

SAM HOUSTON STATE UNIVERSITY  
COLLEGE OF BUSINESS ADMINISTRATION  
Department of General Business and Finance

Course Syllabus



Spring 2008

COURSE NUMBER: FIN 465  
COURSE TITLE: Small Firm Entrepreneurial Finance

PREREQUISITES: Jr. Sr. or Graduate Standing

INSTRUCTOR: Dr. Charles R. B. Stowe

OFFICE: BA 200B

EMAIL: [fin\\_crs@shsu.edu](mailto:fin_crs@shsu.edu)

PHONE: Office: 294-1287  
Home: 295-0010\*

\*For use in dire emergencies only.

EMAIL: [fin\\_crs@shsu.edu](mailto:fin_crs@shsu.edu)

This is my preferred method of communication!

OFFICE HOURS:

MW 11:00 - 11:30am and 3:30 pm -4:30 pm

TU Night After class.

Or by appointment

REQUIRED TEXT: *Entrepreneurial Finance*, Leach and Melicher, SECOND EDITION, 2006.  
Thomson/Southwestern Publishing.

Required Supplies: 1) 1-2.5" Three ring, white binder, (2) Set of Colored Pens, (3) Index tabs or dividers. (4) Highlighter, (5) Stapler

OTHER Recommended reading: *Wall Street Journal*.

**COMMUNICATION WITH THE PROFESSOR:**

The most efficient and convenient means to ask questions or to schedule appointments is to use the email. In addition, the professor may be contacting you with information. Therefore, all students taking this course are required to have an SHSU email account. If you prefer to have your emails routed to another commercial ISP address, Computer Services will be happy to provide you with that option.

As your professor is a licensed attorney, he is quite willing to address any legal issues you may have. However, he is not available for commercial representation of any student and will recommend you seek qualified legal counsel if appropriate. Such ‘personal’ inquiries should not be conducted via internet email as these communications are not protected by law nor is privacy assured.

**COURSE DESCRIPTION:** A study of the development, implementation, and control of financial plans, strategies, and policies by owner-managers of small firms and by new venture, entrepreneurs.

**COURSE OBJECTIVES:**

Students will be expected to:

1. Be able to distinguish between financial management of small firms and financial management of large firms.
2. Be able to identify the various forms of small businesses recognizing the difference between a family business and a high growth, entrepreneurial venture.
3. Be able to understand the construction and purpose of financial statements of small firms.
4. Be able to interpret and analyze the financial statements of small firms. This means understanding the realities of small firms.
5. Be able to forecast, budget, and plan for financial requirements of small firms.
6. Be able to understand the process of planning for and choosing capital assets in the small firm, including investment evaluation techniques and risk analysis.
7. Be able to identify and evaluate various sources of funds and how to determine potential viability of each strategy given current economic circumstances.
8. Understand the wealth creation process and structures in the United States and what structures exist or do not exist in other countries/economic zones.
9. Be prepared to serve as a financial adviser to a very small firm or to work in a finance activity of a medium to large enterprise.

**TEACHING GOALS:**

Primary:

1. Gaining factual knowledge of finance for small and entrepreneurial business to include terminology, understanding of financial statements, methods of analysis, and trends).
2. Developing specific skills as a financial consultant to small or entrepreneurial businesses or as an employee of small or entrepreneurial business.

Secondary:

1. Developing skills in expressing oneself orally and in writing.
2. Learning how to find and use resources for answering questions or solving problems.

**TOPICS COVERED:**

The role of the entrepreneur in society	General Knowledge	3
The Basic Economic Concepts of finance	“	3
Forms of doing business: tax and financial implications“		3

Basic financial statements	“	3
Use of business ratios	“	3
Industry analysis & financial structures	“	2
Profitability analysis	“	3
Review of time value of money	“	1
Capital budgeting	“	3
Financing strategies	“	6
Venture Capital	“	4

### **COURSE EVALUATION PROCESS:**

There will be a variety of methods for you to demonstrate your learning:

Exams (2 or 3)	30%**
Final Comprehensive exam	25%**
Other which may include Projects, Business Research Memos,*** Quizzes, Homework	45%**

Binder credit: at midpoint of course and again at end of course, you may submit your binder for consideration for extra credit not to exceed 5 points on the overall course grade.

\* Late business research memos are penalized at 5 points per day.

\*\* These percentages are approximate and may be adjusted as circumstances require.

\*\*\* To be explained in class.

HOMEWORK, BUSINESS RESEARCH MEMOs, ETC MUST BE HARDCOPY delivered to the professor. Due to problems with university email and the format required for business research memos (tabbed and highlighted sources attached), email attachments will not fulfill this requirement.

**THE PROFESSOR RESERVES THE RIGHT TO ALTER THE ABOVE PERCENTAGES AS CIRCUMSTANCES REQUIRE.**

### **ATTENDANCE POLICY:**

Attendance in this class is expected as is stated in the latest Sam Houston State University catalog. The penalty for excessive absences is as follows:

class meets 2 per week      6 misses = automatic failure

Also, those who miss a substantial number of classes will penalize themselves by missing material that will be discussed in class, that may not appear in the texts, and over which the class will be tested. In this class only, you are encouraged to attend every class even if you are late. Please do not hesitate to come to class. If late attendance becomes a problem, a penalty may be extracted. Otherwise, the intent of my policy is to encourage you to come to class. This is only true of this particular course.

In the event that you must or have missed an examination, please call Dr. Stowe as soon as practical. We will try to arrange a make up before the next class period if possible.

Attendance will be taken by means of written sign up sheets. Signing for another student who is not present is a violation of this course and will result in aggressive disciplinary action. If you are late to a

class, you may sign in after class, so DON'T skip class just because you are a few minutes late. This policy applies to Dr. Stowe's courses... each professor has their own policies on this issue. Please note that **leaving a class before it is over for any reason other than immediate illness without advance approval may result in that class being counted as an absence.** You should **not** schedule interviews, appointments, etc during class time. Frequent tardiness may also result in a deduction of points off the final course grade.

Attendance will be taken by means of written sign up sheets. Signing for another student who is not present is a violation of this course and will result in aggressive disciplinary action. If you are late to a class, you may sign in after class, so DON'T skip class just because you are a few minutes late. Repeated tardiness may result in absence so please don't abuse the lateness rule.

The system is automatic. NO "PERMISSION" is given to miss a class - this system permits a reasonable number of absences for sickness, etc. So, it is NOT necessary to inform me that you will not attend class on a particular day.

### **CLASSROOM POLICIES:**

In order to facilitate a positive classroom environment, please observe the following:

1. **No sleeping is permitted.** You are welcome to leave the room to refresh yourself, but taking a nap in class is totally unprofessional and will not be tolerated.
2. Cell phone must be **turned off** in class.
3. Use of laptops is limited to taking notes. Using a laptop to surf the net, send emails or any non-class use will result in an absence for that class and possible deduction of points from the final course grade.
4. In accordance with university regulations, there will be no smoking, food or drink permitted in the classroom.
5. Class will start promptly at the assigned time.
6. "Twenty minute" rule: If for any reason the professor is late for class, the class will be expected to wait quietly for 20 minutes before leaving. One student should report to Dr. James' secretary to inquire as to the status of class for that day 15 minutes after the class is scheduled to begin.
7. To ask a question or to indicate a desire to participate, please raise your hand. Merely speaking up is not appreciated in large classes.
8. You are required to have a textbook. You will need to have the text in class. No text, automatic failure.
9. No headphones or earphones shall be worn during class.
10. No hats shall be worn in class with the exception of religious garments.
11. This is a web enhanced class. All students will maintain an SHSU email account which should be checked in between every class.
12. This course not only requires a textbook but it will be used for each class. You will need to allocate time to read the assignment prior to each class.

### **OFFICE POLICY:**

1. You are most welcome to come by for coursework assistance, academic advisement, legal advice, a willing ear for personal problems, etc.
2. My office is located in COBA 200B located on the second floor at the end of the faculty hall closest to LSC.
3. Since I work best with my office door closed, do not walk away if you find it closed! In accordance with a British Navy tradition, KNOCK then enter as opposed to merely waiting for me to yell out or open the door. Thank you!
4. Concerning phone calls. Please do not be offended if the answering machine takes your phone call. If I am with a student, I try to not interrupt our session with calls. Please leave a message and I will return your call. Your call is important to me so please leave your name, phone number and purpose of your call

and when you will be available. If you have a dire emergency call 294-1278 and talk to Ms. Janice Walding, Department Secretary. My preferred method of communication is by email. I check email

### **RELIGIOUS HOLY DAYS POLICY:**

Section 51.911(b) of the Texas Education Code requires that an institution of higher education excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. Section 51.911 (a) (2) defines a religious holy day as: “a holy day observed by a religion whose places of worship are exempt from property taxation under Section 11.20....” A student whose absence is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from which the student is excused within a reasonable time after the absence.

University policy 861001 provides the procedures to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor involved a written statement concerning the religious holy day(s). The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or examinations are to be completed. For a complete listing of the university policy, see: [http://www.shsu.edu/~vaf\\_www/aps/documents/861001.pdf](http://www.shsu.edu/~vaf_www/aps/documents/861001.pdf)

### **STUDENT ABSENCES ON RELIGIOUS HOLY DAYS POLICY:**

Section 51.911(b) of the Texas Education Code requires that an institution of higher education excuse a student from attending classes or other required activities, including examinations, for the observance of a religious holy day, including travel for that purpose. Section 51.911 (a) (2) defines a religious holy day as: “a holy day observed by a religion whose places of worship are exempt from property taxation under Section 11.20....” A student whose absence is excused under this subsection may not be penalized for that absence and shall be allowed to take an examination or complete an assignment from which the student is excused within a reasonable time after the absence.

University policy 861001 provides the procedures to be followed by the student and instructor. A student desiring to absent himself/herself from a scheduled class in order to observe (a) religious holy day(s) shall present to each instructor involved a written statement concerning the religious holy day(s). The instructor will complete a form notifying the student of a reasonable timeframe in which the missed assignments and/or examinations are to be completed. For a complete listing of the university policy, see: [http://www.shsu.edu/~vaf\\_www/aps/documents/861001.pdf](http://www.shsu.edu/~vaf_www/aps/documents/861001.pdf)

### **STUDENTS WITH DISABILITIES POLICY:**

It is the policy of Sam Houston State University that individuals otherwise qualified shall not be excluded, solely by reason of their disability, from participation in any academic program of the university. Further, they shall not be denied the benefits of these programs nor shall they be subjected to discrimination. Students with disabilities that might affect their academic performance are expected to visit with the Office of Services for Students with Disabilities located in the Counseling Center . They should then make arrangements with their individual instructors so that appropriate strategies can be considered and helpful procedures can be developed to ensure that participation and achievement opportunities are not impaired.

SHSU adheres to all applicable federal, state, and local laws, regulations, and guidelines with respect to providing reasonable accommodations for students with disabilities. If you have a disability that may affect adversely your work in this class, then I encourage you to register with the SHSU Counseling Center and to talk with me about how I can best help you. All disclosures of disabilities will

be kept strictly confidential. NOTE: No accommodation can be made until you register with the Counseling Center. For a complete listing of the university policy see:

[http://www.shsu.edu/~vaf\\_www/aps/811006.pdf](http://www.shsu.edu/~vaf_www/aps/811006.pdf)

### **VISITORS IN THE CLASSROOM:**

Only registered students may attend class. Your professor may grant permission for adult visitors on a limited basis.

### **COURSE DIFFICULTY:**

1. This is a college level course in an area where few students have much formal background. It is your professor's ambition that everyone do well in the course.
2. In addition, you will be encouraged to meet the members of your class so that if you miss a class you will have someone to consult with for notes.
3. It is extremely important that you read assignments and attend class.
4. The textbook is a serious reference book. It is valuable for future business and management courses. Early in the semester, there will be presentations on effective reading and study skills.
5. This course requires consistent effort and attention.
6. The final exam is comprehensive but examination topics are provided prior to the exam.

### **EXAMINATION AND HONOR POLICY:**

1. EXAMINATIONS AND QUIZZES are the SOLE property of the professor. Retaining any copies is prohibited.
2. Students who have knowledge that others are cheating are accessories to the act.
3. If you become aware that a student might be taking unfair advantage by cheating you are invited to report any such information to me. Any information you provide will be kept CONFIDENTIAL and your identity will be protected. The purpose of this policy is to encourage an environment in which EVERYONE has a fair opportunity to do well in the course by insuring that no one might have an unfair advantage. Looking at another person's scan tron or paper, writing after you have been instructed to stop, retaining a quiz or exam, using notes while taking exams, or getting help from a friend during an exam are examples of cheating that simply WILL NOT BE TOLERATED.
4. A significant portion of this course evaluation is based on YOUR ability to find answers...on these types of research assignments it is critical that you demonstrate that you can use credible sources and provide proper attribution (credit). On these assignments, the more you consult with real-world, credible sources, the better your grade so long as you give proper attribution. However, using another student's written answers is not permissible and constitutes prosecutable fraud.
5. In the event that the professor witnesses cheating, appropriate action will be taken as circumstances require.

### **COURSE OBJECTIVES:**

GBA 281 & GBA 362 - To develop a sensitivity toward the legal consequences of everyday transactions, an appreciation of judicial and non-judicial methods of conflict resolution, and basic business law vocabulary and an introduction to Socratic and analytic reasoning.

GBA 363 Develop the ability to recognize legal problems in human resource management settings. To offer students an understanding of the processes of determining what are legal versus ethical issues and how the difference impacts decision making when dealing with employees and employers. To explore the analytical thinking process through the application of legal concepts in the resolution of legal disputes including the research of current law, rules and regulations related to specific disputes. This course surveys the legal environment for managers and human resource management professionals.

GBA 366 Global Entrepreneurship and Innovation. This course covers the theory of entrepreneurship, wealth creation, global environment and innovation. You will learn which industries interest you and how to determine if a firm is entrepreneurial or not. This course is a readings/research course but with a twist... no long term papers. Instead, you will conduct interviews throughout the semester. Course material is on historical role of entrepreneurs, the concept of intellectual capital and role of innovation in promoting economic growth and well being. Useful for those wanting to really understand how people become rich by creating wealth.

GBA 464 - Entrepreneurship... This course is a practical, no-nonsense course on how to make money. The objective is to give each student a **PERSONALIZED PLAN** that is **REALISTIC** given particular talents, financial limitations, experience and life style choices. If you have ever even thought about owning your own business, then this is **THE** course for you. Videotapes are used and class lectures are derived from commercial programs offering the material at thousands of dollars!

GBA 362 Business Law: This is a critically important course for future business managers because it focuses on the enforceability of typical business transactions: contracts, agreements for payment of debts, etc.

GBA 465 International Business Law - This is a must course for international business majors. The course is focused on business transactions though some case law is presented to illustrate how transactions are conducted. The course is designed to prepare those who may be involved in international business transactions from investing, to assessing risk, to developing or implementing marketing strategies, to sales, to financial issues and product distribution and transportation.

### **A FINAL WORD:**

### **YOUR PROFESSOR'S GOAL IS TO MAKE THIS THE BEST, MOST VALUABLE COURSE YOU HAVE EVER TAKEN.**

If you have concerns about a lecture, a class policy or procedure, a test, please give me the courtesy of coming by to talk with me first. It is easy to make an appointment by stopping me after class and we will find a mutually convenient time if my office hours are not convenient. If you are not satisfied with our discussion, then I will gladly take you to the next level of administration. Your professionalism in this matter is greatly appreciated.

### **CAVEAT:**

1. The above policies are subject to modification. Any changes will be announced in class.
2. The professor reserves the right to modify the schedule to insure maximum benefit from the course.