



# COMILLAS

UNIVERSIDAD PONTIFICIA

ICAI

ICADE

CIHS

**Syllabus**  
**2024 - 2025**

## TECHNICAL SHEET OF THE SUBJECT

| Data of the subject |   |
|---------------------|---|
| Subject name        | Investment Analysis   |
| Subject code        | E000011577  |
| Main program        | <a href="#">Official Master's Degree in Business Administration - MBA</a>   |
| Involved programs   | Máster Universitario en Administración de Empresas (MBA) [First year]   |
| Level               | Postgrado Oficial Master  |
| Quarter             | Semestral   |
| Credits             | 3,0 ECTS  |
| Type                | Optativa  |
| Department          | Departamento de Gestión Financiera  |
| Coordinator         | Jesus Reglero Sánchez   |
| Schedule            | N.A. Contact by email   |
| Office hours        | N.A. Contact by email   |
| Course overview     | Types of investment analysis. Macroeconomic environment: Relationship of the business cycle and the stock market cycle and analysis of the most relevant macroeconomic factors for fundamental analysis. Influence of the characteristics of the economic sectors in project evaluation. Economic-financial diagnosis of companies. Projection of the financial statements. Application of business valuation models. Preparation of market reports with investment recommendations |

| Teacher Information |                                    |
|---------------------|------------------------------------|
| Teacher             |                                    |
| Name                | Jesús Javier Reglero Sánchez       |
| Department          | Departamento de Gestión Financiera |
| Office              | N.A. Please contact by email       |
| E-Mail              | jreglero@icade.comillas.edu        |

## SPECIFIC DATA OF THE SUBJECT

| Contextualization of the subject   |
|--|
| <b>Contribution to the professional profile of the degree</b>  |
| <p>The Investment Analysis subject is an optional, four-monthly subject taught in the Master in Business Administration (MBA). The subject is included in the finance itinerary for those students who choose this specialization within the program.</p> <p>The MBA program contains a series of subjects related to the area of finance, among which are the compulsory subjects, Corporate Finance and Accounting that are developed in the first and second semesters respectively. Also, within the financial itinerary, in addition to Investment Analysis, students are offered other related subjects such as Portfolio Management, Mergers and Acquisitions, Advanced Corporate Finance, Global Financial Markets and Private Equity / Venture Capital.</p> <p>The knowledge and methodologies that will be taken during the course are oriented towards the student who needs to analyse different</p> |



investment alternatives and make decisions or recommend about their attractive potential as mechanisms to create value for the decision maker.

In order to be able to follow the subject efficiently, the students are recommended to get certain previous knowledge of financial accounting, financial mathematics and corporate finance

The objectives pursued with this subject are:

- Know the macroeconomic environment and the main figures that explain economic development, such as economic growth, inflation, interest rates or exchange rates.
- Analyse current financial markets, both equity and fixed income and the determination of the relationship between the economic cycle and the stock market cycle in an economy.
- Differentiate the main sectors of economic activity and the intrinsic characteristics of each of them.
- Review and strengthen the knowledge of key concepts in the area of finance, such as financial statements, income statement, cash flow or balance sheet as well as the time value of money.
- Prepare the financial projections of a company based on historical financial statements and the strategic plan and future business model.
- Deepen in knowing the application of Excel to the elaboration of financial models. • Calculate sensitivities of the main results of the financial model based on variations in the starting assumptions.
- Obtain conclusions from the financial projections using the most commonly used financial ratios.
- Apply the most used methodologies to analyse investments and apply them to decision making.
- Study real cases in which investment recommendations are presented, selection of investments within a set of alternatives and know the work of stock market analysts when they write their stock market reports and issue their recommendations on equity securities.

## Prerequisites

In order to keep track of the subject, students should have prior knowledge of Financial Accounting and Financial Mathematics as well as Introduction to Corporate Finance

## Competencies - Objectives

### Competences

#### BÁSICAS

|             |   |
|-------------|---|
| <b>CB08</b> | Que los estudiantes sean capaces de integrar conocimientos y enfrentarse a la complejidad de formular juicios a partir de una información que, siendo incompleta o limitada, incluya reflexiones sobre las responsabilidades sociales y éticas vinculadas a la aplicación de sus conocimientos y juicios. |
|-------------|---|

#### GENERALES

|             |  |  |
|-------------|--|--|
| <b>CG01</b> | Analytic and synthesis cognitive capacities applied to business situations and managing and organisation problems. |  |
|             | <b>RA01</b>  | Describe, relaciona e interpreta situaciones y planteamientos teóricos y prácticos.  |
|             | <b>RA02</b>  | Selecciona y analiza los elementos más significativos y sus relaciones en contextos diferentes.  |
|             | <b>RA03</b>  | Identifica las carencias de información y la relevancia de la misma, estableciendo establece relaciones con elementos externos a la situación planteada. |



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|-------------|---|--|
| <b>CG02</b> | Management of data and information as key elements for decision-making and for identification, formulation and resolution of business problems.   |  |
|             | <b>RA01</b>   | Conoce, utiliza y discrimina las diferentes fuentes de información sobre la materia (información de los mercados, difusores de información, páginas web, revistas especializadas, informes de analistas y otras) |
|             | <b>RA02</b>   | Identifica la idoneidad de cada fuente en función de la finalidad de la misma.   |
| <b>CG03</b> | Problem-solving and decision-making skills at a strategic, tactic and operational level with regard to a business, considering the interrelationship between the different functional and business areas. |  |
|             | <b>RA01</b>   | Dispone de la capacidad para tomar decisiones de forma autónoma entre alternativas y situaciones concretas.  |
|             | <b>RA02</b>   | Reconoce y sabe buscar alternativas en la resolución de problemas teóricos y prácticos.  |
|             | <b>RA03</b>   | Selecciona, analiza, resuelve y toma decisiones en casos prácticos basados en situaciones reales.  |
| <b>CG04</b> | Application of concepts and theories on business organizations in order to discover new business opportunities and acquire long-term competitive advantages.  |  |
|             | <b>RA01</b>   | Identifica y crea nuevas formas de aplicar los conocimientos adquiridos a la resolución de problemas prácticos.  |
|             | <b>RA02</b>   | Sabe establecer novedades e introducir nuevas ideas para la aplicación de la teoría a los casos prácticos.   |
| <b>CG05</b> | Ethical commitment with a behaviour based in moral principles and those principles of the organisation when facing moral dilemmas and corporate social responsibility issues.                             |  |
|             | <b>RA01</b>   | Sabe comunicar la situación de partida y las implicaciones de las decisiones empresariales en Contabilidad.  |
|             | <b>RA02</b>   | Es capaz de comunicarse de forma clara y precisa dependiendo del público objetivo de la información y los medios materiales de la misma.   |
|             | <b>RA03</b>   | Participa de forma activa en el trabajo de grupo compartiendo información, conocimientos y experiencias.   |
|             | <b>RA04</b>   | Se orienta a la consecución de acuerdos y objetivos comunes.   |
|             | <b>RA05</b>   | Contribuye al establecimiento y aplicación de procesos y procedimientos de trabajo en equipo.  |
|             | <b>RA06</b>   | Maneja las claves para propiciar el desarrollo de reuniones efectivas.   |
| <b>CG06</b> | Time management capacity with the purpose of improving personal and team efficiency within business organizations, its environment and its management.  |  |
|             | <b>RA01</b>   | Reflexiona y conoce los límites del comportamiento íntegro y acorde con los valores personales y profesionales del entorno cultural en el desarrollo de la aplicación práctica de los conocimientos de la        |



|                    |  |  |
|--------------------|--|--|
|                    |  | asignatura.  |
|                    | <b>RA02</b>  | Identifica en los ejercicios y casos prácticos las actuaciones profesionales que se corresponden con valores éticos.   |
|                    | <b>RA03</b>  | Es honesto en actividades académicas y no es pasivo ante la deshonestidad de otros.  |
| <b>CG07</b>        | Critical reasoning and argumentation according with the understanding of knowledge and know-how on business administrations, their external context and their administration and management processes.   |  |
|                    | <b>RA01</b>  | Planifica su trabajo personal de una manera viable y sistemática.  |
|                    | <b>RA02</b>  | Se integra y participa en el desarrollo organizado de un trabajo en grupo. Planifica un proyecto complejo.   |
|                    | <b>RA03</b>  | Gestiona su tiempo participando en la fijación de fechas de entrega, exámenes y asume las responsabilidades de cumplir los objetivos, plazos y trabajos acordados.   |
| <b>CG08</b>        | Initiative, creativity and entrepreneurship when applying management techniques and related knowledge to management and development of business organizations.   |  |
|                    | <b>RA01</b>  | Identifica, establece y contrasta las hipótesis, variables y resultados de manera lógica y crítica.  |
|                    | <b>RA02</b>  | Revisa las opciones y alternativas con un razonamiento crítico que permita discutir y argumentar opiniones contrarias.   |
| <b>CG09</b>        | Knowledge, understanding and handling of tools for diagnosis of the competitive position of a company, and designing and executing the company's strategic plan.   |  |
|                    | <b>RA01</b>  | Orienta el estudio y el aprendizaje de forma autónoma, desarrollando iniciativa y estableciendo prioridades en su trabajo.   |
| <b>ESPECÍFICAS</b> |  |  |
| <b>CE10</b>        | Knowing and being able to use the assets valuation techniques, to analyse and select investments, to identify financing sources, and to design and implement the relevant financial strategies and techniques for advanced corporate management. |  |
|                    | <b>RA01</b>  | 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.   |
|                    | <b>RA02</b>  | Conoce los conceptos teóricos sobre valoración de empresas (Flujo de Caja Libre, Coste de Capital) y los diferentes métodos de valoración de empresas existentes y es capaz de escoger de manera crítica, el o los métodos más apropiados en cada caso. Domina y aplica en la práctica los métodos del descuento de flujos de caja (DCF) y de los múltiplos. |
|                    | <b>RA03</b>  | Conoce las teorías existentes sobre como se puede crear o no valor a través de la política de endeudamiento: Teoría de Modigliani y Miller, Teoría del Equilibrio (Trade off); Teoría de la Jerarquía Financiera y Teoría Organiza   |



|             |  |
|-------------|--|
| <b>RA04</b> | Conoce las teorías existentes sobre como se puede crear o no valor a través de las políticas de dividendos: Teoría de Modigliani y Miller y otras teorías sobre la política de dividendos. Conoce las variables a considerar en la definición de una política de dividendos. |
| <b>RA05</b> | Comprende los fundamentos de las operaciones de Fusiones y Adquisiciones, los motivos que las impulsan, los procesos para llevar a cabo esas operaciones y los factores que pueden hacerlas fracasar.  |
| <b>RA06</b> | Conoce como dichas áreas se interrelacionan entre si para conseguir la estrategia de creación de valor por parte de la empresa.  |

## THEMATIC BLOCKS AND CONTENTS

### Contents - Thematic Blocks

#### Unit 1: The business context in making investment decisions

1. Macroeconomic aspects (economic growth, inflation, interest rates, exchange rates)
2. Economic cycle vs stock market cycle vs valuation of companies / projects
3. Competitiveness of countries and criteria for increasing the attractiveness of investments
4. Typologies of sectors of activity: public vs private, regulated, cyclical, counter-cyclical

#### Unit 2: Introduction to Investment Analysis

1. Importance of the time value of money
2. Importance of cash flow and review of its calculation based on the financial statements
3. Construction of financial projections of business projects
4. Equity cash flow and project cash flow: difference, importance and situations in which each is used
5. Sensitivity analysis

#### Unit 3: Investment selection methods

1. Main methods of investment analysis: NPV, IRR and payback
2. Practical application of investment selection methods: analysis of profitability thresholds, sensitivity and scenarios
3. Impact of exchange rates on investment decision-making and hedging strategies
4. Impact of interest rates on investment decision-making and hedging strategies
5. Practical examples of analysis of investments in real estate, renewable or industrial energy projects

#### Unit 4: Advanced aspects to consider business investments

1. Analysis of selection of alternative investments and opportunity cost
2. Real options

## TEACHING METHODOLOGY



## General methodological aspects of the subject

### In-class Methodology: Activities

The subject will be developed covering the contents described in this guide and the approach to learning will be predominantly practical. The teacher will combine sessions in which some of the concepts and subjects are approached from the theoretical point of view but always with the objective of knowing the practical application as well as the analysis and discussion with the students of real examples where similar situations are seen. Therefore, in addition to master classes, which are limited, the main activities will be the development of practical cases, performance of exercises and problem solving and theoretical-practical seminars.

CG02, CG03, CG06,  
CG08, CG07, CE10

### Non-Presential Methodology: Activities

Throughout the course one or more team work will be carried out whose objective will be to apply part of the concepts seen during the course to a real case situation. These work or works will be defended in class before the teacher where students must put into practice their communication skills and abilities. At the beginning of the subject, the teachers will provide the student with information on the characteristics of this work and will give them the guidelines for its completion.

CG03, CG05, CG06,  
CG09, CE10

## SUMMARY STUDENT WORKING HOURS

| CLASSROOM HOURS                        |  |   |                        |
|--|--|---|------------------------|
| Lectures of an expository nature       | Analysis and resolution of cases and exercises, individually or collectively | Oral presentations of topics, cases, exercises and papers | Seminars and workshops |
| 9.00                                   | 9.00   | 9.00  | 3.00                   |
| NON-PRESENTIAL HOURS                   |  |   |                        |
| Individual study and organized reading | Seminars and workshops   | Collaborative learning                                    | Academic tutoring      |
| 5.00                                   | 20.00  | 10.00   | 10.00                  |
| <b>ECTS CREDITS: 3,0 (75,00 hours)</b> |  |   |                        |

## EVALUATION AND CRITERIA

| Evaluation activities                                      | Evaluation criteria  | Weight |
|--|--|--------|
| Individual exam  | Combination of theoretical questions and application in practical case in individual exam that is carried out at the end of the subject              | 50     |
| Evaluation of cases or exercises, individual or collective | Ongoing evaluation of assignments carried out during the course in case of the topics that are being carried out and that will be presented in class | 20     |



|   |  |    |
|---|--|----|
|   |  |    |
| Active student participation in the classroom                         | Student participation in day-to-day classes  | 10 |
| Evaluation of individual or collective monographic or research papers | Quality of the work and analysis of the work carried out during the course by the students individually or collectively                              | 10 |
| Self-assessment and co-evaluation                                     | Grade that each student proposes for himself depending on his evolution in different activities or exercises that are carried out during the program | 5  |
| Public oral presentation  | Assessment of the ability to present papers in public to the class   | 5  |

## Ratings

To be able to pass the subject in ordinary call, you must have a minimum grade of 5.0 in the individual exam, as well as having participated in more than 75% of the practical cases developed during the course

In the event that the student has to go to the extraordinary call, the grade will be determined by 75% the exam or extraordinary final work and 25% the joint grade that the student has obtained during the entire course between which participation is included active, performance of work and activities, evaluation of monographic works

Students with an attendance waiver. In order to pass the course, these students will have to take the final exam and the final grade of the course will be 100% the grade of this exam

## BIBLIOGRAPHY AND RESOURCES

### Basic Bibliography

During the subject and the classes taught, the teacher will have presentations, notes and materials which will be delivered to the students and these will serve as the main material for the study and monitoring of the subject.

Likewise, the theoretical material will be completed with practical information such as case studies, readings, press articles ...

### Complementary Bibliography



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Brealey, Richard A.; Myers, Stewart C. and Franklin, Allen (2011): Principles of Corporate Finance, Concise Edition, Second Edition. Ed. McGraw-Hill International Edition

Higgins, Robert C (2008): Analysis of Financial Management, Ninth Edition, Ed. McGraw-Hill International Edition

Fernández, P. (2002). Valoración de Empresas. Ed. Gestión 2000

Jiménez Cardoso, S., García Ayuso y Sierra G. (2004). Análisis financiero Ed. Pirámide

Rivero Torre, P. (2002) Análisis de Balances y Estados Complementarios, Ed. Pirámide