



IDENTIFYING DATA

Investment decisions

Subject	Investment decisions			
Code	V03G020V01402			
Study programme	(*)Grao en Administración e Dirección de Empresas			
Descriptors	ECTS Credits	Choose	Year	Quadmester
	6	Mandatory	2nd	2nd
Teaching language	Spanish English			
Department	Financial Economics and Accountancy			
Coordinator	Rodríguez de Prado, Francisco			
Lecturers	Docampo Barrueco, Jose Maria Martínez Cobas, Francisco Javier Rodríguez de Prado, Francisco			
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General description	This course aims to provide students with theoretical knowledge and analytical skills to make appropriate financial management tasks. The knowledge acquired serve as the basis for other subjects in Finance			

Competencies

Code	
B1	Ability to analyse and synthesise
B3	Skills related to the use of those computer applications used in business management
B10	Issue assessment reports on specific situations regarding companies and markets
B11	Design global management projects or projects related to the functional areas within a company
B13	Capacity for learning and independent work
B14	Capacity to apply the theoretical and practical knowledge acquired in a specialised academic context
C3	Acquire and understand knowledge regarding: Internal aspects, functions and processes of organisations including their nature, structure, direction, operation and management
C5	Acquire and understand knowledge regarding: The relationship between the business and its surroundings, evaluating its impact on business strategy, behaviour, management and sustainability
C7	Acquire and understand knowledge regarding: The main instrumental techniques applied to the business context
C10	Assess the situation and foreseeable evolution of a company based on the relevant information records
C11	Make strategic decisions using different types of business models
C12	Solve problems effectively and make decisions using the appropriate quantitative and qualitative methods, including the identification, expression and solution of business problems
C16	Skills in looking for, identifying and interpreting sources of relevant economic information

Learning outcomes

Expected results from this subject	Training and Learning Results	
(*)Know the main tasks about financial management of companies	B1	C3 C5
(*)Know the financial goal and the relationship with the activity of the company	B1 B14	C3 C5 C16

Identify and estimate the appropriate financial structure according to the operating cycle and activity of the company	B1 B3 B10 B11 B14	C3 C5 C7 C10 C11 C12 C16
(*)Know the concept of investment and the relationship with the financial goal	B1 B14	C3 C5 C16
(*)Know and estimate variables on an investment and apply the main analytical techniques to estimate return on investments	B1 B3 B10 B11 B13 B14	C7 C10 C11 C12 C16
(*)Interpretation of the results obtained applying return on investments methods	B1 B10 B11 B13 B14	C7 C11 C12 C16
(*) Using computer applications in the resolution of practical exercises in business financial management	B1 B3 B10 B11 B13 B14	C12 C16
(*)Know and value the influence of risk in the profitability of investments	B1 B3 B10 B14	C7 C11 C12

Contents

Topic	
Financial management fundamentals	- The financial function of the company: historical evolution. The financial goal. Tasks in financial management. - The financial and economic structure of the company: The financial flows in the company. The balance sheet. Turnover and working capital. CASH conversion cycle. Ratios analysis. - Effects of the time value of the money: the inflation and the interest rate. Future value of the money. Present value of the money
Concept and classification of investments	Investment concept. Classification of investments in the company. Implications of investments for the company.
Data for an investment	Variables for estimating the profitability of investments. Estimated Cashflow
Return on Investments valuation methods	Investment evaluation. The discount rate or cost of capital. Net present value (NPV). Internal rate of return (IRR). Cash flow estimation.
Return on investments interpretation	Choosing among several investments. IRR interpretation: reinvestment rate and inconsistency. Risk in investment decisions

Planning

	Class hours	Hours outside the classroom	Total hours
Computer practices	8	10	18
Problem solving	12	20	32
Autonomous problem solving	0	10	10
Lecturing	30	58	88
Essay questions exam	2	0	2

*The information in the planning table is for guidance only and does not take into account the heterogeneity of the students.

Methodologies

	Description
Computer practices	Proposal for complex problems. Explanation and use of computer tools applied to solving financial problems. Data entry, structure and application of financial functions. Presentation and analysis of results

Problem solving	Solving practical approach and assumptions that complement the master class and allow students to consolidate knowledge. Students have feedback with the teacher through questions that will be answered in a personalized way.
Autonomous problem solving	Students will solve exercises proposed by the professor. These exercises could be evaluated in order to measure skills acquisition
Lecturing	Explanation in the classroom by the professor of the most relevant content from the subject. Teaching materials are available to students in web platform and indicated bibliography.

Personalized attention

Methodologies	Description
Computer practices	
Problem solving	

Assessment

	Description	Qualification	Training and Learning Results	
Autonomous problem solving	Students will solve exercises proposed by the professor. The mark will be a percentage of the final mark.	20	B1 B3 B10 B11 B13 B14	C3 C5 C7 C10 C11 C12 C16
Essay questions exam	Final exam at the end of the term, in order to measure the acquisition of matter skills.	80	B1 B10 B11 B13 B14	C3 C5 C7 C10 C11 C12 C16

Other comments on the Evaluation

Can consult the dates of examinations in <http://fccee.uvigo.es/organizacion-docente.html>

Extraordinary evaluation in July follows the same system of evaluation.

Students can take the final exam over 100% full mark if they decide not come to midterm exams.

In English teaching group, percentages between different evaluation methodologies can be modified depending on the students number in the class.

Differences among systems of evaluation in the different Faculties in the University of Vigo, are justified by the necessary adaptation to the characteristics in each Faculty, taking into account students profile and number of students.

Sources of information

Basic Bibliography

Complementary Bibliography

Irene Pisón Fernández, **Dirección y gestión financiera de la empresa**, Pirámide, 2001

Pindado García, J., **Finanzas empresariales**, PArainfo, 2012

FAITIC, **Material teórico y práctico**,

Blanco Ramos, F. y Ferrando Bolado, M., **Dirección Financiera I. Selección de inversiones.**, Pirámide., 2008

Brigham, E.F. and Erhardt, M, **Financial management: theory and practice**, South western Thompson learning, 2002

Cibrán Ferraz, P. y Villanueva Villar, M., **Gestión financiera : teoría y casos prácticos**, Tórculo., 2005.

Fernández Alvarez, A.I., **Introducción a las finanzas.**, Civitas, 1994

Hayat, S. y San Millán, A., **Finanzas en excel.**, McGraw Hill, 2006

López López, V.; Illanes Sánchez, J.C., **Casos de Economía de la Empresa: modelos y soluciones con excel**, Netbiblo, 2002

Mascareñas Pérez Iñigo, J., **Finanzas para directivos**, Pearson, 2010

Suárez Suárez, A.S., **Decisiones óptimas de inversión y financiación**, Pirámide, 2014

Valladolid González, E.; Azofra Palenzuela, V., **Prácticas de Dirección Financiera**, Pirámide, 2002

Valls Martínez, M^a del Carmen, **Introducción a las Finanzas**, Pirámide, 2014

Recommendations

Subjects that continue the syllabus

Accounting analysis/V03G020V01601

Financing decisions/V03G020V01501

Asset valuation/V03G020V01604

Financial planning/V03G020V01702

Subjects that are recommended to be taken simultaneously

Financial accounting 2/V03G020V01401

Subjects that it is recommended to have taken before

Business: Mathematics of financial transactions/V03G020V01202

Business: Financial Accounting I/V03G020V01301
