Syllabus
2026 - 2027

TECHNICAL SHEET OF THE SUBJECT

Data of the subject	
Subject name	Fundamentals of Finance
Subject code	E000005839
Mainprogram	Bachelor's Degree in Business Administration and Management
Involved programs	Grado en Administración y Dirección de Empresas (E-2) [Second year] Grado en Administración y Dirección de Empresas (E-2) [Second year] Grado en Administración y Dirección de Empresas y Grado en Derecho [Third year] Grado en Administración y Dirección de Empresas y Grado en Derecho [Third year] Grado en Administración y Dirección de Empresas con Mención en Internacional (E-4) [Second year] Grado en Administración y Dirección de Empresas doble titulación internacional (E-4) [Second year] Grado en Administración y Dirección de Empresas y Grado en Relaciones Internacionales [Third year] Grado en Administración y Dirección de Empresas (E-2) - en inglés [Second year] Grado en Gastronomía e Innovación Culinaria y Grado en Administración y Dirección de Empresas [Third year] Grado en Administración y Dirección de Empresas (E-2) - en inglés [Second year] Grado en Admin. y Dirección de Emp. y Grado en Análisis de Negocios/Bachelor in Business Analytics [Second year] Grado en Admin. y Dirección de Emp. y Grado en Análisis de Negocios/Bachelor in Business Analytics [Second year] Grado en Psicología y Grado en Administración y Dirección de Empresas [Third year]
Level	Reglada Grado Europeo
Quarter	Semestral
Credits	6,0 ECTS
Type	Básico
Department	Departamento de Gestión Financiera
Coordinator	Profª. Vaquero
Schedule	Check at Universidad Pontificia de Comillas website
Office hours	To be announced in class
Course overview	This course introduces the key financial concepts and theories required to understand the different areas of corporate finance, which are fundamental to—and closely interconnected with—a company's value-creation strategy. To this end,, it is needed to understand the critical factors that shape the risk–return trade-off of financial assets and ultimately determine the success or failure of financial investments.

Teacher Information	
Teacher	
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SPECIFIC DATA OF THE SUBJECT

Contextualization of the subject

Contribution to the professional profile of the degree

Fundamentals of Finance is a compulsory, semester-long course taught in the second or third year of the degree programme, depending on the specific degree pursued.

It is a compulsory course because it serves as the foundational and introductory course within the Finance curriculum. It provides the basis for both the subsequent compulsory courses in the field of Finance and all elective courses offered by the Department of Financial Management.

The knowledge (topics) and methodologies covered in Fundamentals of Finance are essential for all Business Administration students, regardless of their future area of specialization.

Prerequisites

To undertake Fundamentals of Finance, students are expected to have acquired the knowledge provided by prerequisite courses such as Fundamentals of Accounting, Business Law, Financial Accounting, Financial Mathematics, and Business Statistics.

Competencies - Objectives

Competences

GENERALES

CG1	Adquirir una base de conocimientos sólida y relevante sobre la disciplina científica y empresarial

	RA1	Identifica, define y explora las problemáticas concretas del área de estudio de manera lógica y coherente dentro de un marco analítico adecuado.
CG2	Capacidad de gestionar información y datos provenientes de fuentes diversas para hacer un análisis crítico y un correcto diagnóstico de la realidad empresarial.	
	RA2	Es capaz de realizar dicho proceso de diagnóstico dando y recibiendo feed-back de forma asertiva, que ayude a incrementar la integración y la confianza en los equipos de trabajo.
CG3	Capacidad para la resolución de problemas y toma de decisiones empresariales seleccionando y aplicando adecuadamente las técnicas pertinentes de análisis de datos	
	RA2	Aplica los conceptos matemáticos y técnicas cuantitativas y cualitativas de análisis de datos necesarios para la resolución de problemas empresariales y apoyar el diagnóstico y toma de decisiones en la empresa.
CG5	Desarrollar habilidades interpersonales que refuercen el aprendizaje de un trabajo autónomo, bien organizado y planificado y que esté orientado a la acción y a la calidad.	
	RA1	Desarrolla habilidades académicas, interpersonales e instrumentales necesarias para la investigación independiente, relacionando los conocimientos adquiridos con las distintas aplicaciones profesionales o prácticas reales.
CG7	Reconocer la riqueza de la diversidad y multiculturalidad de personas y enfoques de la realidad empresarial, siendo capaces de elaborar y comunicar en contextos diversos ideas, proyectos, informes, soluciones y problemas, en un clima constructivo y de respeto al otro.	
	RA1	Argumenta de manera independiente y crítica sobre conceptos y teorías diversas apreciando la amplitud y el valor de las diferentes perspectivas con conciencia intercultural y perspectiva global.
ESPECÍFICAS		
CE19	Conocimiento y comprensión de las distintas áreas de las finanzas corporativas como partes fundamentales y profundamente interrelacionadas con la estrategia de la empresa conducente a la creación de valor.	
	RA1	Conoce y comprende los diversos métodos de selección de inversiones, y tiene capacidad de elección del más adecuado y capacidad para aplicarlos en la toma de decisiones reales.
	RA3	Conoce las teorías existentes sobre cómo se puede crear o no valor a través de la política de endeudamiento y de las políticas de dividendos: Teoría de Modigliani y Miller, Teoría del Equilibrio (Trade off); Teoría de la Jerarquía Financiera y Teoría Organizativa.
CE20	CE20 Conocimiento y comprensión de las funciones que desempeña el Director Financiero y del entorno en el que lo hace; de los principios en los que se basa la Dirección Financiera y del papel de la información contable en el análisis y toma de decisiones financieras.	

	RA1	Es capaz de analizar e interpretar los estados financieros de una empresa y emitir un juicio de valor sobre su situación económico financiera actual y futura, mediante el uso de ratios financieros (de liquidez, apalancamiento, rentabilidad, actividad y eficiencia,)

THEMATIC BLOCKS AND CONTENTS

Contents - Thematic Blocks

Chapter 1: Corporate Finance and the CFO

1. The Corporation and the CFO.
2. Agency problems.
3. Principles or axioms underlying corporate finance.

1.4. The goal of financial management: creating value.

Chapter 2: Financial Statements

2.1. Financial Statements as a source of information.

2.2. Working capital. Operative working capital.

2.3. Cash Flows.

Chapter 3: Ratio analysis

3.1. Using financial statements information.

3.2. Long-term solvency ratios.

3.3. Liquidity ratios.

3.4. Profitability measures.

3.5. Asset management or turnover measure.

3.6. The Du Pont analysis.

3.7. The Cash Cycle.

Chapter 4: Cost of capital

4.1. Introducing cost of capital and financial structure.

4.2. Cost of capital key drivers.

4.3. The cost of equity: CAPM and DDM.

4.4. The cost of debt.

4.5. Estimating the Weighted Average Cost of Capital.

Chapter 5: Capital structure and financial leverage

5.1. Financial leverage: definition and its effect on Earnings per Share and Company Valuation.

5.2. Optimal capital structure of a firm: costs of financial distress and trade-off theory.

Chapter 6: Capital budgeting

6.1. Investment projects.

6.2. Incremental cash-flows.

6.3. The discount rate.

6.4. Net Present Value and other investment criteria.

6.5. Uncertainty and capital budgeting.

TEACHING METHODOLOGY

General methodological aspects of the subject

In-class Methodology: Activities

In-person sessions consist of content blocks structured by the teacher to facilitate collective learning through lectures, exercises, discussions, and practical activities, with the active participation of students.

The following types of in-person activities are included:

- lectures;
- general content presentation sessions;
- exercises and problem-solving activities;
- workshops (case studies);
- theory-and-practice seminars.

Non-Presential Methodology: Activities
When properly guided, the work students undertake outside the classroom is an essential complement to the teaching and learning process. Providing appropriate guidance for students' independent work, together with a system of academic support, tutoring, and ongoing monitoring of these activities, is crucial to the effectiveness of the overall learning process. Students' independent work does not necessarily mean working alone; rather, it may take a variety of forms, including individual study, research and further reading to deepen course content, tutorial sessions, and collaborative learning.

SUMMARY STUDENT WORKING HOURS

CLASSROOM HOURS	
Lecciones de carácter expositivo	Ejercicios y resolución de casos y de problemas
31.50	25.50
NON-PRESENTIAL HOURS	
Estudio individual y/o en grupo y lectura organizada	
93.00	
ECTS CREDITS: 6,0 (150,00 hours)	

EVALUATION AND CRITERIA

The use of AI to produce full assignments or substantial parts thereof, without proper citation of the source or tool used, or without explicit permission in the assignment instructions, will be considered plagiarism and therefore subject to the University's General Regulations.

Evaluation activities	Evaluation criteria	Weight
FINAL WRITTEN EXAM	Accuracy of the response. Mastery of the concepts. Coherence and structure.	60 %
CLASS ATTENDANDE AND ACTIVE PARTICIPATION	Student engagement and proactive attitude. Completion and quality of assignments. Respectful conduct. Progress in learning. Contribution to the collective learning of the class. Regular attendance.	15 %

COMPULSORY MIDTERM EXAM	Accuracy of the response. Mastery of the concepts. Coherence and structure.	10 %
GROUP ASSINGMENT/S	Mastery of the concepts. Selection and effective use of the most relevant information. Coherence and structure. Quality of presentation. Appropriate use of graphs and tables.	15 %

Ratings

It is necessary to pass the final exam with a minimum mark of 5.0 to apply the percentages. Once the percentages are applied, to pass this course it is necessary that the average of all the items is 5.0 or above.

The students that have a formal exemption (of at least 50%) to attend class (including those who are on an exchange programme abroad), the final exam mark will represent 100% of the course grade.

In case a student fails, in the second or subsequent re-takes, the final exam mark will represent 100% of the course grade.

USE OF CHATGPT OR ANOTHER IAG

According to the General Regulations of the University, art, the improper use of ChatGPT or another IAG will be considered a serious offence. 168.2.e: "carrying out actions tending to falsify or defraud the academic performance evaluation systems." The consequences of this will be "temporary expulsion of up to three months or the prohibition to take the exam in the next call to the imposition of the sanction, in one or several subjects in which the student is enrolled, [...] apart from assuming the grade of fail (0) in the respective subject, [...] [and] the prohibition to take the exam in that subject in the next call." Specifically, in this subject, the teacher may allow the use of IAG for specific activities of the subject; the student is obliged to do the following:

• That the student clearly indicates why s/he has used IAG (ChatGPT). All content created with generative AI must be labelled as such. All content that uses generative AI and is adapted must be labelled as such and cited authors.

• It includes as additional material (annexes) the complete prompt (questions and answers) of your conversation with IAG (ChatGPT) to generate the task.

In case of not complying with the above obligations, the use of IAG by the student will be considered improper use for the purposes mentioned above.

BIBLIOGRAPHY AND RESOURCES

Basic Bibliography

ROSS, Stephen; WESTERFIELD, Randolph; JAFFE, Jeffrey and JORDAN, Bradford (2021). Corporate Finance: Core Principles and Applications. 6th edition. Ed. McGraw-Hill.

Complementary Bibliography

BREALEY, Richard; MYERS, Stewart y ALLEN, Franklin (2020): *Principles of Corporate Finance*, 13th edition. Ed. Mc Graw-Hill.

BREALEY, Richard; MYERS, Stewart y MARCUS, Alan (2018): *Fundamentals of Corporate Finance*, 9th edition. Ed. Mc Graw-Hill.

HAWAWINI, Gabriel and VIALLET, Claude (2010): *Finance for Executives: Managing for Value Creation*, 4th edition. Ed. South-Western College Publications.

PRAT, Margarita (coord.) (2013): *Ejercicios resueltos de finanzas*. 3ª edición. Ed. UP Comillas.