

WM9H5-15 Finance for Entrepreneurs

23/24

Department

WMG

Level

Taught Postgraduate Level

Module leader

Bushra Fatima

Credit value

15

Module duration

30 weeks

Assessment

Multiple

Study location

University of Warwick main campus, Coventry

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.

Assessment

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

Assessment group D

| | Weighting | Study time |
|---|-----------|------------|
| In module group-work | 20% | 10 hours |
| 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. | | |
| Stage two of business design | 20% | 10 hours |
| 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 | | |
| MCQ Online Test | 20% | 10 hours |
| MCQ testing specific calculations and concepts. | | |
| Online examination | 40% | 30 hours |
| Exam to show calculation, justification and defence of ideas via a report based upon calculation. | | |

Assessment group R1

| | Weighting | Study time |
|--|-----------|------------|
| Assessed work as specified by department | 100% | |
| 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.

[Past exam papers for WM9H5](#)

Availability

Pre-requisites

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

There is currently no information about the courses for which this module is core or optional.