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Reforming Master Programmes in Finance in Armenia and Moldova/REFINE

An Erasmus+ Capacity Building Project (2017-2020)

**THE COURSE “*Specific techniques of financing
small and medium enterprises*” OVERVIEW**

Moldova State University

Teacher: Doga-Mîrzac Mariana, PhD, Associate Professor



BASIC INFORMATION



TITLE OF THE COURSE	Specific techniques of financing small and medium enterprises
TEACHERS	Mariana Doga - Mirzac
YEAR OF THE COURSE	2nd year
SEMESTER OF THE COURSE	III
LANGUAGE	Romanian, English
NUMBER OF ECTS CREDITS	5

LEARNING OUTCOMES



Describe theoretical knowledge and practical skills to solve the problems of business financing.

Explain and use methods and techniques geared towards direct and indirect techniques of business financing.

Comparative assessment of programs and projects with in-depth use of quantitative and qualitative methods of analyses.

Analyse a complex and efficient system of collecting and processing data and information in order to obtain business financing within national and international projects.

Responsible execution of work tasks within the workplace in new business contexts.

Topics and indicative allocation of hours

Nr.	Topics	Hours		
		Lectures	Seminars	Individual work
1.	Theoretical aspects for financing small and medium enterprises.	2	2	16
2.	Alternative techniques of business financing.	4	4	20
3.	Indirect techniques of business financing.	4	4	20
4.	Financing opportunities for small and medium enterprises in European Union.	6	6	28
5.	Development of financing mechanism for small and medium enterprises.	4	4	26
Total		20	20	110

SYLLABUS OF THE COURSE



WEEK	TOPIC
1	Theoretical aspects for financing small and medium enterprises.
2	Alternative techniques of business financing.
3	Alternative techniques of business financing.
4	Indirect techniques of business financing.
5	Indirect techniques of business financing.
6	Financing opportunities for small and medium enterprises in the European Union.
7	Financing opportunities for small and medium enterprises in the European Union.
8	Financing opportunities for small and medium enterprises in the European Union.
9	Development of the financing mechanism for small and medium enterprises.
10	Development of the financing mechanism for small and medium enterprises.



Course topics

Topic 1. Theoretical aspects for financing small and medium enterprises.

Topic 2. Alternative techniques of business financing.

Topic 3. Indirect techniques of business financing.

Topic 4. Financing opportunities for small and medium enterprises in the European Union.

Topic 5. Development of the financing mechanism for small and medium enterprises.

WEEK 1



LECTURE

Topic 1. Theoretical aspects for financing small and medium enterprises.

Contents:

- 1.1. *Role of small and medium business sector in modern economy*
- 1.2. *Concept of the financing system and financial mechanism of small and medium business*
- 1.3. *Criteria for defining small and medium enterprises as economic form*
- 1.4. *Methodological aspects of the specific techniques of financing small and medium enterprises*

SEMINAR

- ➡ to respond to the answer test “Do you have the spirit (capacities) of an entrepreneur?”
- ➡ to define the concept of financing system and its components;
- ➡ to establish criteria for defining small and medium enterprises (SMEs) at national level in comparison with other countries (example of countries in EU);
- ➡ to know the methodological financing aspects of SMEs.

WEEK 2



LECTURE

Topic 2. Alternative techniques of business financing.

Contents:

- 2.1. Operation mechanism and organization of non-banking financial market in the context of entrepreneurship development*
- 2.2. Leasing - form of business support*

SEMINAR

- ➔ to define the concepts of: non-banking financial market (microfinance), leasing, grant;
- ➔ to know the main indicators of the activity of Savings and loan Association; to analyse the activity of microfinance organizations;
- ➔ to analyse the activity of microfinance organizations and leasing companies;
- ➔ to determine the contributions of non-banking financial institutions to SMEs;

WEEK 3



LECTURE

Topic 2. Alternative techniques of business financing.

Contents:

- 2.3. Financial support to entrepreneurs (agricultural sector) through subsidies (grant) funds*
- 2.4. Crowdfunding the modern modality to finance business ideas*
- 2.5. Fintech – an evolution of the financial services industry*
- 2.6. Techniques to support the entrepreneurs (National programs)*

SEMINAR

- ➡ to define the concepts of: subsidies (grants), crowdfunding, fintech, national programme;
- ➡ to determine the contributions of financial support in the agricultural sector for SMEs;
- ➡ to analyse the activity of crowdfunding and fintech;
- ➡ to analyse national programs for supporting the entrepreneurs.

WEEK 4



LECTURE

Topic 3. Indirect techniques of business financing.

Contents:

3.1. *Business Incubator and University Incubator - source for funding and promotion of young entrepreneurs*

3.2. *Indicators for evaluating the effectiveness of business incubators work*

SEMINAR

- ➡ to define the concepts of: business incubator, university incubator, industrial park, cluster;
- ➡ to know the indicators in order to evaluate the business incubators;
- ➡ to compare the types of business incubators and differentiate their use and university incubator;

WEEK 5



LECTURE

Topic 3. Indirect techniques of business financing.

Contents:

3.3. *Industrial parks as a support for small and medium enterprises (SMEs)*

3.4. *Cluster oriented towards the development of economic processes*

SEMINAR

- ➡ to highlight features how to use the cluster mechanism;
- ➡ to argue economic development through the use of clusters;
- ➡ to argue the need of value chain of the principle "production-processing-marketing".
- ➡ to compare the types of cluster and differentiate their use

WEEK 6



LECTURE

Topic 4. Financing opportunities for small and medium enterprises in the European Union.

Contents:

4.1. International programs - techniques to support the entrepreneurs

SEMINAR

- ➡ to define the concepts of: international program, funds;
- ➡ to know the financing techniques used by the European Union;
- ➡ to analyse international programs oriented to entrepreneurs;

WEEK 7



LECTURE

Topic 4. Financing opportunities for small and medium enterprises in the European Union.

Contents:

4.2. European funds oriented to business ideas

SEMINAR

- ➡ to select the optimal solution to finance a business;
- ➡ to understand the provisions of an applicant's Guide to obtain funds;
- ➡ to analyse the European Regional Development Fund, European Social Fund, European Agricultural Fund for Rural Development;

WEEK 8



LECTURE

Topic 4. Financing opportunities for small and medium enterprises in the European Union.

Contents:

4.3. Analyse the database of European Commission / European Central Bank, Survey on the access of enterprises to finance

SEMINAR

- ➡ to use the European Commission / European Central Bank database structure;
- ➡ to analyse the information submitted in the database of the European Commission;
- ➡ to analyse the information submitted in the database of the European Central Bank, Survey on the access of enterprises to finance;

WEEK 9



LECTURE

Topic 5. Development of the financing mechanism for small and medium enterprises.

Contents:

- 5.1. Policy to improve the support mechanism for financing small and medium business*
- 5.2. Development of small and medium business to support the young entrepreneurs*

SEMINAR

- ➡ to define the concepts of: strategy, young entrepreneurs, business plan;
- ➡ to know the policy of supporting the improvement of financing mechanism;

WEEK 10



LECTURE

Topic 5. Development of the financing mechanism for small and medium enterprises.

Contents:

5.3. Analysis of the idea and business plan through the use of various financing techniques

SEMINAR

- ➡ to propose ideas through regional analysis;
- ➡ to analyse business plan and choice of suitable financing techniques;
- ➡ to use alternative techniques of business financing in the business plan.

TEACHING METHODOLOGY



Communication methods:

➤ Expositive and affirmative

➤ Interrogatory



dialogue

conversation

TEACHING METHODOLOGY



„Mosaic” method,

students will work in groups (team) to study the new material and will consider the issues resolved

TEACHING METHODOLOGY



„Philips 6 – 6” method,

the student should submit a concise information material on the subject

- a group of average importance (6 x 6, 5 x 5)
- promote negotiation between the group members
- foster the emergence of new questions.

Interrogation test,

students will use Interrogation test (questionnaires) regarding the topic of the course

LABOUR MARKET RELEVANCE



The cultivated young entrepreneurs and the students with business ideas who seek technical and financial means to implement in practice these concepts, all together will contribute to encourage the private initiative and development of business environment, international programmes and projects to support the entrepreneurship.

The possibility of future entrepreneur start-up to develop and enhance the economy can be achieved by using various techniques of financing small and medium enterprises, through national and international projects which will support the economy.

ASSESSMENT AND GRADING



The current assessment will be done by: appreciation of results after participating in the seminars – 30%; team evaluation: group of 3-4 students – 10%; elaboration and support of individual work product – 20%.

Final assessment - written exam, which includes two topics of the studied course – 40%.

General mark is determined as a weighted average as follows: current assessment including the result of participating in the seminars, team evaluation and individual work – 60%; final assessment – 40%.

REFERENCES



- **Need to define small and medium enterprises as economic category in the context of European union integration**, Doga-Mîrzac M., Scientific Papers Series Management. Economic Engineering in Agriculture and Rural Development, Bucureşti: Universitatea de Ştiinţe Agronomice şi Medicină Veterinară, 2013, vol.13, p.137-144.
- **The development of small and medium business through programmes to support young entrepreneurs.** Doga-Mîrzac M., Аграрний Вісник Причорномор'я Економічні Науки, 2013, Одеса, випуск 69, с.120-130.
- **Entrepreneurship, Theory and Practice**, Szabo Zsuzsanna Katalin, Liviu Ciucan-Rusu, Technical University of Kosice, 2009, p.373, ISBN: 978-80-553-0319-2
- **Entrepreneurship, Small Business and Public Policy**, Robert J. Bennett, Routledge-ISBE, London and New York, 2014, p.175, ISBN: 978-0-415-64540--9
- **Enterprise and Entrepreneurship, Learning and Growth**, Stefan Kassay, VEDA, Bratislava, 2014, p.645, ISBN 978-80-224-1350-3
- **Family business and technological innovation**, Alessandra Perri, Enzo Peruffo, 2017, p.157, ISBN 978-3-319-61595-0
- **Fintech lending to small and medium-sized enterprises, Improving transparency and disclosure**, Report produced by ASBFEO in partnership with FinTech Australia and the Bank Doctor.org, 02.2018,
- **Fintech and the financing of entrepreneurs: from crowdfunding to marketplace lending**, Mark Fenwick, Joseph A. McCahery, Erik P.M. Vermeulen, ISSN 2213-9419 <http://ssrn.com/abstract=2967891>

COURSE ASSIGNMENT 1



Group work: According to information from Box 1, you present it to your colleagues in the form of flyer, schematic or any other form.

The Ministry of Science and Higher Education encourages undergraduate and graduate students to start their own businesses and to commercialise research results through programmes such as Top 500 Innovators. However, in the Development Strategy of Higher Education in Poland by 2020 there are no references to the promotion of entrepreneurship. The only reference to entrepreneurship refers to the establishment of a comprehensive programme of partnership for knowledge transfer, which aims to promote and facilitate the flow of knowledge and innovation between universities and the economy.

At the regional level, there are several examples of efforts to build an entrepreneurship culture. For example, Start-up Poznan is a partnership between Poznan City Council, local business organisations and private companies to promote and support new technology start-ups. By doing so, the initiative aims to build an entrepreneurial culture in the local community and to develop a support entrepreneurship ecosystem. While such initiatives are positive, they often target youth with a high level of education.

The Junior Achievement Foundation is another important actor in developing an entrepreneurship culture. In addition to providing entrepreneurship training, it also runs business idea competitions and operates Entrepreneurship Days. This helps to promote a positive image of entrepreneurship and helps to engage youth in entrepreneurship activities.

The media also has an important role in promoting entrepreneurship. The Ministry of Infrastructure and Development has a series of television programmes, “My Polish Dream”, which was broadcast on MTV. It showcased 8 entrepreneurs that benefited from support under the Human Capital Programme. These programmes described the entrepreneurs’ motivations, their challenges, the support received and their achievements. This series has reached a wide audience and does a good job at not only presenting success stories, but also promoting some of the government support programmes at the same time. One of the key strengths of this approach is that it uses successful entrepreneurs who used some form of public assistance, which likely increases the likelihood that the general public, notably youth, can relate to them. *Source: Youth entrepreneurship support in Poland, p.27*

COURSE ASSIGNMENT 2

Individual work



The master students will write a research paper that will be presented and structured according to the requirements.

The study of the topics (some examples):

- Role and importance of industrial parks in business activity.
- Problems and perspectives in the development of business incubators.
- Problems and perspectives in the development of University innovation incubator.
- Analysis and development of leasing services market in European Union and Republic of Moldova.
- Importance and need of national programmes to support small and medium enterprises.
- Importance and need of international programmes to support small and medium enterprises.

CASE STUDY

The master students will produce a case study which will be presented and structured according to the requirements.

The case study must be based on quantitative and qualitative information, including existing literature and public reports research, exploring data sources.



CASE STUDY ON BUSINESS INCUBATOR

- Objective and methodology
- What is business incubator?
- Benefits of business incubator
- Risks of business incubator
- How does business incubator work?
- Selected national experiences
- Selected international experiences (European Union)
- Relevance of the instrument for SME financing (current and potential)
- Conclusions and recommendations
- References

CASE STUDY ON CROWDFUNDING

- Objective and methodology
- What is crowdfunding?
- Benefits of crowdfunding
- Risks of crowdfunding
- How does crowdfunding work?
- Selected national experiences
- Selected international experiences (European Union)
- Relevance of the instrument for SME financing (current and potential)
- Conclusions and recommendations
- References



Thank you for your attention!

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