

MGT 187: New Venture Finance

Undergraduate Course, Spring 2021

PROFESSOR: L. JEAN DUNN, JR.

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OFFICE LOCATION: Please contact via email or call my mobile phone # above

OFFICE HOURS: At anytime but not after 9:00 PM

TA / TUTOR: Pacific Eng

EMAIL : paeng@ucsd.edu

Office

Hours: To be provided in class

Note: This syllabus may be updated and revised at a later date. Please check CANVAS for latest version.

COURSE TIMES AND LOCATION

Virtual. I will post the weekly lectures by 5:00 PM on Tuesday of each week

COURSE DESCRIPTION

It is critical for the individual involved in the starting of a new venture to have the necessary financial skills and financial knowledge to develop a business plan, arrange start-up financing and manage the new venture. The goal of the course is to teach the fundamental financial skills necessary for an individual with a technological background to start and manage a company.

Utilizing lectures, readings, guest speakers and class discussions and assignments, students will learn how to construct financial statements and perform financial statement analysis, build a financial model for their business, arrange financing for their business, recognize the importance of cash flow management, and understand company valuation.

COURSE OBJECTIVES

The main goal of the course is to provide students with both the quantitative tools as well as the leadership insights needed to successfully contribute to the financial success of a to be formed enterprise. While this is an introductory course in finance, it will cover all the main topics at an appropriate depth to sufficiently prepare the students to effectively manage the financial concerns of to be formed enterprise.

The course will utilize lectures, case studies, and guest speakers from industry. This quarter-length course is designed for upper division undergraduate students.

COURSE MATERIALS

The course draws on a number of different sources during the quarter.

- 1) *Venture Deals*
Brad Feld and Jason Mendelson
Second Edition
John Wiley and Sons, Inc. Hoboken, New Jersey

- 2) A chapter out of

Financial Accounting
Libby, Libby and Short
Eighth Edition
McGraw Hill Education, New York, New York

The *Financial Accounting* text book may be accessed in the library.

You should also have use of Microsoft Excel or some other similar spreadsheet program.

The assigned readings, cases and class schedule are given in the attached course outline. *Each student is expected to have completed the reading for each class before the class starts.* Homework will be due as assigned in the schedule and will be turned in before class on the day due. Each student is expected to be prepared to contribute to the classroom discussion. (See below.)

ATTENDANCE

You are expected to watch each posted lecture and you are responsible for the material covered. I suggest that you take notes on each lecture.

EVALUATION AND GRADING

Students will be evaluated based on performance in their areas of effort:

- i. Homework (20%) - There will be a homework assignment a week to be handed in before class starts on the days specified on the attached course schedule.
- ii. Midterm (30%) - There will be a mid-term examination on Tuesday April 27, 2021. It can cover all text readings, cases, homework and class discussions up to that time.
- iii. FINAL EXAM (50%) - There will be a 3-hour final exam. It will cover all text readings, cases, and class discussions during the quarter. The Final Exam will be given on Thursday, June 10, 2021 from 7:00 PM to 10:00 PM

Please note: All exams are to be completed individually so collaboration among students is not allowed.

GRADING of HOMEWORK: Homework is graded as follows: a) If the student makes a good effort and gets most of the answers correct then they will receive 100 out of a 100. Please note that this is the maximum grade. b) If the student turns in the homework and does not make a good effort or gets most of the answers wrong then they will receive 85 out of 100. c) If the student does not turn in the homework then they will receive 0 out of 100. At the end of the quarter the homework grades will be averaged. This implies that if a student turns in all of their homework and does well on them their maximum grade for the quarter on homework will be 100.

EXTRA CREDIT: There may be extra credit available during the quarter at the discretion of Professor Dunn. This means that there may or may not be extra credit available. The extra credit, if it is available, will be announced and will be available to all students in the course. There will be a due date associated with a possible extra credit assignment. **If a student turns in their extra credit after the due date they will not receive any extra credit.**

RULES OF ACADEMIC ETIQUETTE

General rules of thumb:

When in doubt about how you should speak, write, or act, always err on the side of formality. You will never offend or annoy someone by being overly formal and polite. While you are in college, your coursework is your job.

You should behave as you would in a professional work environment.

When addressing me in person: Always address me as “Professor Dunn”. Do not call me by my first name or anything else unless I explicitly ask you to do so. I am not “Hey” or “Bro” or “Dude”. Please use Professor Dunn.

When writing an email to me: Begin the email with “Dear Professor Dunn,” or “Dear Prof. Dunn”. Do not begin the email “Hi” without addressing your professor by their title and surname.

Be alert to the tone of your message. Any email to a professor or teaching assistant should sound like a formal letter, not a text message or a demand to a customer service representative. For example, you should write:

Dear Professor Dunn, I cannot come to your office hours this week. Could I please see you on Tuesday instead? What time is convenient for you. Sincerely, Jane

Do NOT write

Hi, I need to talk to you about the test. Can I come by Mon? Thx Jane

Do NOT write

Hello, I’m a senior and I need your class to graduate. Canvas says I need permission. I need you to enroll me immediately. Jane

Write in complete sentences with correct spelling, grammar, and punctuation. Proofread your email before sending it. If English is not your native language then I suggest you find a native English speaker to look over your writing prior to sending it to me or sending in an assignment.

I suggest that all students download the app Grammarly, <https://www.grammarly.com/>. This app is free and will correct your spelling and your grammar. It can be used with Microsoft Word and Outlook as well as other programs.

Rady Undergraduate Advisor: Contact them about enrollment, campus resources, questions about Rady minors, etc. First, look at the Rady Undergraduate Website: <http://rady.ucsd.edu/programs/undergraduate-programs/> Questions? Current UCSD students should send a message through VAC (<http://vac.ucsd.edu/>). Extension students should email undergrad@rady.ucsd.edu . Or, come to Walk-in Advising hours: Tues/ Thurs 9am – 12pm and Wed. 1-4pm. Location: Second floor of Otterson Hall at Rady in the Undergraduate Student Services Area.

COURSE OUTLINE

Tuesday, March 30, 2021

Importance of finance in the new venture and new venture business model

Discussion of forms of Organization from a legal and operational viewpoint

Tuesday, April 6, 2021

Introduction to accounting

Financial Accounting
Chapter 1

Homework #1 due April 13, 2021 before class

Tuesday, April 13, 2021

Time value of money, discounted cash flow, cash flow projections breakeven and IRR

Case Study #2 due April 20, 2021 before class

Tuesday, April 20, 2021

Business models and how they drive value

Tuesday, April 27, 2021

Midterm Exam

Tuesday, May 4, 2021

Angel Investing

Reader – Financing New Ventures
Chapters 3 & 4

Description of Venture Due May 11, 2021 before class

Tuesday, May 11, 2021 VC Market

Venture Deals
Chapter 9

Case Study #4 due May 18, 2021 before class

Tuesday, May 18, 2021 Marketing to VC's

Venture Deals
Chapter 11

Case Study #5 due May 25, 2021 before class

Tuesday, May 25, 2021 Term Sheets Negotiations and Venture leasing

Venture Deals
Chapters 4, 5, 6
Venture Deals
Chapter 10

Tuesday, June 1, 2021 Liquidity events – Sale of Company, IPO, SPACs
Review

FINAL EXAM

Thursday, June 10, 2021 7:00 PM to 10:00 PM

ACADEMIC INTEGRITY

Integrity of scholarship is essential for an academic community. As members of the Rady School, we pledge ourselves to uphold the highest ethical standards. The University expects that both faculty and students will honor this principle and in so doing protect the validity of University intellectual work. For students, this means that all academic work will be done by the individual to whom it is assigned, without unauthorized aid of any kind.

The complete UCSD Policy on Integrity of Scholarship can be viewed at: <http://www-senate.ucsd.edu/manual/appendices/app2.htm#AP14>

How the Honor Code applies to this course:

Students are expected to complete the course in compliance with the instructor's standards. No student shall engage in any activity that involves attempting to receive a grade by means other than honest effort; for example:

No student shall knowingly procure, provide, or accept any unauthorized material that contains questions or answers to any examination or assignment to be given at a subsequent time.

No student shall complete, in part or in total, any examination or assignment for another person.

No student shall knowingly allow any examination or assignment to be completed, in part or in total, for himself or herself by another person.

No student shall plagiarize or copy the work of another person and submit it as his or her own work.

No student shall employ aids excluded by the instructor in undertaking course work or in completing any exam or assignment.

No student shall alter graded class assignments or examinations and then resubmit them for re-grading.

STUDENTS WITH DISABILITIES

A student who has a disability or special need and requires an accommodation in order to have equal access to the classroom must register with the Office for Students with Disabilities (OSD). The OSD will determine what accommodations may be made and provide the necessary documentation to present to the faculty member.

The student must present the OSD letter of certification and OSD accommodation recommendation to the appropriate faculty member in order to initiate the request for accommodation in classes, examinations, or other academic program activities. No accommodations can be implemented retroactively.

Please visit the OSD website for further information or contact the Office for Students with Disabilities at (858) 534-4382 or osd@ucsd.edu.