

## COURSE TECHNICAL DATA

Datos de la asignatura	
ECTS Credits	2 ects. Mandatory. (T2).
Degree	Master in Finance / Master Universitario en Finanzas por la Universidad Pontificia de Comillas
Professor	Jorge Aracil
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## OBJETIVES AND CONTENTS

### OBJECTIVES

**The aim of this course is to equip** students with an overview of Project Finance, taking them through all stages of a Project Finance transaction, so that they can apply their own techniques. Students will learn about how to apply a structured and systematic approach to financing projects using some of the Project Finance techniques, recognize the key characteristics of a strong project and identify the weakest links in the transaction, use qualitative and quantitative tools and measures to distinguish key risks, interpret each of the risks to determine their severity and potential impact on the structure of the transaction, appreciate how the mechanisms in the transaction documents operate to protect creditors and evaluate the protection provided as well as develop a credit justification to make and support investment decisions.

### GENERAL COMPETENCIES

**CG.9 Digital competence:** Use, take advantage of, and use, efficiently and safely, the technological and digital resources that are applied in the financial management of organizations.

**RA1 Be able to use information and communication technologies critically, creatively and safely**, in financial management in organizations, using applications and taking advantage of Internet resources.

**CG.10 Technical Capacity:** Capacity for analysis, synthesis, and projection, applied to situations, problems, and models, in the financial field.

**RA1 Is able to deal with the analytical study of cases** and scenarios, as well as to carry out information and data synthesis.

### SPECIFIC COMPETENCIES

**CE8** Gain in-depth knowledge of the operation and financing systems of companies and credit institutions within the current financial paradigm, as well as other alternative sources of financing and the solutions offered by the financing markets for different financing projects.

**RA2** Understand the concept of Project Finance, its advantages and disadvantages as a means of financing Financial Projects as well as the possible areas of application of this type of financing.

## CONTENTS

### Topic 1: EXCEL FUNDAMENTALS FOR MODELING

- 1.1. Design and format. Tool options.
- 1.2. Excel Fundamentals for Modeling

### Topic 2: FUNDAMENTALS FOR MAKING FINANCIAL PROJECTIONS AND MODELING BY CASH FLOW DISCOUNTS

- 2.1. Analysis of the Balance Sheet and the Income Statement focused on the generation of Cash Flow
- 2.2. Financial Model Dashboard Design
- 2.3. Analysis of the most relevant profitability and business viability ratios. Basic variables to project and balance the projected
- 2.4. Free cash flow, cash flow of capital and debt

### Topic 3: MODELLING APPLIED TO COMPANY VALUATION

- 3.1. Fundamentals of the most commonly used company valuation methods
- 3.2. Construction of a valuation model
- 3.3. Critical factors for value creation

### Topic 4: MODELING LEVEDGE BUY OUT (LBO) OPERATIONS

- 4.1 Building a Financial Model for a Leveraged Buyout (LBO)

### Topic 5: MODELLING AND CONSTRUCTION OF DEBT APPLIED TO PROJECT FINANCING

- 5.1 Basics of Leverage in LBO
- 5.2. LBO how to finance a structured operation, the management model and the allocation and mitigation of risks
- 5.3 Introduction to the modeling of differential variables in the construction of a concession model. Project

Financing...

## FORMATIVE ACTIVITIES

Formative activities	Workload (%)	Attendance (%)
Teacher's Lecture	39	100
Student Presentations, Debates, and Group Dynamics	49	100
Exercises and Problem-Solving, Applied Work Preparation	250	25
Study and Documentation	124	0
Tutorial Sessions	10	50
Development of Real Projects for Organizations	8	50

### General methodological aspects of the course

#### Presential methodology

This course is primarily delivered through the case learning method. Analysis and resolution of practical cases, when assigned, that allow the student to carry out a decision-making exercise as a professional in a financial department of a company.

Individual and small group work during the sessions through the development of practical models, they receive a case to be developed that requires sharing information and studies of the concepts used with a view to achieving the common goal.

Theoretical-practical sessions to illustrate with examples the structuring of valuations and financing operations of a project.

Each session begins with the theoretical explanation of the concepts corresponding to that day and is completed with practical examples, developed during the session, that illustrate the theory and allow students to assimilate the concepts more easily.

The model development method stimulates inductive learning. From the analysis of specific examples, the different analysis tools are built and general rules are induced to apply to all types of companies and sectors.

Therefore, it is essential to study financial concepts that are going to be put into practice in the models developed

#### Non Presential methodology

It is necessary to develop and study the practices carried out during the classes, in order to strengthen the understanding and the necessary skills.

	(%)
<b>Evaluation Activities</b>	
Assessment of the individual or collective work carried out by the students, some of which was presented in class.	40%
Oral and written exams, public defenses and multiple-choice tests, concept tests and resolution of practical cases as an exam	40%
Participation and use of classes	20%

### Grading

The evaluation criteria of the subject are governed by the following rules:

1. All students must comply with 100% attendance on the days established for this course. Any absence must be excused.
2. The final grade corresponds to the sum of the graded activities, the evaluation criteria and the % of the total grade described in the section Evaluation and grading criteria.
3. Individual and group work must be submitted in the time and manner provided by the teacher of the subject.
4. A final grade lower than 5 implies the completion of an extraordinary test. The final mark of this exam may not be higher than the median of those passed at the time of the established exams.

The evaluation criteria for enrolling in a second year

The student enrolled in the course for the second year must comply with the individual and group tasks established by the course teacher. The same evaluation criteria described in the Evaluation and Grading Criteria section will be maintained.

In those circumstances not provided for in this Teaching Guide, the Regulations of the Advantere School of Management and the General Regulations of Comillas will apply.  
Evaluation criteria to be applied in the case of exemption from schooling:

In cases of exemption from schooling, provided that the student duly justifies it, the grading criterion will be 70% exam (if the subject allows it, two exams will be held, 35% each) and 30% for individual work. The individual work will serve to control the evolution of the student's learning. In cases in which the student is not able to answer in writing, and provides evidence that justifies it, only in those cases the exam may be oral and the content of the student's answers will be transcribed.

**Health alert criteria:**

The student must be permanently identified, in class with an identification sign and remotely with his or her full name. Students should not change the spaces they occupy in the classroom, until indicated by a teacher or the program management.

Failure to comply with any of the health recommendations during the teaching sessions may imply failure in the subject.

## BIBLIOGRAPHY AND RESOURCES

### Basic Bibliography

#### Books

- Financial Modeling and Valuation (Wiley Finance) 2013
- Financial Modeling and Valuation: A Practical Guide to Investment Banking and Private Equity (Wiley Finance) 2022
- Valuation: Measuring and Managing the Value of Companies (Wiley Finance)