

MODULE: Introduction to Financial Analysis

- ▶ Department: Finance
- ▶ Type: Common
- ▶ Credits: 10
- ▶ Year 2º
- ▶ Pre-Requisites: Accounting I

Run by ESCOEX International Business School

Lecturers: Daniel Álvarez- Nava García

Objectives

The basic objective of this module is to introduce students to the basic financial skills required to evaluate financial and non-financial assets using the financial mathematical instruments and their application in a business plan.

Learning outcomes

Upon completing this module students will be capable of:

- Calculating the current and final value of a financial asset and /or of financial income
- Evaluating the impact of the interest rates on the current value of assets - tangible and intangible.
- Calculating amortisation quotas of loans. Impact of inflation and taxes.
- Knowing the return binomial – risk of financial markets
- Obtaining an insight into financial markets
- Understanding and managing a business plan and integrating a business model in the plan.

Indicative content

1. Introduction to Finance:
Time & value of money.
Financial regimes. Interest rates.
2. Capitalization and Simple Discount:
Simple capitalization.
Simple discount. Types.
3. Capitalization and Compound Discounts:
Compound interest.
APR financing operations.
4. Revenue:
Concept of income.
Classification of income.
5. Loans:
Introduction.
Different depreciation systems.
6. NPV and IRR:
Concept.
Investment approaches.
7. Creating the Business Plan:
Structure of a BP.
Financial analysis of the business plan.

Evaluation criteria

One exam 70%
One coursework 30%

Methodology

The methodology to be used shall be theoretical classes supported by power point representation: solving of practical case studies and exercises.

Basic Skills

D1: Communication and presentation skills including audio, oral and written, using a range of methods
D3: Interactive and group skills including team projects and presentations; leadership, team building, influencing and project management skills together with skills of effective listening, negotiating, persuasion and presentation
D4: Problem solving skills including identifying, formulating and solving business problems; the ability to create, evaluate and assess a range of options, together with the capacity to apply ideas and knowledge to a range of situations

Bibliography

Essential Reading

- Miner, J (2008), *Financial Maths*, 2nd edition, Mc Graw Hill, Madrid
- García Boza, J (2011), *Financial Maths*, Editorial Pirámide, Madrid
- Baquero, MJ, Maestro, ML (2003), *Problemas resueltos de matemática de las operaciones financieras*, Editorial S.A. Alfa Centauro, Madrid

Recommended Reading

- Cruz Rambaud, S, Del Valls Martínez, M (2003), *Introduction to financial maths*, Editorial Pirámide, Madrid
- García Boza, J, Déniz, A (2002), *Problemas resueltos de matemática de las operaciones financieras*, Editorial Pirámide, Madrid

Press:

- Expansión newspaper.

Web:

- <http://www.bancopopular.es/empresas/centro-de-ayuda/simuladores-y-comparadores/simulador-credito-personal/>