



Universitat de Lleida

DEGREE CURRICULUM  
**FINANCIAL MANAGEMENT**

Coordination: Xavier Sabi

Academic year 2015-16

## Subject's general information

<b>Subject name</b>	FINANCIAL MANAGEMENT
<b>Code</b>	101328
<b>Semester</b>	2n Q Avaluació Continuada
<b>Typology</b>	Obligatòria
<b>ECTS credits</b>	6
<b>Theoretical credits</b>	0
<b>Practical credits</b>	0
<b>Coordination</b>	Xavier Sabi
<b>Office and hour of attention</b>	Xavier Sabi 11:30-14:00 dilluns 15:00-18:30 dimecres
<b>Department</b>	ADMINISTRACIÓ D'EMPRESES I GESTIÓ ECONÒMICA DELS RECURSOS NATURALS
<b>Modality</b>	Presencial
<b>Important information on data processing</b>	Consult <a href="#">this link</a> for more information.
<b>Language</b>	Català 80% Castellà 20%
<b>Degree</b>	Degree in Business Administration and Management
<b>Distribution of credits</b>	Laura Sánchez Pulido 4.8 Xavier Sabi 14.4
<b>Office and hour of attention</b>	Xavier Sabi 11:30-14:00 dilluns 15:00-18:30 dimecres
<b>E-mail addresses</b>	lsanchez@aegern.udl.cat xavisabi@aegern.udl.cat

Laura Sánchez Pulido  
Xavier Sabi

## Subject's extra information

The course as part of the academic plan

This is a compulsory course in the syllabus of the third year of the Business Administration and Management Degree. The study of the financial aspects of the company begins with the course on the Fundamentals of Corporate Finance, in which the students are first introduced to the long-term aspects of strategic and structured finance. The natural continuation of this is the course on Financial Management that studies the problems encountered in corporate financial management concerning the cash flow and managing the working capital. Financial Management gives students in-depth classroom theory on short-term finance and about the financial structure of the company from an operational and liquidity management perspective.

## Learning objectives

See competences

## Competences

### University of Lleida strategic competences

- Correctness in oral and written language.
- Master Information and Communication Technologies.
- Master a foreign language.

### Degree-specific competences

- Create and direct a business, which listens and responds to the changes of the environment in which it operates.

### Goals

- The course is intended to provide students with basic knowledge and terminology on short-term corporate finance and about how this affects the firm's profitability and solvency
- The Return on Equity concept and the factors that could affect it, especially those concerning indebtedness are studied
- As for Solvency, students will learn how to gauge the company's financial health and they will study the methods used to measure this.

- Apply instrumental techniques to the analysis and solution of business problems and to the taking of decisions.

### Goals

- The course is intended to provide students with basic knowledge and terminology on short-term corporate finance and about how this affects the firm's profitability and solvency. The Return on Equity concept and the factors that could affect it, especially those concerning indebtedness are studied. As for Solvency, students will learn how to gauge the company's financial health and they will study the methods used to measure this.

- Identify and interpret the economical, environmental, political, sociological and technological factors in local, national and international ambits, and their repercusion upon organizations.

## Goals

- Secondly the different policies related to working capital are defined and how these could affect the company's financial stress, so that the different financial instruments that are available can then be studied, whereby the advantages and disadvantages of each and every one of these are assessed.
- Intervene in operations belonging to financial entities and markets.

## Goals

- The course is intended to provide students with basic knowledge and terminology on short-term corporate finance and about how this affects the firm's profitability and solvency. The Return on Equity concept and the factors that could affect it, especially those concerning indebtedness are studied. As for Solvency, students will learn how to gauge the company's financial health and they will study the methods used to measure this.
- Perform the roles related to the different functional areas of a business and institutions.

## Goals

- The course is intended to provide students with basic knowledge and terminology on short-term corporate finance and about how this affects the firm's profitability and solvency. Firstly the importance of the working capital in the firm's finances is focused on. More specifically, the concept of the Working Capital Requirements is introduced along with the variables that could affect it. Secondly the different policies related to working capital are defined and how these could affect the company's financial stress, so that the different financial instruments that are available can then be studied, whereby the advantages and disadvantages of each and every one of these are assessed. The Return on Equity concept and the factors that could affect it, especially those concerning indebtedness are studied. As for Solvency, students will learn how to gauge the company's financial health and they will study the methods used to measure this. Finally they will be shown how to plan the company's profits and cash flow using the Profit and Loss Statement, the cash flow budget and the provisional balance sheet.
- Elaborate, interpret and audit the economical-financial information of entities and individuals, and provide them with assessment.

## Goals

- The course is intended to provide students with basic knowledge and terminology on short-term corporate finance and about how this affects the firm's profitability and solvency.
- Firstly the importance of the working capital in the firm's finances is focused on. More specifically, the concept of the Working Capital Requirements is introduced along with the variables that could affect it.
- Secondly the different policies related to working capital are defined and how these could affect the company's financial stress, so that the different financial instruments that are available can then be studied, whereby the advantages and disadvantages of each and every one of these are assessed.

## Degree-transversal competences

- Ability to criticise and be self-critical.
- Ability to organise and plan.

- Teamwork and leadership.

## Goals

- The Return on Equity concept and the factors that could affect it, especially those concerning indebtedness are studied
- Be able to work and to learn in an autonomous way and simultaneously adequately interact with others, through cooperation and collaboration.
- Ability to analyse and synthesise.

## Goals

- The Return on Equity concept and the factors that could affect it, especially those concerning indebtedness are studied
- As for Solvency, students will learn how to gauge the company's financial health and they will study the methods used to measure this.
- Act in accordance with rigour, personal compromise and in a quality orientated way.

## Subject contents

### **SUBJECT 1. THE COMPANY'S WORKING CAPITAL**

- 1.1 Introduction to the importance of the company's working capital.
- 1.2 The Working Capital Requirements concept.
- 1.3 The origins of the Working Capital Requirements.

### **SUBJECT 2. WORKING CAPITAL POLICIES**

- 2.1 Managing the company's stock.
- 2.2 Managing debtor investment. Arrears management in firms.
- 2.3 Managing supplier credit.
- 2.4 Managing the cash flow and dealing with banks.

### **SUBJECT 3. FINANCING THE WORKING CAPITAL REQUIREMENTS.**

- 3.1 The Working Capital.
- 3.2 The short-term financing cost.
- 3.3 The credit policy.
- 3.4 The trade allowance.
- 3.5 Other forms of financing.

### **SUBJECT 4. THE COMPANY'S RETURN ON EQUITY.**

- 4.1 The margin and the Profit and Loss Account.
- 4.2 The asset turnover.
- 4.3 The affect of indebtedness on the profitability. The Leverage concept.

### **SUBJECT 5. CORPORATE FINANCIAL SOLVENCY**

- 5.1 Qualitative aspects.
- 5.2 Overall level of indebtedness or collateral. The solvency ratios.
- 5.3 The coverage ratios.
- 5.4 The cash ratios. Analysing the cash flow statements.

### **SUBJECT 6. FINANCIAL PLANNING**

6.1 Provisional Balance Sheet.

6.2 The cash flow budget.

6.3 The provisional balance sheet.

## Evaluation

25% Primera Prova tipus Test Temes 1-3.

21% Segona Prova Tipus Test. Temes 4-5

25% Treball de màxim 4 persones. Una vegada que es comprometí a realitzar el treball es ficarà una Nota d'aquest apartat independentment de si es presenta o no.

29%. Examen de Síntesis. Per superar l'assignatura es necessari tenir una nota mínima de 4 punts en aquesta prova.

Per tenir un NP s'ha de presentar com a màxim a 2 de les 4 proves.

## Bibliography

Recommended bibliography

The resources for this subject are available in the Virtual Campus. The classroom content is complemented by supporting material related to the subject matter namely the synthetic notes on such, online supporting material, practicals, exercises and cases that all go towards attaining the required skills and necessary level of understanding and knowledge.

These resources will be made available in the Virtual Campus as the course progresses.

- Brealey, R.; Myers, S. (1999). Fundamentos de financiación empresarial. Madrid: McGraw-Hill.
- Cantalapiedra, M. (2005) *Manual de gestión financiera para Pymes*. Cie Inversiones Editoriales Dossat.
- Faus, J Tapies (1999) Finanzas operativas, IESE, Pamplona.
- Fernández, L. (2007). La práctica de las finanzas de empresa. Madrid: Delta Publicaciones.
- López Martínez, F. J. (2003): Manual del Cash Management, Ediciones Deusto, Bilbao.
- Martínez, E. (2005). Finanzas para directivos. Madrid: McGraw-Hill.
- Mascareñas, J. (2010) Finanzas para directivos. Madrid: Pearson.
- Weston, J.F y Bigham, E.F. (1993): Fundamentos de administración financiera, McGraw-Hill, México.