

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

<b>Code</b>	44478
<b>Name</b>	Finance
<b>Cycle</b>	Master's degree
<b>ECTS Credits</b>	7.5
<b>Academic year</b>	2021 - 2022

**Study (s)**

<b>Degree</b>	<b>Center</b>	<b>Acad. year</b>	<b>Period</b>
2212 - M.U. en Dirección de Empresas. MBA 15-V.2	Faculty of Economics	1	First term

**Subject-matter**

<b>Degree</b>	<b>Subject-matter</b>	<b>Character</b>
2212 - M.U. en Dirección de Empresas. MBA 15-V.2	9 - Accounting and finance	Obligatory

**Coordination**

<b>Name</b>	<b>Department</b>
GRAU GRAU, ALFREDO JUAN	172 - Business Finance

**SUMMARY**

The subject of Finance aims to transfer the basic knowledge that every financial director needs to carry out his professional functions in an appropriate and competent manner. These contents are structured in three large blocks:

1. Analyse the different investment alternatives that can be proposed to companies (generally listed) both for real assets (investments in tangible and intangible fixed assets) and for financial assets (shares, corporate bonds, sovereign debt, etc.). The different methods available for the valuation of these investments is studied.
2. Explore the means available to large companies to obtain the necessary financing and thus tackle profitable investments. The effects produced by various dividend policies will be analysed.
3. Explore the various elements that make up the working capital of companies and understand the



strategic and financial planning process that every company must carry out within its general business policy

## PREVIOUS KNOWLEDGE

### Relationship to other subjects of the same degree

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

### Other requirements

Links with other subjects of the same degree:

No enrolment restrictions with other subjects in the curriculum are specified

Other types of requirements:

To adequately follow the contents of the subject, it is necessary to use part of the knowledge previously acquired at university. This elementary knowledge refers to the following subjects: Financial Management, Financial Mathematics, Financial Accounting and Statistics.

It is also essential to use the Office software package (Word, Excel and Access).

## OUTCOMES

### 2212 - M.U. en Dirección de Empresas. MBA 15-V.2

- 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.
- Reinforce the importance of liquidity management as a key element in the normal development of a company's financial activity and be able to establish the optimum level of the firm's treasury.
- Prepare, write and publicly present business reports and projects in a clear and coherent manner, defend them with rigour and tolerance and respond satisfactorily to criticisms relating to them.
- Seek, select and assess information from the different actors in the environment, both through traditional methods and information and communication technologies, to use it effectively in the face of problems and situations related to business activity.



- Analyse, synthesise and evaluate information, in a rigorous and critical manner, and be able to identify assumptions, assess evidence, detect false logic or reasoning, identify implicit values, and generalise adequately about problems and situations related to the business world.
- Promote the ability to work in a team and to collaborate and organise the group's activities effectively and efficiently both in the area of general management and in the other functional areas of the company.
- Make both individual and collective decisions in professional practice as a company manager.
- Integrate the company into its socio-economic and competitive environment according to threats and opportunities.
- Analyse and assess the functional areas of the company with the aim of understanding its current and potential strengths and weaknesses as a support for decision making.
- Integrate the different functional areas of the company (marketing, finance, human resources, operations) in a synergistic way.
- Produce the financial statements of the company based on the internal analysis, on the needs of users and on applicable regulations, interpret them and acquire the ability to make strategic and operative decisions on the basis of these analyses.
- Rationalise cost and optimise business profitability from the basis of management accounting.
- Anticipate, evaluate and select financing options and investment projects in a contingent way and plan, organise and control the implementation of the latter.

## LEARNING OUTCOMES

- Distinguish clearly the different types of investment that a company can make and the relationships between investment and financing decisions.
- Be able to analyse business investment projects.
- Be able to analyse the different methods of investment valuation using a spreadsheet to determine a range of variation for the forecasted profitability of a project.
- Be able to establish and develop viable investment and financing policies appropriate to business strategies.
- Be able to design a company's debt policy.
- Be able to design the optimal dividend policy according to the circumstances of the company.
- Be able to manage portfolios using key tools in asset valuation and price formation in financial markets.
- Distinguish working capital components of companies.
- Understand how current assets and liabilities are managed in companies on a day-to-day basis.



- Interpret financial plans drawn up by companies at different timescales.

## DESCRIPTION OF CONTENTS

### 1. VALUATING OF FINANCIAL INVESTMENTS

- 1.1. Investments in financial assets.
- 1.2. Asset valuation methods
- 1.3. Risk-return relationship

### 2. VALUATION OF PRODUCTIVE INVESTMENTS

- 2.1. Productive investment projects
- 2.2. Methods to quantify the profitability of investment projects
- 2.3. Effects of debt on the valuation of investment projects
- 2.4. Adjusted present value method (APV)
- 2.5. Weighted average cost of capital method (WACC)

### 3. LONG-TERM FINANCING

- 3.1. Financing by issue shares
- 3.2. Financing by corporate debt: borrowings
- 3.3. Other means of long-term financing

### 4. DIVIDEND POLICY

- 4.1. Benefit-sharing: general aspects
- 4.2. Dividend distribution vs. share repurchase
- 4.3. Distribution of dividends vs. constitution of reserves
- 4.4. Informative content on the dividend policy

### 5. WORKING CAPITAL MANAGEMENT

- 5.1. Short-term financing needs
- 5.2. Customer management
- 5.3. Financial management of stocks.
- 5.4. Management of suppliers and other creditors.
- 5.5. Treasury management

**6. FINANCIAL PLANNING IN THE COMPANY**

- 6.1. The financial planning process in the company.
- 6.2. Stages in the planning process.
- 6.3. Documents from the financial plan of a company.
- 6.4. Justification of financial projections.

**WORKLOAD**

ACTIVITY	Hours	% To be attended
Theory classes	45,00	100
Tutorials	30,00	100
Development of individual work	15,00	0
Study and independent work	60,00	0
Readings supplementary material	10,00	0
Preparing lectures	27,50	0
<b>TOTAL</b>	<b>187,50</b>	

**TEACHING METHODOLOGY**

Student participation in theoretical classes will be valued in terms of critical capacity and debate.

Practical classes will consist of the resolution of exercises and analysis of business reality. A collection of cases will be used, of which a part will represent the personal work of the student.

**EVALUATION**

The evaluation of this subject will be carried out as follows:

- The realisation of activities, exercises, and practices in the classroom, as well as participation in class. This part cannot be resat and will represent 20% of the final mark.
- The officially announced final exam represents 80% of the final mark.
- To pass the subject, students must pass the official exam.





## REFERENCES

### Basic

- BREATLEY, R., MYERS, S., y ALLEN, F. (2010): Principios de Finanzas. Corporativas. Ed. McGraw-Hill, New York, NY, 10ª edición.
- ROSS, S., WESTERFIELD, R. y JAFFE, J. (2008): Finanzas Corporativas. Ed. McGraw-Hill, New York, NY, 8ª edición.

### Additional

- BLANCO, F.; FERRANDO, M.; MARTÍNEZ, F. (2015): Teoría de la Inversión. Ed. Pirámide.
- BERK, J., DEMARZO, P. y HARTFORD, J. (2009): Fundamentos de Finanzas Corporativas. Ed. Pearson-Prentice Hall.
- BERK, J., DEMARZO, P. (2008): Finanzas Corporativas. Ed. Pearson-México.
- EMERY, D.R. y FINNERTY, J.D. (2000): Administración Financiera Corporativa. Ed. Prentice Hall.
- MARTÍNEZ, E. (2012): Finanzas para Directivos. Ed. McGrawHill.
- GIL, L. (1990): Matemática de las Operaciones Financieras. Ed. A.C. Madrid
- GÓMEZ, A.R.; PIÑOL, J.A.; REIG, A.; RODRIGO, A. (2006): Teoría de la Financiación II: OPT, estructura de capital y dividendos. Ed. Pirámide.
- GRINBLATT, M. y TITMAN, S. (2003): Mercados Financieros y Estrategia Empresarial. Ed. McGrawHill.
- WESTON, J.F y BRIGHAM, E.F. (1993): Fundamentos de Administración Financiera. Ed. McGrawHill.

## ADDENDUM COVID-19

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

The teaching for the academic year 2021-2022 referred to in this Teaching Guide is programmed in the classroom mode. If at any time during the course, for justified and unexpected reasons, it is not possible to carry out the course as planned, the teaching staff responsible will provide more specific and detailed information about the changes that should be made in the virtual classroom of the subject.

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Given the possibility of quarantine of some students or confinement of the population, the possibility of teaching distance learning by synchronous methods is contemplated, allowing the full development of the program. The appropriate measures will be taken if necessary, to facilitate access to the training sessions of any student who has to observe quarantine unexpectedly throughout the course.