

## 61423 - Economic Analysis and Management of Business and Government

### Syllabus Information

**Academic year:** 2023/24

**Subject:** 61423 - Economic Analysis and Management of Business and Government

**Faculty / School:** 109 - Facultad de Economía y Empresa

**Degree:** 526 - Master's in Accounting and Finance

**ECTS:** 6.0

**Year:** 1

**Semester:** Annual

**Subject type:** Compulsory

**Module:**

### 1. General information

The master in accounting and finance aims to help students specialise themselves in advanced accounting and finance in an ever-changing socio-economic context. In this environment, this subject focuses on certain economic and financial aspects of companies and public entities that are of particular relevance when assessing their viability and sustainability.

Thus, this subject analyses, at an advanced level, the differential aspects of public administrations and companies in terms of financial reporting and auditing, as well as the most important aspects of company valuation and management based on value creation.

These goals are aligned with the SDGs of the 2030 agenda:

- *4.4 To increase the number of young people and adults who have the necessary skills to access employment, decent work and entrepreneurship.*
- *16.6 To create effective and transparent accountable institutions at all levels.*

### 2. Learning results

- To be able to interpret public annual accounts, paying special attention to the analysis of solvency and debt capacity, compared to companies.
- To learn the basics of efficiency analysis in public administration through various techniques such as operational auditing or Data Envelopment Analysis (DEA).
- To analyse the concept of value from an economic-financial point of view as well as the value-generating elements, whether or not included in the annual accounts, that should be incorporated into the company's valuation process.
- To know the most commonly used company valuation methods and the basis for information preparation for the management of the company's value.

### 3. Syllabus

#### **Financial analysis of public accounts.**

- The annual accounts of the public administrations.
- Liquidity Analysis/Solvency Analysis.
- Analysis of the budget balance.

#### **2. Efficiency analysis of public services and programs.**

- The difficulty of measuring efficiency/performance in public administrations.
- Operational auditing (economy, efficiency and effectiveness).
- Another method for analysing efficiency in the public administration: the DEA.

#### **Valuation of companies.**

- Fundamentals of business valuation.
- Phases of the valuation process.
- Practical application of valuation methods.
- Contents of the appraisal report.
- Valuation in business combinations.

#### **4. Business management based on value creation.**

- Value-based management.
- Value creation and distribution.

- Value-based management tools.
- Value management through cash flow.

#### 4. Academic activities

The financial analysis of public entities will be based on the study of the accounts published on the websites of different public administrations. In order to learn about their efficiency, the published operational audit reports, as well as real cases of application of the AED to different public administrations will be studied.

In the contents related to the valuation of companies and company management, the student must apply the knowledge acquired to the solving of practical cases that will later be discussed in group.

| <u>Training activity</u>                                                 | <u>No. of hours</u> | <u>% Attendance</u> |
|--------------------------------------------------------------------------|---------------------|---------------------|
| Presentation and study of the contents and discussion                    | 50                  | 80%                 |
| Directed reading of recommended material                                 | 40                  | 20%                 |
| Analysis and presentation of cases                                       | 30                  | 20%                 |
| Group work based on the practical application of the subject's contents. | 30                  | 20%                 |

#### 5. Assessment system

In the first call, the student may opt for a **continuous assessment** system. The choice of continuous assessment does not mean that a subsequent overall assessment will not be taken. In this case, the grade for the subject will be the higher of the two assessments.

Continuous assessment involves the following up on the topics throughout the subject. This implies, where appropriate, class attendance.

The grade for continuous assessment will be obtained by applying the following weightings:

- Class attendance and participation in discussions: (40%)
- Submission of work and presentation in class: (30%)
- Written tests on the topics of the subject that are considered most relevant for the students' training: (30%)

Students who do not pass the subject by the previous procedure, or who wish to improve their grade, will be entitled to an **overall assessment**, which consists of an individual written exam to be taken on the date of the official call established by the centre in the exam calendar. In this exam, students must prove they are able to define and explain with rigor the basic elements of the subject. The exam will represent 100 percent of the final grade for the subject.