UCL Université catholique de Louvain

LLSMS2014

2014-2015

Entrepreneurial finance (in English)

5.0 credits	30.0 h	2q

Teacher(s) :	Grégoire Philippe ;
Language :	Anglais
Place of the course	Louvain-la-Neuve
Main themes :	Voir Contenu ci-contre
Aims :	Educational Objectives The aim of the course is to present the theory and practice of the financing of entrepreneurial firms. Special attention will be devoted to understanding the motivations of the different players (mainly financiers, entrepreneurs) and how to reconcile their interests. The course is to a large extent based on case studies that will be discussed in class. Students will learn how to choose among different types of investors and to value new ventures. In particular, the course will focus on valuation methods for innovative startups. Students will also get a better understanding of various source of finance for start-up firms and how deals are structured between investors and entrepreneurs to mitigate well-known agency problems inherent to young companies.. Students will learn how to value new ventures. In particular, the course will focus on differences in valuation methods with traditional corporate finance views of large companies. Students will also get a better understanding of various source of finance for start-up firms, where special attention will be devoted to private equity investors (business angels and venture capital funds) and how deals are structured between them and entrepreneurs to mitigate well-known agency problems inherent to young companies. Many of the theoretical aspects will take a principal-agent view of this relationship, and the discussion will be largely backed by recent developments in the theoretical and empirical literature on entrepreneurial corporate finance. *The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".*
Content :	Résumé, contenu et méthodes In this course, we discuss various forms of financing available to new ventures, present the structure of financial contracts, as well as provide the student with an introduction to valuation methods. A significant part of the course will deal with venture capital and business angel finance. Real-world case studies on entrepreneurial finance will be discussed during the course. Students are expected to participate actively in discussions. Topics to be discussed include, but are not limited to, the following areas: - Sources of financing for start-ups - Valuation methods for new ventures - Security Design and contracting - Venture capital cycle: investment - monitoring and advising - divestment - Special topics: e.g. corporate venturing, international perspectives of venture capital finance Note that this course is not a course on entrepreneurship but one on entrepreneurial finance. Therefore, the course will not cover topics such as management and organization of entrepreneurial companies nor how to write business plans. Rather it will focus on the financial aspects of entrepreneurial firms.

Other infos :	Prerequisites (ideally in terms of competiencies) Basic course/knowledge in corporate finance Evaluation : The final grade will consist of two parts. The first one will be based on short essays and class presentation of relevant case studies. The second part will be an individual essay on a topic on entrepreneurial finance that students can select themselves. There will be no written exam. However, students need to present their topic to the instructor during the exam session. This will take the form of an oral exam, which will cover the topic of the individual essay as well as any material covered in class that pertains in one way or another to the selected topic. Case studies will be done in small groups (the size of groups will depend on the number of registered students). Groups have to be formed before the end of the second week. Students have to hand in a written report on some of the cases. Reports should be typed (with a maximum of 3 pages for each report # any additional material should be put in Appendix if relevant) and handed in personally; you cannot hand it in through e-mail. Only one report is needed for each group. Make sure that all names and student numbers are on the front page of the reports. When presentations are done, a copy of PowerPoint presentations must be provided to the instructor (printed handout at the day of presentation, and before your presentation). For deadlines, see the detailed Lecture Plan provided below. Support : In order to download relevant course information students should also enroll to the course website on iCampus. Announcements relevant to this course will also be posted there. Moreover, students can download from the website iCampus the slides used by the instructor during class. They will be made available at latest on the day prior to each lecture. It is strongly recommended to print the slides and bring them in class. References (textbook for case studies) : Literature (required reading): All relevant case studies can be found in the following book: P.A. Gompers and W.A. Sahlman, Entrepreneurial Finance: A Casebook (Wiley, 2002) In addition, students interested in reading issues discussed in class next to the case studies will find related discussions in the following textbooks (suggested reading, not required): - W.A. Sahlman, H.H. Stevenson, M.J. Roberts and A. Bhidé, The Entrepreneurial Venture (Harvard Business School Press) - P.A. Gompers and J. Lerner, The Money of Invention: How Venture Capital Creates New Wealth (Harvard Business School Press, 2001) - P.A. Gompers and J. Lerner, The Venture Capital Cycle , 2nd edition (MIT Press) - J.K. Smith and R.L. Smith, Entrepreneurial Finance, 2nd edition (Wiley) - J.C. Leach and R.W. Melicher, Entrepreneurial Finance, 2nd edition (Thomson South-Western) - A. Metrick, Venture Capital and the Finance of Innovation (Wiley) Internationalisation X international content (does the course tackle international issues related to the course content ?) X international case study Corporate features X case study X corporate guest Skills X presentation skills X team work X problem solving X decision making X critical thinking Techniques and tools for teaching and learning X IT tools X quantitative methods X qualitative methods
Cycle and year of study :	> Master [120] in Management > Master [120] in Business engineering > Master [120] in Management > Master [120] in Business Engineering

Faculty or entity in charge:	CLSM