

IDENTIFICATION DETAILS

Degree:	Business Administration and Management			
Field of Knowledge:	Social and Legal Sciences			
Faculty/School:	Law, Business and Government			
Course:	FINANCIAL MANAGEMENT I			
		г		
Туре:	Compulsory		ECTS credits:	6
		r		
Year:	3		Code:	7133
Teaching period:	Fifth semester			
Subject:	Financials			
Module:	Functional Management of Business Ar	eas		
	Classroom based			
	Classicolli-Daseu			
Language:	Inglés			
Languago.				
Total number of student study hours:	150			

Teaching staff	E-mail		
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SUBJECT DESCRIPTION

DESCRIPTION OF THE COURSE

Financial Management I studies the fundamentals of modern finance in terms of asset valuation and investment analysis. The students will learn the characteristics of different securities and how to measure risk and return of bonds, shares and investment portfolios. They will apply the previous knowledge in Time Value of Money.

GOAL

The objective of the course is to provide students with the basic tools and knowledge in order for them to understand the process of valuation of financial investments.

The specific aims of the subject are:

After the course they will be able to determine risk and return for the main financial assets and to understand how financial decisions involving different financing instruments are made, as well as the implications of such decisions. Specific purposes:

- To understand the financial theories related to asset valuation and investments analysis
- To apply such theories to equity and fixed assets valuations
- To assess risk and return in portfolios applying the relevant theories
- To learn how to diversify risk

PRIOR KNOWLEDGE

Time Value of Money Statistics Financial Accounting

COURSE SYLLABUS

Topic 1. Securities. Risk and Return. Investment under risk 1.1 Introduction to financial markets. Financial assets 1.2 Risk and return for financial assets 1.3 Risk in investments. Standard Deviation and Variance 1.4 Normal distribution 1.5 Monte Carlo simulation. Decision Trees with Risk Topic 2. Analysis of equity instruments 2.1 Equity in a company. Shares. Type of shares 2.2 Terminology. EPS, DPS, Payout 2.3 Return of equity instruments 2.4 Gordo Shapiro theory. Equity valuation 2.5 Fundamental analysis **Topic 3. Debt Instruments** 3.1 Debt instruments, short and long term 3.2 Rating assessment 3.3 Price and return of bonds

3.4 Accrued coupon. Concept and calculation

- Topic 4. Portfolio theory
- 4.1 Risk, return
- 4.2 Analysis of portfolios. Markowitz model
- 4.3 Equilibrium in the capital markets: CML
- 4.4 Sharpe Model. Systematic and specific risk
- 4.5 Capital Asset Pricing Model (CAPM)
- 4.6 Portfolio performance

EDUCATION ACTIVITIES

- Case study: General theory for the course as well as practise exercises

Tutoring (in person or via videoconference) Individual attention to students aimed at reviewing and discussing the issues presented in class and to solve students' doubts, as well as to guide students on the learning process. Students can ask via email for this tutoring. Professor will set a date and hour for a personal tutoring
Email Tutoring: Just for short issues that teacher could answer in email (as orientation, less than 20 lines of explanation). If the professor considers that the issue can be answered by email, he will try to answer as soon as possible. On the other hand, if it does not, the question could be answered in class or in person
Work in groups for class discussions Students will work in groups defined by the professor to analyze and

discuss real cases, applying acquired knowledge and focusing on decision making. Students should defend their positions in an orderly and well presented manner

DISTRIBUTION OF WORK TIME

TEACHER-LED TRAINING ACTIVITIES	INDIVIDUAL WORK
60 Horas	90 Horas
Class: 25 Exersice solving: 25 Case work and presentation: 10 60h	Theoretical study: 30 Problem solving: 30 Case preparation and study: 30 90h

SKILLS

Basic Skills

Students must have demonstrated knowledge and understanding in an area of study that is founded on general secondary education. Moreover, the area of study is typically at a level that includes certain aspects implying knowledge at the forefront of its field of study, albeit supported by advanced textbooks

Students must be able to apply their knowledge to their work or vocation in a professional manner and possess skills that can typically be demonstrated by coming up with and sustaining arguments and solving problems within their field of study

Students must have the ability to gather and interpret relevant data (usually within their field of study) in order to make judgments that include reflections on pertinent social, scientific or ethical issues

Students must be able to convey information, ideas, problems and solutions to both an expert and non-expert audience

Students must have developed the learning skills needed to undertake further study with a high degree of independence

Ability to carry out synthetic and analytical thought.

To have developed the necessary skills to ensure problems are solved and goals are reached.

To be able to work and make decisions in all manner of situations.

To have developed the necessary skills for effective organization and planning in order to obtain improved business administration and management.

To be able to learn autonomously and independently.

General Skills

Ability to carry out synthetic and analytical thought.

To have developed the necessary skills to ensure problems are solved and goals are reached.

To be able to work and make decisions in all manner of situations.

To have developed the necessary skills for effective organization and planning in order to obtain improved business administration and management.

To be able to learn autonomously and independently.

Specific skills

Develop habits of rigorous thinking.

Know how to use the tools necessary to optimize the balance of basic funding between equity and long-term debt with confidence.

Know the operating mechanisms of the different capital and money markets, with special attention to the balance, profitability and risk of each one.

Know how to prepare and understand Financial Statements as a tool for decision-making, being able to verify their fidelity.

Have the ability to execute the financial direction of a company.

Describe and exercise the content and procedure of the tools of university work: text commentary, analysis, synthesis and preparation of a research paper.

LEARNING RESULTS

To assess financial investments under uncertainty

To understand the functioning of main equity and fixed income instruments

To value bond and equities

To assess portfolio performance

To diversify financial risk||To calculate cost of enterprise financial resources

LEARNING APPRAISAL SYSTEM

The learning evaluation system will be carried out using the continuous evaluation model, evaluating the student's learning process based on the continuous monitoring of the work they do, and is aimed at verifying that the student has acquired the competencies, skills and learning results expected for this subject.

The evaluation system in the ORDINARY CALL will be:

For students in FIRST ENROLLMENT, the evaluation of learning will be carried out using the following conditions and proportions:

a) Attendance and active participation in class (10%): Attendance together with a degree of active participation in the course of the class will weigh 10%. In the teacher's opinion, intelligent contributions to the discussion with the rest of the class will be especially valuable. (For the concept of "Attendance and Active Participation in class" to count and to be able to measure with the rest of the concepts, this must not be less than 80%)

b) Work, resolution of exercises, cases, etc. (30%): Tests of different types may be included as part of this continuous evaluation, such as tests, questionnaires, individual or group work and partial evaluation tests. For job grades to be averaged, a minimum score of 4 out of 10 is required.

c) Final Exam (60%): A minimum score of 5 out of 10 is required in the evaluation exam. In the case of a lower grade, the final grade would be the one obtained in the exam.

The FINAL AVERAGE MARK will be determined by the weighted average value of the grades obtained in the three sections, which is: Attendance and participation *0.10 + Papers *0.30 + Examination*0.60

For those students in 2nd and SUBSEQUENT REGISTRATIONS, and those others with ACADEMIC EXEMPTION granted by the Career Management, the learning evaluation system will be carried out using the following conditions and proportions:

a) Papers, resolution of exercises and cases will weigh 30% on the final grade. For job grades to be averaged, a

minimum score of 4 out of 10 is required.

b) The final exam will weigh 70% on the final grade. A minimum score of 5 out of 10 is required on the evaluation exam. In the case of a lower grade, the final grade would be the one obtained in the exam.

In this case, the FINAL AVERAGE GRADE will be determined by the weighted average value of the grades obtained in the two sections, which is: Papers *0.30 + Examination*0.70

The evaluation system in the EXTRAORDINARY CALL will be carried out using the following conditions and proportions:

a) Papers, resolution of exercises and cases will weigh 30% on the final grade. For job grades to be averaged, a minimum score of 4 out of 10 is required.

b) The final exam will weigh 70% on the final grade. A minimum score of 5 out of 10 is required in the evaluation exam. In the case of a lower grade, the final grade would be the one obtained in the exam.

In this case, the FINAL AVERAGE GRADE will be determined by the weighted average value of the grades obtained in the two sections, which is: Papers *0.30 + Examination*0.70

IMPORTANT REMARKS:

Individual or group work will be carried out within the period established in the ordinary call for the course, and the deadlines and dates set must be met. In the extraordinary call, no other works will be proposed for this call, and the grades obtained in this section will be maintained in the ordinary call.

Plagiarism, as well as the use of illegitimate means in evaluation tests, will be sanctioned in accordance with those established in the Evaluation Regulations and the University's Coexistence Regulations.

If the final exam is divided into sections, it must be indicated that obtaining a minimum grade of 5 in each section is necessary to pass the final exam. This rule applies to the divisions established between theory and practice,

differentiated modules, reflection or performance sections, or any other specific structuring of the subject (e.g., exams using computer programs and manual exams). Please note that the removal of curricular contents is strictly prohibited prior to the official invitation examination. This policy applies to both partial and full subject releases.

ETHICAL AND RESPONSIBLE USE OF ARTIFICIAL INTELLIGENCE

1.- The use of any Artificial Intelligence (AI) system or service shall be determined by the lecturer, and may only be used in the manner and under the conditions indicated by them. In all cases, its use must comply with the following principles:

a) The use of AI systems or services must be accompanied by critical reflection on the part of the student regarding their impact and/or limitations in the development of the assigned task or project.

b) The selection of AI systems or services must be justified, explaining their advantages over other tools or methods of obtaining information. The chosen model and the version of AI used must be described in as much detail as possible.

c) The student must appropriately cite the use of AI systems or services, specifying the parts of the work where they were used and describing the creative process followed. The use of citation formats and usage examples may be consulted on the Library website(<u>https://www.ufv.es/gestion-de-la-informacion_biblioteca/</u>).

d) The results obtained through AI systems or services must always be verified. As the author, the student is responsible for their work and for the legitimacy of the sources used.

2.- In all cases, the use of AI systems or services must always respect the principles of responsible and ethical use upheld by the university, as outlined in the <u>Guide for the Responsible Use of Artificial Intelligence in Studies at UFV</u>. Additionally, the lecturer may request other types of individual commitments from the student when deemed necessary.

3.- Without prejudice to the above, in cases of doubt regarding the ethical and responsible use of any AI system or service, the lecturer may require an oral presentation of any assignment or partial submission. This oral evaluation shall take precedence over any other form of assessment outlined in the Teaching Guide. In this oral defense, the student must demonstrate knowledge of the subject, justify their decisions, and explain the development of their work.

BIBLIOGRAPHY AND OTHER RESOURCES

Basic

Brealey, Richard A. Principles of Corporate Finance [Electronic Resource] 11th ed. (Brealey, Richard A. Principles of Corporate Finance [Electronic Resource] 11th ed., ||Suárez Suárez, A. Optimal Investment and Financing Decisions in Company 22)

Additional

Ross S., Westerfield R., Jaffe J. Corporate Finance 9th