



# ME2825 Finance for Start-ups

## 7.5 credits

### Finansiering av Start-ups

This is a translation of the Swedish, legally binding, course syllabus.

### Establishment

Course syllabus for ME2825 valid from Spring 2014

### Grading scale

A, B, C, D, E, FX, F

### Education cycle

Second cycle

### Main field of study

Industrial Management

### Specific prerequisites

Students must have a minimum of 120 university points.

Also students initially having limited knowledge about finance and financial statements are welcome to participate in the course.

### Language of instruction

The language of instruction is specified in the course offering information in the course catalogue.

## Intended learning outcomes

After the course the participants will have a broad understanding about:

- Concepts and terminology related to entrepreneurial financing
- Various financial sources available to different types of entrepreneurial businesses
- How to conduct basic analysing of financial statements and projections
- How to conduct a basic financial valuation of a startup firm
- How terms and conditions between entrepreneurs and external investors may be structured
- Exit possibilities for start-up companies

## Course contents

The course will provide participants with practical insights on a number of issues related to entrepreneurial financing, including:

- Evaluations of business plans
- Financial analysis and evaluation of key measurements
- Sources of funding
- Valuation
- Structuring deals
- Exit options

## Disposition

The classes will be based on lectures, literature, real life case studies and exercises. The course will also invite guest lecturers.

## Course literature

Information om kurslitteratur kommer att delges anmälda studenter innan kursstart.

Will be announced in connection to the start of the course and communicated to enrolled participants.

## Examination

- PRO1 - Project, 7.5 credits, grading scale: A, B, C, D, E, FX, F

Based on recommendation from KTH's coordinator for disabilities, the examiner will decide how to adapt an examination for students with documented disability.

The examiner may apply another examination format when re-examining individual students.

If the course is discontinued, students may request to be examined during the following two academic years.

### **Active participation, individual (15% of total grade)**

The pedagogy of the course is based on active learning and much of the knowledge is created through participation in the exercises and cases. For this reason, individual participation will be noted and graded. Credits for active participation arrive from: (i) attendance, based on filled-in attendance lists (10% of grade), (ii) active participation, based on activity during lectures and seminars, overall engagement and passion, hand-in of questions to guest lectures, etc. (5% of grade).

Before each session, course participants are expected to read assigned literature and case studies thoroughly.

Note! In order to promote class discussion and facilitate participation without distractions, please do not use laptops during lectures. Laptops may be used only during presentations or group work sessions.

### **Homework assignments, individual (20% of total grade)**

During the course, four assignments will be asked for related to discussions in class. The assignment instructions will be posted on the course web minimum three days before hand-in deadline. The assignments should be submitted by uploading to the course web. The assignments may not exceed 1.5 pages. Late hand-ins will receive a grade of zero.

### **Written test, individual (30% of total grade)**

There will be a written test focused on evaluation of business plans. It covers materials discussed in class and assigned literature readings. The test will emphasize understanding rather than mere factual repetition, which points to the importance of consistent attendance and active class participation. All students are expected to write the test at the assigned time. One written re-examination possibility will be planned for.

### **Course assignment and opposition, group (35% of total grade)**

The students are, in groups of five, expected to write a financing plan for an optional start-up firm. The company should be unlisted, be less than 10 years old and have a maximum yearly revenue of 30 mSEK). The students need to identify their own cases. The plan could include, for example: a summary of the business and the market it operates in, a financial assessment, for what purpose financing is searched for and level of capital requirements, possible financial source options, possible valuation methods and a valuation. The report submitted must not exceed 20 pages including exhibits. During the last session, students are expected to present their plans.

In addition, the students will act as opponents to one of the other group's plan. The opponents' reflections should be handed in (max 2 pages).

For all course assessments the valuation of quality will be based on, e.g., the comprehensiveness and quality of written documents, to what extent the students show a good understanding of key terms and concepts, to what extent arguments and numbers are well-founded

and justified, to what extent oral presentations or written documents comes out as an appropriate and convincing, etc.

Grading scale:

Fail (F), Fail (Fx), Sufficient (E), Satisfactory (D), Good (C), Very good (B), Excellent (A)

Attendance: See “active participation above”. Attendance is compulsory.

## **Ethical approach**

- All members of a group are responsible for the group's work.
- In any assessment, every student shall honestly disclose any help received and sources used.
- In an oral assessment, every student shall be able to present and answer questions about the entire assignment and solution.