UNIVERSIDADE DA CORUÑA

Teaching Guide					
Identifying Data					2019/20
Subject (*)	Financial Planning		Code	611G02034	
Study programme	Grao en Administración e Dirección de Empresas				
Descriptors					
Cycle	Period	Year	Type	Credits	
Graduate	1st four-month period	Fourth	Obligatory	6	
Language	GalicianEnglish				
Teaching method	Face-to-face				
Prerequisites					
Department	Empresa				
Coordinador	Fernandez Castro, Angel Santiago		E-mail	angel.fernandez.castro@udc.es	
Lecturers	Fernandez Castro, Angel Santiago Peón Pose, David Olegario		E-mail	angel.fernandez.castro@udc.es david.peon@udc.es	
Web					
General description	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. This subject is highly practise-orientated and uses concepts and knowledge drawn from other managing areas.				

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

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

Chapter 2: Pro-forma EBITDA Statement	2.1. Pro-forma EBITDA Statement: Information 2.1.1. Origin of earnings and results 2.1.2. Uses of EBITDA 2.1.2.1.1. Cost of financial sources: interest and dividends 2.1.2.1.2. Internal Financing 2.2. Pro-forma EBITDA Statement: Structure
Chapter 3: Working capital planning	3.1. Introduction 3.2. Working capital policies 3.2.1. Inventories 3.2.2. Accounts receivable (customers and short-term debtors) 3.2.3. Marketable securities and cash 3.2.4. Short term financing 3.2.4.1.1. Spontaneous and non-spontaneous 3.3. Working capital Net Needs (WCNN) 3.3.1. Real WC, needed WC and Differential 3.4. Basic structure of pro forma WCNN statement
Chapter 4: The Capital Budget	4.1. Capital budget: concept, uses and structure 4.2. The investment budget 4.3. The funding budget 4.4. Financial implications
Chapter 5: The Cash Budget	5.1. Introduction 5.2. Aims, principles and basic functions of the cash management 5.3. Cash budget: structure.
Chapter 6: General Analysis and Control of Financial Plan.	6.1. General Analysis 6.1.1. Pro-forma balance sheets and pro forma Earnings & Loss accounts. 6.1.2. Feasibility and revision 6.1.3. Financial plan and value creation 6.2. Control of Financial plan 6.2.1. Kinds of control 6.2.2. Deviation analysis 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 B5 B6 B7 B9 B10 C1 C4 C5 C6 C7 C8	17	17	34
Case study	A1 A2 A3 A4 A5 A6 A8 A9 A10 A11 B2 B3 B4 B6 B7 B8 B9 B10 C1 C5 C6	25	75	100
ICT practicals	A1 A3 A4 A5 A8 A9 A11 B3 B4 B5 B7 B9 C5	4	4	8

Mixed objective/subjective test	A1 A3 A4 A6 A8 A9 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 sesions 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 Guest lecture / keynote speech 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 A8 A9 A10 A11 B2 B3 B4 B6 B7 B8 B9 B10 C1 C5 C6	Students will discuss and solve the cases which will be put forward by the lecturers throughout the term. Teaching will be structured in two cases. Coming from them, a certain number of minicases will be assessed . Continuous assessment system is to focus on case study.	40
Mixed objective/subjective test	A1 A3 A4 A6 A8 A9 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.	60
Others			

Assessment comments
The assessment system metioned above is common for the first and the second opportunities. By their very nature, the continuous evaluation activities can only be assessed when tasks are performed according to their schedule for the corresponding group. In the evaluation of continuous assessment, the worst (or missed mark) will be skipped. 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. Part-time students will be assessed following the general system.

Sources of information

Basic	- Arnold, G. (2008). Corporate Financial Management. Prentice Hall, Harlow, 4th Ed. - Asch, D.; Kaye, G.R. (1989). Financial Planning. Modelling Methods and Techniques. Kogan Page, Londres - Berk, J.; DeMarzo, P. (2017). Finanzas Corporativas. Pearson - Brealey, R.; Myers, S.; Allen, F. (2010). Principios de Finanzas Corporativas. McGraw-Hill, 9ª Ed. - Durbán, S.; Irimia, A.I.; Oliver, M.D.; Palacín, M.J. (2009). Planificación financiera en la práctica empresarial. Ediciones Pirámide, Madrid. - Fernández, P. (1999). Valoración de Empresas. Gestión 2000 - Morris, J.R.; Daley, J.P. (2009). Introduction to Financial Models for Management and Planning. Chapman & Hall/CRC Finance - Rodríguez, A. (2009). Planificación Financiera Aplicada. Tórculo Edicións, Santiago de Compostela. - Rodríguez, A.; Iturralde, T. (2008). Modelización Financiera Aplicada. Modelos de Planificación Financiera con Excel. Delta Publicaciones, Madrid.
Complementary	- Boquist, J.; Milbourn, T.; Thakor, A. (2010). The Value Sphere. The Corporate Executives' handbook for creating and retaining Shareholder wealth. World Scientific, Singapore - Cibrán, P.; Villanueva, M.; Fernández, M.T. (2008). Planificación Financiera. Teoría y Casos Prácticos. Tórculo Edicións, Santiago de Compostela - Ruiz, R.J.; Gil, A.M. (2000). La Planificación Financiera de la Empresa. Instituto Superior de Técnicas y Prácticas Bancarias, Madrid - 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. - Mascareñas, J. (2010). Finanzas para directivos. Pearson, Madrid.

Recommendations
Subjects that it is recommended to have taken before
Financial Operations Analysis/611G02004 Investment Theory/611G02020 Finance Theory/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.