

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		

Teaching staff	E-mail
Miguel Ángel Martín Valmayor	miguel.martin@ufv.es
Avelino Antonio Vegas Arranz	aavegas@telefonica.net
José Ignacio de Andrés Fuentetaja	j.andres.prof@ufv.es

SUBJECT DESCRIPTION

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 lema "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 fulfilling 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 the 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.
Effect of financial leverage on cost of capital and project valuation

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 explaining 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:

Discussion and presentation in class of the conclusions of the work developed by the groups on the cases raised

- Applied gamification exercises after the case method and subsequent discussion:

The students, after their presentations of the cases, with the teacher's mediation, have to analyze, discuss and face decision-making in the situation raised in them.

- 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 consists of individual attention to the student helping on reviewing the topics presented in class and clarifying any doubts arisen.

The student can be also 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.

- E-mail 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.

SPECIAL COVID-19 SITUATION:

Training activities, as well as the distribution of working times, may be modified and adapted according to the different scenarios established following the indications of the health authorities. If non-face-to-face teaching is required by the authorities, face-to-face methodologies will be applied as far as possible in a similar way by remote means through the virtual campus and its tools.

DISTRIBUTION OF WORK TIME

CLASSROOM-BASED ACTIVITY	INDEPENDENT STUDY/OUT-OF-CLASSROOM ACTIVITY
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

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

Master the basic knowledge for the financial management of the company in a logical and reasoned ethical manner.

Knowhow to determine the funding needs of a company to develop its activities both at the short-term operational level and at the long-term strategic level.

Determine the cash flows needs for the evaluation of investment projects.

Think with mental agility in differential terms, with the ability to evaluate the differential elements in the company in relation to the approaching of investment projects.

Make the right decisions looking for the best financing alternatives for the company; capital increases, bank loans, bonds, preferential shares, etc. clearly evaluating and quantifying the advantages and disadvantages of each of these alternatives

To know the ethical implications (risk assumed by stakeholders) of the different financing alternatives and being able to defend their decisions in this field

LEARNING APPRAISAL SYSTEM

The evaluation system aims to promote the professionalism of students. Therefore, their dedication, attitude, attendance, participation in class, resolution of exercises, completion and presentation of work, discussion of cases, etc., will account for 40% of the grade and the rest, 60% will be an exam.

All tests susceptible of evaluation will be subject to what is established in the UFV Evaluation Regulations.

A) Students with the obligation to attend class regularly.

The percentage weight of each of the chapters will be as follows:

1.Attendance and active participation in class (10%)

The simple attendance with a degree of active and intelligent participation in the course of the class will have a weight of 10%.

Intelligent contributions for discussion with the rest of the class will be especially valuable.

To obtain a 5 in attendance, an attendance of 80% will be required. From there, the grade will increase linearly to 10 for 100% attendance. In the opposite direction, the attendance grade will drop linearly to 0 if the attendance drops to 50%.

2. Continuous evaluation and work in the classroom (30%):

The set of the different forms of continuous evaluation will have a weight of 30% in the grade. The teacher may write the student's score in the participation quizzes or questioning estimating each form of participation.

Obviously, for participation to score, it will have to gather, in the teacher's opinion, characteristics of relevance, appropriateness and contribution to the development of the class.

Additional tests, such as tests, questionnaires, individual or group assignments and partial evaluation tests, may be included as part of this continuous evaluation.

3. Final exam (60%). For continuous assessment to be applied, a minimum grade of 4 is required.

The exams will be carried out in person as long as the health situation allows it, and may be modified in order to comply with the indications given by the health authorities.

It is recalled that all undergraduate students participate in the university's coexistence regulations, with special attention to infringements due to plagiarism and / or copying in the examination, which will be considered serious according to year 7 of said regulations.

Therefore, the note will come out of the weighting of these three components:

FINAL NOTE = Exam grade * 0.60 + attendance and participation grade * 0.10 + continuous assessment grade * 0.30

From this calculation, two special situations will be taken into account:

- Minimum exam grade 4: If the previous weighted average is greater than 5, the grade will be suspended if the exam is less than 4.
- Exam grade higher than 7: If this weighted average is less than 5, the grade will be approved with 5 if the exam is higher than 7.

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

In the extraordinary call, the attendance, participation and continuous evaluation grade during the ordinary course will also be taken into account for the calculation of the final grade.

B) Students with no obligation to attend.

Students who for any reason - academic exemption for reasons of force majeure or having taken the subject in previous courses or being on Erasmus - are not obliged to attend class regularly will have a different evaluation system:

1. Waiver of attendance and participation in class
2. Exam the same as those of the previous group with a weight of 90%, 80% or 70% as will be seen in section 3. It is recalled that all students of the degree participate in the university coexistence regulations, with special attention to infringements due to plagiarism and / or copy under examination that will be considered serious according to year 7 of said regulations.
3. Carrying out at least one individual or group assignment proposed by the teacher, or any intermediate evaluation test. The weight of this point will depend on the teacher's criteria. If you did not do any errands, you would have a 0 in this section with a weight of 20%.

In the case of Erasmus students, it will be their responsibility to keep up to date with the work sent by the teacher through the virtual classroom.

In any case, the same regulations will apply as for face-to-face students. To pass it will be necessary for the student to obtain a grade higher than 4 in the final exam. On the contrary, a student who has a 7 in the final exam will pass with a 5, regardless of the grade obtained in the works.

SPECIAL COVID-19 SITUATION

In the event of non-face-to-face teaching due to force majeure, the methodologies will be applied in a similar way by remote means.

The face-to-face evaluation system will be maintained in general terms.

A final exam will be carried out in a similar way through a remote questionnaire, with the possibility, at the teacher's decision, of giving greater weight to the tasks and questionnaires carried out in the continuous assessment, assigning a weight ranging between 30% and 60% for the final exam, and between 60% and 30% for the continuous assessment.

BIBLIOGRAPHY AND OTHER RESOURCES

Basic

M. A. MARTIN VALMAYOR. "Formulación y Evaluación de proyectos" - 2a edición - UFV
BREALEY - MYERS: "Administración Financiera"

Additional

JOSEP FAUS y JOSEP TAPIES: "Finanzas operativas"
JOSEP FAUS: "Políticas y decisiones financieras"
BREALEY - MYERS: "Principios de finanzas corporativas"
J. AGUIRREAMALLOA - P. LARIOS. "Finanzas de empresa". Ediciones Asertos
ROSS - WESTERFIELD - JAFFE. "Finanzas corporativas". McGraw-Hill/Interamericana de Espana, S.A. - A partir

de la 9a edición