



**UCAM**  
UNIVERSIDAD  
CATÓLICA DE MURCIA

# Teaching Guide 2018/2019

## Financial Management II

### Bachelor in Business Administration

#### Face-to-face tuition

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## Financial Management II

Module: **Financial Economics**

Subject: **Financial Management II**

Character: **Obligatory**

ECTS: **6 ECTS**.

Time period: **Third course, 6<sup>th</sup> semester**

Teacher: **M<sup>a</sup> José Ayala Marín**

Email: [mjayala@ucam.edu](mailto:mjayala@ucam.edu)

Students' attention timetable: **Monday 10:00 am – 11:00 am**

Module coordinator teacher: Juan Cándido Gómez Gallego

## Brief Description

The course on Financial Management II includes a historical review in terms of asset measurement and investment portfolios. Different methods of modelling of profitability and risks of financial assets will be applied. The second block presents techniques for stock analysis and management for its real operation in stock exchanges.

### Objectives

1. Provide the student the basic knowledge about theories, methodologies and analytical instruments of Business Finance.
2. Application of this knowledge to particular cases of business practise.
3. Promote the research spirit by learning to reason in a rigorous and systematic way.

## Competences and learning results

### Cross-curricular subjects

(T1) Ability of analysis and synthesis

(T2) Organization and planning ability

(T6) Ability to manage information

(T8) Decision making

(T9) Team work

(T10) Interdisciplinary team work

(T14) Critical reasoning

(T16) Autonomous learning

**(T24)** Reflection capacity

**(UCAM1)** Be able to speak correctly in Spanish language within the field of study.

**(UCAM2)** Consider the Christian humanism principles as essential values in the development of the professional practise.

**(UCAM4)** Understand and speak a foreign language within their discipline field

**(UCAM5)** Be able to use CIT basic tools as a user.

**(UCAM6)** ) Acquire team work ability, to work with same or different field professionals.

**(UCAM7)** Develop skills of research introductory.

**(MECER5)** Understand the main points of clear texts and in standard language dealing with known topics, either within the field of work, study or leisure time.

### Specific Competences

**(E5)** Know and apply Business Management basic concepts.

**(E6)** Know and apply Financial Investment Analysis basic concepts.

**(E18)** Know and apply Mathematics of Financial Operations basic concepts.

**(E19)** Acquire the ability to apply the knowledge to the practice.

**(E38)** Identify and employ the suitable software. Design information systems.

**(E39)** Identify and employ the ledgers and financial systems

**(E46)** Manage and administrate a business or small size corporation, being aware of its competitive and institutional location and identify its strengths and weaknesses.

**(E57)** Communicate fluently in the work environment and work in a team.

### Learning results

- Use financial terminology in task performance.
- Understand reason and synthetize contents in the field of Business Management.
- Manage and organize the information acquired during the learning process in the field of Business Management.
- Organize and know how to use information from different contexts for work management in Financial Management.
- Decide in a critical way among different options in the decision making in Financial Management.
- Recognize and promote contributions from other knowledge fields, as enriching factor of the professional exercise in the area of Financial Management.

- Acquire and implement collaboration strategies and abilities to favor work in team in the field of Financial Management.
- Issue sentences and take a stance critically facing the different situations laid out in the field of the financial area profession.
- Use orthographic and grammar rules in a suitable way, both in oral and written language.
- Think in a critical and reasonable way about questions related to the field of Financial Management.
- Manage the learning process in the field of Financial Management in a proactive way.
- Produce learning abilities that allow them to follow subsequent studies in the financial area with a high level of autonomy.
- Collaborate with other professionals and recognize the different contributions, provided by other knowledge fields, to professional practice in Financial Management.
- Communicate both oral and written in a foreign language in their disciplinary field.
- Know and use in a suitable way the resources that new information and communication technologies provide in the Financial Management field.
- Recognize and value the different contributions of Christianity to an integral vision of Financial Management.
- Carry out actions to promote interest and motivation towards research in the financial field.
- Analyze and synthesize key questions of texts related to Business Management.
- Have and understand cutting-edge knowledge of Business Management, supported by books belonging to this field.
- Establish the effects of the different financial structures on the business profitability and risk.
- Analyze the business dividend policy, as well as determining the needs of financing in each moment.
- Prepare a business financial report.
- Know and apply profitability and risk basic concepts and the different approaches to determine them.
- Assess the asset portfolio performance.
- Apply in a suitable way Mathematics basic concepts for financial operations.
- Solve complex operations related to amortization and its methodology.
- Set out problems extracted from financial reality.
- Know and have a good command of the concepts of simple and compound capitalization
- Use instruments of capital updating.
- Value and compare different investment projects, as well as recognizing the different methodology to develop it.
- Know how to spread out an investment portfolio.
- Understand and apply knowledge of Financial Management to the practice by elaborating and defending arguments well documented and constructed.
- Solve case studies related to financial situations.
- Use different computer software packages related to financial knowledge issues.
- Analyze and extract information to prepare financial reports.

## Financial Management II

- Apply financial management knowledge to analyze current and future situations and establish improvement plans.
- Communicate in a suitable and effective way information, ideas, problems and solutions of Business Management.
- Solve problems and exercises in work teams.
- Use a logical structure and write with correct orthography.

### Methodology

Methodology	Hours	Face-to-face work hours	Non-face-to-face work hours
Master class (60%)	36	60 hours (40 %)	
Practice workshops (13%)	7,75		
Assessment (7%)	4,25		
Tutorials (20%)	12		
Personal study (45%)	40,50	90 hours (60 %)	
Tasks (30%)	27		
Practice clases (15%)	13,50		
Bibliographic search (10%)	9		
<b>TOTAL</b>	<b>150</b>	<b>60</b>	<b>90</b>

### Syllabus

#### Unit 1: Financial Market Valuation

- 1.1. Introduction
- 1.2. Stock Market
- 1.3. Shares definition and typology
- 1.4. Debt securities definition and typology
- 1.5. Dividends policy

#### Unit 2: Assets portfolio. Portfolio Markowitz Theory

- 2.1. Introduction
- 2.2. Portfolio choice selection theory
- 2.3. Yield and risk of a financial asset.

- 2.4. Yield and risk of a portfolio
- 2.5. Portfolio Markowitz Theory
- APENDIX 1: Utility functions and indifference curves

### Unit 3: Sharpe market model

- 3.1. Introduction
- 3.2. Diagonal model theory. William Sharpe
- 3.3. Reduction in the estimation number.
- 3.4. Risk diminution in a portfolio according to Sharpe
- 3.5. Characteristic market feature
- 3.6. Parameters estimation
- 3.7. Assets classification according to their volatility
- 3.8. Total, systematic and specific risk of an asset.

### Unit 4: Portfolios performance with lending or borrowing

- 4.1. Introduction
- 4.2. Optimal portfolio choice.
- 4.3. Capital market line: CML
- 4.4. Security market line: SML

### Unit 5: Stock market

- 5.1. Introduction
- 5.2. Technical analysis.
- 5.3. Stock exchange management
- 5.4. Stock exchange Index analysis.

### Connection with other subjects in the study plan

The student should have previous knowledge of Financial Mathematics, as well as Statistics applied to business.

### Assessment system

**Written exam:** 80%.

There will be two exams with a series of essay questions. The first exam will be 40% and the second one 40%.

**Student's involvement in other activities: 20%**

The student must take part in different training activities, assessed through the submission and correction of exercises, tasks, case studies and problems, performed individually and in groups, together with the public presentation of some of these works and the participation in discussion forums.

**September Call:**

**Written exam:** 100% of the grade

**February/June Call**

The student will pass the subject in the February/June call when the arithmetic mean, according to the three grade percentages (two written exams and involvement) is equal or higher than 5, whenever none of the other two grades is lower than 4.

If the student has less than 5 points in any of the three grades (the two written exams and the involvement), he/she will have to resist to pass in September, keeping the grades equal or higher than 5.

**- September Call:**

According to the three grade percentages fixed in the three grades (two written exams and involvement) is equal or higher than 5, whenever none of the other two grades is lower than 4.

In case of not passing, he/she will have to resist for the complete subject in later calls

**Bibliography and reference sources****Basic bibliography**

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- Martín Marín, J.L., Trujillo Ponce, A. (2004): *Manual de mercados financieros*. Thomson
- Murphy, J.J. (2003): *Prácticas de análisis técnico de los mercados financieros*. New York institute of finance. Gestión 2000.
- Oriol Amat (2004): *La bolsa, funcionamiento y técnicas para invertir*. Ed. Deusto.
- Pedrosa, M. (2003): *Los mercados financieros internacionales y su globalización*. Ed. Thomson.
- Ross, S.A., Westerfield, R.W., Jaffe, J.F. (2000): *Finanzas Corporativas*. McGraw-Hill.

### Webs related

- <https://www.cnmv.es>
- <http://www.bde.es>
- <https://www.nyse.com>

### Recommendations for future study

- We recommend the student to prepare case studies before their discussion in class, in order to maximize the contribution to the debate.

### Instructional Material

The student will perform personal work with a PC with all the necessary programs installed (text editor, spreadsheet, presentation tools, etc.) We also recommend students to use memory devices (USB, CDs or DVDs) to make easier the interchange of information in presentations such as Power Point, exercises, case study, etc., during the face-to-face classes. We also recommend the use of calculator and access to the Internet.

### Tutorials

#### Brief description

Academic tutorial:

These tutorials have the aim of consolidating knowledge and abilities taught in the classes of the subject, at the same time will help to solve problems and doubts asked by the students. The hours for the tutorials will also be employed to the performance, follow up and assessment of the different tasks in order to contribute to the understanding of the subject methodology and systems of assessment.

Personal Tutorial:

The university also has a Special Team for tutorials with the students enrolled in the degree. The personal tutor accompanies the student during the complete university period. Criteria and aspects can be consulted in: <http://www.ucam.edu/servicios/tutorias/preguntas-frecuentes/que-es-tutoria>