



FINANCIAL MANAGEMENT I

Course plan

Course guide and
activities planning

Subject:	FINANCIAL MANAGEMENT I
Course:	bachelor's degree in Business Sciences-Management
Academic year:	2011-2012
Year in the programme:	third / fourth
Term:	first
Lecturers:	Vicenç Hernández Reche / Gemma Cid Salvador

Course guide

Description of the subject

- Academic year: 2011-2012
- Subject name: Financial Management I Code: 21857
- Type of subject: compulsory
- Degree / study: bachelor's degree in Business Sciences-Management
- Number of ECTS credits: 5
- Hours of student's dedication: 125
- Timeframe:
 - Year in the programme: 3rd / 4th
 - Period: 1st term
- Department: Department of Economics and Business
- Lecturers: Vicenç Hernández Reche and Gemma Cid Salvador
- Groups: I, II

Presentation of the subject

The bachelor's degree course syllabus report contains the following description of the objectives of the Bachelor's degree in Business Sciences-Management:

" Business Sciences cover the various functional areas of business primarily from the management perspective. The focus on business administration is justified by the enormous demand for holders of qualifications able to deal with everyday business activities. Due to the nature of economies in the modern world, which are based on business as a means of generating wealth, Business Sciences are a professionally very versatile resource for students focusing on employment within a company, working professionally for a company or business in its strictest sense, especially in the field of small businesses. This focus explains the approach used on the course, which is heavily immersed in the development of business techniques and training for management skills, and less focused on studying the elements of economic analysis that may be required of senior management or management and administration of large companies."

Within this general framework, the subject Financial Management I, with the other subjects with financial contents, covers the functional area of Financial Management. In specific terms, this enables students to become familiar with financial analysis of the company's investment decisions; it covers cash flow analysis, the selection of investment projects under conditions of certainty and uncertainty, and the project portfolio model.

Prerequisites for following the training track

The subject is one of the compulsory subjects in the syllabus for the third and fourth years. The subjects taken in the first two years provide the necessary prior knowledge to take Financial Management I. The most useful concepts will be those covered in Mathematics for Finance and Financial Economics.

Competences to be attained

The competences specified in the subject syllabus are as follows:

G1. Understanding and interpreting academic written texts in a relevant and reasoned manner.

G7. Development of the ability to reason independently with critical detachment in controversial subjects or issues.

G9. Consolidated habits as regards self-discipline, personal standards and thoroughness in academic work and in organization and correct timescales.

G10. A proactive attitude to ascertaining the unknown, essential in all training processes and in all influential professional activities.

G11. The ability to apply the knowledge acquired and adapt it to new contexts flexibly and creatively.

G12. The ability to make progress autonomously and continuously in training and learning processes.

G13. Demonstration of a sufficient level of knowledge for professional work.

G15. Taking decisions in high risk situations.

Contents

FIRST PART: Risk-free assessment of projects (under conditions of certainty)

- Topic 1. Current values. The objectives of the company and corporate governance
- Topic 2. How to calculate current values
- Topic 3. Valuation of bonds and ordinary shares
- Topic 4. Alternative criteria to net present value (NPV)
- Topic 5. Practical applications of NPV to investment situations

SECOND PART: Risk

- Topic 6. Introduction to risk, yield and opportunity cost of capital
- Topic 7. Risk and yield
- Topic 8. Capital budget and risk

THIRD PART: Real options

- Topic 9. Understanding the options
- Topic 10. Assessment of options
- Topic 11. Real options

Assessment

- (1) The final examination accounts for **50%** of the mark and must be passed in order to create the average with other marks from other assessed activities.

The September examination also accounts for 50% of the mark (the other marks will be carried forward as listed below). It must also be passed to create the average with the other marks.

- (2) The seminars account for **40%** of the mark. This percentage breaks down as follows:

- 60% of the seminar grade (2.4% of the total mark): correction of the 6 seminars resolved by the group.
- 40% of the seminar grade (1.6% of the total mark): assessment of the class presentation by the lecturer.

- (3) The **remaining 10%** depends on the student's proactive attitude based on:
- His/her active participation in the theory sessions and seminars.
 - The individual personal work done in the Aula Global.

Methodology

The following activities are carried out by students to attain the competences in the subject:

- Face-to-face theory classes: an hour and a half long, twice a week. Content permitting, the theory will be covered by means of examples. In other cases, the theory classes will be more presentation-based.
- Teamwork: the students will form working groups in order to prepare and present the seminars.
- Presentation of the group's solution in the seminar lectures: every group must prepare the presentation of one of the six seminars.
- Hand-in of the seminar solution by e-mail, before its first correction. The hand-in date is therefore the Sunday before the week the seminar is corrected.
- Students will be provided with assessment questionnaires in the Aula Global and as a personal working tool at the end of each of the three main parts comprising the subject. These questionnaires will help them to ascertain whether they understand the concept, and at the same time, will be used by the lecturer as a tool for ascertaining the students' pace of work and their development.
- Examination preparation: students will have to study for the final examination at the end of classes and individual and group work.
- Completion of the final exam.

Sources of information and teaching resources

The materials/resources students need in order to be able to take the subject Financial Management I are as follows:

- **Course plan:** to find out the objectives, assessment criteria and be able to monitor daily activities to ascertain the objectives, evaluation criteria and be able to monitor daily activities. Accessible through the Campus Global.
- **Subject teaching material:** presentation of theoretical concepts. Accessible through the Campus Global.
- **Bibliography:**

BREALEY, R; MYERS, S; ALLEN, F. *Principios de Finanzas Corporativas*. 8th ed., Madrid: McGraw-Hill, 2006.

Activities planning

<i>Week</i>	<i>Theory session 1</i>	<i>Theory session 2</i>	<i>Seminar</i>	<i>Anticipated contents</i>	<i>Teaching resources</i>
1					
2	26/09 The whole group Introduction and Section 1	27/09 The whole group Section 1		TOPIC 1 TOPIC 2	Section 1 transparencies Book: chaps. 2 and 3
3	03/10 The whole group Section 2	04/10 The whole group Section 2		TOPIC 3 TOPIC 4	Section 2 transparencies Book: chaps. 4 and 5
4	10/10 The whole group Section 3	11/10 The whole group Section 3		TOPIC 5	Section 3 transparencies Book: chap. 6
5	17/10 The whole group Section 4	18/10 The whole group Section 4	Seminar 1 In groups	TOPIC 6	Section 4 transparencies Book: chaps. 7 Seminar 1
6	24/10 The whole group Section 5	25/10 The whole group Section 5	Seminar 2 In groups	TOPIC 7	Section 5 transparencies Book: chaps. 8 Seminar 2
7	31/10 – Non-teaching day	01/11 – Public holiday	No seminars		
8	07/11 The whole group Section 6	08/11 The whole group Section 6	Seminar 3 In groups	TOPIC 8	Section 6 transparencies Book: chap. 9 Seminar 3
9	14/11 The whole group Section 7	15/11 The whole group Section 7	Seminar 4 In groups	TOPIC 9	Section 7 transparencies Book: chap. 20 Seminar 4
10	21/11 The whole group Section 8	22/11 The whole group Section 8	Seminar 5 In groups	TOPIC 10	Section 8 transparencies Book: chap. 21 Seminar 5
11	28/11 The whole group Section 9	29/11 The whole group Section 9	Seminar 6 In groups	TOPIC 11	Section 9 transparencies Book: chaps. (10) and 22 Seminar 6
	Monday 19/12 11:30-13:30 EXAMINATION SAT				Notes and bibliography