

Course Information	
Subject	Financial Analysis and Financial Management
Degree	Master in Finance
Course	First course
Term	First term
ECTS – Credits	3
Type of Course	Mandatory
Department	ICADE Business School
Area	Finance
Professor	
Name	Marisa Mazo
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Area	Finance
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Attendance Hours	Available by e-mail
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COURSE SPECIFICS

Context of the Course
<p>Contribution to the professional profile of the master degree.</p> <p>Knowledge of the techniques of financial analysis and financial management is essential for all professionals who develop their career in the financial department of the company. He or she will face investment decisions and situations in which must do the necessary analysis to carry out strategic actions that lead to improve productivity and competitiveness of the company</p> <p>Through this course, you will work on knowledge of the concepts, and their practical application in cases presented by the teacher, as the ideal way to recognize which is the right method to apply in investment and financing decisions.</p> <p>In this way, attendees can deal more efficiently with similar situations they will find in their professional field.</p>
<p>Class Aims</p> <ol style="list-style-type: none"> 1. Learning the concepts needed to assess the financial convenience of corporate investments and to diagnose the financial situation of companies. 2. Applying these concepts to the realization of practical cases. 3. Being able to identify the techniques of financial analysis and issuing appropriate and substantiated investment recommendations. 4. Being able to perform a comprehensive reading of the recommended texts and summarize them. Exposing the own views in class, and defend them if necessary.

CONTENTS

Contents
Lesson 1: Introduction to Corporate Finance
<ul style="list-style-type: none">• Introduction to the course: objectives, methodology and structure• What is Corporate Finance• The Role of Finance Function• Corporate Financial Decisions, Firm Value and Equity Value• Finance in the Corporation• The Roles and Responsibilities of Treasurer and Controller in an Organization• The Changing Role of the CFO• The importance of Finance Function in an Organization• Changes that Have Taken Place with Regard to Finance Function
Lesson 2: Capital budgeting
<ul style="list-style-type: none">• The Capital Budgeting Process• Basic Principles of Capital Budgeting• Investment Decision Criteria<ul style="list-style-type: none">○ Net Present Value○ Internal Rate of Return○ Payback Period○ Discounted Payback Period○ Average Accounting Rate of Return○ Profitability Index○ NPV Profile○ Ranking Conflicts between NPV and IRR○ The Multiple IRR Problem and the No IRR Problem○ Popularity and Usage of the Capital Budgeting Methods
Lesson 3: The balance–sheet analysis: capital structure, cost of capital, leverage and dividend policy
<ul style="list-style-type: none">• The financial statements: The cash cycle.• Sources of funds• Cost of capital• Capital structure• Financial leverage• Dividend policy
Lesson 4: The analysis of both the income statement & the cash flow statement
<ul style="list-style-type: none">• The income statement (P&L).• The cash flow statement.• Relationship among financial statements.
Lesson 5: Financial analysis techniques
<ul style="list-style-type: none">• The financial analysis process• Analytical tools and techniques• Common ratios used in financial analysis
Lesson 6: Financial statement estimates
<ul style="list-style-type: none">• How to estimate the income statement, the balance sheet and the cash flow statement.• Critic variables to make estimates• Case study
Lesson 7: Free cash flow
<ul style="list-style-type: none">• Free cash flow: types.

Competences
General competences
CGB 1. Capacity for analysis and synthesis CGB 2. Problem solving and decision making CGB 3. Capacity for organization and planning CGB 4. Ability to manage information from different sources CGB 5. Advanced computer skills related to field of study CGB 6. Interpersonal skills: listen, argue and debate CGB 7. Leadership and teamwork CGB 8. Critical and self-critical capacity CGB 11. Ability to learn and work autonomously CGB 13. Action and quality orientation CGB 14. Ability to process and transmit ideas, projects, reports, solutions and problems
Specific competences
CE 3 To understand and to apply the principles and models of business valuation, asset portfolio management, the fundamentals of analysis of investment projects and theories that support the construction of efficient portfolios. CE 5. To know how to integrate and implement the policy of indebtedness and dividends policy in a company.

TEACHING AND LEARNING

General methodology characteristics of the course	
Classroom methodology: Activities	Competences
<p>It combines lectures with case presentations and readings by students. During the course of each session will review basic concepts contained in the documentation that students have available before each class, and that they must read in depth to ask the arising doubts during the class session. These concepts should be applied by resolving case studies by the students. During the class session the case studies solutions will be debated, allowing delve into the nature of the problem. It is mandatory active participation of students in both the normal development of the class, and in the discussion of the case study, or the exercises if there to be. The driver shaft of the methodology to be used is the practicality of the concepts and skills covered in the sessions. The usual methodological sequence is as follows:</p> <ol style="list-style-type: none"> 1. Statement of the general framework of the subject by the monitor / teacher. 2. Discussion of the conceptual doubts that students have about the subject, and resolving them 3. Practical use of concepts through the analysis of real or fictitious case studies, and / or exercises. 4. Summary of worked concepts and summary of the main conclusions 	CGB1, CGB2, CGB3, CGB4, CGB6, CGB7, CGB8, CGB11, CGB13, CGB14, CE3 & CE 5
Methodology - Not in the class: Activities	Competences
<p>The previous study of the documentation for each session, which will be made available to students with sufficient time is required. Analysis and resolution of practical cases, when assigned, which allow the student to make a decision-making exercise like a professional at a financial department of a company. The resolution of the case studies is mandatory and prior to the corresponding session and must be delivered in writing. The resolution of the exercises proposed by the teacher shall be delivered in writing.</p>	CGB1, CGB2, CGB3, CGB4, CGB6, CGB7, CGB8, CGB11, CGB13, CGB14, CE3 & CE 5

2020-21

EVALUATION AND GRADING CRITERIA

Types of Evaluation	Criteria	Weight
Exam, public defence, practical cases and Final Presentation (SE1). FINAL EXAM	To pass the subject, the final exam mark must be at least 4,90. Right answers; Organization of information; Synthesis.	30%
Individual Test (SE2). TWO INDIVIDUAL MIDTERM EXAMS	Right answers	10%
Public, individual or group presentations (SE3) FINAL CASE PRESENTATION	Apply instructions and criteria.; Organization of information; Clarity in presentation; Means of support used; Synthesis.	15%
Individual Assignments/Practices/Works (SE4) INDIVIDUAL ASSIGNMENTS/PRACTICES/WORKS, SAME WEIGHT EACH	Apply instructions and criteria; Appropriateness in the statement of the questions; Right answers; Organization of information; Clarity in presentation; Means of support used; Synthesis.	10%
Group Assignments/Practices/Works (SE5) GROUP ASSIGNMENTS/PRACTICES/WORKS SAME WEIGHT PER EACH	Apply instructions and criteria; Appropriateness to the statement of the questions; Right answers; Organization of information; Clarity in presentation; Means of support used; Synthesis Distribution and organization of work. Everyone must participate	15%
Participation (SE6) PARTICIPATION, ACHIEVEMENT OF OBJECTIVES, AND COMMITMENT THROUGHOUT THE CLASSES	To achieve the pass mark, the student is required to help/push into the dynamics of the classes, provide evidence of achievement of objectives, predisposition, commitment and initiative.	20%

Notes to the evaluation criteria:

1. All students must meet a minimum of 75% attendance in the whole subject.
2. For the exercises, to be taken into account, they must be delivered through Moodle in time and format.
3. If, when combining the criteria, the final grade is equal to or higher than 5, but the minimum grade for the exams or final tests has not been achieved, the final grade will be reduced to a maximum of 4,0 points.
4. In case a student does not obtain a grade of 5,0, the student may take an extraordinary exam. In that case if the student pass the retake exam, his/her final grade in the subject must be a 5,00.
5. If the student does not comply with 70% of the evaluation activities, the weightings of the evaluation system table will not be applied, and the maximum final grade will be 4,0.

Evaluation criteria to apply at second enrolment:

Types	Criteria	Weight
Individual assignments	To pass the course, the student must deliver all the tasks assigned by the teacher	15%
Taking written exams, multiple choice tests, concept tests and solving practical cases as an exam	At least 5,00 points on the final exam, or at least an average of 5,00 on all examination activities.	70%
Participation	To achieve the pass mark, the student is required to help/push into the dynamics of the	15%

	classes, provide evidence of the achievement of objectives, predisposition, commitment and initiative.	
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Evaluation criteria to be applied in the case of school waiver/exemption:

In cases of exemption/dispensing from schooling, provided that the student duly justifies it, the grading criteria will be 70% for the exam (if the subject allows it, two exams will be taken, 35% each) and 30% for individual works. The individual works will serve to control the evolution of the student's learning. Only in cases in which the student is not able to answer in writing, and provide evidence that justifies it, the exam may be oral and the content of the student's answers will be transcribed.

Criteria in health alert:

The student must be permanently identified, with an identification in the classroom and with their full name remotely. Students should not change the spaces they occupy in the classroom, unless directed by a teacher or the program management.

Failure to comply with any of the health recommendations during the class sessions may imply failure in the subject.

SUMMARY OF STUDENT WORK HOURS							
ATTENDANCE HOURS							
Lectures (AF1)	Content presentation (AF2)	Homework presentation (AF3)	Exercises and assessment (AF4)	Class discussion (AF5)	Seminars, workshops, case studies (AF6)	Interdisciplinary activities (AF7)	Simulations (AF8)
4,5	7,5	5	6	2,5	0	0	4,5
NON-ATTENDANCE HOURS							
Study and analysis of documentation (AF9)		Performing assignment and case studies (AF10)		Tutorial sessions (AF11)		Conducting collaborative work (AF12)	
35		10		4		10	
ECTS CREDITS: 3 ECTS							

BIBLIOGRAPHY

Recommended Bibliography

Textbooks

Brealey, R. Myers, S. Allen, F. (2016). Principles of Corporate Finance (12th edition). Ed. McGraw-Hill / Irwin
Damodaran, Aswath (2006). *Damodaran on Valuation (2nd. Edition)*. Ed. Wiley Finance
Damodaran, Aswath (2012). Investment valuation (3rd edition). Ed. Wiley Finance

Additional Readings

Copeland, Tom, Tim Koller y Jack Murrin. Valuation. Measuring and managing the value of companies (6th edition). New York: Wiley Frontiers in Finance, 2015.
Hawawini, Gabriel y Viallet, Claude (2015): Finance for Executives (5th edition). Cengage Learning. UK edition-
Ross, S., Westerfield, R. y Jordan, B. (2019). Fundamentals of corporate finance (12th edition). Ed. McGraw-Hill.
Sanchez Fernández Valderrama, Jose Luis (2007) Curso de bolsa y mercados financieros (4^a edición) Ed. Ariel