

**COURSE DATA****Data Subject**

Code	35142
Name	Financial management of tourism companies
Cycle	Grade
ECTS Credits	4.5
Academic year	2021 - 2022

Study (s)

Degree	Center	Acad. year	Period
1317 - Degree in Tourism	Faculty of Economics	4	First term

Subject-matter

Degree	Subject-matter	Character
1317 - Degree in Tourism	29 - Financial management	Optional

Coordination

Name	Department
CABALLER TARAZONA, VICENT	172 - Business Finance

SUMMARY

Financial Management of Tourism Companies is an optional subject of 4.5 ECTS credits that belongs to the field of Financial Management. Within the curricular scheme of the Degree in Tourism, the subject is located in the first semester of the fourth year, and its completion is mandatory to complete the Management Mention of Tourism Companies.

This subject is the only contact of the student of the Degree in Tourism with business finance. For this reason, the subject includes the foundations for the student to reach a general idea of the different financial mechanisms that are given in the company. The starting point is the definition of the basic tasks of the financial director, that is: making productive investment decisions, making financing decisions, and adjusting the inflows and outflows of money in the company that cause the previous decisions. In this sense, the subject develops the basic concepts in each of these areas, providing the student with the ideas and tools necessary to apply them in practice.



As already mentioned above, the central axis of this subject is the valuation and selection of business investment projects, the determination of the financial sources available for the operation of the company and the adjustment of the exits and entries of money in the company. In this way, as a starting point, we set out the objective of the company from the financial point of view since it is precisely this that justifies the subsequent development of financial concepts. Next, we study the theoretical foundations of investment decisions, coming to define one of the most important concepts in the valuation of productive investments: the opportunity cost of capital. To complete the study of the investment decision, we deal with the determination of the money generated by the investment project (net cash flows) and the study of the different objective criteria that allow the valuation of productive investment decisions in the company.

Once the study of the decisions of the company in the field of productive investments has been addressed, the financial sources available to the company to carry out the aforementioned investments and the consequences they have on their value are studied. To do this, basic concepts are introduced, such as the differentiation between internal and external financing, the financing methods available to the company based on its size and the different types of assets available to the company for obtaining funds.

It is obvious to point out that today any company needs professionals in the financial field capable of making the best investment decisions, a need that is accentuated in the context of uncertainty derived from the current economic situation. If making the best investment decisions has always conditioned the development and continuity of the company, today it is presented as an essential requirement for its survival.

Without detriment to the importance that the professional experience has in the Financial Management of the company, it is essential to be able to respond to the changes to know the basic theories that concern the finances. Therefore, it is necessary that students understand why companies and markets behave in a certain way, that is, they need to know the theoretical foundations of investment decision making and how, through these decisions, increase the market value of the company.

PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

There are no specified enrollment restrictions with other subjects of the curriculum.

Other requirements

For the development of the concepts of the subject the student must have a series of knowledge and tools acquired in the subject of Introduction to Applied Financial Accounting in Tourism Companies (second semester of the second year).

OUTCOMES



1317 - Degree in Tourism

- Manage financial resources.

LEARNING OUTCOMES

As a result of the learning process, the student will know concepts such as:

1. Basic knowledge for the identification and use of mathematical techniques proper to financial valuation.
2. Ability to correctly interpret the financial information extracted from specific applications and cases in the financial world.
3. Ability to analyze and value the productive investments of the company.
4. Ability to determine the consequences of self-financing in the company.
5. Knowledge of the financial sources available to the company.

DESCRIPTION OF CONTENTS

1. 1. CORPORATE FINANCE AND THE FINANCIAL MANAGER

1. Introduction to corporate finance.
2. Tasks of the financial director.
3. The objective of financial decisions in the company.
4. Separation between property and management.

Brealey et al. (2010). Cap. 1

Farinós (2016). Cap. 1

2. 2. BASIC CONCEPTS OF FINANCIAL MATHEMATICS

1. Concept of financial capital.
2. The capitalization and the financial discount.
3. Concept of financial income.

Farinós (2016). Cap. 2



3. 3. THEORETICAL FUNDAMENTALS OF INVESTMENT DECISIONS AND VALUATION CRITERIA

- 3.1. Introduction.
- 3.2. Fisher's separation theorem.
- 3.3. Criteria of valuation: the Net Present Value and the Internal Rate of Return.
- 3.4. What discount?
- 3.4.1. Estimation of cash flows from the capital budget.
- 3.4.2. Incremental cash flow concept.

Berck et al. (2010). Cap. 8

Brealey et al. (2010). Cap. 2, 6 y 7

Farinós (2016). Cap. 3 y 4

4. 4. DETERMINATION OF THE COST OF FINANCING

- 1. Introduction.
- 2. Financial operation concept.
- 3. Additional terms and conditions.

Farinós (2016). Cap. 6

5. 5. THE FINANCIAL SOURCES OF THE COMPANY

- 5.1. Introduction.
- 5.2. Internal financing.
- 5.3. External sources of long term financing.
- 5.3.1. Loans. Amortization tables. Types of amortization.
- 5.3.2. Leasing.
- 5.3.3. Renting.
- 5.4. External sources of long term financing through equity.
- 5.5. Short-term external financing.
- 5.5.1. Spontaneous sources.
- 5.5.2. Negotiated sources: the short-term loan, trade credit, the credit policy, the confirming and the factoring.
- 5.6. Financial support instruments for SMEs

Farinós (2016). Cap. 7

Lassala et al. (2006). Cap. 1 and 4

**WORKLOAD**

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	15,00	100
Attendance at events and external activities	3,00	0
Development of group work	14,50	0
Development of individual work	5,00	0
Study and independent work	30,00	0
Preparation of practical classes and problem	15,00	0
TOTAL	112,50	

TEACHING METHODOLOGY

Given the characteristics of the contents taught in the course, in the theoretical classes the basic methodology to be used is the master class, although the debate and the participation of the student in it will be encouraged. The objective is to transmit the theories and models related to the Financial Management of the company, in such a way that the student obtains the theoretical bases necessary for the later practical reasoning in financial terms.

In the practical classes problems and cases will arise in the field of the subject with the aim that the students are able to synthesize the relevant information and from this, understand and solve the problems related to the decisions of the Financial Management.

In any case, in order to streamline the classes, there will be no strict separation between the sessions of theory and practice, but, depending on the teaching needs, practical cases and theory will be interspersed.

EVALUATION

In order to evaluate the learning of the subject, a diversified evaluation system will be used, which allows to highlight the different knowledge and skills acquired by the students.

There will be a written exam that will consist of several brief questions and practical cases. With the questions and the practical cases, the aim is to evaluate the student's ability to synthesize the relevant information and provide an adequate solution to the problems posed. In the exam, the specific punctuation of each section will be specified. The written exam will represent 80% of the final grade of the subject.

On the other hand, the remaining 20% of the final grade will be obtained from the evaluation of a work done by the students individually, with the corresponding follow-up by the teacher throughout its realization, and the training activities in terms of practices.

The purpose and nature of these tests of continuous evaluation is to encourage and evaluate the work and



the progressive and continuous learning of the student throughout the course, as specified in article 6 point 3 of the Regulation of Evaluation and Qualification of the University of Valencia for undergraduate and master's degrees, which states: "Continuous evaluation is one of the basic criteria for teaching programming, and it has to be understood as a tool of the teaching-learning process that informs the student about their progress and values it". Given the finalist nature of these continuous assessment tests, they will not be recoverable on second call.

In any case, it will be an essential requirement to have passed the synthesis test in order the grade obtained in the continuous assessment to be computed. If in the first call the synthesis test is not passed, the continuous evaluation note will be saved for the second call.

The grading system will be expressed by the numerical grade in accordance with article 5 of the R.D. 1125/2003, of September 5, which establishes the European system of credits and the system of qualifications in university degrees of an official nature and validity in the national territory.

REFERENCES

Basic

- BERCK, J, P. DEMARZO i J. HARDFORD (2010): Fundamentos de Finanzas Corporativas. Pearson.
- BREALEY, R., S. MYERS i F. ALLEN (2010): Principios de Finanzas Corporativas. McGraw-Hill. Madrid.
- LASSALA, C., A. MEDAL, V. NAVARRO, V. SANCHIS i A. SOLER (2006): Dirección Financiera II. Pirámide. Madrid.
- FARINÓS, J.E. (2016): Gestión Financiera de la Empresa Turística. Síntesis.

Additional

- ARGUEDAS, R. i M.T. NOGUERAS (2007): Planificación, Dirección y Gestión Financiera de Empresas Turísticas. Ed. Universitaria Ramón Areces. Madrid.
- GARCÍA, R., PÉREZ, C. i M.J. PIÑAS (2007): Gestión Financiera en el Sector Turístico. Ed. Pirámide. Madrid.
- VEGAS, A. (2006): Manual de Finanzas para las Empresas Turísticas. Síntesis. Madrid.
- ROSS, S., R.W. WESTERFIELD i J.F. JAFFE (2009): Finanzas Corporativas. Irwin. Madrid.

ADDENDUM COVID-19



This addendum will only be activated if the health situation requires so and with the prior agreement of the Governing Council

For this academic year it is foreseen that the teaching of this subject will be face-to-face, both in theory and in practice, following, therefore, what is established in this Teaching Guide. However, if the health situation changes, information will be provided on the modifications that will be made at the appropriate time to adapt the teaching to the new scenario.