

27323 - Financial Management

Información del Plan Docente

Academic Year	2017/18
Faculty / School	109 - Facultad de Economía y Empresa 228 - Facultad de Empresa y Gestión Pública 301 - Facultad de Ciencias Sociales y Humanas
Degree	454 - Degree in Business Administration and Management 448 - Degree in Business Administration and Management 458 - Degree in Business Administration and Management
ECTS	6.0
Year	3
Semester	First semester
Subject Type	Compulsory
Module	---

1.General information

1.1.Introduction

"Financial Management" is a compulsory subject taught in the first term of the third year of the Degree in Business Administration. The objective of this course is to provide a current, consistent and systematic view of the financial area of the company. The course aims to provide a conceptual, theoretical and practical framework to enable the students to correctly understand and appreciate company financing and investment decisions.

1.2.Recommendations to take this course

Being a subject taught in the third year, there are no prerequisites for taking this course except those necessary for enrolling in the degree. However, a minimum knowledge of the valuation of financial transactions and a basic use of Excel are recommended. It is recommended that the students attend the classes.

1.3.Context and importance of this course in the degree

"Financial Management" is the natural continuation of the course "Financial valuation". Furthermore, it forms part of the base for other subjects of the degree, such as "Financial Risk Management", "Financial Markets", "Cash Management" and "International Financial Management", which will allow the students to acquire a more specific knowledge in the financial area.

The interest of this subject lies in the importance and timeliness of the topics covered since its objective is to show students the necessary tools to make the best decisions on investment and financing tools. This knowledge applies not only to companies but also to personal economic decisions that the students will face in their lives.

1.4.Activities and key dates

Activities and key dates will be communicated through the appropriate means at the beginning of the school year. The dates of the final exams are provided in the Faculty web site.

2. Learning goals

2.1. Learning goals

- 1: To be able to analyze and assess different investment projects.
- 2: Capability and competence to take decisions about investment projects in both certainty and risk environments
- 3: Ability and competence to analyze and assess the impact of taxes and inflation on investment projects.
- 4: To be able to take decisions about the composition and efficiency of a portfolio.
- 5: Capacity and competence to analyze the financial structure and different financial sources of a company using various financial tools.
- 6: Ability to analyze aspects and financial policies directly or indirectly related to the financial structure.

2.2. Importance of learning goals

The learning outcomes of Financial Management are relevant because

• They will enable the students to understand investment decisions that are taken by commercial entities and companies in general.

• They will enable them to understand the importance of the finance function of the company. In any company, state-owned or private, the finance function plays a critical role.

• They will enable them to understand the effect of the different ways of financing an investment project.

• They will enable them to choose basic financial policies within the company, from depreciation to tax treatment.

3. Aims of the course and competences

3.1. Aims of the course

The course and the expected results correspond to the following approaches and general objectives:

- To study in depth key issues of the current and future economic and financial management of companies: Analysis of investment and financial policies.
- To know the tools to adequately manage the company and define a strategic focus from the perspective of the financial function.
- To provide a strategic overview of the finance department to adequately address the decision making process.
- To develop the competencies and skills needed to take over the financial management of a company.

3.2. Competences

Specific skills

- To direct, manage and administrate companies and organizations

- To know how all the functional areas of a business or organization work and to be able to take on any management task entrusted to them.

- To assess the situation and future prospects of companies and organizations, to make decisions and to draw the relevant conclusions.

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- To understand and apply professional standards and scientific rigour to solving economic, business and organizational problems.

Transversal skills

- Capability to solve problems
- Capacity for analysis and synthesis
- Organizational skills and planning
- Capacity to make decisions
- Capacity for teamwork
- Skills for negotiation and conflict resolution
- Ability to apply knowledge in practice

4. Assessment (1st and 2nd call)

4.1. Assessment tasks (description of tasks, marking system and assessment criteria)

The student will need to prove that he/she has achieved the expected learning results by means of the following assessment tasks:

Two evaluation systems are available: continuous assessment and global assessment.

1: Continuous assessment.

The student must take two individual written exams and carry out a group task during the semester.

- Individual written exams: the first one after finishing Section I, with the contents of that section (mid-November), and the second one after finishing Section II, with the contents of Sections I and II. Both tests will include one part of theoretical-practical questions and another of practical cases. In order to pass the test, a minimum mark of 2 out of 5 in each part is required.
- Group task: consisting of the production of a feasibility analysis of an investment project in a real or virtual enterprise. The group task will be supervised by the teacher of the subject. The deadline will be late December. It has to be orally presented during the last week of the course through a power point presentation. All the members of the group have to participate in the presentation. The teacher can make as many questions and clarifications on the work as deemed appropriate. The groups will be made up of 4 students who must belong to the same practice subgroup. Complete information for the group task will be given in the first class sessions.

The final mark will be calculated using the following weights for each component of the assessment:

- First written exam: 30%
- Second written exam: 40%
- Group task and oral presentation: 30%

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In order to pass the course via continuous assessment, it will be necessary to obtain an overall mark of 5 out of 10, a minimum of 4 out of 10 being required in each of the sections of the continuous assessment.

2: Global assessment

The student who does not choose the continuous assessment system, does not pass the subject in the continuous assessment system, or wants to improve his/her mark, will be entitled to sit the global exam, the best of the two marks prevailing in all cases.

In this system, the student has to sit a final written exam which accounts for 100 % of his/her mark. The exam will consist of a theoretical-practical part and another of practical cases. To pass the exam, a minimum mark of 5 out of 10 is required.

The exam will be held within the context and organization of the official calendar of exams fixed by the Faculty.

5. Methodology, learning tasks, syllabus and resources

5.1. Methodological overview

The Financial Management course comprises 6 ECTS and distributes 150 student working hours into 60 class hours (theoretical and practical), 4 P6-type practice hours and 86 autonomous learning hours.

The 60 class hours of theoretical and practical sessions consist of 30 lectures and 30 practical hours solving problems and practical cases using a spreadsheet.

5.2. Learning tasks

The Financial Management course comprises 6 ECTS and distributes 150 student working hours into 60 class hours (theoretical and practical), 4 P6-type practice hours and 86 autonomous learning hours.

The 60 class hours of theoretical and practical sessions consist of 30 participatory lectures and 30 practical hours solving problems and practical cases using a spreadsheet. The class time of the course is organised as follows:

1: Participatory lectures

Students will have access to the recommended bibliography for each lesson and they are expected to read it carefully before attending the corresponding lecture.

In the lectures, a presentation and explanation of the concepts that have generated the greatest doubts among students will be held. If there are no doubts, we will explain the most important concepts of the subject to enhance active student participation.

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2: Problem-solving sessions

Every week, besides the theoretical participatory lecture, the students will attend a practical class to solve cases in the computer room. Various media, including the blackboard, spreadsheets and an overhead projector, will be used.

The students will know the problems and cases to be solved in advance with the objective of promoting active participation in practices.

5.3.Syllabus

The programme offered to the students to help them achieve the learning results includes the following syllabus:

SECTION I INVESTMENT PROJECTS

LESSON 1. INTRODUCTION TO FINANCIAL MANAGEMENT OF THE COMPANY

LESSON 2. COMPANY AND INVESTMENT.

LESSON 3. INVESTMENT DECISIONS IN CERTAINTY (I). SINGLE PROJECT.

LESSON 4. INVESTMENT DECISIONS IN CERTAINTY (II). SET OF PROJECTS.

LESSON 5. EFFECT OF TAXES AND INFLATION ON THE CHOICE OF INVESTMENTS.

LESSON 6. INVESTMENT DECISIONS UNDER RISK AND UNCERTAINTY.

LESSON 7. SEQUENTIAL DECISIONS

LESSON 8. COST OF CAPITAL

SECTION II FINANCIAL INVESTMENTS

LESSON 9. MARKOWITZ MODEL

LESSON 10. SHARPE MODEL

LESSON 11. C.A.P.M. AND A.P.T.

5.4.Course planning and calendar

The calendar of classes will be published in the website of the Faculty and the presentation of tasks and other activities will be announced by the lecturer through the appropriate channels in each group.

5.5.Bibliography and recommended resources

[BB: Bibliografía básica / BC: Bibliografía complementaria]

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| BB | Pablo López, Andrés de. Finanzas de empresa / Andrés de Pablo López, Luis Ferruz Agudo . - 1ª ed., 4ª reimp. Madrid : Centro de Estudios Ramón Areces, D.L. 2008 |
| BC | Berk, Jonathan. Finanzas corporativas / Jonathan Berk, Peter Demarzo . 1ª ed. México D.F. [etc.] : Pearson educación, 2008 |
| BC | Brealey, Richard A. : Principios de finanzas corporativas / Richard A. Brealey, Stewart C. Myers, Franklin Allen ; revisión técnica, Mario González Valdés, Juliana Gudiño Antillón, Francisco López Herrera . - 11ª ed. México [etc.] : McGraw-Hill, 2015 |