

TEACHING GUIDE

Course Information	
Full Name	Financial Statements Analysis and Corporate Finance
Code	0000012206
Degree	Máster en Finanzas
Taught in	Master in Finance from Comillas Pontifical University
Level	Postgraduate Official Master's Degree
Term	Semester
Credits	3,0 ECTS
Type	Mandatory
Person in charge	María Luisa Garayalde
Office hours	Continuous availability via email

Professor Information	
Professor	
Name	María Luisa Garayalde
Department / Area	Advantere School of Management
Office	Continuous availability via email
Email	m.garayalde@advantere.com

Professor	
Name	Rafael Castellote
Department / Area	Advantere School of Management
Office	Continuous availability via email
Email	r.castellote@advantere.org

SPECIFIC COURSE INFORMATION

Course contextualization

Contribution to the professional profile of the degree

This course aims to address the issues that affect the financial area of the company from a business strategy point of view.

The issues to be discussed are fundamentally profitability and cost issues that affect the entire company and, therefore, the entire balance sheet will come into play.

For this, all the knowledge previously acquired in the courses of Introduction to Accounting (business language) and Financial Accounting (accounting differences between the international standards IFRS and US-GAAP) will be used.

It is intended to train the student to be able to make both investment and financing decisions.

Competences – Objectives		
Competences		
GENERAL		
CG.1	Learning by projects: Ability to develop and execute collective financial projects in their different phases based on real situations, proposing real solutions and making all interactions with the team, clients and any other participant efficient.	
	RA1	Ability to commit to the development of experimental collective projects based on the real world, managing and aligning the client's needs with the available resources, optimally distributing the work, communicating and projecting its different phases, proposing real solutions and making efficient all interactions with the team, customers and other stakeholders.
CG.3	Teamwork: Apply techniques and methodologies that promote teamwork and mutual collaboration in talent management projects to be carried out with companies and organizations.	
	RA1	Be committed and cooperate in the defined roles to achieve the goals related to the tasks, activities, projects and responsibilities defined and assigned.
CG.10	Technical Capacity: Capacity for analysis, synthesis, and projection, applied to situations, problems, and models, in the financial field.	
	RA1	Capable of dealing with the analytical study of cases and scenarios, as well as carrying out information and data synthesis
SPECIFIC		
CE.03	Understand and correctly apply the principles and advanced models of company valuation, assets, portfolio management, the fundamentals of the analysis of investment projects and those that support modern theories of the construction of efficient portfolios, as well as recent theories on the Impact of behavioral psychology on investment decision making in the presence of uncertainty.	
	RA1	Understand and interpret the role of interest rates in the economic context and their impact on asset valuations. Know the classical and modern financial models and be able to explain the evolution of the Modern Portfolio Theory (Modern Portfolio Theory) from Markowitz to Black-Litterman. Learn about and apply the CAPM and APT asset valuation models, understanding their advantages and disadvantages.
	RA2	Learn about the private equity industry, its origination, valuation, execution, monitoring and execution of private equity transactions and the investment process and generation of added value. Know the perspective of private equity firms that invest and manage portfolio companies such as the perspective of institutions that invest in private equity funds.
CO.07	Know in detail and correctly apply accounting principles and standards in a globalized context, make decisions related to advanced management of costs, level of indebtedness, investment and dividend, being aware of their financial-tax implications, as well as analyzing the viability growth through corporate horizontal or vertical operations	
	RA1	Carry out an accounting analysis, interpretation of the financial statements, economic-financial diagnosis, based on the data of the accounting and financial information, applying the different tools and indicators that serve to issue a value judgment on the financial statements of the company and in especially financial entities, as well as to make decisions on how to account for certain operations, and make investment decisions.

	RA2	Knowledge and understanding of the regulations and the fundamental concepts of the theories and methods of national and international consolidation and their application to professional practice.
--	-----	---

THEMES AND CONTENT

Contents-Themes
Corporate Finance
Introduction and profitability measures
Introduction Profitability measures Time value of money
Investment projects analysis
<ul style="list-style-type: none"> - Operating cash flows - Capex - Investments in NOF - Sunk costs - Differential costs - Residual value - Sensitivity analysis - Discount rates
Resource cost
<ul style="list-style-type: none"> - Cost of debt - Capital cost - Weighted average cost of resources
Forecast of Financial Statements
<ul style="list-style-type: none"> - Balance forecast - Income Statement Forecast - Table of origin and application of funds
Company assessment
<ul style="list-style-type: none"> - Patrimonial methods - Profitability-based methods - Multiples
Assessment: special cases

- Acquisition by a strategic partner
- IPOs
- start-up assessment

Finance for times of uncertainty

Financial analysis

Introduction to the analysis of Financial Statements

Basic Concepts of Financial Statement Analysis Analysis

Techniques and Tools

Financial ratios

Operational ratios

Profitability ratios

Liquidity ratios

Solvency ratios

Assessment Ratios

Non-financial ratios

KPY and KRI

Dupont Control Panel

Comprehensive Control Panel

OKR and NPS

ESG Indicators

Conclusions analysis financial statements

TEACHING METHODOLOGY

General methodological course aspects

Presential Methodology: Activities

This module aims to be eminently practical. When dealing with concepts that are sometimes complicated in their formulation, a theoretical part will be given, but special emphasis will be placed on the practical application of these concepts. For this, the case method will be used.

The idea is not to give a lecture and for the case to serve as an illustration or an example that completes the topic, but to start with the case and, from there, try to arrive at the general theory.

Non-presential Methodology: Activities

Prior preparation by students will be required.

The groups have to prepare as a team the case that the professor indicates for each session and, eventually, deliver it in writing.

SUMMARY OF STUDENT WORK HOURS

PRESENENTIAL HOURS					
Professor Exposition	Student exhibition. Debates and group dynamics	Exercises and problem solving. Elaboration of applied work	Analysis and documentation	Tutorial sessions	Development of real projects for organizations
10	15	23	0	1	1
NON-PRESENENTIAL HOURS					
Professor Exposition	Student exhibition. Debates and group dynamics	Exercises and problem solving. Elaboration of applied work	Analysis and documentation	Tutorial sessions	Development of real projects for organizations
0	0	43,5	50	3	3
ECTS CREDITS: 5,0 (150,00 hours)					

EVALUATION AND GRADING CRITERIA

Graded Activities	Evaluation Criteria	% of Total Grade
Assessment of individual or group work carried out by students, some of them presented in class	<ul style="list-style-type: none"> • Work adequacy to the objectives set • On-time delivery • Goal adequacy and focus • Results achieved • Compliance with deadlines • The participation of ALL members of each team in the presentations and elaborations is required 	20
Performance of oral and written examinations, public defenses and multiple-choice tests, concept tests and resolution of practical cases as exams	<ul style="list-style-type: none"> • Throughout the program, exams or written tests will be given to test the solidity of the concepts acquired. • In order to pass the course, the final exams and tests of each section of the course must be passed. If there are several exams in the same section or block of a course, the weighted average of them must be higher than 5.0 as a necessary condition to pass the course. 	50
Participation and utilization of the classes	<ul style="list-style-type: none"> • When we talk about participation, it is clear that both the positive and negative ones are counted and that the quality of participation is as important as the quantity. The students' participation in class, the quality and timeliness of their interventions, the quality in the preparation and presentation of their work, predisposition and commitment, initiative, attendance. 	30

In the final grade, the weight of the Financial Analysis part and the Corporate Finance part will be proportional to the number of hours taught, that is, Corporate Finance will weight 70% and Financial Analysis 30%.

Grades

Notes to the evaluation criteria:

- 1-All students must comply with 100% attendance on the days established for this course. Any absence must be justified.
- 2-The final grade corresponds to the sum of the graded activities, the evaluation criteria and the % of the total grade described in the Evaluation and Grading Criteria section.
- 3-Individual and group work must be submitted on time and in the form specified by the subject's teacher.
- 4-A final grade lower than 5 implies the need to take an extraordinary exam. The final grade for this exam may not exceed the median of the passing grades at the time of the schedule exams.

The evaluation criteria for enrolling in a second year:

The student enrolled in the second-year course must fulfill the individual and group tasks established by the course professor. The same evaluation criteria described in the Evaluation and Grading Criteria section will be maintained.

In circumstances not covered by this Teaching Guide, the Advantere School of Management Regulation and the General Regulation of Comillas will apply.

Criteria on health alert:

The student must be permanently identified, with an identification in the classroom and with his full name remotely. Students should not change the spaces they occupy in the classroom, unless directed by a professor or program management.

Failure to comply with any of the health recommendations during class sessions can lead to a failure in the matter.

BIBLIOGRAPHIES AND RESOURCES

- Koller, Goedhart & Wessels: *Valuation: Measuring and Managing the Value of Companies (7th. Ed)*. Ed. McKinsey Company. (2020)
- Damodaran: *Investment Valuation (3rd Ed.)* Ed. Wiley Finance (2012)
- Ross, Westerfield & Jordan: *Essentials of Corporate Finance (10th Ed.)* Ed. McGrawHill (2020)
- Brealey, Myers & Allen: *Principles of Corporate Finance (13rd Ed.)* .) Ed. McGrawHill (2019)
- Alexander, J. (2018). *Financial planning & analysis and performance management*. John Wiley & Sons.
- Helfert (2001). *Financial Analysis - Tools & Techniques a Guide for Managers*. McGraw.Hill.