

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 I		
Type:	Compulsory	ECTS credits:	6
Year:	3	Code:	7133
Teaching period:	Fifth semester		
Subject:	Financials		
Module:	Functional Management of Business Areas		
Teaching type:	Classroom-based		
Language:	Spanish/English		
Total number of student study hours:	150		

SUBJECT DESCRIPTION

Financial Management I studies modern financial theories related to asset valuation and investment analysis. The topics covered include decisions in an environment of uncertainty, valuation of equities and fixed income securities, and management of investment portfolios.

GOAL

-The objective of the course is to provide students with basic tools and knowledge that will allow them to learn

about the valuation processes of financial investments and their risk, both at the individual level, of financial assets and at the level of investment portfolios.

- In other areas, the student will be able to determine and choose the best investment for the company among several that compete for the available funds.

The specific aims of the subject are:

- Understand financial theories related to asset valuation and investment analysis
- Apply these theories to the valuation of fixed income and equity instruments
- Determine the risk and return of securities portfolios by applying theories in this regard.
- Learn to diversify risk.

PRIOR KNOWLEDGE

Value of Money Over Time. Mathematics. Statistics. Financial accounting

COURSE SYLLABUS

Topic 1. Financial Assets. Risk and Performance. Investments in a risky environment

- 1.1. Introduction to Financial Markets. Financial Assets.
- 1.2. Risk and Return on Financial Assets.
- 1.3. Investment risk. Expectancy and Variance of the NPV.
- 1.4. Normal Distribution. Tchebycheff's inequality.
- 1.5. Monte Carlo simulation. Risky Decision Trees.

Theme 2. Equity Securities Analysis

- 2.1. The company's capital. Actions. Types of shares.
- 2.2. Terminology. BPA. DPA. Payout
- 2.3. Performance on equity securities.
- 2.4. The Gordon-Shapiro theory. Stock valuation.
- 2.5. Fundamental Analysis. The PER and the VAOC.

Theme 3. Debt Instruments

- 3.1. Short and long-term debt instruments.
- 3.2. Rating of the debt.
- 3.3. Price and Profitability of Bonds.
- 3.4. The valid coupon. Concept and calculation.

Topic 4. Portfolio Theory

- 4.1. Risk, Profitability and Historical Record.
- 4.2. Portfolio study. The Markowitz model
- 4.3 Equilibrium in the Capital Market. CML

- 4.4. The Sharpe model. Systematic and Specific Risk
- 4.5. The Capital Asset Pricing Model (CAPM). SML
- 4.6. Portfolio Performance

EDUCATION ACTIVITIES

- THEORETICAL AND PRACTICAL STUDY:

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

- FACE-TO-FACE OR VIDEOCONFERENCE TUTORING

It consists of individual attention to the student with the objective of reviewing and debating the topics presented in class and

clarify any doubts that have arisen. The student is also guided on all the elements that make up the learning process. The student may request by e-mail as many face-to-face tutoring sessions as they deem necessary. El

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

- TUTORIALS BY E-MAIL:

In the event that the student has any questions that the teacher can answer by sending an email of no more than 20

lines, the student will send their question to the teacher by email and the teacher will answer them as soon as possible. It's the

teacher who decides if the question can be answered by email. If it isn't, it will make an appointment for in-person tutoring. The student can do as many tutorials by email as they think necessary.

- GROUP PREPARATION OF CASES FOR CLASS DISCUSSION

The student will work in groups defined by the teacher to analyze the situations posed in the cases real by applying the knowledge acquired and focusing it on decision-making, taking into account that in class must defend the decisions it proposes, so it will have to make an effort to plan a adequate presentation of your ideas

DISTRIBUTION OF WORK TIME

TEACHER-LED TRAINING ACTIVITIES	INDIVIDUAL WORK
60 Horas	90 Horas

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

Evaluate financial investments in an environment of uncertainty.

Understands the operation of the main fixed and variable income instruments

Values stocks and bonds

Evaluates the return on investments in securities portfolios

. Diversify financial risk

Calculate the cost of the company's 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:

- 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%)
- 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.
- 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 GRADE will be determined by the weighted average value of the grades obtained in the three sections, that is:

$$\text{Attendance and participation} * 0.10 + \text{Papers} * 0.30 + \text{Examination} * 0.60$$

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:

- 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.
- 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, that is:

$$\text{Papers} * 0.30 + \text{Examination} * 0.70$$

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

- 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, that is:

Papers *0.30 + Examination*0.70

IMPORTANT:

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.

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

Brealey, Richard A. (1936-) Principles of Corporate Finance [Electronic Resource]/11th ed. Madrid:McGraw Hill, 2017.

(Brealey, Richard A. (1936-) Principles of Corporate Finance [Electronic Resource]/11th ed. Madrid:McGraw Hill, 2017. , ||SUÁREZ, Andrés S. Optimal investment and financing decisions in the company/21st ed. Madrid:Pirámide,2005.)