



GUJARAT TECHNOLOGICAL UNIVERSITY

Programme: Master of Business Administration

Semester: 3

Branch: Innovation, Entrepreneurship & Venture Development

Subject Name: Venture Financing

Subject Code: N2539408

Rationale:

The course provides students an understanding of the fundamentals of venture finance through various sources. We will address financing and strategic issues faced by entrepreneurs in the early stage of a firm. This course covers the funding process of early stage high-growth companies, from seed funding to venture capital rounds to a successful exit. It will also cover the new age funding options and also discuss the possibility to raise fund through IPO.

Course Scheme:

Teaching Scheme			Credits	Examination Marks				Total Marks
L	T	P		Theory		Practical		
			ESE (E)	PA(M)	ESE (V)	PA (I)		
4	0	0	4	70	30	0	50	150

Course Outcomes:

Sr. No.	Course Outcomes
CO1	To Understand entrepreneurial finance concepts.
CO2	To Apply different short and long term financial sources in the respective start-up
CO3	To Analyze Financial Planning requirements of the venture
CO4	To Evaluate various new sources of venture financing

Course Content:

Unit No.	Content	No. of Hours	Marks
1	<p>Introduction to Venture Finance: Introduction to Entrepreneurial Finance, Principles of Entrepreneurial Finance- Role of Entrepreneurial Finance, The successful venture life cycle- Financing through venture lifecycle</p> <p>Developing Business Idea: Business Model, Screening venture opportunities, Pricing / Profitability considerations, Financial, / harvest Considerations, Financial Plans and Projections</p>	12	21
2	<p>Basic on Financing: Introduction to Entrepreneurial Myths and Types, Understanding Need & type of Finance require, Stages of Financing, Short Term financing through Overdraft facility, working capital & seed funding, Long term financing through Equity Shares, Preference Shares, Debentures, Bank Loans, etc</p> <p>Organizing and Operating the Venture: Financing a New venture, Startup and First Round Financing Sources- Financial Boot Strapping, Business Angel Funding, First Round Financing Opportunities</p>	15	21



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3	Financial Planning: Financial Planning throughout the Venture's life cycle, Short Term cash planning tools, projected monthly financial statements. Types and costs of Financial Capital: Implicit and Explicit financial capital costs, Financial Markets, Financing through IPO.	8	14
4	Developing new Sources of Finance: Angel Investors, Crowd Funding, Government and Non-Government funding agencies at National and State Level, lease financing, private equity, Term Sheet.	5	14
		40	70

Suggested Specification Table For Question Paper Design:

Unit No.	Unit Title	Teaching Hours	Distribution of Theory Marks (Assessment as per Revised Bloom's Taxonomy Level*)						Total Marks
			RM	UN	AP	AN	EL	CR	
I	Module-1	12	-	7	14				21
II	Module-2	15		-	7	7	7		21
III	Module-3	8		7	7				14
IV	Module-4	5		-	-	7	7		14
	Total			14	28	14	14		

***RM: Remember, UN: Understand, AP: Apply, AN: Analyze, EL: Evaluate, CR: Create**

***Note:** This specification table provides general guidelines to assist student for their learning and to teachers to teach and question paper designers/setters to formulate test items/questions to assess the attainment of the UOs. The actual distribution of marks at different taxonomy levels in the question paper may slightly vary from above table.*

Suggested Student Activities for Progressive Assessment (PA) : (50 Marks)

Evaluation:

Students shall be evaluated on the following components:

Internal Evaluation	(Internal Assessment- 50 Marks)
<ul style="list-style-type: none"> Quiz/Assignment/Class Participation 	20
<ul style="list-style-type: none"> Project preparation and presentation on the sources of finance for the start-up for which the students are working 	30

Suggested Learning Resources:



S. No.	Title of Book	Author	Publication with place, year and ISBN
1	Entrepreneurial Finance	Smith, Smith and Bliss	Stanford University Press ISBN: 978-0-8047-7091-0
2	Venture Capital & Finance of Innovation	Andrew Metrick & Ayako Yasuda	Wiley
3	The Business of Venture Capital	Mahendra Ramsinghani	Wiley
4	Entrepreneurial Finance: Finance and Business Strategies for the Serious Entrepreneur 3e	Steven Rogers	Tata Mc Graw Hil
5	Entrepreneurial Finance	Leach/ Melicher	Cengage

List of Journals / Periodicals / Magazines / Newspapers / Web resources, etc.

- The Journal of Entrepreneurial Finance by Pepperdine Libraries
- Venture Capital: An International Journal of Entrepreneurial Finance
- Reviews of Financial Studies
- École de Management de Lyon
- The Journal of Entrepreneurial Finance and Business Ventures
- Entrepreneurial Finance
- Strategic Change
- Journal of Business Venturing
- Journal of Behavioural Economics, Finance, Entrepreneurship