

**Financial Management**

Code: 101752  
ECTS Credits: 6

Degree	Type	Year	Semester
2501233 Aeronautical Management	OB	2	2

**Contact**

Name: Oriol Soley Manuel  
Email: oriol.soley@uab.cat

**Use of Languages**

Principal working language: catalan (cat)  
Some groups entirely in English: No  
Some groups entirely in Catalan: Yes  
Some groups entirely in Spanish: No

**Teachers**

Oriol Soley Manuel

**Prerequisites**

The course Financial Management, as a subject taught in the second semester of the second year, has as prerequisites the knowledge and skills of the subject Business (Basic Education group), specifically the subjects Accounting, Introduction to Economics and Law Business. To properly follow this course, must have passed these subjects or be in the process of overcoming them.

Have basic knowledge of excel.

**Objectives and Contextualisation**

After this course, students should understand how financial markets work and the essential elements of corporate finance (capital budgeting, financial sources and corporate financial policy, including and risk hedging). Throughout the course, particular emphasis will be given to the specific features of the aeronautical industry, focusing on its investment projects, financial sources, and risk management techniques.

Objectives:

1. Understanding the main features of financial markets and their central differences with the real markets.
2. Learning the main capital budgeting techniques.
3. Identifying the companies financing sources and analyze their adaptation to investment decisions
4. Mastering the basic principles of risk management

**Competences**

- Analyse strategic investments.
- Communication.

- Make choices on investment projects.
- Personal work habits.
- Thinking skills.
- Use knowledge of the fundamental principles of mathematics, economics, information technologies and psychology of organisations and work to understand, develop and evaluate the management processes of the different systems in the aeronautical sector.

## Learning Outcomes

1. Assess actions.
2. Critically assess the work done.
3. Describe company-financial market relationships.
4. Develop critical thought and reasoning.
5. Develop independent learning strategies.
6. Develop scientific thinking skills.
7. Distinguish between risks, assessments and derivatives (futures and options).
8. Identify capitalisation and revaluation operations.
9. Identify the principles underpinning decision-making on funding in financial structure and dividend policy.
10. Manage time and available resources. Work in an organised manner.
11. Use English as the primary language of professional communication.
12. Work independently.

## Content

1. The Company and the financial market
  - 1.1 Properties of economic assets and financial assets
  - 1.2 Primitive financial assets: Treasury bonds, corporate bonds and stocks.
  - 1.3 Derivative financial assets: Futures, options and financial swaps.
  - 1.4 Concept and functions of the financial market. Primary market and secondary market
2. The value of money in time
  - 2.1 Principles of capitalization and discounting
  - 2.2 Current value of income streams: General case.
  - 2.3 Constant income equivalent to a capital.
  - 2.4 Perpetual constant income and rising perpetual income.
3. Capital budgeting
  - 3.1 Net present value
  - 3.2 The required return.
  - 3.3 Net final value and financial planning of projects.
  - 3.4 The internal rate of return and other measures of relative profitability.
  - 3.5 Introduction to real options.

- 4. Financing sources
  - 4.1 Issuing stocks.
  - 4.2 Internal financing.
  - 4.3 Other financing sources: Credits and bonds.
  - 4.4 Leasing, renting and other alternative financing contracts.
- 5. Analysis of financing decisions
  - 5.1 Current financial liabilities and working capital
  - 5.2 Analysis of the effects of borrowing
  - 5.3 Introduction to the dividend policy.
  - 5.4 Stocks valuation
- 6. Risk control through derivative assets
  - 6.1 Hedging strategies with forwards and futures
  - 6.2 Hedging strategies with options.
  - 6.3 Hedging strategies with financial swap contracts.
  - 6.4 The risk hedging in the aeronautical sector.

## Methodology

50% of the credits are theoretical and 50% practical. Theory will be taught through lectures. Lecturers introduce the topics encouraging students' participation through questions and observations. In some cases / topics or when the teacher deems it appropriate, students will be asked to develop them first and make a presentation in class.

In each topic the presentation of contents is accompanied by the analysis and reasoning of the methods applied.

The practical part consists of problem solving (with and without software), analysis of financial market and corporate information, plus selected readings. Students are expected to participate actively by solving exercises and analyzing published information, especially financial websites. Problem solving in the classroom insists on the usage of software (especially spreadsheets).

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

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			
Case studies and exercises	15	0.6	2, 3, 6, 4, 7, 9, 8, 1

Master Classes	30	1.2	3, 6, 4, 7, 9, 8, 1
Type: Supervised			
Tutorials	23	0.92	2, 3, 7, 10, 9, 8, 1
Type: Autonomous			
Searching documents and references	11	0.44	6, 5, 4, 12
Solving exercises and case studies	20	0.8	3, 6, 5, 4, 7, 9, 8, 12, 1
Studying	45	1.8	2, 3, 6, 5, 4, 7, 10, 9, 8, 12, 1

## Assessment

The evaluation of Finance I consists of a continuous evaluation process formed by three activities based on two different typologies.

The final exam weights 50% and the other two activities - exercises, essays, case studies, questionnaires, individual or group presentations, etc. - weight 25% each. If deemed appropriate, the lecturer may require other activities to complement the learning process.

The final grade of the subject is the weighted average of the marks earned in the three activities that constitute the continuous evaluation according to the weights quoted above.

If this weighted average is equal to or higher than 5.0, the student has passed the subject. The partial exams must have a minimum of 4 to be able to do a weighted average with the rest of the marks. Otherwise, it will involve going to the retake-exam of the whole contents of the subject (any modification of this requirement will be duly informed through the virtual campus (or similar) as it is understood to be the usual platform for the exchange of information between student and teacher

The retake-exam evaluates the whole contents of the subject in a new exam to be written following the rules of the Faculty of Economics and Business. To be able to participate in the recovery the student must have been previously evaluated in a set of activities whose weight equals to a minimum of two thirds of the total grade of the subject. Students who repeat the subject will be assessed under the same conditions as the first registration students. Copying and plagiarism will result in a zero score in the corresponding test which can not be compensated in the final exam or in the recovery exam.

The qualification Honor Matriculation has, as necessary conditions, a mark equal to or greater than 9 and excellent performance throughout the course (including active and constructive participation in the classes). In case of more candidates than possible matriculations according to the UAB regulations, the matriculations will be assigned by order of punctuation.

The dates of continuous evaluation and delivery of works will be published on the virtual campus (or similar, specify) and may be subject to possible changes of programming for reasons of adaptation to possible incidents. The virtual campus (or similar, specify) will always be informed about these changes since it is understood that this is the usual platform for exchanging information between teachers and students.

Qualified activities with zero will not be recoverable for copying or plagiarizing.

*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
-------	-----------	-------	------	-------------------

ACT: Questionnaire resolution, Presentation of works and delivery of exercises, etc.	25%	2	0.08	2, 6, 5, 4, 7, 9, 12, 11, 1
Continuous Avaluation Tests: partial exam	25%	2	0.08	2, 3, 5, 4, 10, 8, 12, 11
Final Exam	50%	2	0.08	2, 3, 6, 4, 7, 10, 9, 8, 1

## Bibliography

Brealey Richard A, Stewart C Myers and Franklin Allen. *Principles of Corporate Finance* (12th edition) McGraw-Hill, 2016.

Ross, Stephen A., Randolph W. Westerfield, and Jeffrey Jaffe. *Corporate Finance: Core Principles and Applications* (10<sup>th</sup> edition). McGraw-Hill, 2012.

Hull, John. *Fundamentals of Futures and Options Markets* (8th edition). Pearson Education, 2013.

Burton Gordon, Malkiel. *A Random Walk Down Wall Street: Including a Life-Cycle Guide to Personal Investing*. W W Norton & Co Inc 1995 (inici publicació 1973)

Allué Bellosta, Luis-Martinez Bernal, Pablo. *Alicia Regresa a Wall Street: Las claves para invertir con éxito y ser feliz*. Value School, 2021

It exists Spanish translations of these books

## Software

Common application software: word, excel basically.