

Departament d'Economia de l'Empresa

Subject

FINANCIAL MANAGEMENT / GESTIÓ FINANCERA (25051 – 6.75 credits)  
Elective subject Economics / optativa ECO

Same contents as in the first semester of CORPORATE FINANCE,  
an advanced core course in Business Administration.

Course	Cycle	Semester	Subject	Subject code
2006-2007	2 <sup>nd</sup>	October -January	Financial Management	25051

Group	Lecturers	Group	Lecturers
04 / 60	T. Bosch, J. Montllor	52	M. Cayon
13	S. Bou, M. Cayon	54	1 <sup>st</sup> sem. in English: M.A.Tarrazon 2 <sup>nd</sup> sem.: S.Bou, M.A. Tarrazon

- *Students are requested to attend lectures and to take the examination paper in the group where they are registered.*
- *Examination conditions are identical for all students registered in these subjects.*

**SUBJECT OUTLINE:**

**CORPORATE FINANCE (25054).** Its first semester corresponds to Financial Management (25051).

Capital budgeting under certain and risky conditions. Project analysis. Capital structure: means and policies. The cost of capital: Combining risk and return. Capital market models. Fixed-income and common stock pricing. Derivatives pricing. Relationships between firms and financial markets.

**PROGRAMME**

1<sup>st</sup> semester: Asset Pricing (FINANCIAL MANAGEMENT, 25051)

**SUMMARY:** Asset pricing, in particular of financial assets traded in capital markets. Consequences for the firm's financial management.

**TOPICS**

1. Types of assets and principles of asset pricing
2. Financial markets and their role in asset pricing
3. Portfolio selection
4. Capital market theory
5. Efficiency in financial markets
6. The value of common stocks
7. Derivatives markets
8. Introduction to option pricing

## MAIN REFERENCES

- BODIE, Z.; A. KANE and A. J. MARCUS. *Investments*. 5<sup>th</sup> edition. New York: McGraw-Hill, 2002.
- BREALEY, R., S.C. MYERS and F.ALLEN. *Principles of Corporate Finance*. 8<sup>th</sup> edition. New York: McGraw-Hill, 2006. Spanish translation: *Principios de finanzas corporativas*. 8<sup>a</sup> ed. Madrid: McGraw-Hill, 2006.
- MALKIEL, B.G. *A Random Walk Down Wall Street*. 8<sup>th</sup> edition. New York: Norton, 2003. Spanish translation: *Un paseo aleatorio por Wall Street*. 3<sup>a</sup> ed. Madrid: Alianza Editorial, 2004.
- MONTLLOR i SERRATS, Joan (editor). *Guia d'estudi en xarxa per a l'assignatura Direcció Financera*. Campus virtual de la UAB.
- ROSS, S.A.; R.W. WESTERFIELD and J. JAFFE. *Corporate Finance*. 7<sup>th</sup> edition. New York: McGraw-Hill, 2004. Spanish translation: *Finanzas corporativas*, 7<sup>a</sup> ed. México DF: McGraw-Hill, 2005.
- SUÁREZ SUÁREZ, A. S. *Decisiones óptimas de inversión y financiación de la empresa*. 19<sup>a</sup> ed. Madrid: Ed. Pirámide, 2003.
- TARRAZON-RODON, M.A. and J. MONTLLOR-i-SERRATS: Study Guide for Corporate Finance and Financial Management. Campus Virtual. UAB.

## COMPLEMENTARY REFERENCES

- BENNINGA, S. *Financial Modeling*. 2<sup>th</sup> edition. Cambridge, Massachusetts: The MIT Press, 2000.
- BREALEY, R.A., S.C. MYERS and F. ALLEN. *Principles of Corporate Finance*. 8<sup>th</sup> edition. New York: McGraw-Hill, 2005. (latest edition in English of the text recommended as a main reference).
- ELTON, E.J.; M.J. GRUBER; S.J.; S.J. BROWN and W.N. GOETZMAN. *Modern Portfolio Theory and Investment Analysis*. 6<sup>th</sup> edition. New York: John Wiley & Sons, 2002.
- FABOZZI, F.J.; F. MODIGLIANI. *Capital Markets: Institutions and Instruments*. 3<sup>rd</sup> edition. Upper Saddle River, New Jersey: Prentice-Hall, 2002.
- HOLDEN, C.W. *Spreadsheet Modelling in Investments*. Upper Saddle River, New Jersey: Ed. Prentice-Hall, 2002.
- HULL, J. *Fundamentals of Futures and Option Markets*, 4<sup>th</sup> edition, Upper Saddle River, New Jersey: Prentice-Hall, 2002. Spanish translation: *Introducción a los mercados de futuros y opciones*. 4<sup>a</sup> ed. Madrid: Ed. Prentice-Hall, 2002.
- SHARPE, W.F.; G.J. ALEXANDER and J.V. BAILEY. *Investments*. 6<sup>th</sup> edition. Upper Saddle River, New Jersey: Ed. Prentice-Hall. 1999.
- UNIVERSITY OF CHICAGO GRADUATE SCHOOL OF BUSINESS, LONDON BUSINESS SCHOOL, THE WHARTON SCHOOL OF THE UNIVERSITY OF PENNSYLVANIA (eds.). *Mastering Finance*. Financial Time Mastering Series. Londres: Pitman Publishing, 1998.
- VAITLINGAM, R. *The "Financial Times" Guide to Using the Financial Pages*. 5<sup>th</sup> edition. London: Financial Times-Prentice Hall, 2005.
- VALERO LÓPEZ, F.J. *Opciones en instrumentos financieros*. Barcelona: Ed. Ariel, 1988.
- VAN HORNE, J.C. *Financial Management and Policy*. 12<sup>th</sup> edition. Upper Saddle River, New Jersey: Ed. Prentice-Hall, 2002.

**METHODOLOGY:** Combination of theoretical models, applied exercises and case studies.

**IMPORTANT REMARKS:**

- Students taking **Corporate Finance (25054)** and **Financial Management (25051)** are expected to attend lectures regularly and to work throughout the whole semester (14 weeks per semester).
- Students are requested to attend lectures and to take the examination paper in the group where they are registered. There is an examination paper in English and another in Catalan. Students may answer in Catalan, Spanish or English.
- **Examination takes place the day scheduled by the Faculty: Date and hour are announced before registration.**
- The examination paper includes questions on Burton Malkiel's *A Random Walk Down Wall Street*.
- In the subjects **Corporate Finance (25054)** and **Financial Management (25051)**, including group 54, a system of *docència tutoritzada* (tutorial teaching according to the UAB) is implemented: Students are requested to solve and deliver exercises during the semester. With their active participation in the classroom the solutions will be commented jointly with a review of the main concepts of each topic. The sequence of exercises and the dates of these sessions will be announced with enough anticipation. The *docència tutoritzada* covers three weeks per semester, two of them being already programmed while the third one is to be fixed by the lecturers of each group. The weeks programmed are:
  - First semester: 4<sup>th</sup> to 10<sup>th</sup> December 2006 and 15<sup>th</sup> to 21<sup>st</sup> January 2007.
  - Second semester: 26<sup>th</sup> March to 1<sup>st</sup> April and 28<sup>th</sup> May to 3<sup>rd</sup> June 2007.
- **Final grade = Max [examination mark or ( 20%exercises delivered + 80% examination mark) ]**

**EXAMINATION SESSIONS:**

Session	FINANCIAL MANAGEMENT
February	First examination session: 5 <sup>th</sup> February 2007, 14.30 to 17.30 h
June	Second examination session: 20 <sup>th</sup> June 2007, 18.30 to 20.30 h

**OFFICE HOURS**

Lecturers	Office hours	Office	Telephone
Teya.Bosch@uab.es	1er semestre: Dmc de 16'30 a 17'30 h. 2on semestre: Dlls de 18'00 a 19'00 h.	B1-133	93 581 2262
Silvia.Bou@uab.es	1er semestre: Dmt i dj de 10'00 a 11'00 h. 2on semestre: Pendants de confirmar	B1-1104	93 581 4302
Magda.Cayon@uab.es	1er semestre: Dmt de 15'00 a 16'30 h. i dj 16'00 a 17'30 h. 2on semestre: Dmt i dmc de 15'00 a 16'30 h.	B1-1104	93 581 4302
Joan.Montllor@uab.es	1er semestre: Dmc de 16'30 a 17'30 h. 2on semestre: Dmc de 16'30 a 17'30 h.	B1-1106	93 581 1269
MariaAntonia.Tarrazon@uab.es	1 <sup>st</sup> semester: We 16.15 to 17.45h and Th 16.30 to 18.00h 2 <sup>nd</sup> semester: We and Th 16.30 to 18.00h.	B1-1102	93 581 3116