



## Teaching Guide

Identifying Data				
Subject (*)			Investment Theory	Code
Study programme			Grao en Administración e Dirección de Empresas	611G02020
Descriptors				
Cycle	Period	Year	Type	Credits
Graduate	2nd four-month period	Second	Obligatory	6
Language	SpanishGalicianEnglish			
Teaching method	Face-to-face			
Prerequisites				
Department	Empresa			
Coordinador	Fernandez Castro, Angel Santiago		E-mail	angel.fernandez.castro@udc.es
Lecturers	Fernández Castro, Alejandro Manuel Fernandez Castro, Angel Santiago Lagoa Varela, Maria Dolores Llano Paz, Fernando de Piñeiro Sanchez, Carlos Suarez Massa, Maria Isabel Ana		E-mail	alejandro.fernandezc@udc.es angel.fernandez.castro@udc.es dolores.lagoa@udc.es fernando.de.llano.paz@udc.es carlos.psanchez@udc.es isabel.suarez.massa@udc.es
Web				
General description	The subject aim is that students develop appropriate skills for financial evaluation of investment projects.			

## Study programme competences / results

Code	Study programme competences / results
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.
A7	Understand economic institutions as a result and application of theoretical or formal representations which explain the evolution of the economy.
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
A12	Communicate fluently in their environment and work by teams
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
C2	To be fluent in the oral expression and written comprehension of a foreign language.
C3	Use basic tools of information and communications technology (ICT) necessary for the exercise of their profession and for learning throughout their lives.
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 / results		
Understand the groundings of investment project analysis	A1 A2 A3 A4 A5 A6 A7 A8 A9 A11 A12	B1 B2 B3 B4 B5 B6 B7 B8 B9	C1 C2 C3 C4 C5 C6 C7 C8
Deepen the understanding of financial logic	A1 A4 A5 A6 A8 A9	B1 B5 B7 B9	C6 C10
Know how to evaluate a non-financial investment	A1 A2 A3 A4 A5 A6 A7 A8 A9 A10 A11 A12	B1 B2 B3 B4 B5 B6 B7 B8 B9 B10	C1 C2 C3 C4 C5 C6 C7 C8



Use the appropriate computer software to achieve more efficiency in the necessary calculations in the previous sections.	A1	B2	C2
	A2	B6	C3
	A3	B7	
	A6		
	A8		
	A9		
	A10		

Contents	
Topic	Sub-topic
Evaluating investment projects. The value.	Introduction to investment analysis. Fundamentals and phases of the evaluation model. The cash flows (direct method) The cash flows (indirect method). The Net Present Value The Internal Rate of Return Other criteria: Payback, Annuity and Profitability index
Risk in individual projects	Risk and Uncertainty. Sensitivity analysis. Introduction to simulation. Decision trees.
Advanced investment analysis tools	Investment in equipment. Investment decisions under capital rationing. Multicriteria decision making. AHP

Planning				
Methodologies / tests	Competencies / Results	Teaching hours (in-person & virtual)	Student?s personal work hours	Total hours
Guest lecture / keynote speech	A1 A2 A3 A4 A5 A6 A7 A8 A9 A10 A11 B2 B6 B7 B9 C3 C4 C5 C6 C7 C8	17	34	51
Case study	A1 A2 A3 A4 A5 A6 A7 A8 A9 A10 A11 A12 B1 B2 B3 B4 B5 B6 B7 B8 B9 B10 C1 C2 C3 C4 C5 C6 C7 C8	25	50	75
ICT practicals	A1 A2 A6 A8 A9 A10 A11 B3 B4 B6 C3	4	8	12
Mixed objective/subjective test	A1 A2 A3 A4 A5 A6 A7 A8 A11 B1 B2 B3 B4 B5 B6 B7 B8 B9 B10 C1 C2 C4 C6 C7 C8	2	9	11
Personalized attention		1	0	1

(\*)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	Presentation of the general aspects of the subject.
Case study	The core of the course will be the analysis of realistic investment projects. Additional exercises will deal with specific models and techniques.
ICT practicals	Development and application of analytical models using spreadsheet and / or specific software. 3 face- small group tutoring sessions of 80 minutes through M. Teams will be scheduled on dates to be agreed in the classroom.
Mixed objective/subjective test	Written examination of theoretical-practical content

## Personalized attention

Methodologies	Description
Case study Mixed objective/subjective test Guest lecture / keynote speech ICT practicals	Individualized tutoring will be carried out (in the official hours published by the Faculty for each teacher) through Microsoft Teams, as well as the short group tutorials that are scheduled. Outside these hours students will be able to raise questions through the forums established in Moodle.

## Assessment

Methodologies	Competencies / Results	Description	Qualification
Case study	A1 A2 A3 A4 A5 A6 A7 A8 A9 A10 A11 A12 B1 B2 B3 B4 B5 B6 B7 B8 B9 B10 C1 C2 C3 C4 C5 C6 C7 C8	The capacity to frame, solve and analyze models for investment project evaluation will be valued.	30
Mixed objective/subjective test	A1 A2 A3 A4 A5 A6 A7 A8 A11 B1 B2 B3 B4 B5 B6 B7 B8 B9 B10 C1 C2 C4 C6 C7 C8	With an essentially practical focus, pretends to measure the general quality of the learning, the skills and competencies developed by the students.	70
ICT practicals	A1 A2 A6 A8 A9 A10 A11 B3 B4 B6 C3	ICTs have in this subject an instrumental role. Accordingly, while these skills will not be assessed directly, some evaluated problem solving might make use of IT tools.	0

## Assessment comments



## A) EVALUATION REGULATIONS:

1. Evaluation conditions: It is forbidden to access the exam room with any device that allows communication with the outside and/or storage of information.

2. Identification of the student: The student must prove his/her identity in accordance with the current regulations.

## B) TYPES OF QUALIFICATION:

1. No-show grade: Corresponds to the student, when he/she only participates in evaluation activities that have a weighting of less than 20% on the final grade, regardless of the grade achieved.

2. Students with recognition of part-time dedication and academic dispensation of exemption from attendance: students with recognition of part-time dedication will be evaluated following the conditions expressed for full-time students (see section c and d).

## C) EVALUATION OPPORTUNITIES:

1. First opportunity: the evaluation criteria previously indicated in this section will be applied.

2. Second opportunity: as in the first opportunity, a mixed test will be carried out with a value of 70% of the evaluation. For the remaining 30%, the continuous evaluation grade may be maintained or students may choose to answer an essay question that will be developed after the exam. In the case of submitting to the recovery of the continuous evaluation, its qualification, whatever it may be, will replace the one obtained in the first opportunity.

3. Early-call Opportunity: 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.

## D) OTHER EVALUATION OBSERVATIONS:

Continuous evaluation: The continuous evaluation activities will be assessed just when tasks are performed according to their schedule for the corresponding group, except in the cases expressly referred to in the academic rules (high level athletes). The final continuous evaluation grade will be figured out only including the three best marks out of the four quizzes/tests the student has got during the ordinary teaching period. Each quiz/test is worth one point.

Additionally, taking part in complementary scheduled activities (talks, seminars and so on) can add up to 0.5 points to the sum of the grades received in the final exam and Continuous evaluation. The maximum grade students can achieve is ten points.

## Sources of information

<b>Basic</b>	<ul style="list-style-type: none"> <li>- Fernández Castro, A.S. e Iglesias Antelo, S. (2000). Métodos Cuantitativos de Selección de Inversiones. Casos prácticos. . Santiago: Tórculo Edicións</li> <li>- BREALEY, R.A.; MYERS, S.C y ALLEN, F. (2023). Principles of Corporate Finance, 14th Edition. MacGraw-Hill</li> <li>- BREALEY, R.A.; MYERS, S.C y ALLEN, F. (2020). PRINCIPIOS DE FINANZAS CORPORATIVAS, 13ª ed.. MacGraw-Hill</li> </ul> <p>Other editions of the the handbook of Brealey &amp; Myers, or of other books of them, also provide support for most of the concepts discussed. Other editions of the the handbook of Brealey &amp; Myers, or of other books of them, also provide support for most of the concepts discussed.</p>
<b>Complementary</b>	<ul style="list-style-type: none"> <li>- Suárez, A. (2005 ). Decisiones óptimas de inversión y financiación en la empresa. . Madrid: Pirámide</li> <li>- Boedo Vilabella, Lucía (2010). Evaluación de un proyecto de inversión en entornos de certeza, riesgo e incertidumbre. . Editorial Reprografía del Noroeste, A Coruña</li> <li>- Berk, J.; DeMarzo, P. (2017). Finanzas Corporativas / Corporate Finance. Pearson</li> <li>- Piñeiro, C.; de Llano, P (2006). Dirección Financiera: modelos avanzados de decisión con Excel. . Madrid: Delta</li> <li>- Doldán, F. (2003). Métodos cuantitativos de selección de inversiones. . Santiago: Tórculo</li> <li>- Pindado García, J. (2012). Finanzas Empresariales.. Madrid: Paraninfo</li> <li>- Fernández Castro, Ángel S. (coord.), Lado Sestayoy, Rubén / de Llano Paz, Fernando (2021). Guía para implantar la gestión del riesgo en la empresa paso a paso. Vigo: Fundación INADE, Instituto Atlántico del Seguro</li> </ul>

## Recommendations

(\*)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.