

# WM9H5-15 Finance for Entrepreneurs

**22/23**

**Department**

WMG

**Level**

Taught Postgraduate Level

**Module leader**

Lee Griffin

**Credit value**

15

**Module duration**

2 weeks

**Assessment**

Multiple

**Study location**

University of Warwick main campus, Coventry

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## Description

### Introductory description

To provide an ability to read and understand financial data, which is a key skill for all roles within any organisation. Students will benefit from this module by developing an appreciation of the current issues, players & development of the entrepreneurial sector, equipping them with the knowledge to produce viable projections, valuations and the finance side of business models.

### Module aims

To equip entrepreneurial students with the necessary finance background to produce and calculate meaningful forecasts to cover:

- The basic accounting statements;
- costing of goods and services
- forecasting, budgeting
- Basic business valuation (and the valuation of loss-making businesses)
- Presenting investment cases/business cases
- design and implementation of suitable financial metrics
- monetisation

### Outline syllabus

This is an indicative module outline only to give an indication of the sort of topics that may be covered. Actual sessions held may differ.

- current issues in entrepreneurial businesses, risks, opportunities and trends;
- Business legal forms and implications thereof (incorporated vs unincorporated, styles of incorporation)
- Stakeholders' needs (including potential investors) and powers – such as owners, employees, directors, customers, governments etc
- The key differences between profits and cash, and how different stakeholders regard each
- Effective financial metric design, and the interaction between non-financial metrics and the finances
- The use of key finance data, such as income statements, balance sheets etc
- Processes for forecasting and budgeting, and the limitations of both, and common errors to include optimism bias
- Use of 'the investors game' to understand what how when why investors invest and exit. Investors are resources to entrepreneurs too. So smart entrepreneurs can make good use of investors!
- The effective presentation of financial data for investment and decision making (including NPV, ARR, IRR etc)
- The implications of different sources of finance, principally debt vs equity (ownership) and alignment with target source changes
- Exploration of different forms of entrepreneurial financing, including crowdfunding and ICO
- Presentation of investment pitches
- Valuation of businesses as mature and start-up

## Learning outcomes

By the end of the module, students should be able to:

- Critically assess a business' financial performance by integrating financial and business data to synthesise a clear opinion.
- Calculate, from novel datasets, the costs associated with the production of products or the provision of services
- Design and defend an effective pitch with financial projections, considering the investors' context, integrating information and concepts from other modules into particular situations to produce a viable and professional document.
- Design and defend suitable metrics to be used in a given business start-up situation
- Create Short (6 Months) , Medium (18 months) and Long Term (3 years) financial projections for a start-up business.
- Conduct a critical analysis of a need for investment, the types of investment, and associated investment analysis on a new business.

## Indicative reading list

Atrill, P & McLaney, E (2011). Accounting and Finance for Non-specialists. London: Pearson Education Limited.

Dyson, J.R. (2010). Accounting for Non-accounting Students. London: FT Prentice Hall

Berk, J. & DeMarzo, P., 2016. Corporate Finance. Fourth ed. Boston, MA: Pearson Education, Inc.  
Arnold, A (2013) Corporate financial management. Fifth ed. Pearson Education.  
O'Regan, P (2006) Financial information analysis. Second Ed. Wiley.  
Chaffey, D (2015) Digital Business and E-Commerce Management. Pearson Education.  
Trott, P., Hartmann, D., Duin, P. d., Scholten, V., Ortt, J. R. 20151214, Managing Technology  
Entrepreneurship and Innovation, Routledge.  
Klonowski, D. 20141127, Strategic Entrepreneurial Finance, Routledge.

## Subject specific skills

Financial, numeracy, organisational, communication, accuracy, teamwork, presentational  
Investment analysis  
Financial projections for a Start-Up  
Managing Cash Flow  
Company Valuation  
Methods for Financing a Start-Up (eg. Crowd Funding, Angel Investors, Family)

## Transferable skills

Critical thinking (needed for PMA and IMA)

- Self-awareness
  - Communication
  - Teamwork
  - Information literacy
  - Digital literacy
  - Professionalism
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## Study

### Study time

| Type                          | Required                    |
|-------------------------------|-----------------------------|
| Lectures                      | 5 sessions of 1 hour (3%)   |
| Seminars                      | 20 sessions of 1 hour (13%) |
| Tutorials                     | 5 sessions of 1 hour (3%)   |
| Online learning (independent) | 30 sessions of 1 hour (20%) |
| Other activity                | 30 hours (20%)              |
| Assessment                    | 60 hours (40%)              |
| Total                         | 150 hours                   |

## Private study description

No private study requirements defined for this module.

## Other activity description

Self-study, reading and reflection;

Syndicate work for in-module presentation (assessed) ;

Note - pre/[post contact time included in 'online (independent)

## Costs

No further costs have been identified for this module.

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## Assessment

You do not need to pass all assessment components to pass the module.

### Assessment group A

|                      | Weighting | Study time | Eligible for self-certification |
|----------------------|-----------|------------|---------------------------------|
| In module group-work | 20%       | 10 hours   | No                              |

A presentation in the form of a pitch to a VC panel or similar, with emphasis on the financial aspects of the pitch rather than the wider business model.

|                          |     |          |                 |
|--------------------------|-----|----------|-----------------|
| Business case for review | 80% | 50 hours | Yes (extension) |
|--------------------------|-----|----------|-----------------|

Students will be required to present the financial aspects of a business case, with suitable backing, in order to form part of an investment pitch.

This will be individual to each student, all of whom should design a new business for these purposes

### Assessment group R

|  | Weighting | Study time | Eligible for self-certification |
|--|-----------|------------|---------------------------------|
| Assessed work as specified by department                         | 100%      |            | Yes (extension)                 |
| 100% assignment - directed composition of suitable business case |           |            |                                 |

## Feedback on assessment

Feedback on marks for presentations given during the module itself

Exam feedback via mark and comments

NOTE - assessment appears to assess certain LOs twice, the exam emphasis is on the ability to calculate, the in module on the ability to defend a case. Different aspects are covered in both, and allow a recovery position should the in-module element be failed.

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## **Availability**

## **Pre-requisites**

Form requires text to allow me to progress - no pre-requisites

## **Courses**

This module is Core for:

- Year 1 of TWMS-H1S6 Postgraduate Taught Innovation and Entrepreneurship (Full-time)