Universitat Autònoma de Barcelona

2021/2022

Finance II

Code: 102111
ECTS Credits: 6

Degree	Type	Year	Semester
2501231 Accounting and Finance	OB	3	1

The proposed teaching and assessment methodology that appear in the guide may be subject to changes as a result of the restrictions to face-to-face class attendance imposed by the health authorities.

Contact

Name: Luis Fernando Romero Pérez

Email: LuisFernando.Romero@uab.cat

Use of Languages

Principal working language: spanish (spa)

Some groups entirely in English: No

Some groups entirely in Catalan: No

Some groups entirely in Spanish: Yes

Teachers

Luis Fernando Romero Pérez

Prerequisites

General requirements to get to the third career course and have completed Finance I

Objectives and Contextualisation

Finance II provides basic training in business finance in the degree of Accounting and Finance, based on the knowledge and skills acquired in Finance I, on valuation of assets, financial markets and the relationship between the company and the market. Based on the financial reasoning acquired in Finance I, students must master the selection of investment projects, the selection of financing sources and the relationship of both with the business strategy.

The axis of the course is the creation by companies in the real economy by selecting the most appropriate investments for their strategy and the financial dynamics that derives from the relationship between investment and financing, taking into account the objectives of profitability and risk management. . The double perspective of time and risk introduced in Finance I now applies to the financial function of the company

Competences

- Behaving in an ethical and professional way while carrying out the accounting or financial advisory services entrusted.
- Communicating in oral and written form in Catalan, Spanish and English, in order to be able to summarise and present the carried out project in both forms.
- Efficiently searching information, discriminating irrelevant information.
- Organising the work, regarding order and planning.
- Planning and conducting the accounting organization of a company or group of companies.

- Searching for innovative and imaginative solutions.
- Selecting and interpreting the financial information of markets and companies.
- Students must be able to adapt to changing environments.
- Students must be capable of applying their knowledge to their work or vocation in a professional way and they should have building arguments and problem resolution skills within their area of study.
- Students must be capable of collecting and interpreting relevant data (usually within their area of study) in order to make statements that reflect social, scientific or ethical relevant issues.
- Students must be capable of communicating information, ideas, problems and solutions to both specialised and non-specialised audiences.
- Students must develop the necessary learning skills to undertake further training with a high degree of autonomy.
- Students must have and understand knowledge of an area of study built on the basis of general secondary education, and while it relies on some advanced textbooks it also includes some aspects coming from the forefront of its field of study.

Learning Outcomes

1. Assessing investment projects.
2. Calculating the maximum potential loss in an active risk management strategy.
3. Communicating in oral and written form in Catalan, Spanish and English, in order to be able to summarise and present the carried out project in both forms.
4. Defining the characteristics of the various sources of funding.
5. Efficiently searching information, discriminating irrelevant information.
6. Interpreting the financial statements produced by companies, connecting the different parts and, if appropriate, detecting inconsistencies or possible incorrect data.
7. Organising the work, regarding order and planning.
8. Presenting a specific financial planning for a concrete client.
9. Students must be able to adapt to changing environments.
10. Students must be capable of applying their knowledge to their work or vocation in a professional way and they should have building arguments and problem resolution skills within their area of study.
11. Students must be capable of collecting and interpreting relevant data (usually within their area of study) in order to make statements that reflect social, scientific or ethical relevant issues.
12. Students must be capable of communicating information, ideas, problems and solutions to both specialised and non-specialised audiences.
13. Students must demonstrate they have an innovative and entrepreneur spirit.
14. Students must develop the necessary learning skills to undertake further training with a high degree of autonomy.
15. Students must have and understand knowledge of an area of study built on the basis of general secondary education, and while it relies on some advanced textbooks it also includes some aspects coming from the forefront of its field of study.

Content

1. Analysis of investment projects.

1.1 The financial dynamics of the company: Benefits versus cash flows.

1.2 The net final value from aggregate projects.

1.3 The net present value.

1.4 Abnormalities in the analysis of projects: Mixed projects and Fishcer rate.

2. Risk in investment decisions and financing.

2.1 Expected value, true equivalent and risk premium in the analysis of projects.

2.2 Estimation of the required profitability from the Securities Market Line.

2.3 Introduction to sensitivity analysis.

2.4 Risk in international investment and financing decisions.

3. Introduction to the valuation of options and futures.

3.1 Concepts of purchase option and put option.

3.2 The parity relation between the purchase option and the put option.

3.3 Binomial evaluation.

3.4 Introduction to futures prices.

4. Risk management through derivatives.

4.1 Coverage strategies with forwards and futures.

4.2 Coverage strategies through options.

4.3. Coverage strategies through swaps.

5. Real options

5.1 The analysis of options in the real economy: The capture of opportunities.

5.2 The option to expand.

5.3 The option to leave.

5.4 Introduction to the valuation of real options.

Methodology

Half of the credits will be theoretical and the other half practical. The theoretical part will be exposed through lectures. The teacher will present the topics encouraging the participation of the students through questions and comments. The presentation of the topics will not be limited to its direct content but will include the analysis of the applied reasoning methods.

The practical part will consist of the resolution of problems, analysis of information of the financial markets and of the companies and reading of related articles.

The proposed teaching methodology may undergo some modifications according to the restrictions imposed by the health authorities on on-campus courses

The teacher will have to allocate approximately 15 minutes of some class to allow his students to answer the surveys of evaluation of the teaching performance and of evaluation of the asignatura or module.

Annotation: Within the schedule set by the centre or degree programme, 15 minutes of one class will be reserved for students to evaluate their lecturers and their courses or modules through questionnaires.

Activities

Title	Hours	ECTS	Learning Outcomes
Type: Directed			
Master classes	33	1.32	7, 14, 10, 11
Resolution of exercises in the classroom and analysis of cases	12.5	0.5	5, 12, 11, 3, 1
computerized practices	4	0.16	2, 14, 12, 3, 1
Type: Supervised			
tutorials	20	0.8	7, 14, 12, 10, 11
Type: Autonomous			
Resolution of assumptions (exercises and cases)	24	0.96	4, 6, 14, 10, 11
Search of documentation	12	0.48	10, 11, 3
study	41	1.64	5, 6, 7, 15, 14, 12, 10, 11, 1

Assessment

EVALUATION:

The continued evaluation of Finances II consists of three components:

a) A partial with the first part of the course with a weight of 30%

b) Delivery of a roadworthiness study with a weight on the final grade of 30%.

c) Final exam (40% of the grade)

Schedule of evaluation activities

The dates of the different evaluation tests (partial exams, exercises in the classroom, delivery of works, ...) will be announced well in advance during the semester.

The date of the final exam of the subject is scheduled in the exam calendar of the Faculty.

"The programming of the evaluation tests can not be modified, unless there is an exceptional and duly justified reason why an evaluation act can not be carried out, in this case, the persons responsible for the qualifications, after consulting the teaching staff and to the affected student body, they will propose a new program within the corresponding academic period. " Section 1 of Article 115. Calendar of evaluation activities (Academic Regulations UAB)

The students of the Faculty of Economics and Business who in accordance with the previous paragraph need to change an evaluation date must present the request by filling in the document Request reprogramming test https://eformularis.uab.cat/group/deganat_feie/nou-reprogramacio-de-proves

Procedure for review of qualifications

Coinciding with the final exam will be announced the day and the medium in which the final grades will be published. In the same way, the procedure, place, date and time of the review of exams in accordance with the regulations of the University will be informed.

Recovery Process

"To participate in the recovery process the students must have been previously evaluated in a set of activities that represent a minimum of two thirds of the total grade of the subject or module." Section 3 of Article 112 ter. The recovery (UAB Academic Regulations). The students must have obtained an average grade of the subject between 3.5 and 4.9.

The date of this test will be scheduled in the exam calendar of the Faculty. The student who presents himself and passes it will pass the subject with a grade of 5. Otherwise, he will keep the same grade.

Irregularities in evaluation acts

Notwithstanding other disciplinary measures deemed appropriate, and in accordance with current academic regulations, "in the event that the student makes any irregularity that could lead to a significant variation in the grade of an evaluation act, it will be scored with a 0 evaluation act, regardless of the disciplinary process that can be instructed In case of various irregularities occur in the evaluation acts of the same subject, the final grade of this subject will be 0 ". Section 10 of Article 116. Results of the evaluation. (UAB Academic Regulations)

The proposed evaluation activities may undergo some changes according to the restrictions imposed by the health authorities on on-campus courses

Assessment Activities

Title	Weighting	Hours	ECTS	Learning Outcomes
Exam	40	2	0.08	2, 4, 13, 6, 8, 15, 14, 12, 10, 11, 9, 3, 1
First continuous assessment test	30	1.5	0.06	5, 13, 7, 15, 14, 10, 11, 3
Work feasibility study	30	0	0	2, 4, 8, 15, 12, 10, 11, 3, 1

Bibliography

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- HULL, J. Introducción a los mercados de futuros y opciones. Prentice-Hall, Madrid, 2010.
- .Payback o plazo de recuperación -Definición, qué es y concepto | Economipedia(2020). Available at: https://economipedia.com/definiciones/payback.html (Accessed: 26 January 2020).

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- Tasa interna de retorno (TIR) -Definición, qué es y concepto | Economipedia(2020). Available at: https://economipedia.com/definiciones/tasa-interna-de-retorno-tir.html (Accessed: 26 January 2020).
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Software

We will use part of the spreadsheet, tax simulation programs and other management programs