

Code: 81031

Subject name: Tax and Inheritance Planning

GENERAL CHARACTERISTICS

ECTS: 4

Language/s: English

Type: Elective

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DESCRIPTION

Brief description and justification

The main objective of the subject is to provide the necessary instruments to carry out investments in complex financial assets based on fixed income and derivatives. On the other hand, investments in alternative financial assets are also evaluated: commodities, hedge funds, private equity activities and SOCIMIS.

Competencies

As a consequence of the acquisition of the contents of the subject, the student will be able to:

CE4. Optimize the management of portfolios and wealth, risk coverage and business financing decisions, applying the principles of analysis and valuation of financial products investment and financing. (Financial investment and financing operations).

Prerequisites

Requirements legally established to access postgraduate programs:

Degrees in the field of social, scientific or technological sciences.

Contents

1. Fixed income market
 - 1.1. The private fixed income market
 - 1.2. Floating Coupon Bonds (FRN)
 - 1.3. High yield debt
 - 1.4. Instruments linked to inflation
 - 1.5. Convertible bonds

- 1.6. Credit Risk Analysis
- 1.7. Measurement and management of interest rate risk
- 2. Derivatives market
 - 2.1. Option valuation models
 - 2.1.1. Put-call parity
 - 2.1.2. Binomial model
 - 2.1.3. Black - Scholes Model
 - 2.2. Strategies with options
 - 2.2.1. Straddle and strangles
 - 2.2.2. Sensitivity (Greek)
 - 2.3. Warrants
 - 2.3.1. Concept and calculation of your leverage
 - 2.3.2. Know the factors that affect your price
 - 2.4. TBT instruments
 - 2.4.1. FRA's markets
 - 2.4.2. Interest Rate swaps (IRS): concept and classes
 - 2.4.3. Caps and floors: concept and price determination
 - 2.4.4. Collars: concept and price determination
 - 2.4.5. Structured products
- 3. Alternative investments
 - 3.1. Free investment funds (Hedge Funds)
 - 3.2. Typology of risks
 - 3.3. Due Diligence Process: Description of the phases
 - 3.4. Commodities
 - 3.4.1. Definition and general characteristics
 - 3.4.2. Types of commodities
 - 3.4.3. Relationship between the future price and cash
 - 3.4.4. Price formation
 - 3.4.5. Main commodity indices
 - 3.4.6. Commodities in the context of a portfolio
 - 3.5. Private equity
 - 3.5.1. Types of private equity
 - 3.5.2. Profitability and risk of private equity
 - 3.6. Real estate investment vehicles
 - 3.6.1. The SOCIMI
 - 3.6.2. Difference between SOCIMIs and real estate investment funds
 - 3.6.3. Differences between SOCOMI and REIT's
 - 3.6.4. Real estate investment products in the context of a portfolio

METHODOLOGY

Training activities:

Training activities	ECTS	Competencies
Lectures presenting concepts and procedures	1,8	CE4

Practical sessions (exercises, case resolution)	0,5	CE4
Assignments by Students	0,5	CE4
Seminars or tutorials	0,3	CE4
Personal study activities	0,8	CE4
Assessment sessions	0,1	CE4
Internship in Company		
TOTAL	4	

Explanation of teaching methodology

There are two types of training activities:

1.- Exhibition and reading of theory on the subject

Corresponds to the presentation of the subject by the teacher and the study of the subject by the student. This activity is about knowing the theoretical foundations of the subject, as well as the basic and advanced concepts related to financial assets and liabilities, their valuation and accounting, the different risks that the company faces and the effect of the above on The financial structure of the company.

2.- Practical exercises and case discussion

Corresponds to the preparation by students of the practices corresponding to each theoretical topic. In this activity the transversal competition of adaptation to change is mainly developed. This section takes into account both the face-to-face sessions of practical classes, the seminars and tutorials that take place during the course, and the continuous assessment sessions. The works are carried out both individually and in work groups. Their purpose is the knowledge of the different credit and financing products and their role in the financing activities of the company and its financial structure, as well as its effect on the annual accounts.

METHODS OF EVALUATION

Methods of evaluation

Methods of evaluation	Weigth	Competencies
Final exam	50%	CE4
Partial exams	50%	CE4
Following up activities	-	
Homework and presentations	-	
Experimental work or fieldwork	-	
Projects	-	
Evaluation of the company or institution	-	
Participation	-	

Learning outcomes

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

- Operate efficiently in markets of letters, bonds, promissory notes, corporate and public and in money markets.
- Operate efficiently in other markets of fixed income, currencies, futures, options and OTC derivative products.
- Integrate in the financial planning alternative instruments negotiated in national and international money markets.
- Incorporate in the financial planning the specific analysis of segregated and reconstituted bonds and obligations.
- Define combined, differential and synthetic investment strategies with the different types of financial instruments.
- Correctly consider interest rate and credit risk in different markets in financial planning.
- Consider liquidity risk and market risk correctly in financial planning.

- Know alternative investments: real estate, commodities, hedge funds,

Evaluation

The final grade of the course responds to criteria of continuous evaluation and will be the result of applying the following percentages: 50% for the final exam and 50% for the partial exams.

EVALUATION OF COMPETENCIES

In all the activities of evaluation of the subject the specific competence of financial operations of investment and financing is evaluated, in which the students have to be able to operate with all the exposed financial assets.

Bibliography (latest editions)

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Larraga, P.; Elvira, O. (2008). Mercado de Productos Derivados, Bresca.

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Summa, J. F.; Lubow, J. W. (2002). Options on futures, new trading strategies, John Wiley and Sons Inc,

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PREVIOUS CHANGES

LAST REVISION

