



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				
Coordinator	Rodríguez de Prado, Francisco			
Lecturers	Docampo Barrueco, José María Martínez Cobas, Francisco Javier Rodríguez de Prado, Francisco			
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Web				
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	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
Computer practices	Explanation and practical use of computer and software tools applied to Financial exercises
Problem solving	Exercises will be solved in the classroom and students questions will be answered by the professor

Autonomous problem solving	Homework made by students in order to improve skills and abilities and prepare evaluation exams
Lecturing	Main concepts explanation by the professor using tools like slides, reference books, web contents and computer

Personalized assistance

Methodologies	Description
Computer practices	
Problem solving	

Assessment

Description	Qualification	Training and Learning Results	
Essay questions exam	100	B1 B3 B10 B11 B13 B14	C3 C5 C7 C10 C11 C12 C16
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 exams in official dates (100% final mark).			

Other comments on the Evaluation

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

Differences among systems of evaluation in the different Faculties in the University of Vigo (Faculty of Ourense and IESIDE), 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**, Paraninfo, 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
- Vallelado 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

Other comments

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