



APPLIES TO ACADEMIC YEAR 2013/2014

GRA 3139 Financing Innovation and Entrepreneurial Ventures

Programme

Master of Science in Innovation and Entrepreneurship, Specialization Course

Responsible for the course

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Department

Department of Innovation and Economic Organisation

Term

According to study plan

ECTS Credits

6

Language of instruction

English

Introduction

The problems and challenges connected to the task of financing innovation processes and entrepreneurial ventures are several and complex. To be able to cope with this complexity, this course is based on two principles:

- It is based on practical experience
- It is grounded in a cross-disciplinary approach

Hence, the course will consist of a combination of case studies and articles with both a practical and a more theoretical content. The cross-disciplinary approach of the course will comprise contributions from financial economics, organizational theory, financial history and law.

Learning outcome

Knowledge:

The students shall acquire a broad base of theoretical and practical knowledge on the financing of entrepreneurial ventures in different phases of development, as well as obtain a historical perspective on such processes. Furthermore, the students will acquire an overview of both the loan market and different aspects of the risk capital market, including venture capital and gather insight in the cyclical nature of financial markets. They will also obtain knowledge about the demand side and thus the financial management of entrepreneurial ventures, as well as challenges related to growth.

Skills:

The students acquire the skills necessary to make a coherent financial plan for different entrepreneurial enterprises, from start ups to growth oriented ventures, and be able to handle and manage the process of funding entrepreneurial enterprises and be able to identify pitfalls facing the entrepreneur in the process of acquiring necessary investment capital.

Reflection:

The students will come into the possession of a solid basis for ethical reflection upon ethical dilemmas connected to financing entrepreneurial ventures and obtain ability to critical theoretical and methodological reflection.

Prerequisites

Introductory, core course in corporate finance like GRA 6025 Financial Management

Compulsory reading

Books:

Casson, Mark ... [et al.], eds. 2006. The Oxford handbook of entrepreneurship. Oxford University Press. ch. 14, 15 and 18

Gompers, Paul, A. and Josh Lerner. 2004. The venture capital cycle. 2nd ed. MIT Press. Ch. 5-10; 15

Lamoreaux, Naomi R. and Kenneth L. Sokoloff, eds. 2007. Financing innovation in the United States, 1870 to the present. MIT Press. Intro+ ch. 3,4,7,10

Perez, Carlota. 2002. Technological revolutions and financial capital : the dynamics of bubbles and golden ages. Edward Elgar. ch. 1-15

Timmons, Jeffrey. A. and Spinelli, Stephen, jr.. 2012. New venture creation. Entrepreneurship for the 21st century. 9th ed. McCraw-Hill

Articles:

O' Sullivan, Mary.

2005. Finance and Innovation. I: Fagerberg, Jan, David C. Mowery, Richard R. Nelson, eds: The Oxford handbook of innovation. Oxford University Press. Ch. 9

Collection of articles:

Selection of articles and cases (to be presented at the beginning of the course)

Other:

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

Recommended reading**Course outline**

For details, see syllabus.

The major themes will be:

- I. Topics from applied financial economics (emphasis on valuation methods)
- II. Financing of innovations – theory and history
- III. Financial options for entrepreneurial ventures – an overview
- IV. The market for risk capital: organized markets and venture capital markets
- V. Financing growth
- VI. Financial management of entrepreneurial ventures, the making of a financial plan
- VII. Business ethics for entrepreneurial ventures

Computer-based tools

Standard, It's learning

Learning process and workload

A course of 6 ECTS credits corresponds to a workload of 160-180 hours.

Lectures and class discussions, including student presentations and comments on assignments.

Please note that while attendance is not compulsory in all courses, it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/It's learning or text book.

Examination

The grade will be determined as follows:

participation in class 20%,
mid-term paper 30%, written individually or in groups of max 2 students and
a final term paper 50%, individually written.

Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for term papers or other hand-ins, and/or where class participation can be one of several elements of the overall evaluation.

This is a course with continuous assessment (several exam elements) and one final exam code. Each exam element will be graded using points on a scale (e.g. 0-100). The elements will be weighted together according to the information in the course description in order to calculate the final letter grade for the course. You will find detailed information about the point system and the cut off points with reference to the letter grades on the course site in It's learning.

Examination code(s)

GRA 31394 continuous assessment accounts for 100 % of of the final grade in the course GRA 3139.

Examination support materials

N/A. Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary. <http://www.bi.edu/studenthandbook/examaids>

Re-sit examination

It is only possible to retake an examination when the course is next taught.

The assessment in some courses is based on more than one exam code.

Where this is the case, you may retake only the assessed components of one of these exam codes.

Where this is not the case, all of the assessed components of the course must be retaken.

All retaken examinations will incur an additional fee.

Additional information**Honor Code**

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious

matter to everyone associated with the programs at BI and are at the heart of the honor code and academic integrity. If you have any questions about your responsibilities under the honor code, please ask.