



**UCAM**  
UNIVERSIDAD  
CATÓLICA DE MURCIA

# Teaching Guide 2018/2019

## Financial Management I

Bachelor in Business Administration

Face-to-face tuition

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## Financial Management I

Module: **Financial Economics**.

Field: **Financial Management**

Character: **Basic Training**

ECTS: **6 ECTS**

Time period: **Third year, 5th semester**

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

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Student's attention timetable: **Monday 10:00-11:00**

Module coordinator teacher: **Juan Cándido Gómez Gallego**

### Brief Description

This course analyses the financial objective of the company, highlighting costs, benefits, incomes and expenses. The second part focuses on the company financial director role, analyzing different approaches to investment projects valuation.

### Previous requisites

The student should have previous knowledge of Statistics and Financial Mathematics in order to maximize learning results.

### Objetives

1. Providing basic knowledge about Finance theories, methodologies and analytical instruments.
2. Applying such this knowledge to practical study cases and examples.
3. Encourage research by rigorous and systematic thinking.

### Competences and learning results

#### Cross-curricular competences

(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

- Understand reason and synthesize contents in the field of Business Management.
- Manage and organize the information acquired during the learning process in the field of Business Management.
- Acquire and implement collaboration strategies and abilities to favor work in team in the field of Financial Management.
- Recognize and promote contributions from other knowledge fields, as enriching factor of the professional exercise in the area of Financial Management.
- Issue sentences and take a stance critically facing the different situations laid out in the field of the financial area profession.
- Manage the learning process in this field in a proactive way.

- Produce learning abilities that allow them to follow subsequent studies in the financial area with a high level of autonomy.
- Think in a critical and reasonable way about questions related to the field of Financial Management.
- Use orthographic and grammar rules in a suitable way, both in oral and written language.
- Communicate both oral and written in a foreign language in their disciplinary field.
- Recognize and value the different contributions of Christianity to an integral vision of Business Management.
- Know and use in a suitable way the resources that new information and communication technologies provide in the Business Management field.
- Collaborate with other professionals and recognize the different contributions, provided by other knowledge fields, to professional practice in Business 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.
- Value and compare different investment projects, as well as recognizing the different methodology to develop it.
- Know how to spread out an investment portfolio.
- 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.
- Understand and apply knowledge of Business 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.
- Apply financial management knowledge to analyze current and future situations and establish improvement plans.

- Use financial terminology in task performance.
- 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	Hours of work Face-to-face	Hours of work Non Face-to-face
Lectures	36	60 hours (40%)	
Practice teaching	7,8		
Assessment	4,2		
Tutorials	9		
Personal study	40,50		40 hours (60%)
Tasks	27		
Practical teaching preparation	13,50		
Bibliographic search	9		
<b>TOTAL</b>	<b>150</b>	<b>60</b>	<b>40</b>

## Syllabus

### Unit 1: Business Financial Management

- 1.1. Nature and scope of financial function
- 1.2. Business action framework
- 1.3. Financial subsystem
- 1.4. Business financial objective
- 1.5. Business objective conflict. Agency costs.

### Unit 2: Business financial-economic structure

- 2.1. Financial state and balance
- 2.2. Financial ratios
- 2.3. Gestation program
- 2.4. Revolving found
- 2.5. Financial-economic risk

### Unit 3: Decision of investment

- 3.1. Investment concept

- 3.2. Investment classification
- 3.3. Relevant magnitudes. Cash-flow analysis
- 3.4. Investment selection criteria

Unit 4: Methods of investment selection and assessment.

- 4.1. Introduction
- 4.2. Total Cash flow by U.M. committed
- 4.3. Average annual cash flow by U.M. committed
- 4.4 Pay- Back or recovery term criteria.
- 4.5. Deducted Pay Back
- 4.6. Net present value (VAN)
- 4.7. Internal rate of return (TIR)

Unit 5: Investment hierarchical project order

- 5.1. Assessment of simple investment projects
- 5.2. Order of simple and homogeneous investment projects.
- 5.3. Divergence or hierarchical order
- 5.4. Order of non-homogeneous projects
- 5.5. Case Study

Unit 6: Selection of productive investments with risk

- 6.1. Introduction
- 6.2. Reduction of the NCF (FNC) to certainty conditions
- 6.3. Discount-rate adjustment
- 6.4. Sensitivity analysis
- 6.5. Expectation and variance of net present value (VAN)
- 6.6. Decision trees.

## Connection with other subjects of the study plan

This subject sets the foundations for Financial Management II and Financial Analysis.

## Assessment system

- **Written exams [80% of final grade]**
- **Student's involvement in training activities [20% of final grade]**

In order to pass it is necessary to achieve a weighted average superior or equal to 5. At the same time, it is necessary to obtain a minimum of 5 in each component of evaluation that counts for at least a 20% of the final grade.

Not achieving a minimum of 5 in any of those components of evaluation that count for at least a 20% of the final grade implies the failure of the subject, being necessary to retake those components in the following examination call in the same academic course. Those grades corresponding to components where the student has obtained at least a 5 (February/June examination call) will be kept for the following official examination call in the same academic course.

In any case, if the student does not obtain passing grades for all the evaluation components in the official examination call from September, none of the passing grades will be kept for following academic courses.

According to art.5 of RD 1125/2003, students will be graded according to the numeric scale from 0-10 with a decimal. A qualitative grade can be added:

Fail (SS) 0-4,9

Pass (AP) 5,0-6,9

Good (NT) 7,0-8,9

Distinction (SB) 9,0-10

The “Honors” mention can be awarded to students with a degree of 9,0 or higher. Honors cannot be awarded to more than 5% of a class student each academic year. For classes with less than 20 students a mention will be awarded.

## Bibliography and reference sources

### Basic bibliography

- Alexander, J. (2018) Financial Planning & Analysis and Performance Management. Wiley Finance.
- Higgins, R. (2012) Analysis for Financial Management. McGraw-Hill Education
- Marcus, A.J.; Brealey, R.A.; Myers, S. (2014) Fundamentals of Corporate Finance. McGraw-Hill Education

### Complementary bibliography

- Brigham, E.F., Gapenski, L.C. (1994): Financial Management. Theory and Practice. Dryden
- Solomon E and Pringle, J. J., An Introduction to Financial Management, Prentice hall of India Pvt. Ltd, New Delhi, 1978.
- Ittelson, T.R. (2009): Financial Statment. Career Press.
- White, G.I., Sondhi, A.C., Fried, D. (2002): The analysis and use of financial statements. John Wiley & Sons Inc

## Web pages

- Asociación Española de Banca: <http://www.aeb.es>
- Confederación Española de Cajas de Ahorros: <http://www.ceca.es>



- Banco de España: <http://www.bde.es>

## Study recommendations

It is fundamental for the correct understanding of the subject attendance to classes, daily study of all contents explained in order to ask doubts that may arise during the study.

## Didactic material

It will be necessary to have 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.

It is necessary to bring to class all theory and practice documentation loaded by the teacher in the virtual campus, calculator and chart of accounts.

## Tutorials

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. There will be an assessment and follow up of the different tasks in order to contribute to the understanding of the subject methodology and systems of assessment.

Besides, the university has a Personal Mentoring Service through which all undergraduate students is assigned to a personal mentor that will accompany him/her during the complete university period.