MGT 160: Financing New Business Ventures  
Syllabus - Fall 2012

General Information  
Wednesdays, 6:10 to 9:00 p.m.  
Gallagher Hall Room 1213

Instructor:  
Nicholas Briscoe, MS, AVA, CEA  
Email: nabriscoe@ucdavis.edu  
Telephone: (925) 299-1200  
Office & Office Hours: To be announced

Course Description  
Financing New Business Ventures will cover the fundamentals of corporate and investment finance to prepare students to make financial decisions and communicate with investors. The course is designed to be very practical and skills-focused. We will touch on theory lightly. The bulk of the work will be on learning and using essential tools of financial analysis. By the end of the course, you will have a framework for considering questions about financial value…the financial value of an equity investment, a bond, a company, or an idea.

Specific topics the course will cover include:
- The Time Value of Money and Net Present Value  
- Valuing Stocks and Bonds  
- Capital Investment Decisions  
- Capital Markets  
- Risk, Return and the Cost of Capital  
- Raising Capital & Working Capital  
- Returning Capital: Distributions and Exits  
- Small Business Valuation

Prerequisites  
The prerequisite for this class is Introduction to Accounting. This course is only open to students who have applied and been admitted to the Technology Management Minor Program at the Graduate School of Management. If you are interested in the minor, you are welcome to check out the GSM website (http://www.gsm.ucdavis.edu/techminor/) for further information.

Required Text, Problem Solutions and Class Handouts  
The textbook for this course is Essentials of Corporate Finance, (Ross, Westerfield, and Jordan - 7th edition). Class notes will be made available on the course SmartSite page after each session. Problem sets, solutions, team projects and other handouts will be on SmartSite during the quarter.
Instructor Availability
Please feel free to contact me whenever you have a question or concern. I am committed to providing the educational support expected by University of California students, so please do not hesitate to contact me via email or to visit during my office hours.

Exams
One midterm and one final will be given. The final exam will be cumulative, though weighted strongly toward the end of quarter materials. Early exams will only be given under special circumstances, and late exams will not be given. If the reason for missing the exam is legitimate, verifiable, & unexpected, the instructor may elect to replace it with the final exam grade.

All exams are closed book and closed note. A sheet of useful formulae will be provided on the day of the exam. The format will be a combination of multiple choice questions and short answer problems/calculations. You should bring a calculator not capable of a memory function, a Scantron Form 2000, and a No. 2 pencil. No other items are permitted.

Homework
Homework is intended to illicit deeper analysis than can be measured during the examinations, though it does not cover the entire chapter’s material. While understanding the homework is necessary to perform well on the exam, it is not sufficient. The chapters (and thus the exams) contain many more concepts than homework problems can reasonably be assigned for.

Homework is due at the beginning of each class lecture. If a class lecture is to be missed, students must turn in their homework to their TA’s office or mailbox before the time of lecture. Only verifiable medical emergencies will be an excuse (provided that it is submitted timely following). Late homework will be accepted for 50% credit, but only up until answers are posted. No assignments shall be accepted after the end of the last class.

Homework assignments are to be completed individually and not in a team setting. Should individual work be completed in a group setting (i.e. duplicated), point penalties will be assessed on a case-by-case basis.

Microsoft Excel Project
Professionals in all fields consistently indicate that proficiency in Microsoft Excel is an essential skill for success in the field. Accordingly, a team project involving the use of Microsoft Excel spreadsheet will be part of the course. Microsoft Excel is available in all campus computer labs. Details and instructions for the project will be passed out in class.

Lecture & Discussion Section Attendance
Attendance at lecture and discussion is mandatory. Students must attend their own discussion section unless they obtain prior approval from the TA. Attendance will be taken at both lecture and discussion, and will count toward the total grade. Due to meeting only once a week, attendance will be taken twice in lecture (one at the beginning of class, and once after the mid-session break). In anticipation that unforeseeable events will prevent students from attending on
occasion, every student may drop three attendance points. Therefore, a student could miss the following combinations without any negative effect on their grade:

- One and a half lectures, or
- One lecture and one discussion, or
- One half of a lecture and two discussions, or
- Three discussions

Students should save this “free-drop” for when they are needed. Often students make the mistake of using their “free-drop” for social/vacation purposes, and find themselves negatively impacted later in the quarter when they become ill or have an important job interview to attend.

**Course Standards**

All assignments submitted in fulfillment of course requirements must be the student’s own work. Assignments, except for the team project, should reflect the individual’s efforts. Team efforts are meant to be equal efforts of all team members. All performance assessments during the course are based upon the accomplishment of learning objectives and criteria established for each assignment. Students are graded on achievement, rather than on effort. All course work must be submitted by the final night of class.

As always, students are expected to fulfill their responsibilities under the University Of California Standards Of Conduct for Students. You can find the full text here:


**Summary of Performance Evaluation**

- **Individual:** (22%) Problem Sets
- **Team:** (8%) Cash Flow Analysis Project
- **Mid-term:** (27%)
- **Final:** (35%)
- **Class Attendance:** (8%)

A final grading distribution will be determined at the end of the quarter, in contemplation of all work. There is no “forced curve” and students are not in competition with each other for a limited number of grades. As a general rule, students with a final cumulative score of less than 65% should consider themselves in grave danger of failing.
### Planned Reading Schedule

<table>
<thead>
<tr>
<th>Class</th>
<th>Date</th>
<th>Textbook Reading</th>
<th>Topics</th>
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<tbody>
<tr>
<td>1</td>
<td>October 3</td>
<td>Chapters 1, 2 and 3</td>
<td>Introduction, Financial Statements, Working with Financial Statements</td>
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<td>2</td>
<td>October 10</td>
<td>Chapter 4</td>
<td>Valuation: The Time Value of Money Annuity Formulae / Discounted Cash Flows</td>
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<td>Chapter 5</td>
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<td>3</td>
<td>October 17</td>
<td>Chapter 4</td>
<td>Continuation - Valuation: The Time Value of Money Annuity Formulae / Discounted Cash Flows</td>
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<td>Chapter 5</td>
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<td>4</td>
<td>October 24</td>
<td>Chapter 8</td>
<td>NPV and other Investment Criteria Mid-term review</td>
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<td>5</td>
<td>October 31</td>
<td>Chapter 9</td>
<td>MID-TERM Capital Investment Decisions</td>
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<td>6</td>
<td>November 7</td>
<td>Chapter 9</td>
<td>Mid-term Debrief Capital Investment Decisions</td>
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<td>Chapter 11</td>
<td>Risk and Return Raising Capital</td>
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<td>Chapter 15</td>
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<td>7</td>
<td>November 14</td>
<td>Chapter 12</td>
<td>Leverage and Capital Structure The Cost of Capital</td>
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<td>Chapter 13</td>
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<td>8</td>
<td>November 21</td>
<td>Chapter 16</td>
<td>Short-Term Financial Planning Working Capital Management</td>
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<td>Chapter 17</td>
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<td>9</td>
<td>November 28</td>
<td>Chapter 6</td>
<td>TEAM PROJECTS DUE Interest Rates and Bond Valuation</td>
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<td>Chapter 7</td>
<td>Equity Markets and Stock Valuation</td>
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<td>Chapter 10</td>
<td>Capital Market History</td>
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<td>Chapter 18</td>
<td>Final Exam Review</td>
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<td>Final</td>
<td>December 10</td>
<td>8:30pm – 10:30pm</td>
<td>FINAL EXAM</td>
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