COURSE CONTENT

ENTREPRENEURIAL FINANCE								
IV Semester: MBA								
Course Code	**Category**	**Hours/Week**			**Credits**	**Maximum Marks**		
25MB026E4	**CORE**	**L**	**T**	**P**	**C**	**CIE**	**SEE**	**Total**
		4	0	-	4	40	60	100
Contact Classes: 60	**Tutorial Classes:** Nil	**Practical Classes:** Nil				**Total Classes:**60		
Prerequisite: Basic concepts of entrepreneurial finance								

COURSE OVERVIEW:

This course provides a comprehensive understanding of entrepreneurial finance across the venture lifecycle—from idea generation and business model development to growth and exit. It covers venture screening, financial planning, funding sources (seed, angel, venture capital), and financial statement analysis. Students learn valuation techniques such as Discounted Cash Flow and venture capital methods. The course also explains cost of capital, risk assessment, and financing alternatives including leasing, factoring, and government schemes. Emphasis is placed on practical financial decision-making, performance evaluation, and managing funding strategies to ensure sustainable growth and successful venture harvest.

COURSE OBJECTIVES:

- To highlight the importance of Entrepreneurial Finance.
- To elucidate how companies Organize and Operate the Venture.
- To impart knowledge of various aspects in financial planning.
- To provide understanding of various aspects in venture valuation.
- To discuss the aspects of financing the growing ventures.

COURSE OUTCOMES: After completion of the course, students should be able to

1. Understand Financing through venture lifecycle in a company.
2. Learn Startup and First Round Financing Sources.
3. Learn the significance of Financial Planning throughout the Venture's life cycle.
4. Understand Mechanics of venture valuation.
5. Understand the importance of venture capital financing.

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Unit – I: Finance for Entrepreneurs: Principles of Entrepreneurial Finance, Role of Entrepreneurial Finance, The Successful Venture Lifecycle, Financing through Venture Lifecycle, Lifecycle

Approach for Teaching, Entrepreneurial Finance. Developing Business Idea, Business Model. Screening Venture Opportunities: Pricing / Profitability Considerations, Financial / Harvest Considerations. Financial Plans and Projections.

Unit – II: Organizing and Operating the Venture: Financing a New Venture, Seed, Startup and First Round Financing Sources, Financial Bootstrapping, Business Angel Funding, First Round Financing Opportunities. Preparing and Using Financial Statements: Obtaining and Recording the Resources to Start and Build a New Venture, Asset and Liabilities and Owners Equity in Business, Sale Expenses and Profits Internal Operating Schedules, Statement of Cash Flows, Operating Breakeven Analysis. Evaluating Operating and Financial Performance using Ratio Analysis.

Unit – III: Financial Planning: Financial Planning throughout the Venture's Lifecycle, Short Term Cash Planning Tools, Projected Monthly Financial Statements. Types and Costs of Financial Capital: Implicit and Explicit Financial Capital Costs, Financial Markets, Determining the Cost of Debt Capital, Investment Risk, Estimating the Cost of Equity Capital, Weighted Average Cost of Capital.

Unit – IV: Venture Valuation: Valuing Early-stage Ventures, Venture Worth, Basic Mechanics of Valuation, Developing the Projected Financial Statements for a Discounted Cash Flow Valuation, Accounting Vs Equity Valuation Cash Flow. Venture Capital Valuation Methods: Basic Venture Capital Valuation Method, Earnings Multiplier and Discounted Dividends.

Unit – V: Financing for the Growing Venture: Professional Venture Capital, Venture Investing Cycle, Determining the Fund Objectives and Policies, Organizing the New Fund, Soliciting Investments in the new Fund, Capital Call, Conducting Due-diligence and Actively Investing, Arranging Harvest or Liquidation, Other Financing Alternatives: Facilitators, Consultants and Intermediaries, Banking and Financial Institutions, Foreign Investors, State and Central Government Financing Programmes. Receivables Lending and Factoring, Mortgage Lending, Venture Leasing.

TEXT BOOKS:

- Leach, Melicher, Entrepreneurial Finance, South-Western College Pub, 5e, 2022.
- Marco Da Rin Thomas Hellman, Fundamentals of Entrepreneurial Finance, Oxford Publishers,1e, 2020.
- M J Alhabeeb, Entrepreneurial Finance: Fundamentals of Financial Planning and Management for Small Business, Wiley, 2015.
- Steven Rogers, Entrepreneurial Finance: Finance and Business Strategies for the Serious Entrepreneur 3e, Tata Mc Graw Hill, 2014.
- Douglas Cumming, Entrepreneurial Finance, Oxford University Press, 2012.
- Philip J. Adelman, Alan M. Marks, Entrepreneurial Finance, 5e, Pearson, 2011.

REFERENCE BOOKS:

- Entrepreneurial Finance – J. Philip Harrison & Harold L. Hart

- Entrepreneurial Finance – Janet Kiholm Smith & Richard L. Smith
- Venture Capital and Private Equity – Justin Camp
- Financial Management for Entrepreneurs – Steven Rogers
- Principles of Corporate Finance – Brealey, Myers & Allen
- Small Business Financial Management – Longenecker et al.

ELECTRONIC RESOURCES:

- Reserve Bank of India – www.rbi.org.in
- Securities and Exchange Board of India – www.sebi.gov.in
- Small Industries Development Bank of India – www.sidbi.in
- National Stock Exchange of India – www.nseindia.com
- Startup India – www.startupindia.gov.in
- National Programme on Technology Enhanced Learning – www.nptel.ac.in

MATERIAL RESOURCES:

1. Course template
2. Tutorial question bank
3. Tech talk and Concept Video topics
4. Open-ended experiments
5. Definitions and terminology
6. Assignments
7. Model question paper – I
8. Model question paper – II
9. Lecture notes
10. PowerPoint presentation
11. Drishya Siksha Sangrah (DSS) Videos