that meet the above criteria.  
Format: Canvas “Text” submission. Also print and bring to class: I will call on selected students to ask your questions and if you do not have them at hand you will lose an assignment point.  
**Due: 5:00pm day BEFORE class**  
3. Speaker review  
Preparation: attend class and take notes  
Deliverable: Minimum 250 word guest speaker review, focusing on what you learned and how it is relevant to the concepts you are studying in this course. Writeups must be written and proof-read to meet business correspondence standards (correct spelling, grammar, vocabulary usage, punctuation, etc.)  
**Due: By the start of the next class session** |
| 13   | Mon Nov 13| **Topic: Segment 3 Quiz: Debt & Equity Sources and Terms**  
Preparation: Study lectures, readings and notes  
Deliverable: Segment 3 quiz  
Format: Canvas or Scantron (your choice)  
Due: In class |
| 13   | Wed Nov 15| **Topic: Valuation and Equity Pricing Methods: Market and Comparables**  
2. Download and read through the “Summary of Market Based Valuation Approaches” from Canvas “Files” and bring to class in either paper or electronic form (paper is preferred so you can take notes on it as we discuss it.) Think about the differences and similarities between the methods. Which do you personally feel is most valid if you were an investor? Which would you prefer to use as an entrepreneur?  
3. Go back to the Fenwick and Cooley reports you downloaded for a prior assignment. What is the current starting point dollar value for a “market” |
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<td>based valuation of a company raising its Series A round?</td>
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<td>4. Choose one of the four Market Based Valuation approaches and use it to create a valuation of your company. Bring your work to class in PAPER form so you can use it to answer the quiz questions (you will not be able to look at online files during the quiz.)</td>
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<td>Deliverable: Homework Check Quiz</td>
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<td>Due: In class</td>
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<td>14</td>
<td>Mon Nov 20</td>
<td>Topic: Valuation and Equity Pricing Methods (con’t): DCF and First Chicago</td>
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<td>1. Finish reading the Stross book including the Epilogue.</td>
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<td>2. Read online Wikipedia entry “Valuation Using Multiples”</td>
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<td>3. Read online Investopedia entry “Equity Valuation: The Comparables Approach” by Ryan C. Fuhrmann, CFA</td>
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<td>4. Pick 4 public companies (listed on NYSE or Nasdaq) that are in businesses similar to your team’s. (It will be hard to find exact matches; find the best you can.) For each company, using data on Yahoo Finance, calculate the P/E ratio, the Market Cap/EBIT ratio, and the Market Cap/Revenue ratio: fill in the Comparables Template posted in Canvas. Try to figure out why different companies in the same business have different ratios, and which ratios would most likely apply to your business. Do they have different business models? Is this reflected in their ratios? Which are most similar to your company in terms of business model? Decide on the number you’d think you’d use for each ratio if you were going to value your company. Bring your analysis to class IN PAPER FORM so you can use it in answering the quiz questions: you will not be able to look at electronic files during the quiz.</td>
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<td>Due: In class</td>
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<td>14</td>
<td>Wed Nov 22</td>
<td><strong>Thanksgiving Holiday</strong></td>
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<td>15</td>
<td>Mon Nov 27</td>
<td>Topic: The Ask: putting it all together; and Discounted Cash Flow Review</td>
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<td>1. Refresh your memory (from prior finance courses) on Discounted Cash Flow analysis: look back at books, notes, do a few web searches – there’s lots of information out there to remind you. Get out a calculator that has a Net Present Value function and recall how to use it. OR open a spreadsheet program like Excel or Google Spreadsheets and find out how to use the Net Present Value function to calculate the Present Value of a future stream of cash flows.</td>
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<td>Example problem to practice: “Your business generates the following cash flows for the next 4 years: a loss of ($75,000), a positive $45,000, a positive $80,000 and a positive $220,000. If your Required Rate of Return is 18%, what is the Present Value of these cash flows to you?” If you have input it correctly, your answer will be $130,923.</td>
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<td>2. Once you feel ready, open up the Homework Check Quiz on DCF Valuation Analysis and complete the quiz. This quiz does NOT require the Lock Down Browser because, unless you’re using a calculator, you will need to open a</td>
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<td>separate window with a spreadsheet program in order to calculate the present values required by the quiz questions. You can start the quiz any time between the end of the prior class and the start of this class, but once you start the quiz, you must complete it in 15 minutes. It is a very simple quiz as long as you have practiced using the NPV functions on your calculator or spreadsheet. Deliverable: Homework Check Quiz. THIS QUIZ MAY BE TAKEN IN ANY LOCATION, BUT MUST BE YOUR OWN WORK. Use of calculators, spreadsheet tools, and how-to notes is permitted; use of solutions or input data provided by others is NOT permitted. By taking this quiz you certify that all work is your own. Format: Canvas ONLY Due: By start of class</td>
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| 15   | Wed Nov 29 | Topic: Guest Speaker Randall Stross, Author and SJSU Professor 1. Speaker research  
Preparation: Research guest speaker Randall Stross’s background: Google him, read his bio on LinkedIn, look at the companies he’s worked for and books he’s written. Think about what experiences and expertise he might have relevant to what you are studying in this course, and how you can learn from him. Prepare at least 3 questions to ask that are thoughtful, relevant to the course material, and clearly evidence that you have done the homework research specific to this speaker. Questions that do not meet these criteria will not earn homework points. **Avoid** questions that are:  
- Generic questions that could be asked of anybody, such as “What are your biggest challenges?” Questions must show research on this specific speaker’s background.  
- Questions that are not related to Entrepreneurial Finance, such as “What do you think of robotics technology?” Focus on questions that can enhance your knowledge of our course material.  
- Career advice questions (you can ask those after class).  
Deliverable: A list of at least three well-articulated questions that meet the above criteria. Format: Canvas “Text” submission. Also print and bring to class: I will call on selected students to ask your questions and if you do not have them at hand you will lose an assignment point. **Due: 5:00pm day BEFORE class**  
2. Speaker review  
Preparation: attend class and take notes  
Deliverable: Minimum 250 word guest speaker review, focusing on what you learned and how it is relevant to the concepts you are studying in this course. Writeups must be written and proof-read to meet business correspondence standards (correct spelling, grammar, vocabulary usage, punctuation, etc.) Format: Canvas “text” submission **Due: By the start of the next class session** |
1. Get together with your team members in person, by conference call, any way that works for everyone, and prepare and practice Presentation 4. This is a GROUP ASSIGNMENT: each team produces one presentation. Deliverable: 4 page Powerpoint presentation, which will be presented by 1 team |
member of your choosing (each student presents once). Follow format instructions discussed in lecture. Do NOT repeat slides from prior Presentations: pretend that you are just continuing on. Slide 1 is summary of how much money you need, using Format for “The Ask” Cash Flow template in Canvas ➔ Files. Slide 2 is a valuation of your company, supported by at least 2 or more of the valuation techniques studied in class. Slide 3 is “The Ask” slide, including proposed terms. 7 minute maximum including Q&A. No notes may be used. Format: PPT upload to Canvas; **every** student on the team must upload the same presentation, as evidence that you have reviewed and approved it, or will receive zero credit for assignment.

**Due: 5:00pm the day BEFORE class**

2. **Confidential Team Member Ranking**

Preparation: Confidentially rank each team member’s relative contribution, including your own, to this assignment from #1 “contributed most” to #6 “contributed least” to give me a insight into the team dynamic. There is room on the form for your personal comments and observations. Follow detailed instructions on the Team Ranking template in Canvas “Files.”

Deliverable: Ranking template completed according to instructions. Any student not submitting completed Ranking sheet will receive zero credit for entire presentation assignment.

Format: Paper printout

Due: Hand in at start of class

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| 16   | Wed Dec 6 | Topic: Segment Quiz 4: Valuation  
Preparation: Study lectures, readings and notes  
Deliverable: Segment 4 Quiz  
Format: Canvas or Scantron (your choice)  
Due: In class |
| 17   | Mon Dec 11 | Topic: Elevator Pitches and Review Day  
Preparation:  
1. Read Abrams on Elevator Pitches: they are mentioned several times, look in the “Index” at the back for a list of page numbers. A good template provided in Chapter 19 (Looking for Money).  
2. Write an elevator pitch as if you were the CEO of an Inc 500 company attending a conference to meet potential investors: To select a company, Go to www.Inc.com;  
On MENU icon in upper left corner, click MAGAZINE;  
A selection of covers will appear; choose SEPTEMBER 2017, INC 500 issue;  
Scroll through articles and pick a company that interests you; read the article and find additional info from Google, Wikipedia, the company website, its investors’ websites, etc. If you were CEO and needed to raise money, what would be your Elevator Pitch to potential investors?  
Deliverable: an approximately 150 word elevator pitch (min 130, max 170 words) that clearly explains what your company does and why it’s a compelling investment opportunity. Important: this is an elevator pitch to a potential investor, NOT to a customer! You are trying to raise money, not sell products. Focus on why it’s attractive as an investment, using concepts we’ve discussed this semester regarding how investors evaluate companies.  
Format: All students submit written pitch in Canvas “Text” format. Students who |
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<td>have not yet done a presentation this semester will also present their Elevator Pitch in class: no notes, 1 minute maximum (timed.) Due: Start of class</td>
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| Final Exam   | Wed Dec 13 12:15-2:30 pm | **Final Exam**  
Final exam schedules are set by the University and can be found on the SJSU website. They are not held at the normal class time: be careful to note the correct time. They are held in the same room as class sessions unless otherwise posted.  
Format: Canvas or Scantron (your choice) |