

Course Unit	Fundamentals of Finance and International Finance	Field of study	Management
Bachelor in	International Business Management	School	School of Technology and Management
Academic Year	2023/2024	Year of study	2
Type	Semestral	Semester	1
Level	1-2	ECTS credits	6.0
Code	8487-711-2104-00-23		
Workload (hours)	162	Contact hours	T - TP 50 PL - TC - S - E - OT 10 O -

T - Lectures; TP - Lectures and problem-solving; PL - Problem-solving, project or laboratory; TC - Fieldwork; S - Seminar; E - Placement; OT - Tutorial; O - Other

Name(s) of lecturer(s) Ana Paula Carvalho do Monte, Fernando Jorge Lobo Marques

Learning outcomes and competences

At the end of the course unit the learner is expected to be able to:

1. Identify the main principles of financial decisions and expected profitability valuation methods, assess financial asset risk, and identify the equilibrium models in financial markets
2. Employ financial maths to study short, medium, and long term financial activities, particularly regarding decision-making on loans to private and corporate agents, bonds, and investment selection.
3. Identify approaches on investments and enable an integrated view of the process of development, analysis, and control of investments, according to the firms view.
4. Identify and analyse the financing tools available to companies, and the set of alternative options available for application on the short, medium, and long terms.
5. Assess and discuss the economic and financial position of an organisation.

Prerequisites

Before the course unit the learner is expected to be able to:
Apply basic knowledge of accounting and international accounting.

Course contents

Basic tools of financial analysis: accounting statements and ratio analysis; Financial Equilibrium; Financial forecasting; Management of stocks, bonds, derivatives and other assets; Investment decisions in the global marketplace.

Course contents (extended version)

1. Fundamentals of Finance
 - What is corporate finance?
 - The financial manager
 - Financial management decisions
 - The goal of financial management
2. Basic Tools of Financial Analysis
 - The Balance Sheet
 - The Income Statement
 - Cash Flow
 - Ratio Analysis
 - The Du Pont Identity
 - Using financial statement information
3. Financial Equilibrium
 - Current asset management
 - Short-term liabilities
 - Working capital management
4. Financial Forecasting
 - Pro Forma Statements and Financial Planning
 - Cash Flow Forecasts
 - Cash Budgets
 - Cost of capital
 - Capital structure
 - Financial planning
5. Management of stocks, bonds, derivatives and other assets
 - Portfolio Theory and Asset Pricing
 - Common Stock Analysis and Equity Pricing Models
 - Fixed Income Analysis and Bond Pricing
 - Futures, Options and Other Derivatives
6. Investment decisions in the global marketplace
 - Foreign Direct Investment and Cross-Border Acquisitions;
 - International Capital Structure and Cost of Capital
 - International Capital Budgeting
 - Multinational Cash Management
 - International Trade Finance
 - International Tax Environment and Transfer Pricing

Recommended reading

1. Brealey, R. , Myers, S. , & Allen, A. (2017). Principles of Corporate Finance (12th Ed.). McGraw-Hill Education.
2. Ross, S. A. , Westerfield, R. W. , Jaffe, J. , & Jordan, D. B. (2019). Fundamentals of Corporate Finance (12th Ed.). McGraw-Hill Education.
3. Eiteman, D. K. , Stonehill, A. I. , & Moffett, M. H. (2016). Multinational business finance (4th Ed.). Pearson Higher Education
4. Eun, C. S. , & Resnick, B. G. (2018). International Financial Management (8th Ed.). McGraw-Hill/Irwin.

Teaching and learning methods

Theoretical-practical classes, with audiovisual resources based on "learning by doing", involving active participation of students by interventions, individual and group work and problem and case solving. Real-life case studies are incorporated into lectures to provide opportunities for students to apply theory into practice in a real context and help consolidate the learning outcomes.

Assessment methods

1. Alternative 1 - (Regular, Student Worker) (Final, Supplementary)
 - Practical Work - 20% (Practical work on financial analysis of an existing company.)
 - Development Topics - 25% (Research work (literature review).)
 - Final Written Exam - 30% (mandatory to obtain a minimum grade of 5 (in 20) in this item (even if the average is positive))
 - Case Studies - 20% (Exercises and cases solved in class and homeworks. It is assessed also in this item the attendance.)
 - Presentations - 5% (Oral Presentation of the assignment "research work (Literature review)")
2. Alternative 2 - (Regular, Student Worker) (Supplementary, Special)
 - Final Written Exam - 100%
3. Alternative 3 - (Student Worker) (Final, Supplementary, Special)
 - Final Written Exam - 100%

Language of instruction

English

Electronic validation

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04-10-2023	06-10-2023	09-10-2023	10-10-2023