

Subject Code	AF5346
Subject Title	Entrepreneurial Finance
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	Pre-requisite: Principles of Corporate Finance (AF5312)
Role and Purposes	This course contributes to the achievement of Program Outcomes by enabling students to understand corporate finance issues unique to the small and medium size enterprises (“SME”), apply corporate finance theories and principles to solve financial management problems of SMEs (Outcome 2), and formulate appropriate financial strategies and envision their outcomes.
Subject Learning Outcomes	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> a. Understand issues in financial management faced by SMEs; b. Understand the tradeoffs of venture capital/private equity; c. Independently and critically evaluate business opportunities; d. Prepare a detailed investment proposal to raise equity funds for SMEs; e. Demonstrate effective oral and written presentation skills.
Subject Synopsis/ Indicative Syllabus	<p>Introduction Understanding the financing needs faced by SMEs; Introduction on venture capital/private equity; Raising funds for VC/PE.</p> <p>Business plan writing Objectives of writing a business plan; Key elements of the business plan.</p> <p>Identify and evaluate business opportunities Identify business opportunities; Due diligence; Valuation of business opportunities: the VC method.</p> <p>Financial contracting: term sheets Contractual terms that (over)protect the interests of investors.</p> <p>Value added and exit planning Value in addition to money; Exit planning.</p> <p>Financial intermediaries for SMEs Financing options other than VCs.</p> <p>Special topics time permitting: LBOs, Angel investing, mini case, etc.</p>

Teaching/Learning Methodology	<p>This course uses an interactive teaching approach which requires students to participate in group projects, group discussions, individual presentations, role play exercises, case studies, and games. Therefore, class attendance is of utmost importance. Extensive after class contact hours among students are envisaged for the final project.</p> <p>Various real life case studies are used in the class for students to appreciate how corporate finance issues are managed in real life situations (Learning Outcome a, b. and c).</p> <p>The final group project will require students, in groups, to prepare and present an investment proposal. This will measure how well students apply the skill and knowledge acquired from this course to raise funds for SMEs (Learning Outcome a, b, c, d and e).</p>																																																				
Assessment Methods in Alignment with Intended Learning Outcomes	<table border="1" data-bbox="488 684 1446 1178"> <thead> <tr> <th rowspan="2">Specific assessment methods/tasks</th> <th rowspan="2">% weighting</th> <th colspan="6">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> </tr> <tr> <th>a</th> <th>b</th> <th>c</th> <th>d</th> <th>e</th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Class Participation</td> <td>20%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>2. Final Project</td> <td>30%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>3. Final Examination</td> <td>50%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Total</td> <td>100 %</td> <td colspan="6"></td> </tr> </tbody> </table> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</p>							Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	b	c	d	e		1. Class Participation	20%	✓	✓	✓	✓	✓		2. Final Project	30%	✓	✓	✓	✓	✓		3. Final Examination	50%	✓	✓	✓	✓	✓		Total	100 %						
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Student Study Effort Expected	<p>Class contact:</p> <ul style="list-style-type: none"> ▪ Lectures / Seminars <p>Other student study effort:</p> <ul style="list-style-type: none"> ▪ On average, students are expected to spend around 2 hours reading before class ▪ Students are expected to spend around 60 hours on the final project and <p>Total student study effort</p>						<p>39 Hrs.</p> <p>18 Hrs.</p> <p>60 Hrs.</p> <p>117 Hrs.</p>																																														

**Reading List and
References**

Reference

Leach, Chris, J., and Melicher, Ronald, W., *Entrepreneurial Finance*, Fourth Edition, Cengage Learning, 2012.

Golis, Christopher, C., Mooney, Patrick, D., and Richardson, Thomas F., *Enterprise & Venture Capital*, 5th edition, Allen & Unwin, 2009.

Ross, Stephen, A., Westerfield, Randolph, W., Jaffe, Jeffrey, and Jordan, Bradford, D., *Modern Financial Management*, Eighth Edition, McGraw Hill 2009.

The Venture Capital Cycle (2006) by Paul Gompers and Josh Lerner, The MIT Press.