

**COURSE DATA****DATA SUBJECT****Code:** 35893**Name:** Financial management**Cycle:** Undergraduate Studies**ECTS Credits:** 6**Academic year:** 2026-27**STUDY (S)**

Degree	Center	Acad. year	Period
1314 - Degree in International Business	Facultat d'Economia	2	Second quarter

**SUBJECT-MATTER**

Degree	Subject-matter	Character
1314 - Degree in International Business	Principles of financial management	COMPULSORY

**COORDINATION**

COMEIG RAMIREZ IRENE

**SUMMARY**

The course FINANCIAL MANAGEMENT is about **financial decisions made by corporations**.

Corporations face two broad financial questions: What investments should the firm make? and How should it pay for those investments? The first question involves spending money; the second involves raising it.

The goal of financial management is to answer these questions by increasing firm value.

In this course we describe the theory and practice of corporate finance by explaining the principles of the *theory* of finance. Throughout this course we also show how managers use financial theory to solve practical problems.

**PREVIOUS KNOWLEDGE**



## RELATIONSHIP TO OTHER SUBJECTS OF THE SAME DEGREE

There are no specified enrollment restrictions with other subjects of the curriculum.

## OTHER REQUIREMENTS

To successfully address this course the student needs minimal prerequisites: a level of basic mathematics (basic algebra -solving equations with one/two unknowns- and basic financial mathematics) and a minimal familiarity with the graphical analysis.

We assume that most students either will have taken, or will be currently enrolled in courses in accounting, statistics, and economics. This exposure will help students understand some of the consequences of financial decisions.

## COMPETENCES / LEARNING OUTCOMES

### 1314 - Degree in International Business

Aprender a razonar de una forma rigurosa y sistemática, adoptando una actitud emprendedora para la solución de nuevos problemas complejos.

Be able to work in multidisciplinary and intercultural teams.

Conocer las teorías, métodos e instrumentos básicos ligados al análisis y valoración de proyectos de inversión empresariales.

Develop the capacity to evaluate and critically analyse international economic phenomena and agents.

Develop the capacity to prepare and defend reports that contribute to the decision-making of public and private agents.

Know how to use the statistical methods and software to manage the company's operations.

Know the basic elements of the legislation regulating international economic, financial and fiscal operations.

Leer, escuchar y manejar información de tal manera que pueda realizar de una manera eficiente informes y/o exposiciones de los criterios y elementos tenidos en cuenta en las decisiones financieras tomadas utilizando un lenguaje claro y adecuado.

Relacionar los diferentes elementos que interactúan en las decisiones financieras de las empresas con el fin de obtener proyecciones ajustadas al contexto económico nacional e internacional.

Understand the structure and functioning of companies and organisations operating in an international context.

Use the economic and financial information of the company to make decisions.

## DESCRIPTION OF CONTENTS



## **1. Corporate Financial Management**

- 1.1. Finance in the firm
- 1.2. Assets and Liabilities structure: Financial Equilibrium
- 1.3. Corporate Financial Management Objectives

Basic bibliography:

ROSS, S; WESTERFIELD, R; JAFFE, J. (2010): Ch 1.1, 1.4.  
BREALEY, R.; MYERS, S.; ALLEN. (2008): Ch 1.2, 2.3.

## **2. Investment: concept, classification and cash flow estimates**

- 2.1. The idea of investment
- 2.2. Financial Characteristics of an investment.
- 2.3. Cash Flows: How to determine the relevant cash-flows

Basic bibliography:

ROSS, S; WESTERFIELD, R; JAFFE, J. (2010): Chapters 1.3, 2.2-2.4, 6.1, 6.2, 6.3  
BREALEY, R.; MYERS, S.; ALLEN. (2008): Chapters 2.1

## **3. Net Present Value (NPV) and the Opportunity Cost of Capital**

- 3.1. Introduction: Foundations of the Net Present Value Rule
- 3.2. Net Present Value
- 3.3. The opportunity cost of capital

Basic bibliography:

ROSS, S; WESTERFIELD, R; JAFFE, J. (2010): Chapter 5.1  
BREALEY, R.; MYERS, S.; ALLEN. (2008): Chapters 2.1, 2.2

## **4. Other Investment Decision Criteria**

- 4.1. Payback
- 4.2. Internal Rate of Return (IRR)
- 4.3. Problems with the IRR approach



Basic bibliography:

ROSS, S; WESTERFIELD, R; JAFFE, J. (2010): Chapter 5.2, 5.3, 5.4, 5.6, 5.7

## **5. Risk Analysis in Capital Budgeting**

- 5.1. Sensitivity analysis
- 5.2. Scenario analysis
- 5.3. Break-even analysis

Basic bibliography:

ROSS, S; WESTERFIELD, R; JAFFE, J. (2010): Chapter 7.1  
BREALEY, R.; MYERS, S.; ALLEN. (2008): Chapters 11.1, 11.2

## **6. Investment & financing relationship**

- 6.1. Business Risk and Financial Risk
- 6.2. Weighted Average Cost of Capital Adjusted discount rate
- 6.3. Adjusted Present Value (APV)
- 6.4. The effects of leverage on expected cash flows and discount rates

Basic bibliography:

ROSS, S; WESTERFIELD, R; JAFFE, J. (2010): Chapters 16.3, 16.4, 17.1, 18.1, 18.2, 18.3, 18.4

## **7. Corporate Financing: Internal Funds**

- 7.1. Patterns of Corporate Financing
- 7.2. Internal Financing
- 7.3. Advantages and inconveniences of Internal Financing

Basic bibliography:

ROSS, S; WESTERFIELD, R; JAFFE, J. (2010): Chapters 15.6, 17.7  
BREALEY, R.; MYERS, S.; ALLEN. (2008): Chapter 15.1



## 8. External Financing

- 8.1. Financial System
- 8.2. Credit System Financing
- 8.3. Stocks and Bonds: definition, types, and value

Basic bibliography:

ROSS, S; WESTERFIELD, R; JAFFE, J. (2010): Chapters 8, 9  
BREALEY, R.; MYERS, S.; ALLEN. (2008): Chapter 4.1, 4.2, 9.1, 15, 16.4, 16.5

### WORKLOAD

#### PRESENCIAL ACTIVITIES

Activity	Hours
Theory	30,00
Classroom practices	30,00
<b>Total hours</b>	<b>60,00</b>

#### NON PRESENCIAL ACTIVITIES

Activity	Hours
Attendance at other activities	2,00
Individual or group project	10,00
Independent study and work	10,00
Preparation of lessons	20,00
Preparation for assessment activities	40,00
Resolution of case studies	7,00
<b>Total hours</b>	<b>89,00</b>

### TEACHING METHODOLOGY

**LECTURES:** Students should prepare in advance the basic readings and the main questions arising from the readings. The professor will combine the explanations with the active participation of the students



(questions that can be solved by the professor; resolution of small questions proposed by the professor; group discussions of questions that arouse interest). It is intended that students develop their capacity for autonomous work (work prior to class), as well as teamwork skills and argumentation and defense of ideas (group discussions), in addition to oral and written communication skills.

**-PRACTICAL CLASSES AND EXPERIMENTS:** Students will prepare in advance and/or participate in a series of exercises and experiments. Students are expected to develop their ability to organize work, problem solving, oral and written communication, coordination of activities, and search for information in appropriate sources.

Assignments to be completed by students can be collected and evaluated by the teacher.

## EVALUATION

1. **FINAL EXAM:** A written exam consisting of theoretical questions and problems. (80% of overall mark)
2. **PRACTICAL ACTIVITIES** during the course: experiments, work/reports, and/ or oral presentations. (20% of overall mark)

The final test is compulsory; it is required to pass it to pass the course.

The student passes the course if she/he gets 5 out of 10, from the total of 1, 2 (as long as the final test is passed). If the student fails the final exam, the final mark will never exceed 4.5 (out of 10).

ut of 10).

## REFERENCES

- Referencia b1: Ross, S. A.; Westerfield, R. W. & Jaffe, J. (2010): Corporate Finance Referencia b2: Brealey, R.A., S.C. Myers & F. Allen (2008): Principles of Corporate Finance, 9e. McGrawHill