



## Syllabus Course Program



# ENTERPRISE CAPITAL

**Specialty**

073 - Management

**Institute**

Institute of Education and Science in Economics,  
Management and International Business

**Educational program**

Business Administration

**Department**

Management (204)

**Level of education**

Bachelor's level

**Course type**

Selective (students' free chose)

**Semester**

5

**Language of instruction**

English

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## Lecturers and course developers

**Dmytro Gorovyi**

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Doctor of Economics, Professor, Director of the Educational and Scientific  
Institute of International Education NTU "KhPI"

The experience of scientific and pedagogical work is more than 20 years. He is the author of more than 100 and educational works, including 10 textbooks and teaching aids, 6 monographs and more than 80 scientific articles. Leading lecturer in the disciplines: "Marketing (English)", "Enterprise Economics (English)", "Enterprise Capital (English and Ukrainian)", "Crisis Management (English)".

[More about the lecturer on the department's website](#)

## General information

### Summary

The discipline is aimed at obtaining theoretical knowledge and practical skills in the formation and use of company's capital. The main sources and directions of capital use, methods for assessing the value and effectiveness of capital management are considered. Analytical methods for solving practical problems are presented, the features of their application in various conditions of enterprise activity are revealed.

### Course objectives and goals

The formation by future specialists of systemic knowledge and understanding of the conceptual foundations of the formation and use of company's capital, the theory and practice of money management, and the acquisition of independent work skills for the assimilation of training material in a modern business environment.

### Format of classes

Lectures, workshops, consultations, self-study. Final control is in the form of differentiated grading

## Competencies

GC05. Knowledge and understanding of the subject area and understanding of the professional activity.  
SC08. The ability to plan the organization activity and to manage time.  
SC13. To understand the principles and rules of law and to use them in the professional activity.  
SC16. The ability to generate business ideas, to justify their feasibility and forms of their implementation as well as present them to stakeholders.

## Learning outcomes

LO 06. To demonstrate the skills related to search, collection, and analysis of information, calculation of indicators for substantiation of managerial decisions.  
LO 07. To demonstrate the skills of organizational planning.  
LO 15. To show the ability to act in a socially responsible and socially conscious manner on the basis of ethical considerations (motives), respect for diversity and interculturalism.

## Student workload

The total volume of the course is 120 hours (4 ECTS credits): lectures - 32 hours, workshops classes - 16 hours, self-study - 72 hours.

## Course prerequisites

To complete successfully the course, you must have knowledge and practical skills in the following courses: Enterprise Economics, Marketing, and Finance.

## Features of the course, teaching and learning methods, and technologies

Interactive lectures with presentations, discussions, workshops, teamwork, case-based learning, student-peer feedback, problem-based learning, case-based learning, student-peer feedback, individual and teamwork.

## Program of the course

### Topics of the lectures

#### Topic 1. Fundamentals of capital management

The main goals of capital management. The scheme of enterprise capital movement.  
Source of attraction company's own funds and their characteristics. Source of borrowed funds attraction and their characteristics.

#### Topic 2. Profit generation

Revenue distribution and the formation of the net profit in the company. Calculations of net profit from operating activities. The coefficients of contribution and the operational leverage: their purpose and the difference between them. The structure of the product price.

#### Topic 3. Attraction of own funds for the authorized capital of the company formation

Differences between public and private joint-stock company. Joint-stock company management. The difference between a society with full responsibility and a public limited liability company. Private enterprise. The peculiarity of the formation of the statutory fund LLC.

#### Topic 4. Enterprise tax policy

The tax policy of the enterprise. Tax payments, which included to the price of the products. Tax payments, which included to the cost of production.

#### Topic 5. Borrowing funds at the expense of a bank loan

Differences between simple and complex accrued interest. Bank and customer relationship in lending with guarantee of a third party (the guarantor). Documents required obtaining a loan from a bank entity.

#### Topic 6. Borrowing funds at the expense of a commercial (commodity) loan

Types of commercial loans and differences between them. Commercial loan in the form of consignment.

#### Topic 7. Property rental (leasing)

Rent types and differences between them. Types of leasing and the differences between them.

#### Topic 8. Raising funds using securities

Types of securities and differences between them. The nominal and market value of securities and the differences between them. The difference between primary and secondary equity market.

### Topic 9. Other sources of fundraising

Cash loans from non-bank institutions. Arabian idjara loan scheme.

### Topic 10. The cost of capital of the company

Determination of the total capital requirements. Finding the total cost of capital of the enterprise. The effect of the financial leverage. Optimization of the financial structure of the capital.

### Topic 11. Investment in current assets

Working capital and its elements. Period of working capital circulation. Liquidity of working capital elements.

### Topic 12. Investment in fixed assets

Types of fixed assets. Fixed assets effectiveness valuation. Moral and physical wear and tear. Depreciation of fixed assets.

### Topic 13. Investment in intangible assets

Types of intangible assets and their valuation. Brand and its role in the company's life.

### Topic 14. Dividend Policy

Types of dividend accrual.

### Topic 15. Investing in external objects

Money exchange.

### Topic 16. Capital efficiency assessment

Discounting. Net present value. Internal rate of return. Payback period.

## Topics of the workshops

Topic 1. Capital and its place in the system of economic categories

Topic 2. Profit calculations of the enterprise. Breakeven point calculations

Topic 3. Formation of the authorized capital of the enterprise

Topic 4. Accrual of interest on borrowed funds

Topic 5. Par value of a security. Market value of a security

Topic 6. Assessment of the cost of capital of the company

Topic 7. Calculations of the depreciation of fixed assets

Topic 8. Evaluation of the effectiveness of capital use for various indicators

## Topics of the laboratory classes

Laboratory classes within the course are not provided.

## Self-study

The course involves completing an individual calculation assignment.

## Course materials and recommended reading

### Compulsory materials

1. Fater, David H. (2010) Essentials of Corporate and Capital Formation. John Wiley & Sons; 1st edition
2. Ogier, Tim (2004) The Real Cost of Capital: A Business Field Guide to Better Financial Decisions. Ft Pr; 1st edition
3. Metrick, Andrew, Yasuda, Ayako (2010) Venture Capital and the Finance of Innovation. John Wiley & Sons; 2nd edition
4. Adams, Mary, Oleksak, Michael (2010) Intangible Capital : Putting Knowledge to Work in the 21st-Century Organization. Bloomsbury; 1st edition
5. Sherman, Andrew J. (2012) Raising Capital: Get the Money You Need to Grow Your Business. AMACOM; 3rd edition
6. Cohen, Brian (2013) What Every Angel Investor Wants You to Know: An Insider Reveals How to Get Smart Funding for Your Billion Dollar Idea. McGraw-Hill Education; 1st edition

### Additional materials

7. Ramirez, Juan (2011) Handbook of Corporate Equity. Derivatives and Equity Capital Markets. John Wiley & Sons
8. Guilhaon, Bernard, Montchaud, Sandra (2020) Venture Capital and the Financing of Innovation. ISTE Ltd

9. Pulliam Phillips, Patricia, Phillips, Jack J., Paone, Gina, Hu, Cyndi (2019) Value for Money. Scrivener Publishing; 1st edition
10. Kuznetsov, Alex (2006) The Complete Guide to Capital Markets for Quantitative Professionals. McGraw Hill; 1st edition
11. Waagemann, Peter C. (2012) Knowledge Capital in the Digital Society. CreateSpace Independent Publishing Platform
12. Ordoñez de Pablos, Patricia, Edvinsson, Leif (2014) Intellectual Capital in Organizations Non-Financial Reports and Accounts. Routledge

## Assessment and grading

### Criteria for assessment of student performance, and the final score structure

100% Final assessment as a result of Final test (40%) and Continuous assessment (60%).

40% Final test/

60% Continuous assessment:

- 25% practical assessment;
- 25% individual assignments (including problem sheets, reporting on fieldwork, and peer small group presentations)
- 10% mid-term control (2 online tests).

### Grading scale

Total points	National	ECTS
90–100	Excellent	A
82–89	Good	B
75–81	Good	C
64–74	Satisfactory	D
60–63	Satisfactory	E
35–59	Unsatisfactory (requires additional learning)	FX
1–34	Unsatisfactory (requires repetition of the course)	F

## Norms of academic integrity and course policy

The student must adhere to the Code of Ethics of Academic Relations and Integrity of NTU "KhPI": to demonstrate discipline, good manners, kindness, honesty, and responsibility. Conflict situations should be openly discussed in academic groups with a lecturer, and if it is impossible to resolve the conflict, they should be brought to the attention of the Institute's management.

Regulatory and legal documents related to the implementation of the principles of academic integrity at NTU "KhPI" are available on the website: <http://blogs.kpi.kharkov.ua/v2/nv/akademichna-dobrochesnist/>

## Approval

Approved by

Date, signature

Head of the department  
Olena PROKHORENKO

Date, signature

Guarantor of the educational program  
Olena PROKHORENKO