



PERSONA CIENCIA EMPRESA

UNIVERSITAT RAMON LLULL

Code: 81103**Name of the subject:** Financial Analysis and Valuation**GENERAL CHARACTERISTICS****Number of credits****ECTS:** 6.0

Language/s Catalan
Spanish
English

Type Normal

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DESCRIPTION**BRIEF DESCRIPTION AND JUSTIFICATION**

In nowadays economy, the development of competencies to understand correctly and to interpret and analyze economic information is crucial for professional performance in the field of accounting and auditing.

In particular, understanding and analyzing the financial information that companies formulate is fundamental for their users in their decision-making process regarding it. In fact, the proper use of this accounting information allows optimizing financing and investment decisions, evaluating the performance of the company and the results obtained, as well as setting objectives and forecasting future years.

Precisely in this area is the subject Financial analysis and valuation of companies, through which they develop the skills necessary to understand, interpret and know how to analyze accounting information, make forecasts about the economic and financial situation of the company, as well as to understand The main models of valuation of companies and put them into practice with real cases.

COMPETENCIES

As a consequence of the acquisition of the contents of the subject, the student will be able to:
CE2. Analyze the accounting information and prepare reports for accounting, fiscal and financial purposes.

PREREQUISITES

Requirements legally established to access postgraduate programs:

Degrees in the field of social sciences.

CONTENTS

1. Financial Mathematics and Valuation of Financial Transactions
2. Analysis of financial statements
 - 2.1. Methodologies of analysis of financial statements
 - 2.2. Models of analysis of results. Operational and business risk analysis
 - 2.3. Financial structure and debt risk (I). Analysis of the generation of value (EVA)
 - 2.4. Financial structure and debt risk (II). Business solvency analysis
 - 2.5. Working capital and corporate liquidity
 - 2.6. Analysis of the cash flow statement
3. Valuation of companies
 - 3.1. Concept of valuation of companies
 - 3.2. Typologies of Valuation Approaches
 - 3.3. Classic methods of valuation of companies
 - 3.4. Methods based on accounting values
 - 3.5. Market models
 - 3.6. Methods based on cash-flow discount

METHODOLOGY

TRAINING ACTIVITIES:

Training activities	ECTS Credits	Competencies
Lectures presenting concepts and procedures	1	CE2
Practical sessions (exercises, case resolution)	1.5	CE2
Assignments by Students	1.25	CE2
Seminars or tutorials	0.25	CE2
Personal study activities	1.5	CE2
Assessment sessions	0.5	CE2
Internship in Company		
TOTAL	6	CE2

EXPLANATION OF TEACHING METHODOLOGY

The pedagogical model is based on an active effort (preparation before class, active effort to solve a problem) and good class participation of all the students. In a world of rapidly changing demands, the needs of organizations and of its members are continuously evolving. New business scenes are appearing with the development of information technologies and social networks. In this context, there are skills and abilities that improve the probabilities for university graduates to succeed in a future job.

The development of these abilities requires important changes in the traditional pedagogical methods. In order to develop these skills, students must actively participate in the learning process. Students have their own values and concepts and the learning process at the university represents an opportunity to reflect on everything what has been learnt before. It offers an opportunity to learn more about it and to discuss it critically.

To achieve these objectives, the course has been designed with an active methodology that allows you to learn, think and be creative. We will actively work on real cases in order to apply the theoretical concepts explained in each topic and to learn by doing exercises and solving problems in our subject's field.

It is highly recommended that students prepare each class by studying the corresponding notes and solving by their own the cases and exercises, so they can early identify hurdles and misgivings to be clarify in class.

EVALUATION

METHODS OF EVALUATION

Evaluation Methods	Weight	Competencies
Final exam	20%	CE2
Partial exams	25%	CE2
Following up activities	15%	CE2
Homework and presentations	40%	CE2
Experimental work or fieldwork		
Projects		
Evaluation of the company or institution		
Participation		

LEARNING OUTCOMES

At the end of the course the student should be able to:

- Analyze in depth the financial information contained in the financial statements.
- Understand and interpret the differences between the analysis of individual financial statements and consolidated financial statements.
- Understand the main models used in practice for the valuation of companies.
- Implement different business valuation models.

EVALUATION

The final grade of the course responds to continuous assessment criteria and will be the result of applying the following percentages: 20% for the final exam, 25% for the partial exams, 15% for the grade obtained in the final exam Follow-up tests (continuous evaluation) and 40% for the delivery of papers.

EVALUATION OF COMPETENCIES

All the evaluation activities of the subject evaluate the specific competence of financial analysis, in which students must be able to analyze the financial statements of a company or business group and carry out their valuation.

BIBLIOGRAPHY

Bibliography

- **Penman, S.H.** (2013). *Financial Statement Analysis and Security Valuation*. NY: McGraw-Hill.

DOCUMENT RECORD

PREVIOUS CHANGES

LAST REVISION

September 04th, 2017, David Castillo-Merino, PhD