



IDENTIFYING DATA

Investment decisions

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|---------------------|--|-----------|------|------------|
| Subject | Investment decisions | | | |
| Code | V03G020V01402 | | | |
| Study programme | Grado en Administración y Dirección de Empresas | | | |
| Descriptors | ECTS Credits | Choose | Year | Quadmester |
| | 6 | Mandatory | 2nd | 2nd |
| Teaching language | #EnglishFriendly Spanish English | | | |
| Department | | | | |
| Coordinator | Rodríguez de Prado, Francisco | | | |
| Lecturers | Rodríguez de Prado, Francisco | | | |
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| Web | http://https://fprado.webs.uvigo.es/ | | | |
| General description | This course aims to provide students with the theoretical knowledge and analytical capacity to perform tasks corresponding to financial management, especially in the analysis of short-term solvency and the evaluation of investment return. The knowledge acquired serves as a basis previous to study other subjects of the Degree in the area of Finance. | | | |

English Friendly subject: International students may request from the teachers:
a) resources and bibliographic references in English, b) tutoring sessions in English, c) exams and assessments in English.

Skills

| | |
|------|--|
| 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). |
| 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 |
|----------------------------|-------------|-----------------------------|-------------|
| Practices through ICT | 13 | 20 | 33 |
| Problem solving | 7 | 10 | 17 |
| 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 |
|-------------|
|-------------|

Practices through ICT Proposal of complex problems of the subject. Explanation and use of computer tools applied to solve financial problems. Data entry, structure and application of financial functions. Presentation and analysis of results.

Problem solving Approach and resolution of practical exercises that complement the lecturers and allow students to consolidate knowledge. Students can request to teacher through questions that will be answered in a personalized way.

Autonomous problem solving Students will solve proposed exercises throughout the semester autonomously.

Lecturing Teacher explanation in the classroom of the most relevant contents, using teaching material available to students on the platform and bibliography recommended.

Personalized assistance

| Methodologies | Description |
|-----------------------|---|
| Practices through ICT | Resolution of problems with computer support |
| Problem solving | Solution of doubts in the resolution of practical exercises |

Assessment

| | Description | Qualification | Training and Learning Results | |
|----------------------|---|---------------|--------------------------------------|--|
| Essay questions exam | Continuous evaluation through midterm exams with resolution of written exam, on the acquisition of competitions of the matter. Students can choose between continuous evaluation through midterm exams (100% final mark), or as an alternative way, global evaluation of all the subject in the final and end of degree exams in official dates (100% final mark). Continuous assessment system: 2 tests will be carried out throughout the course, with a weighting of 50% and 50% respectively. Students will be able to choose between continuous assessment or global assessment through final exam (100%). There is no deadline date for communicating the decision between continuous assessment or final exam. In final exams, the continuous assessment mark is not kept and a final global exam will necessarily have to be taken with 100% of the grade. | 100 | B1 B3 B10 B11 B13 B14 | C3 C5 C7 C10 C11 C12 C16 |

Other comments on the Evaluation

Official exams dates can be checked in the Faculty webpage <http://fccee.uvigo.es>

Differences among systems of evaluation in the different Faculties in the University of Vigo (Faculty of Ourense), 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

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

Moovi, **Material teórico y práctico**,

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

Complementary Bibliography

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

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

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, Mª 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

Other comments

This subject in the PCEO Degree in Business Administration -Degree in Law is taught in the 2^º semester of the 3^º Course by the professor Dr. Irene Garrido Valenzuela
