



Course Outline

Human Enterprise and Innovation
School of Business & Economics
ENTR 3720 - **3.00** - Academic

Small Business Finance

Rationale

Annual update of standard course outlines in SOBE

Change course description and requisites

Calendar Description

Students acquire the knowledge and practical skills needed to successfully manage the financial affairs of a small business and new venture start-up. Topics include the importance of small business finance; evaluation of accounting software, hiring an accountant and/or bookkeeper, applicable taxes, payroll accounting, assessing insurance needs; determination of market size; sales forecasting for existing and new business ventures, pricing scenarios, importance of benchmarking to similar businesses, budgeting capital and operational expenses for start-up ventures and existing businesses, development of pro forma financial statements; development of financial modeling tools using excel for scenario and variance analysis: working capital management; sources of long-term and short-term financing; and bankruptcy.

Credits/Hours

Course Has Variable Hours: No

Credits: 3.00

Lecture Hours: 3.00

Seminar Hours: 0

Lab Hours: 0

Other Hours: 0

Clarify:

Total Hours: 3.00

Delivery Methods: (Face to Face)

Impact on Courses/Programs/Departments: No change

Repeat Types: A - Once for credit (default)

Grading Methods: (S - Academic, Career Tech, UPrep)

Educational Objectives/Outcomes

1. Explain the importance of effective financial management to a small business venture.
2. Estimate the fair value of a small business venture.
3. Build a plan of action for a small business experiencing financial difficulties.
4. Differentiate when it is advisable to seek professional help such as a small business tax expert.
5. Understand the importance of spreadsheets to perform pro forma investigations.
6. Estimate and forecast the sales of a small business to produce detailed pro forma financial statements.
7. Maintain and calculate the payroll records of a small business.
8. Evaluate the purchase of an accounting software program.
9. Manage the working capital needs of a small business and understand the importance of cash flow.
10. Identify the various sources of financing for a small business.
11. Assess the insurance needs of a small business.
12. Administer accurate financial records for a small business.

Prerequisites

FNCE 2120-Financial Management or equivalent with a minimum C-

Co-Requisites

Recommended Requisites

Exclusion Requisites

BBUS 3710-Small Business Finance

Texts/Materials

Textbooks

1. **Required** Balderson. *Canadian Entrepreneurship and Small Business Management*, 9th ed. McGraw-Hill Ryerson, 2014
 2. **Required** Roger, Steven. *Entrepreneurial Finance - Finance and Business Strategies for the Serious Entrepreneur* Harvard Business School, McGraw-Hill Education, 2008 **Other**
1. **Required** Readings package

Student Evaluation

The Course grade is based on the following course evaluations.

Tests/quizzes 20-40%

Case studies/research projects/assignments 30-50%

Final Exam 30-40%

Term tests and the final exam must not make up more than 70 percent of evaluation and group work must not make up more than 50 percent.

Course Topics

1. Introduction - Importance of Small Business Finance● What is your business model and business plan?
2. Budgeting and startup costs● Use of benchmarking?
3. Sales forecasting techniques
 - Existing businesses
4. Sales forecasting techniques for new business ventures
 - Top down approach
 - Bottom up approach
5. Sales Forecasting
 - Techniques practical application
6. Pro-forma financial statements
 - Income statement, balance sheet, cash flow
7. Development of financial modeling tools using excel for scenario and variance analysis.
 - Pricing Implications
 - Break Even
 - Ratio analysis
8. Working capital management and managing cash flow
 - Bootstrapping
 - Handling A/R
9. Keeping financial records
 - Choosing an accounting software
 - Choosing an accountant and /or bookkeeper
10. Payroll Accounting
 - CPP, EI, WorkSafe, taxes
11. Personal Financial Planning● Insuring your business
12. Sources of Financing

- Short -term and long term

13. Bankruptcy

Methods for Prior Learning Assessment and Recognition

As per TRU Policy

Last Action Taken

Implement by Submission Preview Subcommittee Chair Joanne (Retired) Moores

Current Date: 28-Oct-20