

Financial Analyses
SYLLABUS
2020

Dates	From 24 th to 30 th December
Didactic hours	14 hours
Learning objectives	The course aims at providing aspiring entrepreneurs with accounting principles and methodologies. Moreover, the course aims to provide effective tools and examples to design and validate their financial data in order to take strong and sustainable decisions. It provides knowledge on the financial institutions and financing methodologies basing on the life-cycle stage of the company. Eventually aspiring entrepreneurs will acquire basic knowledge about managing relations with investors and documents to be provided (Financial Model/plan)
Class activities	<ul style="list-style-type: none"> - Frontal lectures, where instructors deliver content and tools to the whole class. The content could be, depending on topic, both theoretical and practical in order to provide students a survey of theory but also useful tips to implement their idea - Case studies and examples, where a best (or sometimes bad) practice is showed to the class. Where possible a case study will be the “fil rouge” linking all the lectures - Exercises provide by the instructor on topic discussed - Group works, where students (in small group) are asked to perform some tasks applying tools and methods to reality (case studies or their own business) - Class discussions, where small groups finding are reported to and discussed with the whole class
Required readings	<ul style="list-style-type: none"> - Chapters from the textbook: Daniel G. Short, R. Libby and P. A. Libby (2001), Financial Accounting, 7th ed., Mc Graw-Hill, New York (SLL) - Leach, J., & Melicher, R. (2011). Entrepreneurial finance. Nelson Edu
Other course materials	Slides
Pre-course readings	Chapters from the textbook: Daniel G. Short, R. Libby and P. A. Libby (2001), Financial Accounting, 7th ed., Mc Graw-Hill, New York (SLL)
Assignments	At the end of the module, student will be asked to develop on their own business main financial statements (Income Statement at least until EBIT based on tested, assumptions, basic Balance Sheet with funding request, Cash Flow statements) and Financial Forecast.
Evaluation and grading system	Pre and post course evaluation will be conducted in order to measure specifically change in knowledge gained/ lost from the participants Post evaluation will be composed of two elements: <ul style="list-style-type: none"> • 70% test submitted to participants at the beginning of Module • 30% assignments

Duration	Topic	Activity
2 hours	Introduction to Accounting and to Financial Statements <ul style="list-style-type: none"> - Why accounting is important for entrepreneurs - Accounting principles and characteristics - Overview of income statement, balance sheet and cash flow - International Accounting Standard 	<ul style="list-style-type: none"> - Lecture on basic accounting principles - Exercises on accounting equation - Brief plenary discussion - Introductory lecture on financial statements - Lecture on IAS
2 hours	The Income Statement <ul style="list-style-type: none"> - Revenues - Cost of Goods Sold - Gross Margin - Selling, General & Administrative Expenses (SG&A) - EBITDA - Depreciation & Amortization (recap from Fixed Assets) - EBIT - Develop their business forecasted income statement 	<ul style="list-style-type: none"> - Recap on Break even analysis from Module 1 - Lecture - Kenya Herbs case study - Exercises on Income Statements - Class discussion
2 hours	Balance Sheet <ul style="list-style-type: none"> - Assets, liabilities and equity - Fixed Assets - Net Working Capital (NWC) - Develop their business forecasted balance statement 	<ul style="list-style-type: none"> - Lecture on Balance Sheet - Kenya Herbs case study - Exercises on Balance Sheet - Lecture on reclassified Balance Sheet - Kenya Herbs case study - Exercises on NWC
2 hours	The Cash Flow Statement <ul style="list-style-type: none"> - Operating Cash Flow - Investing Cash Flow - Financing Cash Flow 	<ul style="list-style-type: none"> - Lecture - Case study - Exercises on Cash Flow Statement - Working on their own Cash Flow Statement - Class discussion
2 hour	Financial ratios and financial Needs <ul style="list-style-type: none"> - Return on Sales (ROS) - Return on Investment (ROI) - Return on Equity (ROE) - Debt/Equity Ratio (D/E) - Why raising capital? - Recap on Fixed Assets and NWC - Capex and Opex 	<ul style="list-style-type: none"> - Lecture and recap - Working on their own Financial Ratios
3 hours	Building the financial model <ul style="list-style-type: none"> - Work on business financial model and give recommendation on how to improve that. 	<p>Since financial projections are often (the main challenge for new entrepreneurs and since we need to check how participants make assumptions and obtain financial statements.</p> <p>For each statement entrepreneurs will work on their Excel file and check it with coaches and AP experts as mentors</p>

Duration	Topic	Activity
1 hour	Early-stage investors <ul style="list-style-type: none"> - Founder & FFF - Business Angels - Incubators & accelerators - Crowdfunding - Corporate Acquisitions 	<ul style="list-style-type: none"> - Frontal lesson - Exercises- identify main investors in your country and internationally - Discussion