

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

Code	35850
Name	Corporate finance instruments
Cycle	Grade
ECTS Credits	6.0
Academic year	2020 - 2021

Study (s)

Degree	Center	Acad. year	Period
1313 - Degree in Business Management and Administration	Faculty of Economics	3	Second term

Subject-matter

Degree	Subject-matter	Character
1313 - Degree in Business Management and Administration	45 - Compulsory subjects in the pathway: financial management	Optional

Coordination

Name	Department
LASSALA NAVARRE, CARLOS	172 - Business Finance

SUMMARY

The course Corporate Financing Instruments is taught in the third year, second semester, of the Degree in Business Administration. It relates to the subject International Corporate Finance, along with the subjects Financial Planning and International Finance, which are taught in the fourth year. It includes a body of knowledge that the financial management of every company needs to apply in developing normal financial activity. We note that, previously, students will have completed the first semester of third year the course Theory of Finance, part of the subject Principles of Financial Management.

Nowadays any company needs professionals in the financial sector able to make the best funding decisions in the context of uncertainty resulting from the current economic situation. Making the best funding decisions has always constrained the development and stability of the company, but now it has become a prerequisite for survival.



This course provides an overview of the Spanish financial system and the characteristics of the corporate structures that we find in Spain. Then it deals with the description and analysis of corporate financing instruments available (securities, bank financing, etc.) as well as decisions on financing. We must also take into account the specific characteristics of SMEs introducing a number of instruments of financial support to these businesses. As the economic and business environment becomes increasingly globalized, the financial management of a company operating in a global context faces a number of specific challenges and it is necessary to have a basic understanding of the international financial system and international financial markets. Finally, we focus on the financial instruments of companies operating in an international context. We also describe the various operations on the currency market, the international issue of bonds and the international credit market.

The main objective of the course Corporate Financing Instruments is to provide students with the knowledge and skills to carry out appropriate business asset finance. For this purpose, a number of objectives are presented:

- Knowledge and understanding of the fundamental characteristics of the Spanish financial system and business network in Spain.
- Proper selection and management of the various forms of external financing business.
- Knowledge of financial support instruments serving SMEs.
- Location of the business world in a global environment.
- Acquisition of basic understanding of the financial system and markets and international financial instruments.

PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

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

Other requirements

In order to follow the explanations of class and achieve a good understanding of the basics of the subject it is required that the student has a prior knowledge of Finance Theory, Financial Mathematics, Financial Accounting and Statistics.

COMPETENCES (RD 1393/2007) // LEARNING OUTCOMES (RD 822/2021)

1313 - Degree in Business Management and Administration

- Be able to understand and analyse financial markets, as well as financial operations related to business.
- Know the fundamentals that govern financial operations and markets.
- Know the different financing instruments and be able to determine the company's indebtedness policy.



- Be familiar with financial problems in specific contexts (SMEs, family businesses, etc.).
- Know the national and international financial environment and the risks associated.

LEARNING OUTCOMES (RD 1393/2007) // NO CONTENT (RD 822/2021)

Those of the International Corporate Finance subject:

- Being able to select between the different sources of funding available, internal, external and international best suited to the specific problems of the company.
- Being able to establish and develop appropriate funding policies to business strategies.
- Using information on funding opportunities for start-ups and being able to design an appropriate debt policy.
- Getting an accurate view of the financial problems of SMEs.
- Knowing the sources of European funding and financing of international trade.
- Understanding the importance of the finance function in the international development of the company.

DESCRIPTION OF CONTENTS

1. TOPIC 1: FINANCIAL SYSTEM AND CORPORATE STRUCTURE

1. Introduction.
2. Structure of the Spanish financial system.
3. Company structure in Spain.
4. Ethics and financial system.

2. TOPIC 2: EQUITY FINANCING

1. Financing through issuance of shares.
2. IPO: initial public offering.
3. Characteristics of IPOs.
4. Additional capital: new issues.

3. TOPIC 3: BOND FINANCING

1. Corporate debt.
2. Bond clauses.
3. Reimbursement clauses.

**4. TOPIC 4: OPERATIONAL FUNDING AND CREDIT MARKET**

1. Operational funding
2. The credit market: basic features.
3. Short-term bank financing.
4. Payment management: confirming.
5. Collection management: factoring.
6. Bank financing medium and long term.

5. TOPIC 5: FINANCING OF SMEs.

1. Characteristics of the SMEs.
2. The Official Credit Institute.
3. The mutual guarantee.
4. The equity loans.
5. The venture capital.

6. TOPIC 6: FINANCING IN AN INTERNATIONAL CONTEXT.

1. International monetary system.
2. The foreign exchange market: exchange rate, spot and forward transactions.
3. International issuance of fixed income securities and international loans.
4. The risk of insolvency.

WORKLOAD

ACTIVITY	Hours	% To be attended
Theory classes	30,00	100
Classroom practices	30,00	100
Study and independent work	90,00	0
TOTAL	150,00	

TEACHING METHODOLOGY

- The basic methodology to be used will be the lecture, although it will be encouraged discussion and student participation. The aim is to convey to students the theoretical background of the subject necessary for further practical reasoning in financial terms.
- The practice sessions will include the approach and resolution of problems and cases within the scope of the subject so that students are able to synthesize relevant information, understand and solve the exercises presented. The students will do personal work on some of the case studies provided.



- During lectures the board and the projection of transparencies will be used interchangeably. The necessary material for each session will be available to students.

EVALUATION

- Continuous assessment: it accounts for 30% of the final grade of the subject and is based on the participation and involvement of students in the teaching-learning process. In order to evaluate the learning of the course will employ a diversified assessment system that allows assessing the knowledge and skills acquired by students.
- Final exam: it accounts for 70% of the final grade and it will consist of multiple choice questions and case studies. Multiple choice questions will help determine the student's general knowledge about the subject, while with case studies solving it will be assessed the student's ability to synthesize relevant information and provide an adequate solution to the problems. In the final exam, each part will be scored separately, and a minimum score in one or each of the parts may be required to pass the exam.

REFERENCES

Basic

- BERK, J.; DeMARZO, P.; HARDFORD, J. (2010): Fundamentos de finanzas corporativas. Pearson.
- CALVO, A.; PAREJO, J.A.; RODRÍGUEZ, L.; CUERVO, A.; ALCALDE, E. (2018). Manual del sistema financiero español (27ª edición). Ariel Economía y Empresa.
- LASSALA, C.; MEDAL, A.; NAVARRO, V.; SANCHIS, V.; SOLER, A. (2011): Dirección financiera II: medios de financiación empresarial. Pirámide.

Additional

- BERK, J.; DeMARZO, P. (2008): Fundamentos de finanzas corporativas. Prentice Hall, Pearson Educación.
- BLANCO, F; FERRANDO, M.; MARTÍNEZ, M.F. (2015): Teoría de la inversión. Pirámide.
- BREALEY, R.; MYERS, S.; ALLEN, F. (2010): Principios de finanzas corporativas. McGraw Hill.
- CANTALAPIEDRA, M. (2005): Manual de gestión financiera para pymes. CIE Inversiones Editoriales Dossat 2000.
- FERRANDO, M.; GÓMEZ, A.R.; LASSALA, C.; PIÑOL, J.A.; REIG, A. (2005): Teoría de la financiación I: modelos CAPM, APT y aplicaciones. Pirámide.



GOMEZ, A.R.; PIÑOL, J.A.; REIG, A.; RODRIGO, A. (2006): Teoría de la financiación II: OPT, estructura de capital y dividendos. Pirámide.

MARTÍN, J.L.; TÉLLEZ, C. (2014): Finanzas internacionales. Ediciones Paraninfo.

LÓPEZ LUBIÁN, F.J.; GARCÍA ESTÉVEZ, P. (2006): Finanzas en mercados internacionales. McGraw Hill.

ROSS, S.; WESTERFIELD, R.W.; JAFFE, J.F. (2009): Finanzas corporativas. McGraw Hill.

ADDENDUM COVID-19

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

This addendum would applied only if necessary, as established by the university authorities based on the evolution of the pandemic.

1. Contents. The contents initially programmed in the teaching guide would be maintained.
2. Workload and temporary planning. Topics that could not be explained through face-to-face classes would be implemented through non-face-to-face teaching, maintaining proportionally the workload established in the teaching guide. The schedule would be adapted to the evolution of the events.
3. Teaching methodology.

The modality of classes for students will depend on the social and health conditions and the restrictions established by the competent authorities.

In the case of online teaching, classes will be given by videoconference, preferably synchronous, using Blackboard Collaborate, Teams, Skype or the tool that the lecturer considers appropriate to optimize the student's teaching-learning process during the scheduled program sessions, which remain the same days and times.

In the case of blended teaching, the students will have to access the classroom in alternate weeks according to the initial of their last name (A-M or L-Z). The classes will be broadcast so that the students will have face-to-face teaching one week, and the next week they will follow the classes in streaming.

4. Evaluation. The continuous evaluation would adapt to the situation of non-attendance, acquiring greater weight in the global evaluation and being instrumented through tests in the Virtual Classroom. In the event that the university authorities establish the impossibility of taking the final exam in person, it will be carried out throw Virtual Classroom questionnaire and tasks.

5. Bibliography. It would be complemented with sources of consultation on the Internet.