

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

Code	44392
Name	Financial instruments and risk management
Cycle	Master's degree
ECTS Credits	4.5
Academic year	2023 - 2024

Study (s)

Degree	Center	Acad. Period year
2206 - Master's Degree in Accounting, Auditing and Management Control	Faculty of Economics	1 First term

Subject-matter

Degree	Subject-matter	Character
2206 - Master's Degree in Accounting, Auditing and Management Control	3 - Assessment of businesses and financial instruments	Obligatory

Coordination

Name	Department
CERVERA MILLAN, NATIVIDAD	44 - Accountancy

SUMMARY

The subject **financial and hedging instruments** considers the opportunities and tools that offer major platforms globalization of financial activity: currency markets, derivative instruments, etc., all of which carry risks as a result of the inherent volatility of the markets capital. The possibilities offered by these markets and risk treatment are the target of the matter. accounting rules and valuation of financial instruments, in order to analyze the problems which companies face when implementing the regulations regarding accounting related to financial assets and liabilities operations are also studied.

The **faculties** in charge of teaching in this subject are:

Ms. Natividad Cervera Millán, Accounting Department.



Ms. Begoña Herrero Piqueras, Corporate Finance Department.

PREVIOUS KNOWLEDGE

Relationship to other subjects of the same degree

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

Other requirements

No other requirements are described.

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

2206 - Master's Degree in Accounting, Auditing and Management Control

- Students should apply acquired knowledge to solve problems in unfamiliar contexts within their field of study, including multidisciplinary scenarios.
- Students should be able to integrate knowledge and address the complexity of making informed judgments based on incomplete or limited information, including reflections on the social and ethical responsibilities associated with the application of their knowledge and judgments.
- Students should communicate conclusions and underlying knowledge clearly and unambiguously to both specialized and non-specialized audiences.
- Students should demonstrate self-directed learning skills for continued academic growth.
- Students should possess and understand foundational knowledge that enables original thinking and research in the field.
- Have critical and self-critical capacity.
- Desarrollo de la actitud ética y de responsabilidad social en el trabajo, respetando los derechos fundamentales y de igualdad, la accesibilidad y el medio ambiente, de acuerdo con los valores propios de una cultura de paz y de valores democráticos.
- Capacidad de búsqueda de información, análisis y síntesis.
- Capacidad de adaptación a nuevas situaciones y de resolución de problemas.
- Capacidad de organización y planificación del trabajo y los recursos.
- Capacidad de asumir responsabilidades y esfuerzo.
- Capacidad de trabajo en equipo y liderazgo.
- Capacidad de comunicación.
- Ser capaz de determinar cuándo se debe proceder a realizar una valoración de la empresa y sus repercusiones, determinando las finalidades o motivos por los que se realiza la valoración. Conocer los principales métodos de valoración y determinar en qué circunstancias se debe aplicar cada uno de ellos. Saber organizar y diseñar el proceso de valoración. Aplicar los diferentes métodos de valoración y ser capaz de determinar un rango u horquilla de valoración. Conocer los distintos tipos de combinaciones de negocios. Ser capaz de identificar



?la empresa adquirente, determinar de la fecha de adquisición, cuantificar del coste de la combinación de negocios, y el fondo de comercio o diferencia negativa. Conocer las peculiaridades del tratamiento contable y comprender las implicaciones económicas de operaciones societarias importantes de reestructuración empresarial como adquisiciones, fusiones y escisiones.

- Ser capaz de identificar los riesgos a los que queda expuesto cualquier agente económico que opera con instrumentos financieros, ya sean de activo o de pasivo. Poder interpretar adecuadamente la información de los principales mercados en los que se negocian coberturas y, por lo tanto, ser capaz de utilizar los diferentes instrumentos de cobertura. Conocer la normativa contable y criterios de valoración de los distintos instrumentos financieros. Analizar la problemática a la que se enfrentan las empresas a la hora de aplicar la normativa respecto a la contabilización de operaciones relacionadas con activos y pasivos financieros.
- Comprender las particularidades contables que presenta la regulación jurídico-mercantil de las empresas, relacionando la legislación mercantil aplicable a los distintos tipos operaciones societarias con la contabilidad de los hechos económicos que se regulan. Aprender a relacionar las leyes mercantiles que se ocupan de los concursos de acreedores con la contabilidad, adquiriendo práctica en el manejo de determinados textos legales vigentes.

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

As learning outcomes of this subject, the student will be able to:

- Identify the risks to which it is exposed by any operator operates financial instruments, whether active or passive.
- Interpret the information of the main markets in which hedge traded and, therefore, use different hedging instruments.
- Know and apply accounting rules and valuation of financial instruments. To analyze the problems that companies face when implementing regulations with respect to accounting related to financial assets and liabilities operations.

DESCRIPTION OF CONTENTS

1. Introduction to markets and derivative financial instruments

1. Introduction to risc.
2. Derivative financial instruments.
2. Organized and unorganized markets.
3. Foreign exchange market.



2. Operations with Forward and Swaps.

1. Forward: Definition and characteristics. Forward applications.
2. Swap: Definition and characteristics. Swap applications.
3. Fra: Definition and characteristics. Fra applications.

3. Futures trading and options.

1. Futures: Definition and characteristics. Future applications
2. Options: Definition and characteristics. Applications Options.

4. Concept and accounting standards for financial instruments

1. Concept of financial instrument: financial asset, financial liability, equity instrument and complex financial instruments.
2. Accounting regulations for financial instruments.

5. Valuation of financial instruments

1. Amortized cost method
2. The concept of fair value

6. Classification and measurement of simple financial instruments

1. Classification and valuation of financial instruments.
2. Reclassifications.
3. Impairment of value of financial assets.
4. Derecognition of financial assets and liabilities.

7. Hedge accounting

1. Concept of coverage
2. Fair value hedges
3. Cash flow hedges
4. Coverage of exchange rates in consolidation

**WORKLOAD**

ACTIVITY	Hours	% To be attended
Theory classes	35,00	100
Computer classroom practice	10,00	100
Attendance at events and external activities	13,17	0
Development of group work	9,00	0
Readings supplementary material	5,50	0
Preparation of evaluation activities	8,00	0
Preparing lectures	13,50	0
Preparation of practical classes and problem	16,00	0
Resolution of case studies	2,33	0
TOTAL	112,50	

TEACHING METHODOLOGY

MD1 - Group learning with the teacher. We use the model masterclass in lectures, offering the possibility to influence the most important of each theme, master exposure time, and present a specific way of working and dealing with different concepts. The participatory model will also be used in some theoretical issues and especially in practical classes, which is to prioritize communication between students and the teacher. The practical sessions will take the case method as a model because it encourages student participation both individually and as a group.

MD2 - Individual study. The student is directed in learning-oriented activities, so that student activity focuses on research, location analysis, handling, processing and return of information. The preparation work for the study of the subject will focus on it.

MD3 - Tutoring. Both individually and in groups to solve problems and direct jobs. You can use the platform "Aula Virtual" of the University of Valencia to maintain contact with the teacher.

MD4 - Group work with peers. The performance of work aims also to motivate the student in the research activity, apprehension and analysis of information, foster personal relationships, share problems, initiatives and solutions to work together. You will need to submit the proposed class work.

EVALUATION

The final grade is calculated as the weighted average of the notes of the two parts of the subject: part I Functioning of financial markets and instruments complex issues 1 to 3, 35%, and Part II Accounting instruments, items 4 to 8, 65% of the final grade.



There are 2 evaluation systems to assess the level of achievement in contents and competences used in each part of the subject :

Participation in class (discussions, problem solving, presentation of papers, etc.) and the preparation of papers and written reports (SE1 and SE2). It will conform 30% of the grade of the subject.

Examination (SE3): weighting 70%.

Continuous evaluation activities (SE1 and SE2) are not recoverable.

In the evaluation process, it is required to obtain a minimum mark of 5 out of 10 points in the final exam (SE3) to add the mark obtained in the continuous evaluation (SE1 + SE2).

REFERENCES

Basic

- Gómez Cáceres, D. y López Zaballos J.M. (2002): Riesgos financieros y operaciones internacionales. ESIC.
- Gómez Cáceres, D. y Martínez García, F. (2003): Negociación internacional. Medios de cobro y pago. Editorial: ESIC.
- Hernández Muñoz, L. (2003): Los riesgos y su cobertura en el comercio internacional. FC Editorial.
- Hull, J.C. (1996): Introducción a los mercados de futuros y opciones. Prentice Hall.
- Martín, J. y Trujillo A. (2004): Manual de mercados financieros. Thomson.
- Martínez, A (2000): Mercados financieros internacionales. Civitas.
- Menéndez Alonso, E. (2005): Problemas y prácticas sobre mercados financieros. Díaz de Santos.
- Pérez Ramírez, J. y otros (2006): Instrumentos Financieros. Pirámide.
- Plan General de Contabilidad de Pequeñas y Medianas Empresas aprobado por el Real Decreto 1515/2007, de 16 de noviembre.
Plan General de Contabilidad. R.D. 1514/2007
- Durán Herrera, Juan José y Gallardo Olmedo, Fernando (2013): Finanzas internacionales para la empresa. Editorial Pirámide. Madrid.
- Martín Marín, Jose Luis y Téllez Valle, Cecilia (2014): Finanzas Internacionales. Editorial Thomson Madrid.
- ICAC (2013): Resolución de 18 de septiembre de 2013, del Instituto de Contabilidad y Auditoría de Cuentas, por la que se dictan normas de registro y valoración e información a incluir en la memoria de las cuentas anuales sobre el deterioro del valor de los activos.
- ICAC (2019). Resolución de 5 de marzo de 2019, del Instituto de Contabilidad y Auditoría de Cuentas, por la que se desarrollan los criterios de presentación de los instrumentos financieros y otros aspectos contables relacionados con la regulación mercantil de las sociedades de capital.



- NIC-UE 32 Instrumentos Financieros: Presentación.
NIIF-UE 7 Instrumentos Financieros: Información a revelar.
NIIF-UE 9 Instrumentos Financieros.
NIIF-UE 13 Valoración del valor razonable.
- KPMG (2021). El Plan General de Contabilidad Comentarios y desarrollos prácticos. 5º Edición. Editorial Thomson Reuters.
- Real Decreto 1/2021, de 12 de enero, por el que se modifican el Plan General de Contabilidad aprobado por el Real Decreto 1514/2007, de 16 de noviembre.
- Montesinos Julve, V., coord. (2021): Fundamentos de Contabilidad Financiera (adpatado al Real Decreto 1/2021). Editorial Pirámide.
- Eun, C.; Resnick, B. y Chuluun, T. (2021): International Financial Management. 9th Edition. Ed. Mc Graw Hill
- Rejón (coord) (2022): Todo auditoría. CISS.

Additional

- Páginas web de las cuales obtener información financiera:
<http://www.bde.es>
<http://www.bme.es>
<http://www.euribor.org>
- VELA, J.M., PORCUNA, L. y PORCUNA, R. Coords. (2022). Fundamentos de contabilidad financiera. El Plan General de Contabilidad. Casos prácticos. Pirámide.