

THE CYPRUS INTERNATIONAL INSTITUTE OF MANAGEMENT
COURSE UNIT DESCRIPTION

Course Unit Title	FINANCING OF NEW VENTURES							
Course Unit Code	FB585							
Type of Unit	Elective							
Level of Course Unit	Second cycle							
Year of Study	First / second year							
Number of ECTS Credits	3.0 ECTS							
Course Unit Objectives	<p>The objective of this course is to introduce students to entrepreneurship financing. The course will deal with the nature of entrepreneurial financing, the venture lifecycle, raising capital, valuation, debt financing, equity financing and alternative financing methods.</p> <p>The course is suited to students who plan to get involved with a new venture at some point in their career -- as a founder, early employee, advisor, investor or are intrapreneurs in their organisations or who would like to have an overview of entrepreneurial financing.</p> <p>The course addresses key questions which challenge all entrepreneurs: how much money can and should be raised; when should it be raised and from whom; what is a reasonable valuation of the company; and how should funding, employment contracts and exit decisions be structured.</p>							
Learning Outcomes	<p>The students completing the course should be able to:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 20%;">CILO 1</td> <td>Analyse the various stages of venture financing - seed financing, start-up financing, first round and later stage financing</td> </tr> <tr> <td>CILO 2, 4, 5,6</td> <td>Compare the various sources of capital and financing, including debt and equity financing, alternative financing as well as differentiate the various exit options</td> </tr> <tr> <td>CILO 3</td> <td>Analyse the valuation process, the factors influencing valuation and valuation methods.</td> </tr> </table>		CILO 1	Analyse the various stages of venture financing - seed financing, start-up financing, first round and later stage financing	CILO 2, 4, 5,6	Compare the various sources of capital and financing, including debt and equity financing, alternative financing as well as differentiate the various exit options	CILO 3	Analyse the valuation process, the factors influencing valuation and valuation methods.
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Name of Lecturer(s)	Dr Anastasia Constantinou							
Mode of delivery	Face to Face							
Prerequisites or co-requisites	N/A							
Course Content	<p>Introduction – the nature of entrepreneurial finance, the venture lifecycle, forms of business organization.</p> <p>Raising capital - Value added investors, sources of capital, the investment is in the entrepreneur, harvesting success (exits, buyouts, acquisitions..)</p> <p>Valuation – Pre money and post money valuations, key factors influencing valuation, valuation methods, asset valuation, valuing different types of companies</p> <p>Debt financing - Types of debt, types of debt financing, structuring long term debt, debt financing for working capital</p>	<p>CILO 1</p> <p>CILO 2</p> <p>CILO 3</p> <p>CILO 4</p>						

	Equity financing - Sources of equity capital, Private placements, Corporate venture capital, Private equity firms, Raising private equity, Initial public offerings, Public equity markets, Direct public offerings.	CILO 5
	Alternative Financing Methods - Crowdfunding	CILO 6
Recommended or required	<p><i>Recommended reading (more reading suggestions and articles will be given during the course):</i></p> <ul style="list-style-type: none"> • Entrepreneurial Finance: Finance and Business Strategies for the Serious Entrepreneur, Steven Rogers, third edition, McRaw-Hill, 2009 • Structuring Venture Capital, Private Equity, and Entrepreneurial Transactions, Jack S. Levin, third Edition, 2009 	
Planned learning activities and teaching methods	Lectures, case studies, class discussion, group work and videos.	
Assessment methods and criteria	Class participation (including in class group case study): 30% Individual assignment: 70%	
Language of Instruction	English	
Work Placement(s)	Not applicable	