SUBJECT COORDINATOR: Dr. Barbara Cornelius, room 40.304, e-mail: Barbara.Cornelius@uow.edu.au; telephone 4221-4004. Consultation Times: Monday 3:30 to 5:30, Thursday 9:30 to 11:30, or by appt. Please do not disturb on Wednesdays.

Lectures: Monday, 10:30-12:30 room 19.1001
Tutorials: Mondays either 1:30-2:30 or 2:30 to 3:30 room 67.209

SUBJECT DESCRIPTION: This subject is intended for those who have an interest in developing small businesses, whether as entrepreneurs or as advisors to entrepreneurs. The approach taken is from the perspective of someone considering a business start-up. The requirements for a business plan will be presented with seminars targeting issues that confront decision makers faced with this task. Lectures will provide information on strategies for entering business with a particular focus on financial considerations.


SUBJECT AIM: The majority of small business failures come about due to insufficient capital as a result of poor planning and record keeping; problems that lead to poor decision making. By taking this subject students will be in a position to avoid, or help others avoid, the pitfalls that come from poor business planning. It is intended to give students an awareness of the factors to be considered prior to entering business as well as those which will allow entrepreneurs to remain in business, once started.

SUBJECT OBJECTIVE:
Upon completion of this subject, students will be able to:
- Apply techniques for assessing the feasibility of new enterprises
- Differentiate between fund raising and strategic business plans
- Choose appropriate modes of financing different ventures
- Describe the relationship between various financial projections
- Conduct sensitivity analysis based on projected financial budgets

APPROACH: Assigned chapters are to be read prior to lectures. Students are encouraged to read beyond the minimum prescribed and to enliven tutorial discussions with contributions and/or questions based upon their readings. The coordinator will act as a facilitator to ensure students get as much as possible from their discussion of materials but it is expected that the students will take a lead in these discussions. Attendance at both lectures and tutorials is compulsory.
ASSESSMENT:

Tutorial Participation: 10
Tutorial Preparation: 10
Sensitivity Analysis: 15
Business Plan Review: 15
Final Exam: 50
100%

Subject Requirements: Any student failing to meet all the following compulsory requirements will fail regardless of performance in other assessable components of the subject.

a. Satisfactory preparation for and participation in tutorials
b. Satisfactory and timely preparation of assignments
c. Satisfactory achievement in the final examination (the final exam only is subject to scaling to achieve a mean score of between 55 and 65).

(Note: satisfactory is normally interpreted as a mark of 40%)

Tutorial Participation: Student preparation for and participation in tutorials is essential. Tutorial assessment will be based upon vocalisation of opinions regarding topics under discussion. Those students who do not verbally demonstrate that they have read the material under discussion will not receive a participation score. Note that no correct view is assumed; instead it is important that you be able to understand the material under discussion and that you can form and support an opinion regarding it.

**Tutorial Assessment:**

<table>
<thead>
<tr>
<th>Score</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>present and awake</td>
</tr>
<tr>
<td>4</td>
<td>below average</td>
</tr>
<tr>
<td>6</td>
<td>average participation</td>
</tr>
<tr>
<td>8</td>
<td>above average participation</td>
</tr>
<tr>
<td>10</td>
<td>extraordinary participation*</td>
</tr>
</tbody>
</table>

* extraordinary participation would involve going beyond the prescribed readings and bringing the relevance of this extra material to the attention of the class.

Tutorial Preparation: Students will be given material to research either on the web or in the library each week. This material will prepare students for tutorial discussions. A written summary of the results of this research should be prepared and will be collected four times during the term. Collection dates may not be the same in each tutorial. Some case study material may be approached through group efforts. Groups will be allocated at the time the material is given to students.

Sensitivity Analysis: A key element in a business plan is the sensitivity analysis. If undertaken properly, this analysis tells the entrepreneurial team where they are most likely to have problems and allows them to develop contingency plans to counter most eventualities. Students will be given a set of projected financial statements and expected to perform a sensitivity analysis using excel or a similar spread-sheet program to determine potential areas of difficulty. They are then to submit a written summary of their analysis as well as key spread sheets to support their conclusions.

Business Plan Review: Students are to read an assigned business plan and review its use as a strategic planning document in writing. Students should be able to summarise the product or service offered and define the market for that product or service, explain the intended market strategy and discuss the realism of the projected financials. Beyond this, students are expected to assess the usefulness of the document in terms of both future planning strategies to be used in the business and in terms of its use as a fund raising instrument.
Submissions: Assignments are to be given directly to the lecturer. Students are advised to keep a second copy of submitted work. Fill out and sign a photocopy of the Cover Sheet located at www.uow.edu.au/commerce/accy/ACCYcoversheet.pdf Late submissions will be penalised one (1) point per day or part thereof. Assignments presented for evaluation more than one week after the due date without sufficient documentation of due cause, will be rejected and the student will be deemed to have failed the subject. Assignments will be returned in class or may be picked up from the lecturer. All material must be received by the due date, not postmarked by the due date. Assignments may not be transmitted by fax or e-mail.

The assessment of written submissions will take into consideration the following factors:

Presentation
Is the material well presented, typed, double spaced in a 12 point font?
Does it include a signed cover sheet?

Abstract
Include an outline of the main arguments and give the general conclusions reached.

Structure
How well does the argument flow? Is it coherent and written as a whole or does it jump from one thought to another without connection between parts?
Were tables and diagrams, where provided, helpful or distracting?

Content
Was the material presented relevant to the problem? Are the arguments logical, the premises reasonable and assumptions clearly stated and rational? Was all relevant material discussed?

Research
Is it clear that the author has a good grasp of the relevant literature and has gone beyond the material readily available in the text?

Style
How did the writing style, eg., grammar, usage, language, sentence construction and length add to/detract from the flow of the material presented?

Referencing
Were references used internally to support arguments and assertions? Were all references properly provided at the end of the essay?

Material submitted for assessment will be returned in tutorials, generally 2 weeks after submission.

If you have problems with English presentation please make use of the University’s Learning and Language Resource Centre, Room 19.G102, telephone 42213977

Plagiarism: Plagiarism will not be tolerated. At minimum, plagiarism will result in failure in this subject and may result in expulsion from the University. For information on plagiarism refer to the University of Wollongong Calendar on line http://www.uow.edu.au/student/calendar/rules/plagiarism.html. You must read these pages before signing the statement on plagiarism, reading these pages may prevent unintentional plagiarism that could jeopardize your career at University.

Departmental Notice board: Students should regularly refer to the Departmental Notice board for occasional announcements concerning the subject. Particular attention should be paid to the notice board on Friday, August 31 when preliminary feedback (satisfactory or unsatisfactory) on the plans will be posted.
Work Load: “As an indication of the amount of time to be spent on the subject each week, [note] that the Course Rules state that: ‘credit point’ is the value attached to a subject as a component of a degree and ... each credit point has an implied workload of 28 hours over the duration of that subject” (1995 Undergraduate Calendar, p.45). This translates to about 10 hours per week over and above the time spent in the seminar.

Disability: “If a student with a disability requires reasonable accommodation in this subject, they are strongly advised to discuss the issues early in the session with one of the following people: the Disability Liaison Officer, Faculty Disability Adviser and/or the subject coordinator.” For the Faculty of Commerce, please see the associate sub-dean, Mr Ron Perrin in room 40.341.

Small Business Finance: Reading and Assignment Schedule:

July 22: Lecture: Introduction to the subject
       Creating a Successful Business Plan (Chapter 5)

July 29: Lecture: Analysing Opportunities, what business?
       Discussion: Chapters 2 & 3, Opportunity Recognition & Entry Strategies

August 5: Lecture: Markets and Marketing Strategies
       Discussion: Chapter 4, Market Opportunities and Marketing

August 12: Lecture: Feasibility Studies and Financial Projections
       Discussion: Chapter 6, Financial Projections: How to do them the right way

August 19: Lecture: Financing the Business (equity)
       Discussion: Chapter 7, Venture Capital

       Sensitivity Analysis Due

August 26: Lecture: Financing the Business (debt)
       Discussion: Chapter 8, Debt and Other Forms of Financing

September 2: Lecture: Business Structure & Australian Conditions
       Discussion: Chapter 10, Legal and Tax Issues & Article TBA

September 9: Lecture: Intellectual Property in Australia
       Discussion: Chapter 11, Intellectual property

       Business Plan Review Due

September 16: Lecture: Franchising
       Discussion: Chapter 12, Franchising

October 7: Lecture: Technology and Business
       Discussion: Chapter 13, Entrepreneurs and the Internet

October 14: Lecture: Valuing and Selling a Business
       Discussion: Chapter 14, Harvesting

October 21: Lecture: Small Business in the Economy
       Discussion: Chapter 15, Entrepreneurship Economics

October 28: Lecture Review