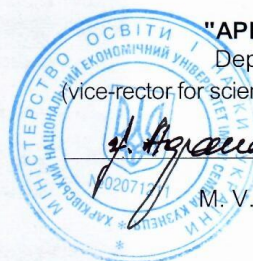


MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE  
SIMON KUZNETS KHARKIV NATIONAL UNIVERSITY OF ECONOMICS



"APPROVED"

Deputy head

(vice-rector for scientific and pedagogical work)

M. V. Afanasiev

"Financial aspects of starting and developing business"

work syllabus of the discipline

Branch of Knowledge	All
Specialty	All
Educational level	First (bachelor)
Educational program	All

**Type of discipline**

The language of teaching, learning and rating

**selective**

**English**

HeadoftheFinanceDepartment

prof. Zhuravlyova I. V.

Kharkiv  
S.Kuznets KhNUE  
2019

APPROVED

at the meeting of the Finance Department

Protocol № 2 dated August 30, 2019

Developer:

Dobryn S.V., PhD., Ass. of Professor of the Finance Department.

Alekseyenko I.I., PhD., Ass. of Professor of the Finance Department.

**Letter of renewal and re-approval  
of the work syllabus of the academic discipline**

Academic year	Date of the meeting of the Department – developer of the WPAD	Protocol number	Head of department signature

## 1. Introduction

**Abstract of the discipline:** in the current conditions, it is becoming increasingly important to solve the problems of opening domestic businesses to their businesses in an unstable economy. Of great importance are the theoretical aspects and practical recommendations for the formation of the idea of business, organization and opening of one's own business. As well as choosing a form of doing business, generating start-up capital for business, applying the basics of financial calculations and identifying sources of additional funds. In this regard, the process of creating an idea and opening your own business requires a deep knowledge of the theory and practice of decision-making in the field of business strategy justification, choice of directions and forms of doing business, and the search for ways to improve relationships in the financial sphere in the conditions of market transformation of the economy is not not only an actual but also an important task of theoretical and practical importance.

**The purpose** of this course is the formation of students' theoretical knowledge and practical skills in the field of business organization, the formation of theoretical and methodological basis necessary for free ownership of the use of financial instruments, developing the ability to evaluate the effectiveness of business ideas, to analyze the current market situation, observed in the country, make financial calculations to choose the most effective way to raise capital.

**Tasksofthecourse:**

mastering the basic principles of organizing and implementing your own business at macro and macro levels;

applying methodological approaches to the analysis of the expediency of attracting additional borrowing funds in their own business project taking into account the risk factor;

mastering the skills of self-assessment of financial efficiency of implementation of business ideas with the use of computer equipment and software-mathematical complexes.

**"Financial aspects of starting and developing business"** is a discipline that studies the tools of economic justification and decision making in the system of starting one's own business, taking into account the uncertainty of the environment.

**The object of thecourse**is the organization of their own business at the macro and micro levels.

**The subject of the course** is theoretical, methodological and methodological bases of financial activity of business entities in the conditions of organization of their own business.

Year of study	<b>3</b>	
Semester	<b>1</b>	
Amount of ECTS credits	<b>5</b>	
Classroom training sessions	<b>lectures</b>	<b>16</b>
	<b>workshops</b>	<b>16</b>
	<b>laboratory</b>	<b>32</b>
Independent work		<b>86</b>
Form of final control	<b>test</b>	

### Structural-logical scheme of studying the discipline:

Previous disciplines	The following disciplines
Finance	International finance
Macro and microeconomic	Financial management
Money and credit	Enterprise cost management
Financial mathematics	Financial strategy

### 2. Competencies and outcomes:

Competencies	Outcomes
Understanding and ability to critically understand the conceptual foundations of economic theory that relate to the financial aspects of starting your own business, summarize the principles and patterns of functioning and business development	Identify the nature and main forms of doing business in the activities of economic entities and in the economy of the country
	Identify the main objects and subjects of modern business, analyze the interaction between the subjects of economic relations and take into account the peculiarities of their functioning
	To determine the essence of financial instruments, to characterize current trends and prospects of development of certain types of business.
Ability to use theoretical and methodological tools of financial, economic, mathematical, statistical, legal and other sciences to diagnose the state of financial systems	Evaluate the feasibility of financing real investment projects, evaluate the value of assets using different approaches
	Characterize innovation and the innovation process, prove the need for financing such areas of activity, identify the objects of innovation, taking into account the features of venture financing
	Analyze the legal framework for attracting investments, determine the factors of investment activity; ability to analyze peculiarities of activity of financial and credit institutions
	Conduct a comprehensive assessment of the effectiveness of the investment project
Ability to justify, take professional decisions in the field of finance and take responsibility for them	Identify sources of financing for your own business and calculate their required size, carry out procedures for optimizing the structure of financial resources
	Develop the structure of the business idea of the project and evaluate the feasibility of its financing; given the uncertainty and risk factor
	Classify business projects, determine the stages of project implementation

### **3. Syllabus of the academic discipline**

#### **Content module 1.**

#### **Business idea. Organizing and opening your own business**

##### **Theme 1. Starting your own business**

*1.1. Modern models of effective business.* The essence and basic forms of doing business. The process of forming a business model. The main components of a business model.

*1.2. Business type clustering.* Main business areas and purpose. Agriculture. Tourism. Education. Medicine. Architecture and construction. Other business areas.

*1.3. Analysis of the degree of market saturation of a certain type of business.* Current trends and prospects for the development of certain types of business. Consumer demand and consumer expectations. Main trends of development of small and medium business.

##### **Theme 2. Which business is more profitable? Benefit assessment of business idea**

*2.1. Business by income sources.* Active and passive income. Income from trading activities. Income from production activities. Income from investment and credit activities. Proceeds from the sale of property and intellectual rights (property). Income from exchange rate differences of foreign currency funds and securities. Other types of income. E-commerce

*2.2. Analyze and evaluate your own capabilities.* Small project or large scale production. Assessment of own professional opportunities. Determining the amount of potential income.

##### **Theme 3. Creating a new product and defining a business idea**

*3.1. Finding sources and generating ideas.* Finding an idea for your business and your own product. Methods of finding ideas. Description and development of the project idea and definition of general directions of use of the potential product (service). Difference of own goods from competing counterparts.

*3.2. Life stages of a new product.* Developing a new product idea. Implementation. Adaptation of goods in the market. Growth. Maturity. Decline. Determination of factors affecting the product life cycle.

*3.3. Market introduction strategy for the product.* Analysis of market opportunities and market environment. Pricing policy. Develop a strategy for market introduction of a potential product (service) within a business project.

##### **Theme 4. Costs and cost of production**

*4.1. Expenses by type of economic activity.* The nature and types of costs. External and internal costs. Economic costs. Costs associated with normal activities. Financial expenses. Expenses from participation in capital. Operating expenses. Other expenses. Costs associated with emergency activities.

4.2. *Costs associated with the production of products.* The essence of production costs. Total costs and unit costs. Costs by type of products. Direct and indirect costs. Current costs. Long-term costs.

4.3. *Cost of production.* The essence of the cost of production. Budgeting and costing. Cost grouping when calculating production costs.

## **Content module 2.**

### **Starting capital and basics of financial calculations**

#### **Theme 5. Fundamentals of financial calculations**

5.1. *The theory of value for money in time.* Present and future cost of capital. The need and value of money over time. Factors influencing the change in the value of money over time. Extension and discounting processes. The concept of percentages, their types and classification. Interest accrual period. The future value of money, its economic content.

5.2. *Capital raising and discounting using a simple interest rate.* Scheme of simple interest, its content and features of use. Determining the cost of capital in the case of annual interest accrual. The concept of discounting simple interest. The current value of capital. Mathematical and bank discounting.

5.3. *Discounting using a compound interest rate.* The need to estimate future revenues from the current point of view. Determination of the present value with the m-fold interest calculation.

5.4. *Increasing capital using a compound interest scheme.* Concept of compound interest. Scheme of the simple and the scheme of compound interest, the fundamental difference between them. Floating compound interest rate. Methods for calculating the time period required to double the amount invested.

#### **Theme 6. Forms of raising capital**

6.1. *Necessity and essence of credit.* Credit as a form of value movement on a reverse basis. Credit as a form of social relations. The main features of the loan. Subjects and objects of credit relations. Signs of credit in a market economy. Debt capital and credit. Debt capital as a form of monetary capital. The main features of loan capital. Market of loan capital.

6.2. *Forms and types of credit. Credit classification criteria.* The forms of credit, the advantages and disadvantages of each form. Types of credit. Characteristics of individual types of credit: commercial, consumer, state, international, banking.

6.3. *Bank credit.* Classification of bank loans. Principles and methods of bank lending. The mechanism of bank lending. Forms of collateral and insurance of bank loans. Characteristics of individual types of bank credit.

6.4. *Economic limits of credit.* The concept of credit limits, causes and consequences of their breach. Credit relations and inflation. Percentage of credit. Percentage, types, economic boundaries of movement and factors of change of interest rate. Interest rate risk. Percentage in inflation.

## **Theme 7. Starting a business as a form of investment project realization**

*7.1. Economic essence of investment.* Economic essence of investment. Features of the cycle of investment in a market economy. Investment process and its stages. Characteristics of investments by classification characteristics.

*7.2. Characteristics of investment objects.* The concept of investment objects. Investment objects. Real and financial investments, their main characteristic.

*7.3. Characteristics of investing entities.* Concept of subjects of investment activity. Businesses as subjects of investment activity. Industrial-financial groups and the legal basis for their functioning. Financial institutions in the investment market. Banks, credit unions, pawnshops, leasing companies, trust companies, insurance companies, funded pension institutions, joint venture institutions.

## **Theme 8. An innovative form of investment**

*8.1. Economic essence of innovation and innovation process.* Economic essence of innovation and innovation process. Concepts and types of innovation. Classification of innovations. Model of innovation process.

*8.2. Objects and subjects of innovative activity.* Objects of innovation activity and their characteristics. The subjects of innovation and their characteristics. The main goal of the state innovation policy, the basic principles of the state innovation policy. Priority directions of state support of enterprise innovation activity.

*8.3. Financing of innovative activity.* Financial support for innovation. Venture Financing. Types of venture financing, their features. Problems of development of venture financing in Ukraine.

## **Theme 9. Financing of the investment process**

*9.1 Characteristics of investment resources.* Characteristics of investment resources. Forms of investment resources.

*9.2. Methods of formation of investment resources.* Principles of formation of investment resources. Methods of formation of investment resources. Sources of formation of investment resources. Self-financing and sources of its financial resources. Bank investment loan and ways to attract it.

*9.3. Valuation of investment resources.* Valuation of investment resources. Methods of valuation of equity, attracted and borrowed capital.

*9.4. Methods of optimizing the structure of sources of investment resources.* Calculation of the volume of investment resources of a real investment project. Methods of optimizing the structure of investment resources.

## **Theme 10. Selling property**

*10.1. Sale of property and valuation of property.* Purpose of the sale of the property. Objectives of property valuation. The subject matter of the valuation and the factors affecting its value.

*10.2. The main types of property value.* Types of property value. Market value. Investment value. Cost of playback. The cost of replacement. Liquidation cost. Mortgage cost.

*10.3. Basics of calculating the value of real estate.* Cost management concept. Factors and cost metrics. Key metrics for property values.

## **Laboratory works**

### **Content module 1.**

#### **Business idea. Organizing and opening your own business**

**Laboratory 1.** Organization of own business: idea, goal, type of activity, legal form.

**Laboratory 2.** New product release. Costs, taxes, market analysis, competitive advantages.

**Laboratory 3.** The basics of working at MS Excel. The time value of the money. MS Excel financial functions.

**Laboratory 4.** Automating compounding and discounting of money with MS Excel.

### **Content module 2.**

#### **Starting capital and basics of financial calculations**

**Laboratory 5.** Changing the terms of financial contracts. Scheduling debt repayments.

**Laboratory 6.** Justification of the interest rate level to assess the main types of assets and project efficiency.

**Laboratory 7.** Automation of calculations to evaluate the implementation of real investment projects.

**Laboratory 8.** Assessing the cost of project financing sources.



### 3. The order of rating

The system for assessment the effectiveness of the training of specialists in the discipline provides that the results of the academic discipline should take into account lectures, practice and laboratory classes, as well as the performance of independent work. Assessment of the developed competencies among students is based on a 100-point accumulation system. Response to the Provisional Regulations "On the ordering of assessment of the results of student learning for the accumulation system" S. Kuznets KhNEU, control measures include:

current control, carried out during the semester during lectures, practical and laboratory classes, and estimated by the sum of the points scored;

modular control, which is conducted taking into account the current control over the corresponding content module and is aimed at an integrated assessment of the student's learning outcomes after studying the material from the logically completed part of the discipline-content module.

Current control of this discipline is carried out in the following forms:

active work at lecture classes;

active participation in practice and laboratory classes.

Modular control of this discipline is carried out as a colloquium. The colloquium is a form of verification and assessment of students' knowledge in the system of education in higher education institutions. Its conducted as an intermediate mini-exam on the teacher's initiative.

*The procedure for carrying out the current assessment of students' knowledge.*

The current evaluation is carried out during the practical and laboratory classes and is aimed at checking the level of readiness of the student to perform specific activities and the practical implementation of the existing competencies by the accumulation of ball scoring system according to the following criteria:

understanding, degree of assimilation of the theory and methodology of the problems under consideration;

the degree of assimilation of the actual material of the discipline;

the ability to combine theory with practice when considering situational tasks, solving tasks, performing calculations in the process of performing individual tasks and tasks submitted for consideration in an audience;

logic, structure, arithmetic correctness and style of material presentation in writing, ability to summarize information and draw conclusions.

*Criteria for evaluating non-auditory independent work of students.* The general criteria for evaluating non-audited independent work of students are: the depth and complexity of knowledge, the level of thinking, the ability to systematize knowledge on specific topics, the ability to make informed conclusions, the possession of categorical apparatus, skills and techniques of performing practical tasks, the ability to find the necessary information, organize it and present it to others.

The student should be certified if the sum of the points earned on the results of the final / semester test of success is equal to or exceeds 60. The total score in the points for the semester is: "60 or more points is counted", "59 and less points are not counted", and is entered in the Record of Success of the discipline. In case of getting less than 60 points student obliged to pay off after the end of the examination session in the deadline set by the dean of the faculty, but not later than two weeks after the beginning of the next semester.

### Ordering of points in weeks

Themes of the content module			Lectures	Practice classes	Laboratory classes	Presentation	Colloquium	Total
Content module 1: Business idea. Organizing and opening your own business	Theme 1	1-2 week	2	2	3			7
	Theme 2	3 - 4 week	2	2	3			7
	Theme 3	5 - 6 weeks	2	2	3	4		11
	Theme 4	7- 8 weeks	2	2	3		15	22
Content module 2: Starting capital and basics of financial calculations	Theme 5	9 - 10 weeks	2	2	3			7
	Theme 6	11 - 12 weeks	2	2	3	4		11
	Theme 7	13 weeks	1	1	2			4
	Theme 8	14 weeks	1	1	2			4
	Theme 9	15 weeks	1	1	2	4		8
	Theme 10	16 weeks	1	1	2		15	19
			16	16	26	12	30	100

### Scale of assessment: national and ECTS

The amount of points for all types of educational activities	Rating ECTS	Score on a national scale
		for the test
90 – 100	A	credited
82 – 89	B	
74 – 81	C	
64 – 73	D	
60 – 63	E	
35 – 59	FX	not credited
1 – 34	F	

#### 4. Course Learning Resources

1. Добринь С. В. Фінансові аспекти відкриття та розвитку бізнесу : опорний конспект [Електронний ресурс] / С. В. Добринь, І. І. Алексєєнко. – Режим доступу : <http://pns.hneu.edu.ua>
2. Сайт ПНС «Фінансові аспекти відкриття та розвитку бізнесу» – Режим доступу : <http://pns.hneu.edu.ua>
3. Інвестування / [Гриньова В. М. Коюда В. О., Лепейко Т. І та ін.] / за ред. В. М. Гриньової. – Харків : ХДЕУ, 2008. – 464 с.
4. Дамодаран А. Инвестиционная оценка. Инструменты и техника оценки любых активов / А. Дамодаран; пер. с англ. – М. : Альпина Бизнес Букс, 2004. – 1342 с.
5. Мошенский С. З. Рынок ценных бумаг: трансформационные процессы / С. З. Мошенский. – М. : Экономика, 2010. – 240 с.
6. Финансовые инструменты / под ред. Ф. Фабозци ; [пер. с англ. Е. Востриковой, Д. Ковалевского, М. Орлова]. – М. : Эксмо , 2010. – 864 с.
7. Энциклопедия финансового риск-менеджмента / [под ред. А. А. Лобанова, А. В. Чугунова]. – [4-е изд., испр. и доп.]. – М. : Альпина Бизнес Букс. – 2009. – 932 с.
8. Fabozzi F. Financial management and analysis / F.Fabozzi, P.Peterson. – N.Y.: J.Wiley and sons, 2003. – 1022 p.
9. Fabozzi F. J. Financial Modeling and Investment Management / S. M. Focardi, F. J. Fabozzi. – New Jersey, Hoboken : John Wiley & Sons, 2004. – 778 p.

#### Information resources

1. Офіційний сайт Державного агентства з інвестицій та управління національними проектами України [Електронний ресурс]. – Режим доступу : <http://www.ukrproject.gov.ua>.
2. Офіційний сайт Державного агентства з питань науки, інновацій та інформатизації України [Електронний ресурс]. – Режим доступу : <http://dknii.gov.ua>.
3. Офіційний сайт Державної служби статистики України [Електронний ресурс]. – Режим доступу : <http://www.ukrstat.gov.ua>.
4. Про захист іноземних інвестицій на Україні [Електронний ресурс] : Закон України від 10.09.91 р. № 1540а–XII. – Режим доступу : <http://zakon3.rada.gov.ua/laws/show/1540a-12>.
5. Про інвестиційну діяльність [Електронний ресурс] : Закон України від 18.09.1991 р. № 1560–XII – Режим доступу : <http://zakon4.rada.gov.ua/laws/show/1560-12>.
6. Про інноваційну діяльність [Електронний ресурс] : Закон України від 04.07.2002 р. № 40-IV. – Режим доступу: <http://zakon4.rada.gov.ua/laws/show/40-15>.
7. Про оцінку майна, майнових прав та професійну оціночну діяльність в Україні [Електронний ресурс] : Закон України від 12.07.2001 р. № 2658-III. – Режим доступу : <http://zakon2.rada.gov.ua/laws/show/2658-14>.