



MARRI LAXMAN REDDY INSTITUTE OF TECHNOLOGY AND MANAGEMENT

(AN AUTONOMOUS INSTITUTION)

(Approved by AICTE, New Delhi & Affiliated to JNTUH, Hyderabad)

Accredited by NAAC with 'A' Grade & Recognized Under Section 2(f) & 12(B) of the UGC act, 1956

COURSE CONTENT

ENTREPRENEURIAL FINANCE								
IV SEMESTER								
Course Code	Category	Hours/Week			Credits	Maximum Marks		
20MBA025E	Professional Elective	L	T	P	C	CIE	SEE	Total
		4	-	-	4	30	70	100
Contact Classes:60	Tutorial Classes: Nil	Practical Classes: Nil			Total Classes: 60			
Prerequisite: Basic concepts of Entrepreneurial Finance								

COURSE OVERVIEW:

Entrepreneurial Finance is a specialized course that focuses on financial decision-making in startups and growing ventures. It deals with how entrepreneurs raise, manage, and allocate financial resources under conditions of uncertainty, high risk, and rapid growth.

COURSE OBJECTIVES:

- To understand the financial environment and challenges faced by startups and entrepreneurial ventures.
- To analyze various sources of financing such as bootstrapping, angel investment, venture capital, and crowdfunding.
- To develop the ability to prepare financial plans, budgets, and cash flow forecasts for new ventures.
- To evaluate startup valuation methods and investment decisions under conditions of risk and uncertainty.
- To apply financial management techniques in managing growth, working capital, and sustainability of entrepreneurial ventures.

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

1. Understand core concepts of entrepreneurial finance, venture life cycle and business idea screening covering pricing, profitability strategies
2. Assess financing options seed funding, bootstrapping, angel investing and financial statements for supporting operational decisions in new ventures
3. Apply financial planning tools across the venture life cycle for short-term and long-term decision-making.
4. Analyze valuation of early-stage ventures using discounted cash flow, earnings multiplier and venture capital methods.
5. Determine funding sources venture capital, banking, government programs, leasing and align financing strategy with the venture's growth stage

UNIT-I FINANCE FOR ENTREPRENEURS

Principles of entrepreneurial finance, role of entrepreneurial finance, the successful venture life cycle, finance through venture lifecycle, life cycle 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 boot strapping, 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 break even analysis. Evaluating operating and financial performance using ratio analysis.

UNIT-III 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, 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, develop 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. Latest Amendments in Entrepreneurial Finance

TEXT BOOKS:

1. Leach/ Melicher, —Entrepreneurial Finance, 5th Edition, , 2015.
2. Steven Rogers, —Entrepreneurial Finance: Finance and Business Strategies for the Serious Entrepreneur, Tata Mc Graw Hill, 3rd Edition, 2014.
3. Douglas Cumming, —Entrepreneurial Finance, Oxford University Press, 4th Edition, 2012.

REFERENCE BOOKS:

1. M J Alhabeeb, Entrepreneurial Finance: Fundamentals of Financial Planning and Management for Small Business, Wiley, 4th Edition, 2015.
2. Philip J. Adelman, Alan M. Marks, Entrepreneurial Finance, Pearson, 5th Edition, 2011.
3. Philip J. Adelman, Alan M. Marks, Entrepreneurial Finance, 5e, Pearson, 2011

ELECTRONIC RESOURCES:

- <https://www.amazon.de/Entrepreneurial-Finance-Richard-L-Smith/dp/0471230723>

- <https://www.amazon.com/Entrepreneurial-Finance-Richard-L-Smith/.../0471322873>
- books.google.co.in/books?isbn=1305968352
- <https://www.tandfonline.com/doi/abs/10.1080/13691066.2016.1259733>

MATERIALS ONLINE:

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

