**J.J. Strossmayer University in Osijek, Croatia**

**Doctoral program in Entrepreneurship and Innovativeness**

***Entrepreneurial Finance and Venture Funds***

***3rd semester, obligatory course***

**Instructor:**

Nataša Šarlija

**Description of a project that should be prepared for the course**

A project should be prepared for a company that has potential for growth. Based on the financial statements of the company that students should find for themselves, the following should be done:

1. Analysis of the financial statements (balance sheet and income statement) for the last 3 years: horizontal analysis, common-size analysis, analysis of the liquidity, activity, leverage and profitability.
2. Suggest 3 potential projects the company can initiate. Develop projection of income statements and cash flow of the projects for the next 5-10 years for 3 scenarios: optimistic, realistic and pessimistic.
3. Calculate net present value and internal rate of return – for all 3 projects for each scenario.
4. For every projects combination [(1,2), (1,3), (2,3), (1,2,3)] calculate: ERR, R, test the hypothesis for cash flow (if it is appropriate), coefficient of diffusion. Select the best combination.

**The project should be sent to:** [**natasa@efos.hr**](mailto:natasa@efos.hr)

**Deadline: 30.1.2020.**

**It is allowed that students work in pairs which means that two students can prepare one project assignment together.**

**Literature:**

Ross, S.A., Westerfield, R.W., Jordan, B.D., Fundamentals of Corporate Finance – any edition or some other book about corporate finance (for 1. and 3. above)

Stancill, J.N., Entrepreneurial Finance for New and Emerging Business, Thompson South-Western, Mason, 2004. (pp. 141-162)