

## FICHA TÉCNICA DE LA ASIGNATURA

<b>Datos de la asignatura</b>	
<b>NombreCompleto</b>	Introduction to Finance
<b>Código</b>	E000006035
<b>Nivel</b>	Intercambio
<b>Cuatrimestre</b>	Semestral
<b>Créditos</b>	6,0
<b>Carácter</b>	Business in Spain
<b>Departamento / Área</b>	Departamento de Gestión Financiera
<b>Responsable</b>	Prof. Susana de los Ríos Sastre
<b>Descriptor</b>	Financial management of a corporation. The goal of financial management. The financial background of corporates. Understanding financial statements. Capital budgeting techniques. The cost of capital. Financial statements analysis using ratios. Mergers and acquisitions.

<b>Datos del profesorado</b>	
<b>Profesor</b>	
<b>Nombre</b>	Esther Vaquero Lafuente
<b>Departamento / Área</b>	Departamento de Gestión Financiera
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<b>Profesor</b>	
<b>Nombre</b>	Jorge González Navarro
<b>Departamento / Área</b>	Departamento de Gestión Financiera
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## DATOS ESPECÍFICOS DE LA ASIGNATURA

### Contextualización de la asignatura

### Competencias - Objetivos

## BLOQUES TEMÁTICOS Y CONTENIDOS

## METODOLOGÍA DOCENTE

**Aspectos metodológicos generales de la asignatura**

**EVALUACIÓN Y CRITERIOS DE CALIFICACIÓN**

**BIBLIOGRAFÍA Y RECURSOS**

## COURSE DESCRIPTION AND OUTLINE

<b>Course Information</b>	
Name	Introduction to Finance
Code	
Degree	Bachelor's Degree in Business Administration and Management E2/E4/E6
Year is taught	2 <sup>o</sup>
Semester	1 <sup>st</sup> or 2 <sup>nd</sup>
ECTS credits	6
Type of course	Mandatory
Department	Financial Management
Area	Finance
University	Universidad Pontificia Comillas
Timetable	
Teachers	Esther Vaquero y Jorge González Navarro
Contents	Financial management of a corporation. The goal of financial management. The financial background of corporates. Understanding financial statements. Capital budgeting techniques. The cost of capital. Financial statements analysis using ratios. Mergers and acquisitions.

<b>Teachers Information</b>	
<b>Professor</b>	
Name	SUSANA DE LOS RÍOS-SASTRE (coord.)
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Tutorials timetable	
<b>Professor</b>	
Name	ESTHER VAQUERO LAFUENTE
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Tutorials timetable	To be announced in class
<b>Professor</b>	
Name	JORGE GONZÁLEZ NAVARRO
Department	Financial Management
Area	Finance (Corporate Finance)
e-mail	To be announced in class
Tutorials timetable	To be announced in class

## DETAILED COURSE INFORMATION

### COURSE CONTENT

<b>Content Programme</b>
<b>Part 1: Introduction</b>
<b>Chapter 1: Overview of financial management. The corporation and the CFO</b>
<ul style="list-style-type: none"> <li>1.1. Introduction</li> <li>1.2. Business finance and the financial manager</li> <li>1.3. The finance department</li> <li>1.4. The goal of financial management</li> </ul>
<b>Chapter 2: Financial markets and the corporation</b>
<ul style="list-style-type: none"> <li>2.1. Overview of the Spanish financial system</li> <li>2.2. Primary versus secondary markets</li> <li>2.3. Financial markets drivers. Market efficiency</li> </ul>
<b>Chapter 3: Building blocks for corporate finance</b>
<ul style="list-style-type: none"> <li>3.1. Introduction</li> <li>3.2. The ten basic axioms underlying corporate finance</li> <li>3.3. Understanding financial statements and cash flows</li> </ul>
<b>PART 2: Capital budgeting and cost of capital</b>
<b>Chapter 1: Capital budgeting</b>
<ul style="list-style-type: none"> <li>1.1. Investment projects. CAPEX</li> <li>1.2. Incremental cash-flows</li> <li>1.3. The discount rate</li> <li>1.4. Net Present Value and other investment criteria</li> </ul>
<b>Chapter 2: Cost of capital</b>
<ul style="list-style-type: none"> <li>1.1. The cost of capital. What is it</li> <li>1.2. The cost of equity</li> <li>1.3. The cost of debt and preferred stock</li> <li>1.4. The Weighted Average Cost of Capital</li> </ul>
<b>PART 3: Financial Statements</b>
<b>Chapter 1: Ratio analysis</b>
<ul style="list-style-type: none"> <li>1.1. Using financial statements information</li> <li>1.2. Liquidity ratios</li> <li>1.3. Long-term solvency ratios</li> <li>1.4. Asset management or turnover measure</li> <li>1.5. Profitability measures</li> <li>1.6. Market value ratios</li> <li>1.7. The Du Pont analysis</li> </ul>
<b>Chapter 2: Short-term financial planning. Working Capital management</b>
<ul style="list-style-type: none"> <li>1.1. Some aspects of short-term financial policy</li> <li>1.2. Current assets and liabilities</li> <li>1.3. Operating working capital</li> <li>1.4. The operating cycle and the cash cycle</li> </ul>
<b>PART 4: Mergers and Acquisitions. Corporate control</b>
<b>Chapter 1: Mergers and Acquisitions</b>
<ul style="list-style-type: none"> <li>1.1. Overview</li> <li>1.2. Reasons for M&amp;A deals</li> <li>1.3. Types of operations</li> <li>1.4. M&amp;A effects</li> </ul>

## TEACHING METHODS AND STRUCTURE

<b>Tecahing methods for the M&amp;A course</b>	
<p>This course requires the students attend the class sessions. There are regular teaching sessions, case study discussions and practical problems and questions. Active student participation is important. They are expected to read the assigned materials prior to the class, in addition to preparing the problems and case studies when appropriate.</p>	
<b>Teaching methods and activities when the student attends a class session</b>	<b>Competences</b>
<p>Regular teaching sessions where the teacher will define and explain the technical terms and analysis, giving examples and pointing at the issues that arise debate in the reality of corporate finance. The student should listen attentively, trying to understand the rational and ideas being explained. He is expected to take notes of the main contents to complement class material. Classroom discussion is encouraged, and students can interrupt the professor asking questions or requesting further clarification. Preparation prior to the class is essential to take the most of the teaching session.</p> <p>In addition to this, there are classes with a more active involvement from students. They will carry out activities and problems, supervised by the teacher, trying to apply in practice the theoretical content explained in class. During these workshops, problems are solved, case studies are discussed and news or reading material related to the topic are debated. Sometimes the work will be done individually, and sometimes the students will work as a team.</p> <p>A few sessions may be spent in talks or presentations from guests who are professionals from different areas related to corporate finance.</p>	<p><b>Cognitive skills</b>  <b>Interpersonal skills</b>  <b>Attitude skills</b></p>
<b>Teaching methods and activities outside the classroom sessions</b>	<b>Competences</b>
<p>Besides taking part in class work and supervised workshops, the student needs to spend time revising individually the course material. Outside of the classroom, the student must read the materials assigned by the teachers, he also must work and solve problems and questions and look for additional information when needed. He also needs to work with fellow students in group assignments.</p>	<p><b>Systemic skills</b>  <b>Practical and procedure skills</b>  <b>Instrumental skills</b></p>

## ASSESSMENT AND EVALUATION CRITERIA

<b>Activities assessed</b>	<b>Weight</b>
Classroom participation and discussions	10%
On-going assessments	30%
Final exam	60%

It is necessary to pass the final exam with a minimum mark of 5.0 in order to apply the aforementioned 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.

<b>SUMMARY OF THE STUDENT EXPECTED WORKING HOURS</b>			
<b>Hours in classroom</b>			
<b>Lessons</b>	<b>Case study and problem solving sessions</b>	<b>Assessment</b>	
31.5 h	25.5 h	4.5 h	
<b>Hours outside the classroom</b>			
<b>Individual work on theoretical knowledge</b>	<b>Individual work on practical knowledge</b>	<b>Group work</b>	<b>On-going revision</b>
40	44	1	Included in previous categories
<b>ECTS CREDITS:</b>			<b>6</b>

## **BIBLIOGRAPHY AND ADDITIONAL READING LIST**

<b>Bibliography</b>
<b>Textbooks</b>
ROSS, Stephen; WESTERFIELD, Randolph; JAFFE, Jeffrey and JORDAN, Bradford (2018). <i>Corporate Finance: Core Principles and Applications</i> . Ed. McGraw-Hill. 5th edition.
<b>Chapters in books</b>
<b>Articles and news</b>
A variety of material will be handed out in the classroom or through the course webpage
<b>Web pages</b>
<b>Notes</b>
The student will be supplied with lesson notes and slides through the course webpage
<b>Additional material</b>
<b>Additional reading list</b>
<b>Textbooks</b>
<ul style="list-style-type: none"> <li>▪ Brealey, Richard and Myers, Stewart (2012): <i>Fundamentals of Corporate Finance.</i>, 7ª edición. Ed. Mc Graw-Hill</li> <li>▪ Damodaran, Aswath (2012) <i>Investment Valuation: Tools and Techniques for Determining the Value of any Asset</i>. Ed. Wiley. (2<sup>nd</sup> edition)</li> <li>▪ Gaughan, Patrick A. (2010): <i>Mergers, Acquisitions and Corporate Restructurings</i>. Ed. Wiley. (5<sup>th</sup> edition)</li> </ul>