

**Finance****2012/2013**

Codi: 42142  
 Crèdits ECTS: 20

Titulació	Pla	Tipus	Curs	Semestre
4310025 Màster Universitari en Economia i administració d'empreses / Economics and Business Administration	990 Màster Universitari en Economia i Administració d'Empreses / Economics and Business Administration	O	1	2

**Professor de contacte**

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**Utilització d'idiomes**

Llengua vehicular majoritària: anglès (eng)

**Prerequisits**

Previous backgrounds in mathematics and statistics.

Being an elective module, students are expected to have already studied modules 1 and 2 during the first semester.

**Objectius**

This module aims to get students acquainted with the following contents in Finance:

1) Financial Economics (first subject):

Foundations of finance: Assets, market behavior, market phenomena, and decisions about saving, consumption and investment.

2) Asset Pricing and Corporate Financial Policy (second subject):

Value creation in financial markets and corporations: Asset pricing, required rate of return, financial policy, corporate growth and corporate restructuring.

3) Investments and Financial Institutions (third subject):

Corporate and banking investment decisions as well as risk management in domestic and international contexts.

**Competències**

- Argue the case for and write a precise, clear and concise report of the problems presented in the English language.
- Carry out empirical studies.
- Carry out oral presentations in the English language.
- Contextualise economic problems through the use of formal models that enable quantitative analysis.
- Demonstrate an understanding of the investment and financing coordinates as they affect the financial decisions of the company
- Demonstrate an understanding of the mechanisms and characteristics of balance in financial markets
- Relate financial decision to the company strategy as a whole

- Respect ethical, social and environmental values.
- Show an understanding of decision-making models in the area of real investment project selection, company financing and investment and international financing.
- Show an understanding of the principles of evaluations of basic and derived financial assets
- Show an understanding of the principles of financial investment: portfolio selection and financial investment strategies
- Situate these company financial decisions in the framework of the financial market
- Understand academic research in the areas indicated.
- Understand the time and risk coordinates as they affect the financial markets
- Use different statistical programs to process data.

## Resultats d'aprenentatge

1. Argue the case for and write a precise, clear and concise report of the problems presented in the English language.
2. Carry out empirical studies.
3. Carry out oral presentations in the English language.
4. Contextualise economic problems through the use of formal models that enable quantitative analysis.
5. Demonstrate an understanding of the investment and financing coordinates as they affect the financial decisions of the company
6. Demonstrate an understanding of the mechanisms and characteristics of balance in financial markets
7. Relate financial decision to the company strategy as a whole
8. Respect ethical, social and environmental values.
9. Show an understanding of decision-making models in the area of real investment project selection, company financing and investment and international financing.
10. Show an understanding of the principles of evaluations of basic and derived financial assets
11. Show an understanding of the principles of financial investment: portfolio selection and financial investment strategies
12. Situate these company financial decisions in the framework of the financial market
13. Understand academic research in the areas indicated.
14. Understand the time and risk coordinates as they affect the financial markets
15. Use different statistical programs to process data.

## Continguts

This module consists of three subjects, equally weighted and sequentially taught, with the following contents:

### 1) Financial Economics (first subject):

- 1.1. Decisions under Uncertainty
- 1.2. General Equilibrium under Uncertainty with Complete Markets
- 1.3. Portfolio Choice and Saving. Comparative Statics under Uncertainty
- 1.4. Incomplete Markets
- 1.5. Term Structure of Interest Rates. Bond Management
- 1.6. Information, Market Efficiency and Market Regulation
- 1.7. Derivatives I: Option Pricing and Strategies

### 2) Asset Pricing and Corporate Financial Policy (second subject):

- 2.1. Derivatives II: Futures and Swaps. Pricing and Strategies
- 2.2. Mean-Variance Models: CAPM and APT

2.3. Share Valuation Models

2.4. Capital Structure, Cost of Capital and Value of the Firm

2.5. Dividend Policy

2.6. Mergers and Acquisitions

3) Investments and Financial Institutions (third subject):

3.1. Capital Budgeting and Investment Criteria

3.2. Project Analysis and Investment Strategy

3.3. Real Options Analysis

3.4. International Financing and Investment Decisions

3.5. International Risk Management

3.6. Banking and Financial Institutions

## Metodologia

The module is divided in three different subjects, taught sequentially.

Each subject addresses different financial concepts combining theoretical and applied approaches.

## Activitats formatives

Títol	Hores	ECTS	Resultats d'aprenentatge
<b>Tipus: Dirigides</b>			
Lectures	75	3	1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14
<b>Tipus: Supervisades</b>			
Assignments and essays	75	3	
Exercises	75	3	
In-class presentations	50	2	
<b>Tipus: Autònomes</b>			
Individual studying	100	4	2, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15
Readings	100	4	

## Avaluació

All three subjects in this module use the same assessment method:

35% of the final grade is earned with assignments, intermediate tests, essays, in-class presentations and participations, as well as attendance

65% of the final grade corresponds to a final exam.

Final exams take place the day scheduled by the master's coordinator according to the exams' calendar. Exams follow the lecturing weeks allowing for some previous reading days.

The final grade of the module is the outcome of an equally weighted average of the three subjects' marks.

## Activitats d'avaluació

Títol	Pes	Hores	ECTS	Resultats d'aprenentatge
continuous evaluation	35%	16	0,64	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15
final exam	65%	9	0,36	1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14

## Bibliografia

Main references for this elective module are:

Copeland, T.E., J.F. Weston and K. Shastri. *Financial Theory and Corporate Policy*. 4<sup>th</sup> ed. Addison-Wesley. 2004. (all three subjects)

Hull, John. *Options, Futures and Other Derivatives*, 7<sup>th</sup> edition. Prentice Hall, 2009. (all three subjects)

Gollier, C. *The Economics of Risk and Time*. MIT Press, 2001. (first subject)

Solnik, B. and D. McLeavey. *Global Investments*. 6<sup>th</sup> ed. Prentice Hall. 2009. (second and third subjects)

Bierman, H. and S. Smidt. *Advanced Capital Budgeting: Refinements in the Economic Analysis of Investment Projects*. Routledge. 2007. (third subject)

Trigeorgis. *Real Options. Managerial Flexibility and Strategy in Resource Allocation*. MIT Press. 1996. (third subject)