



INTRODUCTION TO FINANCE

2ND SEMESTER (6 credits)

***Department of Financial Economy and
Operations Management***

**Degree in Finance & Accounting
*Faculty of Tourism & Finance***

Syllabus
Academic year 2016/2017

Instructors

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Objectives and description of the course

The objective of this course is to introduce the student to the fundamentals of Finance, with special emphasis on corporate financial management. The course focuses on how companies invest in real assets and how they raise the money to pay for these investments. Besides investment and financial project valuation, the subject will include concepts of financial analysis, working capital, and cash management.

Introduction to Finance is a first step in the degree in Finance and Accounting and will provide the student with basic tools that financial managers use to make investment and financing decisions. Financial management is important, interesting, and challenging. Our objective is to promote critical reasoning and a better capacity for adapting to new situations by studying tools that would help to better develop the skill of problem-solving.

Teaching Strategies and Recommended Materials

The core elements for the preparation of the subject content include explanations given in class, published materials (slides and workbook), and basic recommended bibliography. Although

not compulsory for sitting final exams, class attendance is recommended, indeed essential, as it enables a better following and understanding of the course content by developing the competences to be acquired by the student. In addition, it is compulsory to attend classes in order to access the continual assessment system of the course, thereby attaining the opportunity of passing without sitting the final exam (see Section Exams and Grading).

Other teaching strategies will be employed on the course, including class discussions, problem-solving demonstrations, as well as presentation and discussion of material drawn from the financial press. Students are expected to take an active role in class discussion and problem-solving sessions.

The fundamental material for the course will be the class lectures (students notes), the PowerPoint slides or transparencies used by the instructor, the workbook, and the basic bibliography.

For each lecture, the instructor will recommend the most appropriate textbook. Several webpages are available to extend the knowledge and information about each topic.

Material available on the web

The virtual platform will lead you to the many resources available on the web. The content on the Platform will initially include this Teaching Guide for the subject, the slide sets and a workbook for all the chapters of the subject, and other teaching means used in class together with links to some websites of interest. This content will be expanded to include further subject matter throughout the course. Students are therefore requested to access the Platform on a regular basis.

The virtual teaching platform will also act as a means of publicly posting notices and announcing assignments, examination dates,

marks, etc. The aim is for students to have a tool at their disposal to complement their following of the subject in class, (*not* to replace their attendance), which allows them to plan their work in the subject in a more autonomous way tailored to their own learning rate. The platform is an absolutely essential work tool for keeping up with the class for any students who in exceptional circumstances cannot attend class.

Assignments

Homework exercises and questions are provided to help students master the material and to prepare them for exams. The assignments will also give the students the opportunity to exercise and enhance their written and oral communications skills through their class presentations. Occasional quizzes may be given to allow the instructor to gauge the progress of the class.

Exams and Grading

The assessment of the course will be carried out based on the qualification obtained by the student via:

1. Two partial exams (immediately after Chapter 3, and at the end of the course).
2. In the case that you fail one or both of the partial exams, you have to sit the final exam on 29th of June, 2017.
3. The exams are valid for 80% of the final mark.
4. Coursework should be handed in, and is valid for up to 20% of the final mark.

| The exams will have a theoretical part and a problem-solving part. Coursework is voluntary and on an individual basis. To pass the course, a final mark of at least 5 points is required. This final mark is the weighted sum of the exams and any coursework.

The second and third opportunities to sit the final exam in September and December 2017 take only the exam mark into account. The dates approved by the Faculty Committee for the various sittings for the subject during the previous academic year are as follows:

1 st Ordinary (June)	29/06/17
2 nd Ordinary (September)	12/09/17

The activities for continual assessment can consist of:

- a) Participation in practical/theoretical classes.
- b) Completion of practical exercises.
- c) Written assignments relating to the course content.
- d) Periodic exams to examine knowledge.

Topics

CHAPTER 1: Financial Statements: The Balance Sheet

CHAPTER 2: The Economic and Financial Management of the Firm

CHAPTER 3: Corporate Finance and its axioms

CHAPTER 4: Evaluation of Investments

CHAPTER 5: Criteria used in Economic Evaluation of Projects

CHAPTER 6: Evaluation of Financing: The Weighted Average Cost of Capital. Economic & Financial Feasibility

Bibliography

1. BREALEY MYERS MARCUS

Fundamentals of Corporate Finance

McGraw-Hill, Inc.

2. BODIE, ZVI; KANE; ALEX; MARCUS, ALAN J.

Essentials of Investments

McGraw-Hill, Inc

3. FABOZZI, FRANK & PETERSON, PAMELA P.

Financial Management and Analysis

McGraw-Hill, Inc