COURSE DESCRIPTION

FINANCIAL MANAGEMENT
4TH YEAR / 1ST SEMESTER
DEGREE: MARKETING
IN-CLASS TEACHING
ACADEMIC YEAR: 2019/2020
SCHOOL OF BUSINESS AND ECONOMICS
# 1. COURSE IDENTIFICATION

### 1.- Subject:

<table>
<thead>
<tr>
<th>Name: Financial Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code: c405</td>
</tr>
<tr>
<td>Year(s) course is taught: 4th Year</td>
</tr>
<tr>
<td>Semester in when the course is taught: First</td>
</tr>
<tr>
<td>Type: Compulsory Subject</td>
</tr>
<tr>
<td>ECTS of the course: 6</td>
</tr>
<tr>
<td>Hours ECTS: (30)</td>
</tr>
<tr>
<td>Language: Spanish/English</td>
</tr>
<tr>
<td>In-class teaching</td>
</tr>
<tr>
<td>Degree in which the course is taught: Marketing</td>
</tr>
<tr>
<td>School which the course is taught: School of Business &amp; Economics</td>
</tr>
</tbody>
</table>

### 2.- ORGANIZATION OF THE COURSE:

<table>
<thead>
<tr>
<th>Department: Business Economics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area of Knowledge: Finance and Accounting</td>
</tr>
</tbody>
</table>

# 2. LECTURERS OF THE COURSE

### 1.- LECTURERS:

<table>
<thead>
<tr>
<th>Instructor in charge</th>
<th>CONTACT DETAILS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Javier ITURRIOZ DEL CAMPO</td>
</tr>
<tr>
<td>Phone (Ext):</td>
<td>914566300 (5421)</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:itucam@ceu.es">itucam@ceu.es</a></td>
</tr>
<tr>
<td>Office:</td>
<td>1:07 B</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lecturer</th>
<th>CONTACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name:</td>
<td>Arturo MEDINA</td>
</tr>
<tr>
<td>Phone (Ext):</td>
<td>914566300</td>
</tr>
<tr>
<td>Email:</td>
<td><a href="mailto:arturo.medinacastano@ceu.es">arturo.medinacastano@ceu.es</a></td>
</tr>
<tr>
<td>Office:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Lecturer</th>
<th>CONTACT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2.- TUTORIALS:

For any queries students can contact lecturers by e-mail, phone or visiting their office during the teacher’s tutorial times published on the students’ Virtual Campus.

3. COURSE DESCRIPTION

This subject allows the student to perform an analysis of the different sources of business finance as well as the evaluation of productive investments through the application of different techniques.

4. SKILLS

1.- SKILLS:

<table>
<thead>
<tr>
<th>Code</th>
<th>Basic and General Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>BS1</td>
<td>Students should have demonstrated that they have gained knowledge of and understand an area of study at a level beyond secondary education that, even though based on advanced text books, it also includes aspects that are acquired from knowledge deriving from the state-of-the-art of the field of study.</td>
</tr>
<tr>
<td>BS2</td>
<td>Students should know how to apply their knowledge to their work or vocation in a professional manner and should have the skills that are usually demonstrated by compiling and defending arguments and resolving problems within their area of study.</td>
</tr>
<tr>
<td>BS3</td>
<td>Students should have the capacity to collect and interpret relevant data (usually within their area of study) to form opinions based on reflection on relevant topics of a social, scientific or ethical nature.</td>
</tr>
<tr>
<td>BS4</td>
<td>Students should be capable of communicating information, ideas, problems and solutions to both a specialist and non-specialist audience.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code</th>
<th>General Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>GS1</td>
<td>Capacity for analytical and critical thinking</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Code</th>
<th>Specific Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>SS3</td>
<td>Capacity to make critical analyses in quantitative and qualitative terms, including data analysis, interpretation and extrapolation to business real life and situations where marketing tools may be applied.</td>
</tr>
<tr>
<td>SS5</td>
<td>Capacity to understand and use information technologies applied to business and to identify the relevant sources of economic information and their contents.</td>
</tr>
</tbody>
</table>

2.- LEARNING OUTCOMES:

Learning outcomes
Identifying the financial dimension of an investment. Evaluating the different investment alternatives offered by the market. Incorporating risk analysis into the evaluation analysis of investment projects. Making informed investment decisions in the company by reviewing performance, risk and the financial structure.

5. LEARNING ACTIVITIES

1.- DISTRIBUTION OF STUDENTS’ ASSIGNMENT:

<table>
<thead>
<tr>
<th>Code</th>
<th>Name</th>
<th>On-campus hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>EA2</td>
<td>Seminars</td>
<td>55.44</td>
</tr>
<tr>
<td>EA3</td>
<td>Workshops</td>
<td>1.98</td>
</tr>
<tr>
<td>EA4</td>
<td>Individual Practices</td>
<td>1.98</td>
</tr>
<tr>
<td>Total hours</td>
<td></td>
<td>59</td>
</tr>
</tbody>
</table>

2.- EDUCATIONAL ACTIVITIES:

<table>
<thead>
<tr>
<th>Educational Activity</th>
<th>DEFINITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Work (EA0)</td>
<td>Educational activity whereby students independently manage their own learning by the study of the course material.</td>
</tr>
<tr>
<td>Seminar (EA2)</td>
<td>Educational activity focused especially on the competence of the students to develop the learning skills enabling them to assimilate content acquired beforehand, while relating economic concepts and those of similar and/or auxiliary disciplines and different theoretical and methodological approaches. Students study each subject in depth to a large extent independently. This educational activity is also centered on encouraging students to acquire the skills necessary to communicate their conclusions – and the understanding and underlying reasons supporting them – to both the specialist and non-specialist public clearly and unequivocally. Priority is given to the participation of students and their sharing of the reasoned interpretation of knowledge and the sources of their fields of study, all of which is coordinated by the professor.</td>
</tr>
<tr>
<td>Practical Workshop (EA3)</td>
<td>Educational activity focused especially on the competence of the students to use specific methodologies for resolving problems of a practical nature encountered by economists in their most applied aspects and/or the information technology tools relevant to each subject. Priority is placed on students undertaking practical activities focused on data manipulation and selection of quantitative and/or qualitative information for purposes of extracting/drawing relevant conclusions.</td>
</tr>
</tbody>
</table>
Practice (EA4) | Educational activity focused especially on the competence of the students to collect, manipulate and process relevant data and variables for economic, statistical, financial, accounting and tax analyses. Priority is placed on students undertaking activities that involve the application of theoretical and/or technical knowledge acquired, which may be done individually or in a group, depending on the subject and the skills to be acquired.

6. ASSESSMENT OF LEARNING

1.- CLASS ATTENDANCE:

- Students who could reasonably justify why they cannot attend classes, must Report these reasons to their professor at the right beginning of the course. In this particular case, professors will establish the corresponding Course Plan adapted to pass the subject. The lack of communication or the delayed communication by students imply that these students will be evaluated using the same criteria as the rest of their colleagues.

2.- ASSESSMENT SYSTEM AND CRITERIA:

<table>
<thead>
<tr>
<th>Code</th>
<th>Name</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>AS4</td>
<td>Written or computer-based examination on exercises, problems, cases, and so forth. (AS4)</td>
<td>40%</td>
</tr>
<tr>
<td>AS9</td>
<td>Submission of exercises</td>
<td>10%</td>
</tr>
<tr>
<td>AS3</td>
<td>Written examination on reasoning questions</td>
<td>50%</td>
</tr>
</tbody>
</table>

3.- DESCRIPTION OF THE EVALUATION SYSTEM:

**ORDINARY EXAMINATION** *(CONTINUOUS EVALUATION)*:

- Tests: two specific tests will be conducted including short theoretical questions and/or practical cases (together 40%).
- Presentation of exercises and practical cases: this includes student participation through reading, presenting exercises, case discussions and other activities that allow a daily monitoring of the student (10%).
- Final exam: Written exam including practical reasoning, exercises, cases; altogether consisting in approximately 10 theoretical/practical questions and a series of practical cases (together 50%). To pass the subject the student must obtain a minimum score of 4.5 points in the final exam and 5 points in total (including continuous evaluation).

**EXTRAORDINARY EXAMINATION**

Students who do not pass the subject in the ordinary examination must take the extraordinary examination, and this extraordinary examination contains all material that has been covered during the course, and all material covered during the practical cases and exercises. Extraordinary Evaluation includes:

- Final Exam: Written exam including approximately 5-10 theoretical/practical questions and a series of practical cases.
7. COURSE SYLLABUS

1.- COURSE SYLLABUS:

THEORETICAL:

PART I: BUSINESS FINANCE AND FINANCIAL CALCULUS

CHAPTER 1: INTRODUCTION TO BUSINESS FINANCE
Financial function in the company
Financial goals in the company and value creation
Interest rates: simple interest and compound interest
Interest rates for non-annual periods
Time value of money

PART II: FINANCING DECISIONS

CHAPTER 2: FINANCIAL SOURCES: OWN FUNDS
Classification of financial sources
Equity funding
The concept of self-financing
Self-financing to maintain value
Self-financing to increase value

CHAPTER 3: FINANCIAL SOURCES: EXTERNAL FUNDS
Funding by external sources
Bonds
Loans
The weighted average cost of capital (WACC)
Further aspects of business finance
Financial gearing: relationship between performance, risk and the financial structure

PART III: INVESTMENT DECISIONS IN THE COMPANY

CHAPTER 4: CHARACTERISTICS OF INVESTMENT PROJECTS
The concept of investment
Financial dimension of investment projects
Typology of investment projects
Estimating financial cash flows of investment projects

CHAPTER 5: PRODUCTIVE INVESTMENT EVALUATION CRITERIA AND PROJECT SELECTION.
Investment evaluation criteria
Net Present Value (NPV) method
Internal Rate of Return (IRR) method
Payback method
Profitability Index method
Applying a risk premium to investment evaluation

8. BIBLIOGRAPHY

1.- BASIC BIBLIOGRAPHY:

SPANISH:


**ENGLISH:**


2.- ADDITIONAL BIBLIOGRAPHY:

**SPANISH:**


ENGLISH:

ARTICLES

WEB RESOURCES:
Banco de España: www.bde.es
Bolsas y Mercados Españoles: www.bolsasymercados.es
Divisas: www.exchangerate.com
Mercado Español de Futuros y Opciones Financieras: www.meff.es
Portal de finanzas de Yahoo: www.finance.yahoo.com
9. ATTITUDE IN THE CLASSROOM

1.- REGULATIONS:

Any irregular act of academic integrity (no reference to cited sources, plagiarism of work or inappropriate use of prohibited information during examinations) or signing the attendance sheet for fellow students not present in class will result in the student not being eligible for continuous assessment and possibly being penalized according to the University regulations.

The teaching unit will decide, in each case, the sanction that will be applied to those students who are expelled from the classroom.