



FINANCE FUNDAMENTALS FOR START-UPS

Course code	<i>FIN129</i>
Compulsory in the programmes	<i>Entrepreneurship and Innovation</i>
Level of studies	<i>Undergraduate</i>
Number of credits	<i>6 ECTS (48 contact hours + 6 consultation hours, 2 hours of examination, 106 individual work hours)</i>
Course coordinator (title and name)	<i>Edita Gerasimovienė</i>
Prerequisites	<i>None</i>
Language of instruction	<i>English</i>

THE AIM OF THE COURSE:

The course objective is to introduce students to the main elements, methods, and principles of finance. It will provide basic knowledge and skills applicable to personal and managerial finance. Course starts with a general overview of finance, introduces to financial concepts, instruments, and techniques used in financial decision making. The first part of the course focuses on basic financial data, financial statements, cash flows, also main financial concepts as time value of money, risk and return, interest rates. The second part of the course deals with the role of finance in the start-up environment.

MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS

Course level learning outcomes (objectives)	Degree level learning objectives (Number of LO)	Assessment methods	Teaching methods
CLO1. Explain financial system elements and their activities and functions via systemic approach	BLO1.1 BLO1.2	Mid-term	Lectures, seminars
CLO2. Explain and analyse saving and investing, financial assets, interest rate concepts and their importance in financial market	BLO1.1 BLO1.2	Mid-term, final exam, group works	Lectures, seminars
CLO3. Analyse goals of the firm and role of the financial manager in financial decision making	BLO1.1 BLO1.2	Mid-term, final exam, group works	Lectures, seminars
CLO4. Prepare and explain financial statements: Balance sheet, Income statement, Cash flow statement. Prepare a business plan for the start-up idea	BLO1.1 BLO1.2	Mid-term, group works	Lectures, seminars
CLO5. Critically comment on financial activities of firms from ethical point of view	BLO2.1	Final exam	Lectures, seminars
CLO6. Explain finance challenges faced by start-ups. Understand funding alternatives for start-ups; their	BLO1.1 BLO1.2	Final exam, group works	Lectures, seminars

advantages and drawbacks. Comprehend the capital raising process			
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ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

COURSE OUTLINE

Topic	In-class hours	Readings
1. Introduction and overview of the course and deliverable Defining Finance	4	Principles of Managerial Finance, handouts, articles
2. Financial statements	4	Principles of Managerial Finance, handouts, articles
3. Financial ratios	4	Principles of Managerial Finance, handouts, articles
4. Financial statement analysis	4	Principles of Managerial Finance, handouts, articles
5. Important financial concepts – time value of money, interest rate, risk and return Cost of capital	4	Principles of Managerial Finance, handouts, articles
6. Capital budgeting Valuation	4	Principles of Managerial Finance, Valuation, handouts, articles
Mid-term	2	
7. Working Capital and Current Assets Management	4	Principles of Managerial Finance, Valuation, handouts, articles
8. Why Cash Flow important for start-ups	4	Handouts, articles, case
9. How to prepare business plan for start-ups, budgeting tools	4	Handouts, articles, case
10. Investments Decisions, Internal Rate of return (IRR), Return of investments (ROI)	4	Handouts, articles
11. Presentations of the finance project Course overview	6	
	Total: 48 hours	
CONSULTATIONS	6	
FINAL EXAM	2	



FINAL GRADE COMPOSITION

Type of assignment	%
<i>Group Components</i>	
• Financial Analysis Project	25
<i>Individual Components</i>	
• Mid-term examination	35
• Final examination	40
Total:	100

DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT

Examinations

Midterm exam counts towards 35% of the final grade and covers topics 1-6. It consists of multiple-choice questions and problems from theory and exercises. Students should bring calculators and can have special tables for present and future value counting.

The final exam counts towards 40% of the final grade. It is written in-class and covers topics 7-11. It is designed to assist your critical thinking on the issues beyond the formal institutional arrangements.

Group work

There will be one formal group work during the course. Tasks (that will be given during the course) must be completed in a group up to 5 people (1-2 students do not make a group). Each group turns in a single copy of its work with the names of all contributing members listed. Coursework counts towards 25% of the final grade.

Additionally, an *oral exam* ('viva voce') is carried out when lecturer requires further explanations on the submitted assignments (e.g. exams, group works). The aim of the oral exam is to clarify what the students have written and how they understand the concepts/data in question.

RETAKE POLICY

The *retake* examination for the student who do not meet the passing score is normally scheduled 1-2 weeks after the announcement of the final grades. The retake examination covers the materials from the entire course, and it is worth 75% of the total grade (the remaining 25% comes from the group work).

REQUIRED READINGS

Gitman, L.J & Zutter, C.J.(2014). Principles of managerial finance. (14 ed.) Boston, MA. Prentice Hall.

ADDITIONAL READINGS

Articles and lecture notes will be distributed during the class or via Intranet.



DEGREE LEVEL LEARNING OBJECTIVES

Learning objectives for the Bachelor of Business Management

Programmes:

*International Business and Communication,
Business Management and Marketing, Finance,
Industrial Technology Management,
Entrepreneurship and Innovation*

Learning Goals	Learning Objectives
Students will be critical thinkers	BLO1.1. Students will be able to understand core concepts and methods in the business disciplines
	BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions
Students will be socially responsible in their related discipline	BLO2.1. Students will be knowledgeable about ethics and social responsibility
Students will be technology agile	BLO3.1. Students will demonstrate proficiency in common business software packages
	BLO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	BLO4.2. Students will be able to convey their ideas effectively through an oral presentation
	BLO4.3. Students will be able to convey their ideas effectively in a written paper

Learning objectives for the Bachelor of Social Science

Programmes:

*Economics and Data Analytics,
Economics and Politics*

Learning Goals	Learning Objectives
Students will be critical thinkers	ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines
	ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements
Students will have skills to employ economic thought for the common good	ELO2.1. Students will have a keen sense of ethical criteria for practical problem-solving
Students will be technology agile	ELO3.1. Students will demonstrate proficiency in common business software packages
	ELO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	ELO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	ELO4.2. Students will be able to convey their ideas effectively through an oral presentation
	ELO4.3. Students will be able to convey their ideas effectively in a written paper