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Grape and Wine Education for the 21st Century

VIN 132 – Entrepreneurial Finance for Vineyard and Winery Business

Date: January 30 – May 12, 2017

Semester: Spring 2017

VESTA Course No.: VIN 132 (VITI 1132)

Course Credit: 3 Hours

Course Name: Entrepreneurial Finance for Vineyard and Winery Business

Instructor: Ricky P. Thibodeau

Room: Online

Office Hours: By appointment, please email requests to schedule a time.

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Course Description

This course focuses on the financing decisions faced by entrepreneurs. During the **first section** of this course students will learn the basics of financial accounting and planning, including financial statements and pro forma preparation and analysis. In the **second section**, students are introduced to the concepts of financial management, including the time value of money, profitability and break-even analysis, capital budgeting and management, and cash flow analysis. The **third section** of the course focuses on analyzing capital funding and financing options and needs, including business valuation models and raising capital through debt, equity, and community resources.

Prerequisites: None

Next Course in Sequence: Refer to Wine Business and Entrepreneurship program on VESTA website

Course Objectives

Upon completion of instructional activities students will be able to:

- Demonstrate an understanding of the basic concepts of finance through classroom activities and successful completion of final project.
- Prepare the three basic financial statements.
- Analyze financial statements and demonstrate an understanding of how they help guide managerial decisions and strategy planning.
- Perform profitability and break-even analysis.
- Demonstrate an understanding of forecasting and pro forma statements through classroom activities.
- Illustrate an understanding of the time value of money including the calculation of present value, future value, and annuities.
- Demonstrate the concepts of taxation, including income tax, sales tax, payroll tax, and unemployment tax.
- Develop and plan capital budgets including working capital management models.
- Through classroom activities, demonstrate an understanding of the different debt and equity sources of financing, and the broad concepts of capital markets.

Required Textbook and Materials

Philip Adelman and Allen Marks. (2013). *Entrepreneurial Finance (6th ed.)*. Boston: Pearson. ISBN-13: 978-01-3314-051-4

Any additional handouts that may be required will be accessible through the online course site.

Proposed Topics and Schedule

Dates	Module	LECTURE TOPICS
01/30 - 02/05	1	Welcome, Introduction and Expectations Financial and Economic Concepts
02/06 - 02/12	2	Financial Management and Planning
02/13 - 02/19	3	Financial Statements
02/20 - 02/26	4	Analysis of Financial Statements
02/27 - 03/05	5	Profit, Profitability and Break-Even Analysis Midterm Project Posted
03/06 - 03/12	6	Forecasting and Pro Forma Financial Statements
03/13 - 03/19	7	Forecasting and Pro Forma Financial Statements (cont'd.) Midterm Project Due
03/20 - 03/26	8	Working Capital Management
03/27 - 04/02	9	Time Value of Money – Part I: FV and PV of Lump Sums
04/03 - 04/09	10	Time Value of Money – Part II: Annuities
04/10 - 04/16	11	Capital Budgeting Start Final Project
04/17 - 04/23	12	Capital Budgeting (cont'd.)
04/24 - 04/30	13	Personal Finance
05/01 - 05/07	14	Personal Finance (cont'd.) Final Project Due
05/08 - 05/12	15	Course Wrap Up

The instructor reserves the right to adjust the schedule as necessary.

Instructional Methods

This is an online course with a synchronous component. An online course site hosted by Central Lakes College's Desire2Learn (D2L) learning management system is used to provide announcements, lectures, notes, and supplemental printed and web-based materials to the students. It also serves as a central point for interaction/communication between instructor and students.

Live Class Meeting

The weekly live sessions offer great interaction between students and the instructors. Since this is the only opportunity for the students to interact with the instructor directly, participation is *required*. Please inform the instructor in advance if you cannot attend a live session. Students who miss a class meeting are required to listen to the live session recording as soon as possible.

The live class meeting will take place once a week on **Wednesday from 6:00 to 7:00 p.m. Central Time** via the **Saba** web conferencing system. It is an opportunity for the instructor to go over weekly topic highlights, and for students to interact with the instructor and classmates through questions and discussions.

Course Assignments

Coursework will consist of lectures; textbook and other readings; videos, online resources; homework exercises; application problems; case study analysis; and other activities as deemed appropriate by the instructor. Often, additional materials other than the text are part of this course. These materials may include articles, wikis, or websites.

Weekly Reading Assignments: It is my expectation that students will read the chapter(s), and other materials assigned, *prior* to making discussion post or trying to complete assignments. These readings help prepare students for deeper discussions and better assignments and analysis. I have found that well prepared students allow the class to explore each topic with greater depth and helps put the rudimentary task of definitions and terminology behind us. Discussion boards will be used to help explain the concepts in the readings so students can apply it to their everyday lives. Quizzes related to chapter readings may be given during the semester and will be noted on the Central Lakes College D2L system.

Weekly Discussion Questions: Generally, each week students will have one discussion thread to complete. I view discussion threads as replacing the discussions that students have in a face-to-face setting. Therefore, I do not necessary post a single question for everyone to answer. Rather, it's ideal if the student pose a subject, much like the way it would be in the classroom with open, free-flowing discussion. With this concept in mind, each student should post at least one original post prior to the weekly live class meeting and two posts responding to another classmate's post by the end of each week. I grade both the length of the thread as well as the quality.

Exercises / Case Studies: Being an entrepreneur means that you get out of the classroom (or from behind the computer) and explore your world by asking questions about your idea, product, or service and asking others who have already accomplished what you are hoping to in the future, in other words, other entrepreneurs. Since you are all in the winery and vineyard business, reach out to your industry colleagues, especially those with lots of experience and ask questions. Some assignments in this class are application-based and are constructed on experiential learning. Other assignments are more reflective in nature and are designed to make you think critically and examine your own points of view. Detailed instructions for exercises and case studies will be provided on the online course site.

Midterm Project: The midterm project will consist of two parts. Part I – questions on best practices. Part II - utilizing financial ratios for a set of financial statements. A separate document on the online course site will explain the details of this project.

Final Project: The final project will consist of two parts. Part I - you will complete a financial analysis of a fictitious winery that Gallo is interested in. Part II – you will build pro forma financial statements for your existing or planned business. A separate document on the online course site will explain the details of this project.

Important Note about Due Dates and How to Pace This Course

Weeks for this course will run from 12:00 A.M. Tuesday through 11:59 P.M. on Monday. This gives students either the week or the weekend to complete all readings, assignments and discussion post. All assignments, discussion post, and exercises are due on Monday at 11:59 P.M. each week. **Late assignments of any kind are not accepted. If you are concerned about meeting the end of the week due date, submit work early.**

Expectations and Instructor Feedback

With the online course format, students are expected to participate in and be prepared for the live sessions by completing the weekly course assignments prior to the live sessions. During the first live class meeting, the instructor will cover the course requirements in detail. Students need to check the course site regularly to keep updated on communications, change in schedules, and deadlines.

The instructors will make every effort to respond to student questions and complete assignment/exam grading on a timely manner.

Grading

- A = 90-100%
- B = 80-89%
- C = 70-79%
- D = 60-69%
- F = below 60%

Grade percentage:

Quizzes/Exercises/Case Studies	15%
Discussion Board Posts	20%
Live Class Participation	15%
Midterm Project	25%
<u>Final Project</u>	<u>25%</u>
Total	100 %

Central Lakes College Institutional Policies

Withdrawing from the Course

It is the students' responsibility to see that all assignments, exercises and exams reach the instructor in a timely fashion so grades can be issued. **No "incomplete" grades will be issued.** Should it become necessary to withdraw, it is the student's responsibility to do so according to the guidelines in the CLC *Student Handbook* which can be found at:

<http://www.clcmn.edu/wp-content/uploads/2015/05/College-Information.pdf>

Students planning to withdraw from this course also need to be sure to complete the VESTA Withdrawal/Change of Schedule form and submitting to the VESTA office.

Attendance Policy

Central Lakes College (CLC) believes that students must attend class in order to achieve the best learning results. In the case of VESTA online courses, attendance is defined as active participation in the form of attending synchronous class meetings (if applicable), completing reading/writing/testing assignments by assigned deadlines, and maintaining regular communication with course instructor via the online course site and communication tools designated by the instructor. For courses with a practicum/workshop component, students must participate and complete the number of hours of practical experience required. Instructors may assign attendance grade as part of course grade if they choose to do so. CLC expects instructors to be reasonable in accommodating students whose absence

from class resulted from: 1) participation in University-sanctioned activities and programs; 2) personal illness; or 3) family and/or other compelling circumstances. The University's attendance policy can be found in the CLC *Student Handbook* at <http://www.clcmn.edu/wp-content/uploads/2015/05/College-Information.pdf>

Make-up Policy and Special Instructions

The exams can be made up only in the event of an excused absence where the instructor has prior knowledge of the absence. Allowance of make-up tests will be at the discretion of the instructor and will be taken on the date of the student's return to class.

Academic Integrity Policy

Academic integrity is one of the most important values in higher education. This principle requires that each student's work represents his or her own personal efforts and that the student acknowledges the intellectual contributions of others. The foundation for this principle is student academic honesty. Central Lakes College students are expected to honor the requirements of the Academic Integrity Policy. Please refer to Central Lakes College *Student Handbook* for details, which can be found at: <http://www.clcmn.edu/wp-content/uploads/2015/05/College-Information.pdf>

Statement of Nondiscrimination

CLC is committed to a policy of nondiscrimination in employment and education opportunity. No person shall be discriminated against in the terms and conditions of employment, personnel practices, or access to and participation in, programs, services, and activities with regard to race, sex, color, creed, religion, age, national origin, disability, marital status, status with regard to public assistance, sexual orientation, or membership or activity in a local commission as defined by law.

Statement on Disability Accommodation

Central Lakes College recognizes that students with disabilities may have special needs that must be met to give them equal access to college programs and facilities. Inquiries regarding Central Lakes College's policies and guidelines for accommodations to students with disabilities may be directed to the disabilities coordinator, Paula Huss- office C111, 218-855-8175 or email at phuss@clcmn.edu. If you need a reasonable accommodation for a disability (e.g. wheelchair accessibility, interpreter or audiotape) such an accommodation can be made upon 48 hours advance request. Please contact Paula Huss, CLC Disability Coordinator at Brainerd Campus, 1-800-933-0346-ext 8175 or Disability Services on the Staples Campus, 1-800-247-6836- ext. 5182 as soon as possible. Students are encouraged to meet with the coordinator prior to the beginning of each semester.