

# AD 420 - ENTREPRENEURIAL FINANCE

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FALL 2022

## COURSE OVERVIEW

### INSTRUCTOR

Cenk C. KARAHAN

### CLASS MEETING TIME

Mondays 10am – 1pm

### CLASSROOM

IB 301

### EMAIL

cenk.karahan@boun.edu.tr

### OFFICE LOCATION

IB 305

### OFFICE HOURS

By appointment only

### TEACHING ASSISTANT

Merve G. CEVHEROĞLU  
mgcevheroglu@gmail.com

This course is intended to introduce future entrepreneurs and managers of start-ups to the issues they will face in financial management and valuation of a new venture through its lifecycle. The topics start off with taking an idea from its inception to a business plan and bringing it into reality with various financing options such as venture capital, angel investors and debt. The strategic financial decisions, evaluation of projects, risk assessment and forecasting within the venture will be analyzed. Valuation of firms, exit strategies and harvesting will be covered. The course will especially benefit budding entrepreneurs, venture capitalists and angel investors, but also investment bankers and consultants who may end up serving the burgeoning start-up community.

## READING AND TEXTBOOK

Required articles and case studies will be provided as the semester progresses.

The Wall Street Journal, Financial Times, the Economist.

*Recommended Reading:*

Entrepreneurial Finance: Strategy, Valuation and Deal Structure, *Smith and Smith*

Entrepreneurial Finance, *Leach and Melicher*

## GRADING

- **Case Study Reports (50%)** – Individually written analyses of case studies.
- **Homework (40%)** – Assignments to practice quantitative and technical issues that arise within the context.
- **Participation (10%)** – Contribution to in-class discussions.
- **Attendance** is mandatory. Your active participation in class discussions is expected and strongly encouraged.

## COURSE CONTENTS

Below is a tentative outline of the topics that will be covered throughout the semester.

After a brief introduction to basics of new venture development, we will delve into the financial issues relevant in a new venture. The topics include:

- Organizing and financing a new venture, considerations and choices,
  - Venture capital, angel investors, debt financing,
  - Project evaluation, real options and risk assessment,
  - Measuring and evaluating financial performance,
  - Financial strategy and capital structure,
  - Governance, incentives and deal structure,
  - Valuing early-stage ventures, venture capital methods,
  - Exit strategies and harvesting, valuation of an enterprise,
  - Turnaround strategies for troubled ventures.
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