

Teaching guide

IDENTIFICATION DETAILS

Degree:	Business Administration and Management		
Field of Knowledge:	Social and Legal Sciences		
Faculty/School:	Law, Business and Government		
Course:	FINANCIAL MANAGEMENT II		
Type:	Compulsory	ECTS credits:	6
Year:	3	Code:	7136
Teaching period:	Sixth semester		
Subject:	Financials		
Module:	Functional Management 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.

This course of Financial Management II is included in the module 'Functional management of business areas' of the degree in Business Administration (BA - ADE).

The context of this course in the UFV BA degree is as follows:

*Grade: ADE. Business Administration and Management

*Module: Functional management of business areas

*Subject: Finance

*Other subjects of this Subject:

- Financial Management I
- The value of money
- Stocks and Capital Markets
- Management of Banks and Financial Institutions
- Mergers and Acquisitions of Companies

The BA degree at the Francisco de Vitoria University aims to train excellent professionals for the company in a global and changing world, capable of improving the environment with their excellent performance at work positions, applying in any area of their future life our motto 'Vince in Bono malum'.

The Functional Management Module of business areas consists, in addition to Finance, of Accounting and Commercial and Marketing.

GOAL

It is intended that, after completing the Financial Management II course, students have reached the capacity, knowledge and sufficient skills to perform the financial management of a company, making correct decisions and taking into account both financial and ethical aspects involved in corporate management

PRIOR KNOWLEDGE

To address Financial Management II, it is necessary the knowledge acquired in the subjects of Business Organization and Administration I, Financial Accounting and Cost Accounting.

COURSE SYLLABUS

1. Diagnostic of the company. Corporate analysis elements:

Income Statement and Balance Sheet. Working capital management. Key corporate ratios.

Profit and Cash Flow. Free cash flow and debt and shareholder services. Self-financing and external financing.

Financial leverage, implications on the profitability and risk of the company.

Debt limits and sustainability.

Du Pont's relationship for strategic analysis

2. The financial planning process.

Expected financial pro-forma statements.

Methodology for determining the income statement and the balance sheet

The concept of financial deficit or surplus. Sustainable and self-financed growth

3. The financial structure and value of the company

The cost of the resources used: cost of equity, cost of debt and weighted average (WACC)

Modigliani-Miller propositions with and without taxes.

The efficiency of the market. Dividends and types.

Corporate Financial Operations: IPOs, Capital Increases, Repurchase, Splits

4. Analysis of productive investments.

The discounted cash flow method. Determination of the different components of the relevant differential cash flows for investment analysis.

Investment valuation by the discounted cash flow method. Different alternatives and limitations of each case.

EDUCATION ACTIVITIES

PRESENTIAL ACTIVITIES

- Exhibition and Master Classes:

Explanation of the theoretical vision of the topics, focusing on those key concepts for understanding them.

In some cases, the student (individually or by teams) may participate previously, with the teacher's supervision in the preparation of some theoretical topics (i.e. flipped learning methodology). It will be indicated the recommended resources for the preparation of the subject in depth.

During the class, at any time the students who are not requested to be explained at the whiteboard can express their questions or contribute their points of view, even spontaneously or at the teacher's request.

- Methodologies based on problem solving and practical exercises:

The student (individually or in teams) must solve autonomously on the blackboard, in front of the rest of their classmates and with the help of the teacher who will be in charge of guiding them at all times. At any time, students who are not at the board can express their doubts, debate or contribute their points of view, either spontaneously or at the teacher's request.

- Application of the case method:

Analysis, discussion and presentation in class of the conclusions of the tasks carried out on business cases raised.

These cases might include thematic of some other subjects to generate an integrated and synergistic vision of different areas of knowledge.

- Applied gamification or simulation exercises and subsequent discussion:

Students will be able to analyze, discuss and assess decision-making in the situation raised in gamification and simulation activities.

- Exercise of debates in class based on comments on the situation or recent news

NON-PRESENTIAL ACTIVITIES

- Theoretical and practical study:

Study of the theoretical content of the program as well as the resolution of practical exercises.

- Personal tutoring or by videoconference:

Tutoring activities consist of individual attention to the student helping on reviewing the topics presented in class and clarifying any doubts arisen.

The student can also be oriented on all the elements that make up the learning process.

The student may request by e-mail how many face-to-face tutorials he deems necessary.

The teacher will arrange a date and time with him to have the face-to-face tutoring.

- Email questioning:

In the event that the student has any doubts that the teacher can solve by means of an email of no more than 20 lines, the student will send his/ her day to the teacher by email and he/she will reply as soon as possible. It is the

teacher who decides if the question can be answered by mail. If it is not, an appointment will be made for face-to-face tutoring. The student will be able to do as many tutorials by email as he deems necessary.

- Preparation in group of cases for their discussion in class:

The student will work in groups defined by the teacher to analyze the situations posed in real cases, applying the knowledge acquired and focusing them on decision-making, taking into account that in class they must defend the decisions they propose, so they will have to strive to plan a proper presentation of your ideas.

DISTRIBUTION OF WORK TIME

TEACHER-LED TRAINING ACTIVITIES	INDIVIDUAL WORK
60 Hours	90 Hours
Presential classes 25h Exercise solving 25h Class presentation of cases and non presential activities. Group discussion 10h	Personal study (theoretical and practical) 45h Case study preparation (individual or by groups) 30h Tutoring and Email questions 15h

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 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 organization and planning in order to obtain improved business administration and management.

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 organization and planning in order to obtain improved business administration and management.

Specific skills

Develop habits of rigorous thinking.

Cultivate attitudes of leadership and social responsibility in personal and professional performance.

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

Have the ability to execute the financial direction of a company

LEARNING RESULTS

To master the basic knowledge for corporate financial management with logic and ethic

To understand how to determine the financial needs of a company to develop its activities both at short-term (operational level) and long-term (strategic level) .

To determine with ease and security the necessary cash flows for the evaluation of investment projects.

To think with mental agility in differential terms, for being able to evaluate the different elements in a company when undertaking a certain investment project

To evaluate and make correct decisions about the best financing alternatives for the company (i.e. capital

increases, bank loans, bonds, preferred shares, etc.), and quantifying the advantages and disadvantages of each of these alternatives

To know the ethical implications (risk assumed by the stakeholders) of the different financial elements and is capable to defend its decisions in this field

LEARNING APPRAISAL SYSTEM

The evaluation system aims to promote students' professionalism. Therefore, in the continuous evaluation system, your dedication, attitude, participation in class, resolution of exercises, individual or group presentations, discussion of cases, etc., will account for 45% of the grade and 55% of the exam.

However, for the evaluation system, students will be taken into account in two different situations: The percentage weight of each of the chapters will be as follows:

a) Students who are required to attend classes regularly.

1. Exam: 55%

2. Class participation, exercise resolution, individual or group presentations, case discussion, etc.: 35%

3. Carrying out cross-cutting work in a group. It will weight 10%.

The mark will come from the formula: $\text{FINAL GRADE} = \text{Exam score} \times 0.55 + \text{participation, attendance and exercise resolution} \times 0.35 + \text{cross-group work score} \times 0.1$

In order to pass the course and measure up with the rest of the parameters, it is required to obtain at least 5 out of 10 points in the final exam. In order to get a 5 in the exam, it will be necessary to pass each of the parts of the exam.

Likewise, the subject cannot be approved if the continuous evaluation part has a score lower than 4 in each of its parts.

Every student will be able to know, in the review of grades, the score obtained in each of the components of the grade.

The extraordinary call will also take into account the notes in epigraphs 2 and 3 for the final grade, and the requirement of a minimum score of 5 in the exam.

b) Students who for different reasons - having an academic exemption due to force majeure or having taken the subject in previous courses or being on Erasmus abroad - are not required to attend classes regularly. For these students there is an alternative evaluation system:

1. Exam: 75% of the final mark.

2. Work carried out at the request of the teacher: 25% of the grade.

Erasmus students will be responsible for finding out about the work requested by the teacher through the virtual classroom.

As in the normal evaluation system, in order to pass the subject and measure with the rest of the parameters, it is required to obtain at least 5 out of 10 points in the final exam.

The extraordinary call will also take into account the grade in epigraph 2 for the final grade, and the requirement of a minimum score of 5 in the exam.

IMPORTANT REMARKS:

Students are required to observe the elementary and basic rules of authenticity and originality in any training activity or evaluation test.

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.

Spelling errors may penalize work and exams. If this penalty is applied, the teacher will inform the student of the

score to be deducted for each fault in the instructions and/or statements of the evaluation tests.

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. Curricular contents will not be eliminated in the final exam. This means that parts of the subject or the entire subject will not be released before the exam corresponding to the official call.

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(https://www.ufv.es/gestion-de-la-informacion_biblioteca/).
- 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 [Guide for the Responsible Use of Artificial Intelligence in Studies at UFV](#). 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

Alfaro Drake, Tomas How to Understand and Use Financial Markets McGraw-Hill

(Alfaro Drake, Tomas How to Understand and Use Financial Markets McGraw-Hill , ||Martín Valmayor, Miguel Ángel Project Formulation and Evaluation - 2nd Ed UFV)

Additional

Ross, Westerfield, Jaffe Corporate Finance McGraw-Hill

Aguirreamalloa, Javier Business Finance (2nd Edition) Asserts