

Teaching guide

IDENTIFICATION DETAILS

Degree:	Business Administration and Management		
Field of Knowledge:	Social and Legal Science		
Faculty/School:	Legal and Business Science		
Course:	FINANCIAL MANAGEMENT II		
Type:	Compulsory	ECTS credits:	6
Year:	3	Code:	7136
Teaching period:	Sixth semester		
Area:	Finance		
Module:	Functional administration of business areas		
Teaching type:	Classroom-based		
Language:	English		
Total number of student study hours:	150		

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SUBJECT DESCRIPTION

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Financial Management II aims to provide students with the skills required to lead the financial function of any business in any sector of the economy. In order to perform the financial function it is required the following:
1st Identify the needs of funds for the activities to be addressed and to decide the funding sources .
2nd Decide on investments in productive assets that are profitable and suitable for the company.
3rd Determine the most suitable financing structure for the company, particularly the balance between financing through own resources and through third party resources in its various sources; bank loans to medium and long term, bonds, debentures, preference or any other financial instrument.

These three issues must be addressed, not only from a technical point of view, but considering the ethical aspects of the decisions to be taken.

Financial Management II is part of Functional Management of Business areas in Business Administration Degree. The enclosed table poses this course under the framework of Business Administration degree.

Degree: Business Administration
Program: Functional Management of Business areas
Course: Finance
Others related courses:
- Financial Management I and II
- Money Value
- Stock Market and Capital Markets
- Bank Management and Financial Institutions
- Mergers and Acquisitions

The Business Administration degree of University Francisco Vitoria has as objective to train excellent professionals for the companies in an ongoing and changing environment, using in each part of their careers under "Vince in Bono malum"

The "Functional Management of Business areas" Program is made up of Finance, Accounting and Marketing subjects as well

GOAL

It is intended that, at the end of the subject Financial Management II, students have reached capacity, sufficient knowledge and skills to perform the financial management of a company, taking decisions that consider both the financial aspects and the ethics.

PRIOR KNOWLEDGE

Organization and Business Administration I, Financial and Cost Accounting.

COURSE SYLLABUS

1. Ratios as a tool of financial forecast.
 - Description, analysis and meaning of the most important ratios: liquidity, solvency, working capital management and efficiency. Overview.
 - The Du Pont ratios as a tool for determining the nature of business
2. Balance Sheet Forecast
 - Methodology for determining the different balance sheet items
 - The concept of deficit and financial surplus.
 - Diagnosis of various types of financial deficit, its financing, its closure and its risks: Deficit seasonal, growth deficit, structural deficit. Dramatic consequences of inadequate funding of the structural deficit.
3. The cost of permanent resources; WACC.
 - Method for determination: Gordon Saphiro
 - Method: Capital Asset Pricing Model
4. Analysis of productive investments. The method of discounted cash flows.
 - Determination of the various components of cash flow relevant for investment analysis.
5. The balance between different types of permanent resources.
 - Definition and determination of EPS and non-committed EPS
 - The construction of the lines of transformation EBIT-EPS/NCEPS
 - Making decisions about financing forms processing using these transformational lines.

EDUCATION ACTIVITIES

CLASSROOM ACTIVITIES Lectures: View of the issues affecting those key concepts for understanding them. The student may first part, at the discretion of the teacher in the preparation of some theoretical issues. At any time, students who are not on the board can express their doubts or contribute with their views, either spontaneously or at the request of the teacher. It shall also indicate the student those most suitable for further preparation of the subject in depth resources.

Resolution of exercises: The student is confronted with practical exercises that have to solve autonomously on the board before the rest of his teammates and with the help of the teacher who is responsible for guiding you at all times.

At any time, students who are not on the board can express their doubts or contribute their views, either spontaneously or at the request of the teacher. Class presentation of the conclusions of the work done by the groups on these cases. further discussion of cases: Students, after their presentations of cases, with the mediation of the teacher, have to analyze, discuss and face decision on the situation in them. Comments on the news of the financial press.

NO CLASSROOM ACTIVITIES Theoretical and practical study: Study of the theoretical content of the program and the resolution of practical exercises. Tutoring: It consists of individual attention to students in order to review and discuss the issues presented in class and clarify the doubts that have arisen. It also guides the student on all elements of the learning process. Preparation group of cases for class discussion: Students will work in groups defined by the teacher to analyze the situations in actual cases applying the acquired knowledge and focusing them to the decision, considering that class must defend propose decisions, so will have to try to plan a proper presentation of their ideas.

DISTRIBUTION OF WORK TIME

CLASSROOM-BASED ACTIVITY	INDEPENDENT STUDY/OUT-OF-CLASSROOM ACTIVITY
60 hours	90 hours
Lectures 16h Solving exercises 14h Classroom assignments 15h Commentary on economic news 15h	Individual study (theory and practice) 50h Group assignments in order to discuss in class 20h Tutories: The student will be able to ask for as many tutories as he or she considers necessary by e-mail. The professor will set up a meeting with him or her. Tutories by e-mail: In case of a student has a doubt

which can be solved by email, the answer given by the professor will not exceed 20 lines and it should be answered as soon as possible. Meanwhile, it is the choice of the professor whether or not to be answered by e-mail. If it not so, a meeting should be set up. The student can ask for as many tutorials as he or she considers necessary 20h

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

General Skills

Ability to carry out synthetic and analytical thought.

To have developed a capacity for leadership.

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

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

Specific skills

To be able to approach a subject by means of rigorous, profound and comprehensive thought.

To adopt attitudes of leadership and social responsibility on both a personal and professional level.

To be able to proficiently use the necessary tools to find an optimum financial balance between equity and long-term debt.

To have the capacity to administer a company's finances.

LEARNING RESULTS

The student is aware of the ethical implications (risk assumed by stakeholders) of the different forms of funding and at the same time she/e is able to provide a rationale for her/his decision

The student knows how to determine the funding needs of a company both short-term and long term

The student is able to assess the required cash flows in order to evaluate an investment project.

The student thinks with mental agility in order to evaluate the firm implications of accepting and implementing a particular investment project.

The student is able to make the right decisions about the best alternative for financing the company; capital increase, bank loans, bond, preferred stock obligations etc evaluating the advantages and drawbacks of each one

The student is able to assess the ethical implications (risk assumed by stakeholders) of the different forms of funding and knows how to support the decisions made

LEARNING APPRAISAL SYSTEM

The evaluation system aims to promote the professionalism of students. Therefore, dedication, attitude, attendance, class participation, exercises, completion and presentation of papers, case discussions, etc., will involve 45% of the grade and the remaining 55% will be a exam.

At any case, there will be two types a) Students with the obligation to attend class regularly. The percentage weight of each of the chapters is as follows:

1. Assistance. assistance will have a weight of 10%. For a 5 in assistance will be required attendance of 80%. From there, the grade will increase linearly to be a 10 for a 100% attendance. Conversely, the lower attendance note linearly to 0 if attendance falls to 50%.

2. Participation: The set of the different forms of participation will weigh 35% in the grade. Professor recorded every day, around the end of each class, the student's score on the participation of that day, estimating each form of participation. Obviously for the participation rate will need to gather, according to the professor characteristics of relevance, appropriateness and contribution to the development of the class. Participation grade seeks to promote healthy competition. The student who attains the highest score in participation will reach 10 in that part of the grade. the average will represent a 5. the average up note will rise linearly to 10 the average down, the note also decrease linearly to 0 for students who do not participate at all be calculated. As far as possible, any participation is spontaneous and voluntary, without the teacher force any student to participate, unless a particular case requires.

The note will be worked out as follows: $\text{FINAL Grade} = \text{Exam} * 0.55 + \text{attendance grade} * 0.10 + \text{participation grade} * 0.35$. In order to pass, the minimum grade in the exam is 4.0.

Although the weighting average works out more than 5, the mark will be "fail", if the final exam is less than 4. By the contrary, if the weighting average works out less than 5, the mark will be "pass" with 5 but only if the final exam is higher than 7.

Each student will know how the mark is made up of in the revision.

In the final grade of the extraordinary part, it will be taken into consideration the attendance and the course participation marks.

Those students who due to major force or having attended in previous courses are not obliged to attend to class regularly and they have a different evaluation:

1. According to section 2, they will be held the same exam as the rest of their group but weighting 90%, 80% or 70% according to section 2

2. Doing at least an individual or group project proposed by the professor. Depending on the number of the requested and done projects, the weight will be 10% each of them, with a maximum of 3. If there is not any project, the student would have a 0, weighting 20%.

It is the Erasmus students responsibility to be informed of each requested project uploaded in Aula Virtual

At any case, it is necessary that the student has a mark higher than 4 in the final exam. By the contrary, a student, who gets a 7 in the final exam, will pass the final exam, independently the marks obtained in the projects.

All assignments are subject to be evaluated according to the Evaluation Law of the Business Administration and Marketing degrees.

BIBLIOGRAPHY AND OTHER RESOURCES

Basic

Corporate Finance (2016). Brealey Myers Allen

Additional

MARTIN VALMAYOR: Determinación del valor de la empresa. Ediciones UFV