# COMGE07 – Entrepreneurial Finance

**Master of Commerce**
**Generic Elective Course: Entrepreneurial Finance**

| Course Type/ Course Code | Course Title | Lectures | Tutorials | Practical | Credit | Pre-requisites |
|---|---|---|---|---|---|---|
| **COMGE07** | **Entrepreneurial Finance** | 3 | 1 | 0 | 4 | NIL |

**Objective:** This course equips students with financial frameworks essential for entrepreneurial decision-making. It emphasizes how financial tools and strategies are used to evaluate, fund, manage, and exit innovative ventures in dynamic and uncertain environments.

**Learning Outcomes:** On completion of this course, the student should be able to:

- Analyze the financial needs and constraints of startups during the early stages.
- Apply appropriate valuation techniques and assess ownership implications for entrepreneurial ventures.
- Evaluate funding alternatives and investment structures with a focus on value creation and risk-sharing.
- Design financially sound exit strategies aligned with the interests of entrepreneurs and investors.

**Contents:**

**Unit I** **(12 hours)**
Entrepreneurial finance ecosystem; identifying funding gaps across venture stages; financial planning and forecasting in startups; sources and structure of seed capital; cash flow management under uncertainty.

**Unit II** **(11 hours)**
Startup valuation under uncertainty; discounted cash flow methods for early-stage ventures; real options and VC method; cap tables and founder dilution; financial due diligence and investment readiness.

**Unit III** **(10 hours)**
Financing sources: angel investment, venture capital, accelerators, crowdfunding, strategic partnerships; staging of investments; investor return expectations; financial term sheets and control rights.

**Unit IV** **(12 hours)**
Exit strategies and liquidity events: IPO, trade sale, secondary sale, buyouts; managing exit timing and process; payout structures; post-exit financial implications; learning

from failed and successful exits.

**Tutorial Exercise:** Students would be asked to analyse the financial strategy and capital structure of real startups using case studies. Role-play activities will simulate startup fundraising negotiations, term sheet analysis, and exit planning.

**Suggested Readings:**


- Gompers, P., & Lerner, J. (2020). *The Venture Capital Cycle* (2nd ed.). MIT Press.
- Metrick, A., & Yasuda, A. (2021). *Venture Capital and the Finance of Innovation* (3rd ed.). Wiley.
- Smith, J. K., & Smith, R. L. (2019). *Entrepreneurial Finance* (2nd ed.). Stanford University Press.
- Sahlman, W. A., & Stevenson, H. H. (2018). *Entrepreneurial Finance: A Casebook* (2nd ed.). Harvard Business School Publishing.
- Kaplan, S. N., & Strömberg, P. (2003). "Financial Contracting Theory Meets the Real World." *Review of Economic Studies*, 70(2), 281–315.
- Lerner, J. (2009). *Boulevard of Broken Dreams: Why Public Efforts to Boost Entrepreneurship and Venture Capital Have Failed—and What to Do About It*. Princeton University Press.