

## Course Outline

**Course Code** : FIN4717  
**Course Title** : Entrepreneurial Finance  
**Class Date** : From 11/8/2025 To 14/11/2024  
**Semester** : Semester 1, Academic Year 2025/2026  
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### Overview

Entrepreneurs who recently are more commonly referred to as founders identify new opportunities, bring together different pieces, and introduce new products and services that bring together the change in the society. Often that is done with the help of external capital or finance. In financing their early stage ventures, founders have to evaluate the potential of business growth, its risk, liquidity needs, information environment and how much of decision making control they are willing to give up to the potential investors.

Importantly, the capital markets that founders face – and private equity investing more generally – differ fundamentally from capital markets considered in standard corporate finance. Founder ventures are young, often unprofitable companies, with short operating histories and little capital. These ventures face exceptionally higher degrees of uncertainty, constraining financing and creating difficult decisions about financial contracting, keeping in mind that today's financial decisions may have implications for future opportunities and choices. Further, available capital markets for privately held companies are predominantly “deal markets” where terms and valuations are negotiated on a case-by-case basis, so that investors can add value and are actively involved with the companies they finance.

Throughout this Financing Founders course, we will emphasize financial opportunities and decisions of founders and private equity investors investing in these founders. We will attempt to take the perspectives of both founders and investors as some students may want to start their own businesses or be part of emerging businesses, while others would be interested in participating directly in the growth of venture capital and private equity. How would they agree on the valuation, deal terms, control, and eventually exit?

The course is a blend of lectures, case study discussions, and exercises.

### Course Objectives

By the end of this course, you should be able to:

- Value an early stage firm
- Assess corporate governance and information asymmetry frictions when investing in early stage ventures
- Apply various financial instruments to bridge valuation gaps between founders and investors
- Assess different exit alternatives for a growth-stage firm
- Evaluate the potential and risks of continuing the firm as a family firm

## Assessment

This module has no final examination; it is 100% continuous assessment. Your final grade in the course will be based on both individual and group work. The evaluation is as follows:

Component	Weightage
Class and Slack Participation	10%
Case Study Write-ups (incl. Role Play)	20%
Group Project	30%
Individual Discussion of Other Group's Project	10%
Individual Test	30%
<b>Total</b>	<b>100%</b>

## Schedule and Outline

Session	Description	Textbook Chapters
1	Introduction to Entrepreneurial Finance, Developing the Pitch, Standard Discounted Cash Flow Analysis <i>Associated case studies: Mother Earth; Netflix</i> (discussed in the following class)	1; 3 Opt.: 2
2	Financing Early Stage Ventures: Venture Capital Industry <i>Associated case study: Andreessen Horowitz</i> (discussed in the following class)	12 Opt.: 13-14
3	Financing Early Stage Ventures: Startup Valuation, Venture Capital Method <i>Associated case study: Sigma Ventures: Evaluating an Early-Stage Venture Capital Investment in China</i> (discussed in the following class)	4.1-4.3; 5.1-5.4
4	Financing Early Stage Ventures: Experimentation, Staged Capital, Later Rounds, Anti-dilution <i>Associated case study: Fast Ion Battery</i> (discussed in the following class)	9
5	Financing Early Stage Ventures: Preferred Convertible Shares, Founder Shares and Vesting <i>Associated case study: Optiguard</i> (discussed in the following class)	4.4; 6.1-6.3; 6.6
6	Financing Early Stage Ventures: Structuring the Deal, Negotiating Term Sheets, Governance <i>Associated case study: MuMaté</i> (discussed in the following class)	6.4-6.5; 8 Opt.: 7
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7	Financing Early Stage Ventures: Convertible Notes, SAFE, Venture Debt <i>Associated case study: Airbnb: Almost Out of Air?</i> (discussed in the following class)	10
8	Exit Strategies: IPOs <i>Associated case study: Prada's Hong Kong IPO</i> (discussed in the following class)	11.1-11.2; 11.6
9	Exit Strategies: Retaining Control in a IPOed Firm, Corporate Governance Challenges <i>Associated case study: K-Pop Showdown: Align Partners' Activism at SM Entertainment</i> (discussed in the following class)	11.2; 13.2-13.3
10	Exit Strategies: SPACs <i>Associated case study: Swap &amp; Go: Gogoro and Poema Global de-SPAC Transaction</i> (discussed in the following class)	
11	Exit Strategies: Financial Exit (Buyouts, Secondaries), Strategic Sales	11.3-11.4
12	Group Project Presentations	
13	Individual Test	

## **General Guide & Reading**

Recommended Textbook: Fundamentals of Entrepreneurial Finance, Marco Da Rin and Thomas Hellmann, 2020, Oxford University Press

Supplementary Material: The course will make use of business case studies that cover a wide range of industries and focus on founders and investors in Asia, Europe, and North America. You will highly benefit if you familiarized yourselves with the cases before coming to each class. The full case study list will be provided before the start of the course.

Please be active in the class by raising questions and providing relevant answers. Although attendance will not be taken, skipping classes might jeopardize your success in the course. Late arrivals, early departures, chatter and unwarranted laptop or phone usage are somewhat disruptive, and will not be tolerated.

Class participation will be assessed both based on their in-person class performance as well as their performance on the Slack channel. Students who I feel had a significant positive contribution to the learning environment of the classroom through participating in discussions in the classrooms or on Slack channel will be awarded points. Students who contribute negatively to the classroom environment will lose points.

Slack channel will be open to sharing news and insights on recent successful and less successful founder capital raising and exits. In-person class performance will particularly focus on the case study discussions, so familiarizing with the cases before coming to each class is highly encouraged. For each case study, you will also be asked to prepare a short write-up (half a page) that covers the basic familiarity with the case study.

Group project will focus on understanding a real-world founder event by carefully examining the details of a deal. Ideally, it should describe recent capital raising by a founder-led firm or an exit, and include a simplified valuation exercise. Each group needs to submit a report and present it in class. Each student will be assigned to review the project of one of the other groups. More details on the project and grading criteria will be provided in the first lecture.

Individual test will be based on a case study, distributed on the day of the test. The case study will resemble the ones discussed during the course.

## **Academic Honesty & Plagiarism**

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is 'the practice of taking someone else's work or ideas and passing them off as one's own' (The New Oxford Dictionary of English). The University and School will not condone plagiarism.

Artificial Intelligence (AI) tools such as ChatGPT do not require specialist knowledge to use. Many of these AI tools are commonly used in social media, for example, to create content and disguise and refine content created from programmes like ChatGPT. We understand that students will be drawn to using these AI Tools, as they would for any other electronic aid.

However, to be clear, normal academic rules still apply. As noted in the Code of Student Conduct:

*“The University takes a strict view of cheating in any form, deceptive fabrication, plagiarism and violation of intellectual property and copyright laws. Any student who is found to have engaged in such misconduct is subject to disciplinary action by the University.*

With respect to AI tools (e.g., ChatGPT and image generation tools), your instructor will clarify whether the use of these tools as inputs into your assignment development process is acceptable. AI is a technology that requires skill to use, and knowledge about when and how to use it. If you use ChatGPT or any other such AI tool in your work, you must provide a proper representation of how you used the tool and what prompts you used to generate output. Failure to cite its use constitutes academic misconduct.

Further, as with any information source, be aware that minimal efforts yield low quality results. You will need to refine your work and fact check the output, as you would double-check information from any source. Further, you should be selective in how and when you use such tools instead of using it for each and every assignment you create.

To summarise:

1. Always check with your instructors on what are the permitted uses of AI tools.
2. Have a discussion at the start of a course about the use of AI.
3. Where permitted, acknowledge your use of AI.
4. You remain responsible for the quality of your work and its appropriate representation.
5. Failure to follow the above steps can lead to a concern about plagiarism (academic dishonesty).

As always, you have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is entirely your own work. This is a minimum standard.

Additional guidance can be found at:

Admission Condition: <http://www.nus.edu.sg/registrar/administrative-policies-procedures/acceptance-record#NUSCodeofStudentConduct>

NUS Code of Student Conduct: <http://nus.edu.sg/osa/resources/code-of-student-conduct>

Academic Integrity Essentials: <https://libguides.nus.edu.sg/new2nus/acadintegrity#s-lib-ctab-22144949-4>

Guidelines on the Use of AI Tools For Academic

Work: <https://libguides.nus.edu.sg/new2nus/acadintegrity#s-lib-ctab-22144949-3>