

ET5132 NEW VENTURE FINANCING

Course Code	ET5132
Course Title	New Venture Financing
Pre-requisites	NIL
No of AUs	3
Contact Hours	Workshop sessions : 39 hours – (4 days x 8 hours) + (1 day x 7 hours)

Course Aims

The focus of this course is to expose students to the various financial aspects relating to new ventures. These include approaches to secure start-up capital and venture financing. Students will learn about basic accounting, essential financial indicators, the types and sources of funds available, the different categories of investors, the importance of intellectual property, the financial details to be included in a business plan required for investment purpose and the valuation of company.

Intended Learning Outcomes (ILO)

By the end of the course, you should be able to:

1. Learn the different legal forms of business structures.
2. Appreciate the role of accounting in providing information to the business stakeholders for contacting, planning, controlling and decision making.
3. Acquire skills to analyze financial statements.
4. Understand various financial indicators and tools such as ROI, ROE, earnings per share, payback period, present value analysis, and valuation of company.
5. Gain insights into the sources of venture financing and the various stages of financing.
6. Understand the importance of intellectual property.
7. Learn how to prepare and present financial information for a new business venture.
8. Learn the art of negotiating with investors.

LEARNING OUTCOMES

1. Students will be able to determine the form of business to be registered.
2. Students will be able to prepare projected income statement (profit & loss statement), balance sheet and cash-flow statement for a new business venture.
3. Students will know where to secure funding for their ventures.
4. Students will be able to make valuation of the worth of a company.
5. Students will know the various types of intellectual property that are applicable to a venture.
6. Students will be able to negotiate effectively with potential investors.

Course Content

1. Forms of Business Structures
2. Fundamentals of Accounting

3. Financial Statements, Financial Ratios and Financial Analysis
4. Budgetary Process and Projection
5. Talk on Funding
6. Cost Accounting and Break-even Analysis
7. Business Models and Revenue Models
8. Sources of Funds
9. Exit Strategy
10. Valuation of Companies
11. Intellectual Properties Valuation
12. Financial Negotiation
13. The Art of Negotiation

Assessment (includes both continuous and summative assessment)

Component	Course ILO Tested	Related Programme LO or Graduate Attributes	Weighting	Team/Individual	Assessment rubrics
1. Class Participation	1, 2, 3, 4, 5, 6	Communication, Mutual Respect, Character, Self-discipline, Creativity, Knowledge, Curiosity, Initiative	10%	Individual	Appendix 1
2. Case Presentation	2, 4, 5, 6	Communication, Leadership, Teamwork, Mutual Respect, Character, Competence, Innovation, Interdisciplinary synthesis Professionalism, Creativity, Presentation skills	20%	Team	Appendix 2
			10%	Individual	
3. Examination	1, 2, 3, 4	Character, Competence, Self-discipline	60%	Individual	Appendix 3
Total			100%		

Formative feedback

You will receive both written and verbal feedback from the lecturer and through in-class discussion regarding your learning and presentations. Class exercises and practices will be central to your learning process. You will receive summative group feedback on the case presentation to enhance your understanding and application of the topics assessed. Responses and feedback from your peers will also be essential to gaining new perspectives.

Learning and Teaching approach

Approach	How does this approach support students in achieving the
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	learning outcomes?
Workshop / Seminar-based	<p>All lessons are conducted on a workshop-based approach with a blended style of mini-lectures, tutorials, discussions, presentations, individual activities and self-practice questions. The lecturer imparts and facilitate the learning experience and students are expected to learn, share and teach one another.</p> <p>The self-practice questions not only help to build the technical competencies required for this course, but also help to develop your individual learning abilities and attitudes toward active learning.</p> <p>Consultations sessions out of class time are open to students who require assistance with their learning.</p>

Reading and References

Textbooks

1. Barringer, B. R. & Ireland R. D. (2012) *Entrepreneurship: Successfully Launching New Ventures*, 4th Edition, Pearson Higher Education
2. Charles T. Horngren, Walter T. Harrison Jr. and M. Suzanne Oliver (2011) *Financial and Managerial Accounting*, 3rd Edition, Pearson.
3. Ross Stephen Ross, Randolph Westerfield and Bradford Jordan (2013), *Essentials of Corporate Finance*, 8th Edition, McGraw Hill.
4. J. Chris Leach, Ronald W. Melicher (2016) *Entrepreneurial Finance*, 6th Edition, Cengage Learning.

References

1. Wong, Lin Hong (2006) *Venture Capital Fund Management: A Comprehensive Approach to Investment Practices & the Entire Operations of a VC Firm*, Boston: Aspatore Books.
2. David Shelters (2012) *Start-Up Guide for the Technopreneur*, Wiley
3. Accounting & Corporate Regulatory Authority (www.acra.gov.sg)
4. Inland Revenue Authority of Singapore (www.iras.gov.sg)
5. Intellectual Property Office of Singapore (www.ipos.gov.sg)

Course Policies and Student Responsibilities

(1) General

Students are expected to complete all assigned pre-class readings and activities, attend all seminar classes punctually and take all scheduled assignments and tests by due dates. Students are expected to take responsibility to follow up with course notes, assignments and course related announcements for seminar sessions they have missed. Students are expected to participate in all seminar discussions and activities.

(2) Absenteeism

Absence from class without a valid reason will affect your overall course grade. Valid reasons include falling sick supported by a medical certificate and participation in NTU's approved activities supported by an excuse letter from the relevant bodies.

If you miss a lecture, you must inform the course instructor via email prior to the start of the class.

(3) Absence Due to Medical or Other Reasons

If you are sick and not able to attend a quiz or midterm, you have to submit the original Medical Certificate (or another relevant document) to the administration to obtain official leave. In this case, the missed assessment component will not be counted towards the final grade. There are no make-up quizzes or make-up midterm.

(4) Submission Deadline

Assignments, projects, class exercises and any other assessable components must be submitted punctually. Marks will be deducted for late submission. Grades will be deducted accordingly (refer to below table) for assignments that are submitted after the stipulated deadline.

Timeframe:	Grading:
1st Day*	Mark down by one grade ('A-' → 'B+')
2nd Day	Mark down by two grades ('A-' → 'B')
3rd Day and part-thereof	Submitted assignment will not be accepted

* After the stipulated submission deadline, it will be considered the next day.

Academic Integrity

Good academic work depends on honesty and ethical behaviour. The quality of your work as a student relies on adhering to the principles of academic integrity and to the NTU Honour Code, a set of values shared by the whole university community. Truth, Trust and Justice are at the core of NTU's shared values.

As a student, it is important that you recognize your responsibilities in understanding and applying the principles of academic integrity in all the work you do at NTU. Not knowing what is involved in maintaining academic integrity does not excuse academic dishonesty. You need to actively equip yourself with strategies to avoid all forms of academic dishonesty, including plagiarism, academic fraud, collusion and cheating. If you are uncertain of the definitions of any of these terms, you should go to the [academic integrity website](#) for more information. Consult your instructor(s) if you need any clarification about the requirements of academic integrity in the course.

Planned Weekly Schedule

Week	Topic	Course ILO	Readings/ Activities
1	Course Introduction and Forms of Business Structures	1	In-class exercises, discussions, self-practice questions and case presentation
2	Fundamentals of Accounting	2	
3	Financial Statements, Financial Ratios and Financial Analysis	2	
4	Budgetary Process and Projection	2	
5	Talk on Funding	2, 3, 4, 6	
6	Cost Accounting and Break-even Analysis	2	

7	Business Models and Revenue Models	2, 3, 4, 5	
8	Sources of Funds	2, 3, 4, 5	
9	Exit Strategy	2, 3, 4, 5, 6	
10	Valuation of Companies	2, 3, 4, 5	
11	Intellectual Properties Valuation	4, 5	
12	Financial Negotiation	3, 4, 6	
13	The Art of Negotiation	3, 4, 6	Examination on last day of course

Appendix 1: Assessment Criteria for CLASS PARTICIPATION – INDIVIDUAL (10%)

Classroom discussion is vital to the learning process in this course. Each student is expected to contribute to class discussions and appropriate marks will be awarded continuously throughout the course on the basis of the quality of one's contribution. Assessment criteria will include demonstration of analytical capability, integrative thinking, and interpersonal and communication skills. Merely showing up for class does not constitute a contribution.

Excellent quality comments, remarks, and questions are those that move the discussion forward by:

- (1) revealing important issues;
- (2) making decisions and offering opinions that are well thought out and logical; and
- (3) debating or challenging your classmates without personal attack

Criteria	7% – 10%	4% – 6%	0% - 3%
Listening	Actively and respectfully listens to peers and instructor. Student incorporates or builds on the ideas of others.	Sometimes displays lack of interest in comments of others.	Projects lack of interest or disrespect for others, interrupts with no constructive & objective comments.
Preparation	Arrives fully prepared with all assignments and self-practices completed, and notes on reading, observations, questions.	Sometimes arrives unprepared or with only superficial preparation.	Exhibits little evidence of having read or thought about the course materials.
Level of Engagement, Contributions to Class	Proactively contributes to class by offering ideas and/or asks questions frequently and/or works consistently on group project the entire time. Comments are relevant and reflect understanding of course materials; previous remarks of other students; and insights about the course materials.	Often to seldom contributes to class by offering ideas and asking questions and/or works on group projects only some of the allotted time. Comments are sometimes irrelevant, displays lack of preparation, or indicate lack of attention to previous remarks of other students.	Rarely or never contributes to class by offering ideas and asking questions and/or has trouble staying on task during group project time. Comments are minimal, reflect little understanding of either the assignment or previous learnings in seminar.

Appendix 2: Assessment Criteria for CASE PRESENTATION – TEAM (20%) & INDIVIDUAL (10%)

Students will form groups and each group will be allocated a case study to research on. Guiding questions are provided that will serve as a framework for a thorough analysis, evaluation and finally a presentation of their fact-finding and recommendations.

Active contributions and individual responsibility for assigned tasks are crucial to the team's performance.

TEAM: 20%					
Criteria	Far exceed expectation	Exceed expectation	Meet expectation	Below expectation	Far below expectation
<p>(1) Content – 10% (Breadth of Discussion) All issues related to the assigned case have been fully identified and explained. Points raised are relevant, clear, coherently linked and display thorough research and understanding.</p>	9% - 10%	7% - 8%	5% - 6%	2% - 4%	0% - 1%
<p>(2) Analysis – 10% (Depth of Discussion) All the various issues raised are well analysed and evaluated. Analysis presented is logical, well supported, evidenced and integrated with the company's strategy, business model, core competencies. Recommendations made reflect awareness of current environment, such as the state of economics, legal & regulatory setting, and competitive environment.</p>	9% - 10%	7% - 8%	5% - 6%	2% - 4%	0% - 1%

INDIVIDUAL: 10%					
Criteria	Far exceed expectation	Exceed expectation	Meet expectation	Below expectation	Far below expectation
(3) Presentation – 10% Presentation is well articulated in a clear and confident manner. Pace is appropriate without speaking too fast nor too slow. Use of hand & body gestures to emphasize points. Not reading off the slides, notes or cue cards.	9% - 10%	7% - 8%	5% - 6%	2% - 4%	0% - 1%

Appendix 3: Assessment Criteria for CASE EXAMINATION – INDIVIDUAL (60%)

A formal examination (not more than 2 hours duration) will be conducted on the last day of the course. The topics coverage and examination format will be announced in class.

Examination scripts are marked and graded according to the marking guide.