

Spring 2020

RESEC 324 - SMALL BUSINESS FINANCE (3 credits)

T-TH: 11:30 – 12:45 305 Holdsworth

Professor: M.J. Alhabeeb

Office: 210 Stockbridge Hall

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Office hrs: Thursdays 4:00-5:00 pm or by appointment

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Course Description and Objectives:

This course offers an economic analysis of the financial resource management for a small business. It examines issues such as financial statements and financial planning, capital budgeting and management, investment, risk, profitability, and forecasting. The major objective of this course is to acquaint students with the financial functions of a small business, and the ways of optimizing the outcome of those functions. Special emphasis will be given to understanding, designing and writing a viable formal business plan, in addition to discussing current financial and business issues.

Text and References:

- Alhabeeb, M.J. (2015). Entrepreneurial Finance: Fundamentals of Financial Planning and Management for Small Business. Wiley Publications.
- McKeever, M. (13th Edition, 2016). How to Write a Business Plan. Nolo Publications.
- Steingold, F.S.(14th Edition, 2015). Legal Guide for Starting and Running a Small Business. Nolo Publications.

Course Requirements and Grading:

- Assignment 1 (20 points)
- Test 1 (80 points): Scheduled on **March 10th**.
- Assignment 2 (20 points)
- Test 2 (80 points): Scheduled on **April 16th**.
- Business Plan (30 points): **Due on April 23rd**
- Final Exam (70 points) Scheduled on **May 6th, 1:00-3:00, 305 Holdsworth**

The Business Plan :

The focus will be on the practical measures to design and write a business plan. The Business Plan (Chapter 5) in your text should prepare you to come up with your own idea of a hypothetical or real small business to start and manage. This would require you to write a convincing Business Plan for it, ready to attract investors and generate approvals.

Two more supplemental books will be put on Reserve if you need to elaborate further on your plan. These are: McKeever's How to Write a Business Plan, and Steingold's Legal Guide for Starting and Running a Small Business. A completed written plan is due on **April 23rd**. Sharing a plan is encouraged. Two or three students (at most) may share one plan. If you intend sharing your plan, you must submit a tentative title and names of students sharing the plan, no later than **April 16th**. You can choose to present your plan in class for an extra credit of 10 points. A sign up sheet of all presenters must also be completed by **April 6th**.

Letter grades will be assigned based on the following percentages:

<u>Grade</u>	<u>%</u>	<u>Point range</u>	<u>Grade</u>	<u>%</u>	<u>Point range</u>
A	95-100	285-300	C+	70-74	210-224
A-	90-94	270-284	C	65-69	195-209
B+	85-89	255-269	C-	60-64	180-194
B	80-84	240-254	D+	55-59	165-179
B-	75-79	225-239	D	50-54	150-164
			F	49 ---	149 and below

Polices:

- Class attendance is essential and will be considered in the final grade.
- B- plans, which are turned in after their due dates, **will NOT be accepted**.
- There will be no make-up exams without university excused absences. In such cases, please notify me and produce a formal report before the exam day, or as early as you can.

Tentative Course Outline

Small Business and Entrepreneurship	Alhabeeb, Chs. 1,2,
Financial Management and Statement Analysis	Alhabeeb, Ch.6
Working Capital	Alhabeeb, Chs.10,11
Inventory Management and Control	Alhabeeb, Ch.12
Forms of Business Ownership	Alhabeeb, Ch.4
Introduction and Brief Guide to Writing a Business Plan	Alhabeeb, Ch.5
Capital Structure	Alhabeeb, Ch.7
Profitability and Break-Even Analysis	Alhabeeb, Ch.8
Pro Forma Statements and Forecasting	Alhabeeb, Ch.9

Accommodation Statement

The University of Massachusetts Amherst is committed to providing an equal educational opportunity for all students. If you have a documented physical, psychological, or learning disability on file with Disability Services (DS), you may be eligible for reasonable academic accommodations to help you succeed in this course. If you have a documented disability that requires an accommodation, please notify me within the first two weeks of the semester so that we may make appropriate arrangements.

Academic Honesty Statement

Since the integrity of the academic enterprise of any institution of higher education requires honesty in scholarship and research, academic honesty is required of all students at the University of Massachusetts Amherst. Academic dishonesty is prohibited in all programs of the University. Academic dishonesty includes but is not limited to: cheating, fabrication, plagiarism, and facilitating dishonesty. Appropriate sanctions may be imposed on any student who has committed an act of academic dishonesty. Instructors should take reasonable steps to address academic misconduct. Any person who has reason to believe that a student has committed academic dishonesty should bring such information to the attention of the appropriate course instructor as soon as possible. Instances of academic dishonesty not related to a specific course should be brought to the attention of the appropriate department Head or Chair. Since students are expected to be familiar with this policy and the commonly accepted standards of academic integrity, ignorance of such standards is not normally sufficient evidence of lack of intent (http://www.umass.edu/dean_students/codeofconduct/acadhonesty/).