

FINANCIAL DECISION MAKING

MANDATORY

4 ECTS

METHODOLOGY

Case method and lectures.

OBJECTIVES

Introduce the students to basic financial concepts

- Introduction to fundamental financial decisions.
- Use of the most efficient model to determine financial needs. Provision balances
- Determination of the cost of different financing alternatives and decision-making in this regard.

- Use of the most universally used model for making real investment decisions.

LEARNING OBJECTIVES

After taking this course, students should be able to:

- 1) Make forecasts about the future financial needs of a company
- 2) Calculate and estimate Free Cash Flows. Evaluate the profitability of an investment project using the most common criteria, such as NPV, IRR and Pay-back.
- 3) Estimate the cost of capital of a company: cost of capital (based on CAPM), cost of debt, WACC and cost of assets. Understand how the cost of capital changes with changes in the company's leverage.

PROGRAM

SESSION 1

Introduction.

SESSION 2

Short-term financial forecasts (Conference).

NT: Pension balance sheets (DF2-169)

SESSION 3

Short-term financial forecasts.

CP: Industrial supplies for vehicles and cars, SA (SIVASA) (CF1-112)

SESSION 4

Short-term financial forecasts.

CP: Creative Toys, SA (DF1-129)

SESSION 5

Financial forecasts.

CP: Financial Plan for a start up (DF1-227)

SESSION 6

Investment analysis (Conference).

NT: Analysis and evaluation of investments (DF2-172)

SESSION 7

Capital cost.

NT: The cost of capital (DF2-141)

SESSION 8

Investment analysis.

CP: Beta Investments (DF1-109)

SESSION 9

Investment analysis.

CP: The New Line project (DF1-126)

SESSION 10

Investment analysis.

CP: Vajilla y Menaje, SA (DF1-199)

SESSION 11 ()

How far is it sensible to go into debt?

NT: Where is the reasonable limit to structural indebtedness? (DF2-215)

SESSION 12 (FACE TO FACE)

How far is it sensible to go into debt?

CP: Madivers buys Bovary in 2017 (DF1-223)

SESSION 13 (FACE TO FACE)

How far is it sensible to go into debt?

CP: Madivers buys Mercury in 2018 (DF1-224)

SESSION 14 (FACE TO FACE)

Review of concepts and resolution of doubts

SESSION 15 (FACE TO FACE)

Exam

EVALUATION SYSTEM

Criterion	Percentage	Comments
Class participation	33%	
Final exam	67%	

FAIL AND THE EXTRAORDINARY EXAM

If the student receives a failure - Fail - in the subject, they will have the opportunity to appear for an Extraordinary Call in order to achieve enough credits to graduate.

The extraordinary test will take place between 5 and 10 business days after the date of the review session.

The result of this extraordinary test will be limited to Low Pass or Fail.

Both grades, the Fail of the subject, as well as the grade obtained in the extraordinary test, will appear on the student's transcript. For the calculation of the GPA, however, only the qualification of the extraordinary test will be taken into account. Those students who are evaluated with Fail in the extraordinary test of a subject will not be able to continue in the program.