



## Teaching Guide

| Teaching Guide      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        |                                                                                 |           |
|---------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------------------------------------------------------------------------------|-----------|
| Identifying Data    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        |                                                                                 | 2016/17   |
| Subject (*)         | Planificación Financeira                                                                                                                                                                                                                                                                                                                                                                                                                                              |        | Code                                                                            | 611G02034 |
| Study programme     | Grao en Administración e Dirección de Empresas                                                                                                                                                                                                                                                                                                                                                                                                                        |        |                                                                                 |           |
| Descriptors         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        |                                                                                 |           |
| Cycle               | Period                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Year   | Type                                                                            | Credits   |
| Graduate            | 1st four-month period                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Fourth | Obligatoria                                                                     | 6         |
| Language            | GalicianEnglish                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        |                                                                                 |           |
| Teaching method     | Face-to-face                                                                                                                                                                                                                                                                                                                                                                                                                                                          |        |                                                                                 |           |
| Prerequisites       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        |                                                                                 |           |
| Department          | Economía Financeira e Contabilidade                                                                                                                                                                                                                                                                                                                                                                                                                                   |        |                                                                                 |           |
| Coordinador         | Calvo Silvosa, Anxo Ramon                                                                                                                                                                                                                                                                                                                                                                                                                                             | E-mail | anxo.calvo.silvosa@udc.es                                                       |           |
| Lecturers           | Calvo Silvosa, Anxo Ramon<br>Fernandez Castro, Angel Santiago<br>Peón Pose, David Olegario                                                                                                                                                                                                                                                                                                                                                                            | E-mail | anxo.calvo.silvosa@udc.es<br>angel.fernandez.castro@udc.es<br>david.peon@udc.es |           |
| Web                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        |                                                                                 |           |
| General description | <p>This subject belongs to the financial discipline set. It is aimed to give the students an overview of the financial planning process by using a specific model to draw up proforma financial statements. This model allows the students to assess the feasibility of the financial plan as well as its shareholder value creation capacity.</p> <p>This subject is highly practise-orientated and uses concepts and knowledge drawn from other managing areas.</p> |        |                                                                                 |           |

## Study programme competences

| Code | Study programme competences                                                                                                                                                                                                                                                           |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A1   | Manage an enterprise or small organization, understanding their competitive and institutional position and identifying their strengths and weaknesses                                                                                                                                 |
| A2   | Integrate in any functional area of micro-firms or SMEs and perform fluently any management task commissioned                                                                                                                                                                         |
| A3   | Evaluate and foreseeing, from relevant data, the development of a company.                                                                                                                                                                                                            |
| A4   | Elaborate advisory reports on specific situations of companies and markets                                                                                                                                                                                                            |
| A5   | Write projects about specific functional areas (e.g. management, marketing, financial) of the company                                                                                                                                                                                 |
| A6   | Identify the relevant sources of economic information and to interpret the content.                                                                                                                                                                                                   |
| A8   | Derive, based on from basic information, relevant data unrecognizable by non-professionals.                                                                                                                                                                                           |
| A9   | Use frequently the information and communication technology (ICT) throughout their professional activity.                                                                                                                                                                             |
| A10  | Read and communicate in a professional environment at a basic level in more than one language, particularly in English                                                                                                                                                                |
| A11  | To analyze the problems of the firm based on management technical tools and professional criteria                                                                                                                                                                                     |
| B1   | CB1-The students must demonstrate knowledge and understanding in a field of study that part of the basis of general secondary education, although it is supported by advanced textbooks, and also includes some aspects that imply knowledge of the forefront of their field of study |
| B2   | CB2 - The students can apply their knowledge to their work or vocation in a professional way and have competences typically demonstrated by means of the elaboration and defense of arguments and solving problems within their area of work                                          |
| B3   | CB3- The students have the ability to gather and interpret relevant data (usually within their field of study) to issue evaluations that include reflection on relevant social, scientific or ethical                                                                                 |
| B4   | CB4-Communicate information, ideas, problems and solutions to an audience both skilled and unskilled                                                                                                                                                                                  |
| B5   | CB5-Develop skills needed to undertake further studies learning with a high degree of autonomy                                                                                                                                                                                        |
| B6   | CG1-Perform duties of management, advice and evaluation in business organizations                                                                                                                                                                                                     |
| B7   | CG2-Know how to use the concepts and techniques used in the various functional areas of the company and understand the relationships between them and with the overall objectives of the organization                                                                                 |
| B8   | CG3- Know how to make decisions, and, in general, assume leadership roles.                                                                                                                                                                                                            |
| B9   | CG4-Learn to identify and anticipate opportunities, allocate resources, organize information, select and motivate people, make decisions under conditions of - uncertainty, achieve the proposed objectives and evaluate results                                                      |



|     |                                                                                                                                                                                                                                  |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| B10 | CG5-Respect the fundamental and equal rights for men and women, promoting respect of human rights and the principles of equal opportunities, non-discrimination and universal accessibility for people with disabilities.        |
| C1  | Express correctly, both orally and in writing, in the official languages of the autonomous region                                                                                                                                |
| C4  | To be trained for the exercise of citizenship open, educated, critical, committed, democratic, capable of analyzing reality and diagnose problems, formulate and implement knowledge-based solutions oriented to the common good |
| C5  | Understand the importance of entrepreneurial culture and know the means and resources available to entrepreneurs                                                                                                                 |
| C6  | Assess critically the knowledge, technology and information available to solve the problems and take valuable decisions                                                                                                          |
| C7  | Assume as professionals and citizens the importance of learning throughout life.                                                                                                                                                 |
| C8  | Assess the importance of research, innovation and technological development in the economic and cultural progress of society.                                                                                                    |

| Learning outcomes                                                                                                                                   |                             |     |    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----|----|
| Learning outcomes                                                                                                                                   | Study programme competences |     |    |
| To understand the importance of corporate planning and financial planning in management.                                                            | A1                          | B1  | C5 |
|                                                                                                                                                     | A4                          | B2  |    |
|                                                                                                                                                     | A5                          | B3  |    |
|                                                                                                                                                     | A6                          | B4  |    |
|                                                                                                                                                     | A8                          | B6  |    |
|                                                                                                                                                     | A11                         | B7  |    |
|                                                                                                                                                     |                             | B8  |    |
|                                                                                                                                                     |                             | B10 |    |
| to understand valuation basis and logic more deeply.                                                                                                | A3                          | B1  | C8 |
|                                                                                                                                                     | A4                          | B5  |    |
|                                                                                                                                                     | A5                          | B7  |    |
|                                                                                                                                                     | A6                          | B9  |    |
|                                                                                                                                                     | A8                          |     |    |
|                                                                                                                                                     | A9                          |     |    |
|                                                                                                                                                     | A11                         |     |    |
| To learn the bases of corporate financial modelling as well as to understand the links among financial concepts and different financial statements. | A1                          | B3  | C5 |
|                                                                                                                                                     | A2                          | B5  | C6 |
|                                                                                                                                                     | A3                          |     | C7 |
|                                                                                                                                                     | A4                          |     | C8 |
|                                                                                                                                                     | A5                          |     |    |
|                                                                                                                                                     | A6                          |     |    |
|                                                                                                                                                     | A9                          |     |    |
|                                                                                                                                                     | A11                         |     |    |
| to be able to elaborate, communicate and defend a corporate plan using different financial planning models and widespread software tools.           | A1                          | B4  | C1 |
|                                                                                                                                                     | A5                          | B6  | C4 |
|                                                                                                                                                     | A6                          | B8  | C5 |
|                                                                                                                                                     | A10                         |     | C7 |
|                                                                                                                                                     |                             |     | C8 |

| Contents                                                  |                                                                                                                                                                                            |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Topic                                                     | Sub-topic                                                                                                                                                                                  |
| Chapter 1: Firm value creation and Value based Management | 1.1. Financial planning objective: Value creation<br>1.2. Value measurement: Discounted cash flows and some other metrics<br>1.3. Strategy and value creation<br>1.4. The planning process |



|                                                            |                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chapter 2: Pro-forma EBITDA Statement                      | 2.1. Pro-forma EBITDA Statement: Information<br>2.1.1. Origin of earnings and results<br>2.1.2. Uses of EBITDA<br>2.1.2.1.1. Cost of financial sources: interest and dividends<br>2.1.2.1.2. Internal Financing<br>2.2. Pro-forma EBITDA Statement: Structure                                                                                                                                              |
| Chapter 3: Working capital planning                        | 3.1. Introduction<br>3.2. Working capital policies<br>3.2.1. Inventories<br>3.2.2. Accounts receivable (customers and short-term debtors)<br>3.2.3. Marketable securities and cash<br>3.2.4. Short term financing<br>3.2.4.1.1. Spontaneous and non-spontaneous<br>3.3. Working capital Net Needs (WCNN)<br>3.3.1. Real WC, needed WC and Differential<br>3.4. Basic structure of pro forma WCNN statement |
| Chapter 4: The Capital Budget                              | 4.1. Capital budget: concept, uses and structure<br>4.2. The investment budget<br>4.3. The funding budget<br>4.4. Financial implications                                                                                                                                                                                                                                                                   |
| Chapter 5: The Cash Budget                                 | 5.1. Introduction<br>5.2. Aims, principles and basic functions of the cash management<br>5.3. Cash budget: structure.                                                                                                                                                                                                                                                                                      |
| Chapter 6: General Analysis and Control of Financial Plan. | 6.1. General Analysis<br>6.1.1. Pro-forma balance sheets and pro forma Earnings & Loss accounts.<br>6.1.2. Feasibility and revision<br>6.1.3. Financial plan and value creation<br>6.2. Control of Financial plan<br>6.2.1. Kinds of control<br>6.2.2. Deviation analysis<br>6.2.3. Sensitivity analysis                                                                                                   |

| Planning                       |                                                                            |                      |                               |             |
|--------------------------------|----------------------------------------------------------------------------|----------------------|-------------------------------|-------------|
| Methodologies / tests          | Competencies                                                               | Ordinary class hours | Student's personal work hours | Total hours |
| Guest lecture / keynote speech | A10 A11 B1 B2 B3 B4<br>B5 B6 B7 B9 B10 C1<br>C4 C5 C6 C7 C8                | 17                   | 17                            | 34          |
| Case study                     | A1 A2 A3 A4 A5 A6<br>A8 A9 A10 A11 B2 B3<br>B4 B6 B7 B8 B9 B10<br>C1 C5 C6 | 25                   | 75                            | 100         |
| ICT practicals                 | A1 A3 A4 A5 A8 A9<br>A11 B3 B4 B5 B7 B9<br>C5                              | 4                    | 4                             | 8           |



|                                                                                                                                 |                                          |   |   |   |
|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|---|---|---|
| Mixed objective/subjective test                                                                                                 | A1 A3 A4 A6 A8 A9<br>A10 A11 B1 B2 B3 C1 | 2 | 2 | 4 |
| Personalized attention                                                                                                          |                                          | 4 | 0 | 4 |
| (*)The information in the planning table is for guidance only and does not take into account the heterogeneity of the students. |                                          |   |   |   |

| Methodologies                   |                                                                                                                                                                                                                                                  |
|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Methodologies                   | Description                                                                                                                                                                                                                                      |
| Guest lecture / keynote speech  | Theoretical contents will be presented in Guest lectures. Lecturers will focus on those issues which more difficulties to be understood. To support these classes, spreadsheet and presentations will be used.                                   |
| Case study                      | A set of teaching cases will be given to our students. They will analyse, discuss or/and solve them individually or in groups. They must use the spreadsheet as basic calculation instrument. This methodology is part of continuous assessment. |
| ICT practicals                  | Development and implementation of analysis models using spreadsheets. Teamwork oriented sessions are to be scheduled.                                                                                                                            |
| Mixed objective/subjective test | This test takes place in the official evaluation period. This exam is made up of a set of different format questions in order to assest to what extent the learning aims are achieved.                                                           |

| Personalized attention                                         |                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Methodologies                                                  | Description                                                                                                                                                                                                                                          |
| Case study<br>Guest lecture / keynote speech<br>ICT practicals | We will use personal and small group tutorials to give specific support to the students. We will focus on theoretical or/and practical issues related to keynote speech, solving problems or case sessions which might require further explanations. |

| Assessment                      |                                                                            |                                                                                                                                                                                                                                   |               |
|---------------------------------|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Methodologies                   | Competencies                                                               | Description                                                                                                                                                                                                                       | Qualification |
| Case study                      | A1 A2 A3 A4 A5 A6<br>A8 A9 A10 A11 B2 B3<br>B4 B6 B7 B8 B9 B10<br>C1 C5 C6 | Students must analyse and even put forward a financial plan coming from a teaching case given by the lecturers. They must use a spreadsheet to elaborate the pro forma financial statements which make up the financial planning. | 50            |
| Mixed objective/subjective test | A1 A3 A4 A6 A8 A9<br>A10 A11 B1 B2 B3 C1                                   | Students are to sit a mixed test in the official evaluation period. This exam is made up of a set of different format questions in order to assest to what extent the learning aims are achieved.                                 | 50            |
| Others                          |                                                                            |                                                                                                                                                                                                                                   |               |

| Assessment comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The assessment system metioned above is common for the first and the second opportunities.</p> <p>There are specific conditions for the early call opportunity (art. 19 Normas de Avaliación, Revisión e Reclamacións das Cualificacións dos Estudos de Grao e Mestrado Universitario). In this case, evaluation is carried out by a specific mixed exam, comprehensive of all contents and skills of the subject. This exam accounts for 100% of final mark.</p> <p>Part-time students will be assessed following the general system.</p> |

| Sources of information |
|------------------------|
|------------------------|



|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Basic</b>         | <ul style="list-style-type: none"> <li>- Arnold, G. (2008). Corporate Financial Management. Prentice Hall, Harlow, 4th Ed.</li> <li>- Asch, D.; Kaye, G.R. (1989). Financial Planning. Modelling Methods and Techniques. Kogan Page, Londres</li> <li>- Brealey, R.; Myers, S.; Allen, F. (2010). Principios de Finanzas Corporativas. McGraw-Hill, 9ª Ed.</li> <li>- Durbán, S.; Irimia, A.I.; Oliver, M.D.; Palacín, M.J. (2009). Planificación financiera en la práctica empresarial. Ediciones Pirámide, Madrid.</li> <li>- Fernández, P. (1999). Valoración de Empresas. Gestión 2000</li> <li>- Morris, J.R.; Daley, J.P. (2009). Introduction to Financial Models for Management and Planning. Chapman &amp; Hall/CRC Finance</li> <li>- Rodríguez, A. (2009). Planificación Financiera Aplicada. Tórculo Edicións, Santiago de Compostela.</li> <li>- Rodríguez, A.; Iturralde, T. (2008). Modelización Financiera Aplicada. Modelos de Planificación Financiera con Excel. Delta Publicaciones, Madrid.</li> </ul> |
| <b>Complementary</b> | <ul style="list-style-type: none"> <li>- Boquist, J.; Milbourn, T.; Thakor, A. (2010). The Value Sphere. The Corporate Executives' handbook for creating and retaining Shareholder wealth. World Scientific, Singapore</li> <li>- Cibrán, P.; Villanueva, M.; Fernández, M.T. (2008). Planificación Financiera. Teoría y Casos Prácticos. Tórculo Edicións, Santiago de Compostela</li> <li>- Ruiz, R.J.; Gil, A.M. (2000). La Planificación Financiera de la Empresa. Instituto Superior de Técnicas y Prácticas Bancarias, Madrid</li> <li>- Rodríguez, A.; Barros, F. (2009). Planificación Financiera de Cooperativas. Modelos de Planificación Financiera de Cooperativas con Excel. Centro de Estudios Cooperativos (CECOOP), USC, Santiago de Compostela.</li> <li>- Mascareñas, J. (2010). Finanzas para directivos. Pearson, Madrid.</li> </ul>                                                                                                                                                                    |

## Recommendations

### Subjects that it is recommended to have taken before

Análise das Operacións Financeiras/611G02004

Teoría do Investimento/611G02020

Teoría do Financiamento/611G02021

### Subjects that are recommended to be taken simultaneously

### Subjects that continue the syllabus

### Other comments

(\*)The teaching guide is the document in which the URV publishes the information about all its courses. It is a public document and cannot be modified. Only in exceptional cases can it be revised by the competent agent or duly revised so that it is in line with current legislation.