
Instructor:

Name: Dan Oglevee
Department: Finance
Office Location: 646 Fisher Hall
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E-mail: oglevee.3@osu.edu
Office Hours: By Appointment. Please schedule online or after class.

Class Meeting Schedule:

Class Format: In Person
Class Schedule: Tuesday/Thursday 2:20pm – 3:40pm – Class 4215-0100 (4683)
Tuesday/Thursday 3:55pm – 5:15pm – Class 4215-0200 (4684)
Tuesday/Thursday 5:30pm – 6:50pm – Class 4215-0300 (4867)

Course Materials / Software:

Required: Course packet which contains the cases/readings is available from Harvard Business School Publishing (HBSP). A link to HBSP and the course packet can be found on the Carmen course home page.

Recommended: N/A

Course Description:

Entrepreneurial Finance at its core can be defined as a dynamic two part process in which companies invest in both real and human capital assets and then find the financial capital necessary to pay for those investments. The financial decision process traditionally begins with an entrepreneur working on their concept, buying a laptop and then realizing they have no money to move forward. Many an entrepreneur would have saved themselves an inordinate amount of personal and financial grief if they had initially spent time crunching the numbers and performing sensitivity analysis regarding the economics of their business model before leaving their current jobs or mortgaging their homes for the proverbial American Dream of becoming “Your Own Boss.”

Even with the “numbers” in place, Entrepreneurs are often faced with a plethora of other factors and realities that will factor into whether or not their fledgling enterprises are successful. Decisions are often made around personal emotions, incomplete information and assumptions about the future. This case based class is designed to expose the student to a multitude of finance and business related challenges faced by Entrepreneurs and how to begin framing the issues, establishing key evaluation criteria and generating viable financing alternatives for private enterprises.

Prerequisites:

Please consult your Academic Advisor

Course Learning Outcomes:

By the end of this course, students should successfully be able to:

- Understand and convey basic methodologies in harvesting and presenting an idea
- Explain the role and value of an Angel Investor
- Define Pre-money vs. Post-money and the implications of not understanding each
- Understand the mechanics of convertible notes and financial pro formas
- Deliberate the Risk and Reward of being an Entrepreneur
- Discuss the various financial resources available to an early stage company

How This Course Works:

Mode of delivery: This course is 100% in person. **ATTENDANCE IS MANDATORY.**

Per The Ohio State University: This course requires in-person attendance and participation and cannot be completed virtually. Ohio State has made a commitment to returning to as much in-person instruction as possible following [Health and Safety guidelines](#). We have worked diligently to return to a normal residential academic experience which includes in-person fall classes that will be delivered with the expectation that you are in Columbus and attend in person. Instructors cannot make exceptions or change course delivery mode for individual students. [Student Life Disability Services](#) can provide guidance and assistance to students with disabilities who require accommodations. Failure to return to Ohio State's campuses due to travel restrictions or anxiety about travel and exposure are not qualifying conditions.

Please work with your academic advisor directly to discuss your options for scheduling designated online courses or adjusting your course load. You can find your advisor assignment on [My BuckeyeLink](#) or by using the Ohio State Mobile app (under About You). If you are unable to identify your advisor, please email advising@osu.edu from your Ohio State email address.

Credit hours and work expectations: This is a **1.5-credit-hour course**. According to [Ohio State policy](#), students should expect around 1.5 hours per week of time spent on direct instruction (instructor content and Carmen activities, for example) in addition to 3 hours of homework (reading and assignment preparation, for example).

Attendance and participation/contribution requirements:

- **YOU ARE REQUIRED TO ATTEND ALL CLASS SESSIONS AND TO ARRIVE ON TIME.**
This is much more important in a case-oriented course than in a lecture-oriented course. To a significant extent, the value you get from the course depends on your presence in class, and your classmates' opportunities to learn from your insights depend on your presence in class.
- You are also expected to log in to the course in Carmen every week outside of class time to access any assignments or class announcements.
- **Office hours: OPTIONAL** All office hours are optional and provided for the student to bring up questions or discuss any concerns in a one-on-one setting.

Teams:

Each case will be analyzed by a student team that is randomly selected. I will target teams of 5 but depending on the final class size, this number is subject to change. Please note this concept fairly represents what many of you will face in the workforce. It is good practice to understand the technical and logistical nuances of working across different time zones and in many cases cultures. In the event students join/drop the class after the initial teams are formed, the professor reserves the right to assign a student to a specific team where appropriate. Students are not permitted to work independently on any team based assignments and will receive a grade of zero for any work submissions that do not follow this simple request. Teams are to work *independently* on the cases. Reports, spreadsheets or class notes from students who took the class in the past are strictly off limits.

Class Preparation:

Thorough preparation—by students *and* instructor—and active participation are essential to a successful case course. Learning comes from struggling with the issues outside of class, then discussing the conclusions (and the struggle) in class. Unprepared students personally miss out on most of the learning and also cheat their classmates because they cannot contribute fully to the learning that occurs in class.

You will be given some preparation questions to help guide your analysis of a case. These questions are not designed to be comprehensive, and I encourage you to explore relevant issues beyond the questions in the guidelines. Depending on how the class discussion unfolds, we may talk about some of the study questions but not others. At a minimum, each team should address the study questions prior to class, and each student in the group should understand the team's analysis and decisions.

Virtually every case requires an “answer” or a decision, and you should arrive in class prepared to explain and defend your decision. *It is unacceptable to arrive in class without having made a decision*, and statements like, “There wasn’t enough information,” will be challenged! Decisions must be made every day with less information than one would like to have.¹

To encourage preparation and facilitate class discussion, students will be called on in class to share their insights and analysis. During lecture/discussion sessions, students are expected to have completed the assigned reading before class, and I will likely call on students during these sessions also.

Grading and Faculty Response:

For purposes of assigning final grades for the course, approximate weights will be the following:

Attendance/Contributions in Class	15%
Assignments/Cases/Quizzes	30%
Final exam	45%
Key Lessons Worksheet	5%
Team Peer review	5%
Peer Class Contribution	½ letter grade

¹ It is perfectly fine to explain your decision based on the information available, and then to state the additional information you would like to have and how you would use it.

Two things tend to produce course grades of B or lower: (1) lack of contributions to class discussions, or (2) low peer review scores due to lack of contributions to the team.

Please note: Late submissions will **NOT** be accepted. Please refer to Carmen for due dates. The standard OSU grading scale will be used.

I am providing the following list to give you an idea of my intended availability throughout the course. (Remember that you can call **614-688-HELP** at any time if you have a technical problem.)

- **Grading and feedback:** For large weekly assignments, you can generally expect feedback within **7 days**.
- **Email:** I will do my best to reply to emails within **48 hours on days when class is in session at the University**.
- **Discussion board:** When used, I will check and reply to messages in the discussion boards every **24-48 hours on school days**.

Peer Review:

One bothersome aspect of group work is that it is difficult for the instructor to assess each individual's contribution to the team's output, and this may tempt some students to free ride on the efforts of their teammates. Peer review will be used to allow students to provide useful information about teammate contributions, to help avoid the free-rider problem and, if some students bear more than their share of the load, to reward those students. Each student will have a total of 200 points to award to the other members of his or her team. The points that you allocate should be proportional to the individual's contribution to your team over the course, as you perceive it. For example, if you think that Teammate A contributed twice as much as Teammate B, then Teammate A should get twice as many points as Teammate B. Since each student awards 200 points to teammates, the average score received from peer review is also 200 points. The peer review forms will be completed at the end of the course. The form must be signed (it is not anonymous), but will be kept *confidential*. That is, students may be told the total number of points awarded to them by their teammates, but they will not be told the points given by individual teammates. Since peer review is an important component of course grades, please take this responsibility very seriously—a frank and honest evaluation is expected.

Class Contribution Components:

In order to emphasize the necessity to be prepared for and to contribute to each class, class contribution will comprise a portion of your grade. As is the case with real world work environments, you are judged not by what you know but by what you **contribute**. Even if you feel that you know the material, unless you share your insights with the class, I cannot adequately evaluate your preparedness and contribution. Students are never penalized for making comments which don't appear to be the "right answer." It is only through consideration of many diverse opinions and viewpoints that we will move toward a greater shared understanding of the multi-dimensional material which this course entails.

There are three components of the class contributions grade: Student responses to core case analysis questions, overall Instructor evaluation, and overall peer evaluation.

Student Answers to Core Case Analysis Questions: The Socratic Method will be used to organize case discussions. For each case discussed during the course, we will have a number of critical questions that are at the core of analyzing the case. These critical questions may or may

not be the same as the preparation questions that are provided for each case. I will randomly choose students to answer each one of these critical questions should there be no initial volunteers to open the class discussion. When I call on a student, that student has three options:

- (1) *Answer the question.* In answering the question, the student presents his/her analysis of this aspect of the case. (***Please note: in general, you should be able to identify the key issues, problems and opportunities facing the central case protagonists, to articulate and evaluate alternative approaches to problems, and to describe the course of action that you recommend and the reason for your recommendations***). It may be the case that the student does not agree that the question asked is an important question. If this is so, a discussion about what constitutes an important question is entirely appropriate.
- (2) *Pass.* Each student has the opportunity, one time during the course, to pass on answering a question. We all have complex lives, and this opportunity acknowledges that complexity. However, you can only pass once. If you are absent (unexcused absence) from class, it is counted as a Pass. If you pass a second time (either by attending class and answering "Pass" when called on or by not attending class [unexcused absence] your class contribution grade will be adjusted down.
- (3) *Fake it.* If a student has not read and analyzed the case, he/she may try to bluff through the questioning. Faking may appear to be a particularly attractive alternative if a student has read, but not analyzed, the case. However, faking it is a very risky strategy. If I determine that a student is faking it, that student's class contribution grade will suffer accordingly.

Overall Instructor Evaluations: Of course, students who are not asked core case analysis questions for a particular case are free to volunteer their insights and analyses to the ongoing discussion. The quality of this volunteer contribution is the primary determinant of a student's overall peer evaluation and Instructor evaluation for class contribution scores. I will evaluate each person's contribution for each and every class and keep a running score on class contribution. You are welcome to check anytime to see how you are doing.

Overall Peer Evaluations: Towards the end of the course, I will distribute a Peer Class Contribution Evaluation form. On this form, students will be asked to list (number to be determined by class enrollment) students in the class who, in their opinion, consistently demonstrated excellent class contribution throughout the course. Students may not list themselves on this form. For accounting purposes, each student will need to submit their Peer Class Contribution Evaluation form through Carmen, which will be kept confidential. The Peer Class Contribution Evaluation form must be returned to me no later than the last scheduled class of the course. Students who fail to turn this form in on time will not be eligible to receive a bonus class contribution grade.

Class Contribution Evaluation Criteria:

I will assign points for each student's contributions in class. These points will be based on the quality and to a degree the quantity of the student's classroom questions, comments, and responses to questions posed by the instructor and classmates. As mentioned earlier, at an absolute minimum, each student is expected to attend class, be familiar with the case and to understand his or her team's analysis and conclusions—evidence to the contrary will be negatively viewed. Here are a few examples of class contributions that will be positively viewed:

- Carefully explaining the major factors affecting a decision, how they were evaluated and how the different factors were weighed.

- Providing an insight about a company's operations that was not provided in the case discussion but was gleaned from the data.
- Describing a situation you have experienced or read about that bears on the discussion.
- Pointing out an error or weakness in someone's argument/decision, providing an alternative approach and explaining why the alternative should be preferred.
- Exploring an issue that arises naturally from the case but was not raised in the case itself or in the study questions.
- Sharing any sensitivity analysis or business models that were done in Excel.

If you are unwilling or unable to voluntarily contribute to class discussions on a regular basis, I urge you to consider taking a different class. This course, by its nature, depends on lots of student input in class to maximize learning, and substantive contributions are required to earn a good grade for the course.

Food for Thought:

As mentioned earlier, students will be called on during class. Consider it your own personal opportunity to contribute to your classmates' education and to develop your ability to think on your feet and speak extemporaneously. Mistakes will be made, but we all learn from our mistakes, and from others' mistakes.² I recognize that this creates a certain level of tension for some students, and I will try to be sensitive to anxiety-induced brain cramps. This is an opportunity to gain practice overcoming such anxiety, a skill that will serve you well in years to come.

It is important that different opinions, assumptions and methods of analysis be discussed in class. It contributes greatly to the learning process if, when you disagree with a classmate, you explain clearly what you disagree with, why you disagree, and how you think the decision should be made. This can be done energetically, but with respect for your classmates—belligerence is unnecessary and counterproductive.

Instructor Judgment:

Compared to many courses, this course has less emphasis on learning new principles and techniques and more emphasis on *application*, often in contexts fraught with ambiguity. We continually analyze situations where many questions do not have obvious right and wrong answers. Evaluating student performance is therefore not as simple as deducting points for wrong answers. When assessing the quality of reasoning and clarity of presentation in classroom comments, part of the assessment is related to specific items/assumptions/techniques/statements, but a large part involves judging the quality of the overall "package." Both types of judgment, and particularly the overall quality assessment, are necessarily subjective.

As a result, grading is more subjective in this course than in many Finance courses, and I want to make sure everyone understands this clearly up front. I strive diligently to be fair and impartial when making these judgments, but it is a fact of life that the judgments must be made.

² I can virtually guarantee that the instructor will publicly embarrass himself several times during the course.

Course Technologies:

For help with your password, university email, Carmen, or any other technology issues, questions, or requests, contact the OSU IT Service Desk. Standard support hours are available at <https://ocio.osu.edu/help/hours>, and support for urgent issues is available 24/7.

- **Self-Service and Chat support:** <http://ocio.osu.edu/selfservice>
- **Phone:** 614-688-HELP (4357)
- **Email:** 8help@osu.edu
- **TDD:** 614-688-8743

BASELINE TECHNICAL SKILLS FOR ONLINE COURSES

- Basic computer and web-browsing skills
- Navigating Carmen: for questions about specific functionality, see the [Canvas Student Guide](#).

REQUIRED TECHNOLOGY SKILLS SPECIFIC TO THIS COURSE (ONLY FOR ONLINE FORMAT)

- CarmenConnect text, audio, and video chat
- Recording a slide presentation with audio narration
- Recording, editing, and uploading video

REQUIRED EQUIPMENT (ONLY FOR ONLINE FORMAT)

- Computer: current Mac (OS X) or PC (Windows 7+) with high-speed internet connection
- Webcam: built-in or external webcam, fully installed and tested
- Microphone: built-in laptop or tablet mic or external microphone
- Other: a mobile device (smartphone or tablet) or landline to use for BuckeyePass authentication

REQUIRED SOFTWARE

- [Microsoft Office 365](#): All Ohio State students are now eligible for free Microsoft Office 365 ProPlus through Microsoft's Student Advantage program. Full instructions for downloading and installation can be found [at go.osu.edu/office365help](http://go.osu.edu/office365help).

CARMEN ACCESS

You will need to use [BuckeyePass](#) multi-factor authentication to access your courses in Carmen. To ensure that you are able to connect to Carmen at all times, it is recommended that you take the following steps:

- Register multiple devices in case something happens to your primary device. Visit the [BuckeyePass - Adding a Device](#) help article for step-by-step instructions.
- Request passcodes to keep as a backup authentication option. When you see the Duo login screen on your computer, click "Enter a Passcode" and then click the "Text me new codes" button that appears. This will text you ten passcodes good for 365 days that can each be used once.
- Download the [Duo Mobile application](#) to all of your registered devices for the ability to generate one-time codes in the event that you lose cell, data, or Wi-Fi service.

If none of these options will meet the needs of your situation, you can contact the IT Service Desk at 614-688-4357 (HELP) and the IT support staff will work out a solution with you.

Discussion and Communication Guidelines:

The following are our expectations for how we should communicate as a class. Above all, please remember to be respectful and thoughtful.

- **Writing style:** While there is no need to participate in class discussions as if you were writing a research paper, you should remember to write using good grammar, spelling, and punctuation. A more conversational tone is fine for non-academic topics.
- **Tone and civility:** Let's maintain a supportive learning community where everyone feels safe and where people can disagree amicably.
- **Citing your sources:** When we have academic discussions, please cite your sources to back up what you say. (For a textbook or other course materials, list at least the title and page numbers. For online sources, include a link.)
- **Backing up your work:** Consider composing your academic posts in a word processor, where you can save your work, and then copying into the Carmen discussion where applicable.

Academic Integrity Policy:

POLICIES FOR THIS COURSE

- **Quizzes and exams:** You must complete any quizzes or exams yourself, without any external help or communication.
- **Written assignments:** Your written assignments, including discussion posts, should be your own original work. In formal assignments, you should follow **[MLA/APA/?]** style to cite the ideas and words of your research sources. You are encouraged to ask a trusted person to proofread your assignments before you turn them in—but no one else should revise or rewrite your work.
- **Reusing past work:** In general, you are prohibited in university courses from turning in work from a past class to your current class, even if you modify it. If you want to build on past research or revisit a topic you've explored in previous courses, please discuss the situation with me.
- **Falsifying research or results:** All research you will conduct in this course is intended to be a learning experience; you should never feel tempted to make your results or your library research look more successful than it was.
- **Collaboration and informal peer-review:** The course includes many opportunities for formal collaboration with your classmates. While study groups and peer-review of major written projects is encouraged, remember that comparing answers on a quiz or assignment is not permitted. If you're unsure about a particular situation, please feel free just to ask ahead of time.
- **Group projects:** This course includes group projects, which can be stressful for students when it comes to dividing work, taking credit, and receiving grades and feedback. I have attempted to make the guidelines for group work as clear as possible for each activity and assignment, but please let me know if you have any questions.

Ohio State's Academic Integrity Policy:

Academic integrity is essential to maintaining an environment that fosters excellence in teaching, research, and other educational and scholarly activities. Thus, The Ohio State University and the Committee on Academic Misconduct (COAM) expect that all students have read and understand the University's [Code of Student Conduct](#), and that all students will complete all academic and scholarly assignments with fairness and honesty. Students must recognize that failure to follow the rules and guidelines established in the University's *Code of Student Conduct* and this syllabus may constitute "Academic Misconduct."

The Ohio State University's *Code of Student Conduct* (Section 3335-23-04) defines academic misconduct as: "Any activity that tends to compromise the academic integrity of the University, or subvert the educational process." Examples of academic misconduct include (but are not limited to) plagiarism, collusion (unauthorized collaboration), copying the work of another student, and possession of unauthorized materials during an examination. Ignorance of the University's *Code of Student Conduct* is never considered an excuse for academic misconduct, so I recommend that you review the *Code of Student Conduct* and, specifically, the sections dealing with academic misconduct.

If I suspect that a student has committed academic misconduct in this course, I am obligated by University Rules to report my suspicions to the Committee on Academic Misconduct. If COAM determines that you have violated the University's *Code of Student Conduct* (i.e., committed academic misconduct), the sanctions for the misconduct could include a failing grade in this course and suspension or dismissal from the University.

If you have any questions about the above policy or what constitutes academic misconduct in this course, please contact me.

Other sources of information on academic misconduct (integrity) to which you can refer include:

- The Committee on Academic Misconduct web pages ([COAM Home](#))
- *Ten Suggestions for Preserving Academic Integrity* ([Ten Suggestions](#))
- *Eight Cardinal Rules of Academic Integrity* (www.northwestern.edu/uacc/8cards.htm)

Copyright Disclaimer:

The materials used in connection with this course may be subject to copyright protection and are only for the use of students officially enrolled in the course for the educational purposes associated with the course. Copyright law must be considered before copying, retaining, or disseminating materials outside of the course.

Statement on Title IX:

Title IX makes it clear that violence and harassment based on sex and gender are Civil Rights offenses subject to the same kinds of accountability and the same kinds of support applied to offenses against other protected categories (e.g., race). If you or someone you know has been sexually harassed or assaulted, you may find the appropriate resources at <http://titleix.osu.edu> or by contacting the Ohio State Title IX Coordinator, Kellie Brennan, at titleix@osu.edu

Your Mental Health:

A recent American College Health Survey found stress, sleep problems, anxiety, depression, interpersonal concerns, death of a significant other, and alcohol use among the top ten health impediments to academic performance. Students experiencing personal problems or situational crises during the quarter are encouraged to contact Ohio State University Counseling and Consultation Service (614-292-5766; www.ccs.osu.edu) for assistance, support and advocacy. This service is free and confidential.

Accessibility Accommodations for Students with Disabilities:

Requesting accommodations

If you would like to request academic accommodations based on the impact of a disability qualified under the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973, contact your instructor privately as soon as possible to discuss your specific needs. Discussions are confidential.

In addition to contacting the instructor, please contact the Student Life Disability Services at [614-292-3307](tel:614-292-3307) or ods@osu.edu to register for services and/or to coordinate any accommodations you might need in your courses at The Ohio State University. Go to <http://ods.osu.edu> for more information.

Accessibility of course technology

This course requires use of Carmen (Ohio State's learning management system) and other online communication and multimedia tools. If you need additional services to use these technologies, please request accommodations with your instructor.

- [Carmen \(Canvas\) accessibility](#)
- Streaming audio and video
- Synchronous course tools

Please Note: Due to the COVID-19 PANDEMIC, the following Schedule could be subject to change with less than 24 hours' notice.

August 23 Tuesday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Assignment:

1. Why do you think people become entrepreneurs?
2. What is your retirement number and how do you plan to reach it?

August 25 Thursday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Readings: The Choice of Business Entity: Corporate, Pass-Through, Disregarded Entities (UV5219)
 Ownership, Control, and the Role of Equity in New Ventures (UV8138)
 A Note on the Legal and Tax Implications of Founders' Equity Splits (9-809-110)

Class Preparation Questions:

1. If you were starting a company today, what corporate structure would you choose?
2. What key factors influenced your decision?
3. What would be the first 5 steps you would take in starting your business?
4. What is your strategy for managing Equity?
5. What is an 83(b) election?

August 30 Tuesday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Reading: Developing Business Plans and Pitching Opportunities (8062)

Assignment:

Please prepare a ninety-second pitch regarding a business opportunity or idea that you will present to the class. I would like you to also either start off or end your pitch with a 10 word or less memorable description of what your opportunity or idea is. For example, "We're the Chipotle of Pizza." Please note, given the sheer number of students, I will be diligent in cutting you off at the two-minute mark.

The Opportunity and the Idea

Your task is to determine the business subject of your 'pitch.' In general, you should try to look for something that builds on an area of opportunity as defined in your readings and your business or personal life. Remember, that most opportunity results from fulfilling an unmet need or solving a particular problem that:

- Addresses a significant pain point in your industry
- Stems from a technological innovation or discovery
- Capitalizes on a social or demographic trend
- Recognizes a gap or need in an existing system
- Sounds like fun and a good opportunity to you

The business idea that flows from this opportunity does not have to be fully fleshed out. It would not be realistic to think that every idea presented would be a "homerun" i.e., provide an investor with 10x on his/her money. That being said, have fun with this and build on something that interests you no matter how far "Outside of the box" you go... On the other hand, I do expect that you have thought

about this enough that you can give a compelling pitch following the guidelines in your reading as well as your instincts and experience.

The Pitch

The key to this is to communicate your idea and the potential of your opportunity in a clear and concise manner i.e., what pain point does your idea solve and for whom; who would actually pay for this, and how much; how big is the opportunity.

Please practice! You may find that ninety-seconds are far longer or shorter than you might think once you have prepared yourself.

September 01 Thursday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Guest Lecturer: Michael Camp, Operating Partner, Carmen Ventures
Readings: Why the Lean Start-Up Changes Everything (R1305C)
Optional: Recognizing and Shaping Opportunities (8056)

Class Preparation Questions:

1. How does an idea become an opportunity?
2. What is the general philosophy behind the “lean start-up” methodology?

September 06 Tuesday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Case: Palm Computing, Inc. 1995: Financing Challenges (9-898-090)
Assignment:

1. Create a cash flow pro forma model. What assumptions did you make?
2. When will Palm need cash?
3. Which of the financing options would you recommend Dubinsky and Hawkins choose?
4. What criteria did you use to evaluate the options and what was your primary reason for choosing your option? Were there any major drawbacks to your choice?

September 08 Thursday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Readings: A Note on Pre-Money and Post-Money Valuation (A&B) (9-801-446)
Note on Angel Financing (E440)
Optional: Crowdfunding: A Tale of Two Campaigns (BAB282)
Optional: Financing Entrepreneurial Ventures (8072)

Class Preparation Questions:

1. What is an Angel Investor and why would you want one as an investor in a start-up company?
2. What is an Accredited Investor and why would you want one as an investor in a start-up company?

September 13 Tuesday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Reading: Convertible Notes in Seed Financings (9-813-017)

Class Preparation Questions:

1. In layman's terms, what is a convertible note and when do you typically use one?
2. What are the advantages/disadvantages of a convertible note to the Entrepreneur and Investor?

September 15 Thursday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Case: Public Data Systems, Inc.: Investor Presentation (*downloadable via Carmen*)
Assignment:

Please review the Public Data Systems, Inc., PowerPoint Presentation and as a team, prepare your answers to the following questions:

1. What is your assessment of the presentation?
2. Would you feel compelled to invest in their idea/opportunity?
3. Value the company:
 - a. How much would you value the company (Pre-money)?
 - b. What valuation methodology did you use?
 - c. Given your valuation of the company, what percentage of the company would you require?

Please note, I am aware that this assignment is full of ambiguity. There is no right or wrong answer. My expectation is that you have thought about the above questions, made assumptions and come up with answers that you are prepared to defend.

September 20 Tuesday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Case: Documentary Case Study: Startup.com
Assignment:

1. What are the key things you believe the company did right?
2. What are the key things you believe the company did wrong?
3. Is it best to find a partner to start your new business or do it solo?
4. How would you build a team?
5. Does first mover advantage matter?

September 22 Thursday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Readings: Process of “Going Public” in the United States (9-105-016)

Class Preparation Questions:

1. What are the key service providers that you will need to take a company public?
2. What is a Prospectus and how do you get one?
3. What is a “Red Herring?”

September 27 Tuesday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Case: Newco (1-100-100) Part I (*downloadable via Carmen*)
Assignment:

Assume the perspective of an Angel Investor or Micro Venture Capitalist that invests in early stage companies. Prepare a two page investment memorandum with up to four pages of exhibits to present to your firm's partners (at their weekly investment meeting) the position you have in regards to the following questions typically discussed in a Partner or Angel Group meeting:

1. What are the strengths and weaknesses of the management team? What is your overall "gut" feel about the team?
2. What post-money valuation did you give the company?
3. What valuation methodology did you use to justify your number?
4. Do you recommend an investment in Newco? Why or why not?

September 29 Thursday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Class Lecture: Newco (1-100-100) Part II

October 04 Tuesday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Guest Speakers: Brian Bowers, Tim and Timmy McCarthy, Serial Entrepreneurs

Class Online Deliverables:

1. Complete the Key Lessons Learned Memo
2. Complete the Team Peer Review Form
3. Complete the Peer Class Contribution Form

October 06 Thursday (2:20pm – 3:40pm) (3:55pm – 5:15pm) (5:30pm – 6:50pm)

Final Exam – Same Time as Your Current Class

Additional Administrative Points:

Notification of Scores and Final Grades: The results of any graded materials, including final grades, WILL NOT be given by the instructor to individual students via phone, US post, e-mail, or verbally in person.

Materials submitted for grading throughout the course will be returned to students generally within one week after submission. Students with invalid absences on the return date must retrieve their materials at the instructor's office.

Students may obtain their final grades online by accessing the University Registrar link.

Disability Services: The Office of Disability Services verifies students with specific disabilities and develops strategies to meet the needs of those students. Students requiring accommodations based on identified disabilities should contact the instructor at the beginning of the course to discuss his or her individual needs. All students with a specific disability are encouraged to contact the Office of Disability Services to explore the potential accommodations available to them.

Appeals: Grading errors should be corrected. Appeals must be in writing within two weeks after the graded work is made generally available—not the date you first look at it. If the end of term is within the two-week period, the two weeks will start at the beginning of the next semester. In general, the entire document will be checked for grading errors, and correcting these could either raise or lower the overall score.

Academic Misconduct: Cheating is grounds for failing the course and additional sanctions. In accordance with Faculty Rule 3335-31-02, all instances of alleged academic misconduct will be reported to the Committee on Academic Misconduct, which recommends appropriate sanctions to the Office of Academic Affairs.

Absences & Make-Ups: In general, work related conflicts or overlapping requirements due in other classes are NOT valid excuses for missing assignments. In cases of valid family, health or safety emergencies, students must contact the instructor PRIOR to the assignment deadline. Unexcused absences will result in a grade of zero (0) for any missed assignments.

It is the sole responsibility of absent students to obtain any missed class notes, handouts, etc. In general, the instructor will not provide missed handouts to absent students during subsequent class periods. In addition, the instructor will generally not discuss missed material with an absent student until that student can provide evidence that (s)he has worked diligently at understanding the material missed.

Waitlisted Students: Students who are waitlisted and seek to enroll must attend class through the first class session of the second week of the semester/term. After that date, students who have not been added will not be enrolled and may not continue to attend the class. Waitlisted students should contact either the Fisher Undergraduate Program Office or the Department of Finance office if they have any questions regarding the waitlist process.

Disenrollment: University Rule 3335-8-33 provides that a student may be disenrolled after the third instructional day of the semester/term, the first Friday of the semester/term, or the student's second class session of the course, whichever occurs first, if the student fails to attend the scheduled course without giving prior notification to the instructor.

COVID-19:

Student COVID-related Accommodation Process

The university is committed to supporting students and program participants with COVID-19 based risk factors. Student Life Disability Services, in conjunction with the Office of Institutional Equity, will work with students who are vulnerable to complications from COVID-19 to ensure that they have the necessary resources to participate in university life as safely as possible. Ohio State students from any campus may submit a [COVID-related accommodation request](#). Students registered with Student Life Disability Services can work directly with their [assigned Access Specialist](#) to modify their accommodations or make additional COVID-based accommodation requests.

Syllabus Statement with COVID Process Addition

The university strives to make all learning experiences as accessible as possible. In light of the current pandemic, students seeking to request COVID-related accommodations may do so through the university's [request process](#), managed by Student Life Disability Services. If you anticipate or experience academic barriers based on your disability (including mental health, chronic, or temporary medical conditions), please let me know immediately so that we can privately discuss options. To establish reasonable accommodations, I may request that you register with Student Life Disability Services. After registration, make arrangements with me as soon as possible to discuss your accommodations so that they may be implemented in a timely fashion. **SLDS contact information:** slds@osu.edu; 614-292-3307; slds.osu.edu; 098 Baker Hall, 113 W. 12th Avenue.

Accommodated Exams - COVID-19 Operational Adjustments

For more details including a FAQ, please visit the SLDS [2021-2022 Operational Changes page](#).

Safety and Health Requirements

All teaching staff and students are required to comply with and stay up to date on all [University safety and health guidance](#). Non-compliance will be warned first and disciplinary actions will be taken for repeated offenses.

COVID-19 Resources:

- [Safe and Healthy Buckeyes website](#)
- [Reactivation of Campuses](#)
- [COVID-19 vaccine information](#)
- [Mental Health and Wellness](#)
- [Human Resources information and guidance](#)