

MODULES AND SUBJECTS

MÁSTER UNIVERSITARIO EN GESTIÓN EMPRESARIAL
UNIVERSITY MASTER IN MANAGEMENT

MODULE NAME:	FINANCIAL CONTROL (FINANCE AND ACCOUNTING)			
SEMESTER	1	TYPE	SPECIALISM	ECTS
				4
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SKILL PROFILE

BASIC SKILLS		TRANSVERSAL SKILLS		GENERAL SKILLS		SPECIFIC SKILLS	
CB 6	X	CT 1	X	CG 1		CE 1	
CB 7	X	CT 2	X	CG 2	X	CE 2	X
CB 8		CT 3	X	CG 3	X	CE 3	
CB 9	X	CT 4	X	CG 4	X	CE 4	
CB 10	X	CT 5	X	CG 5	X	CE 5	X
		CT 6	X	CG 6	X	CE 6	X
		CT 7	X	CG 7	X	CE 7	
				CG 8		CE 8	
				CG 9	X	CE 9	
				CG 10	X	CE 10	X
						CE 11	X
						CE 12	

OBJECTIVES

Throughout the unfolding of this course, participants are expected to develop abilities:

- to analyse critically a company's historic financial statements in its economic, social and environmental context,
- to go beyond the simple use of financial tools to diagnose past activity,
- and walk the extra-mile of developing their ability to articulate a story of the company under investigation to provide sound business recommendations.

The course is divided into two sections: Business Analysis and Advanced Financial Analysis

- Business Analysis will be based on participants' holistic competence which should gather the vital skills of top financial managers, namely a strategic and organizational understanding of a business' activities in its environment, enabling them to formulate expectations regarding the logical organizational and financial outcomes of strategy implementation, investigate the most salient elements exposing the causal relationships linking strategy success or failure and organizational and financial outcomes, and articulate a clear and understandable story of this diagnosis to formulate sound recommendations supported by evidence of their translation in future financial implications
- Advanced Financial Analysis aims to give knowledge to students about credit risk and the needed skills to assess it. Students will apply rating and credit scoring techniques used in the banking industry as well as within corporate companies to assess borrowers' risk of default.

Among others, concepts such as strategic analysis, financial statement analysis through horizontal and vertical analysis, usage of ratios, methodology to forecast financial statement and compute future financial needs, etc., are studied providing the basis for professional business recommendations.

LEARNING OBJECTIVES

- Develops the necessary critical skills and logical thought processes to produce a professional-like diagnosis of the strategic and financial situation of a business.
- Can issue subsequent recommendations to implement business decisions.
- Analyzes the strategic and financial conditions of organizations using a variety of traditional and modern tools and techniques.
- Develops insight into financial strengths and weaknesses, and be able to recommend ways to improve a company's financial performance.
- Masters the vocabulary of financial statements and accounting reports.
- Develops a critical understanding in rating, scoring and credit risk modeling applied in the banking & corporate industry to assess default risk.
- Can exercise critical judgment on financing & covenant packages related to LBO transactions and understand the consequences of a breach of covenants.
- Assess a company's financial position and risk of bankruptcy using credit risk agencies' methodology.
- Can assess a company's ESG performance.

CONTENTS

FINANCIAL STATEMENT ANALYSIS

- Locating and using sources of information about company performance
- Understanding the purpose and process of financial analysis
- Strategic and Financial Analysis
- Performing financial analysis using financial statements I
- Performing financial analysis using Ratios on financial statements
- Evaluate Corporate Performance
- Assessing the market value of a business
- From accrual accounting to cash accounting: the statement of cash flow

FINANCIAL FORECASTING

- 8. The origins of financial forecasting
- 9. Building Pro forma Statements
- 10. Strategic Diagnosis and Growth

RATING & SCORING METHODOLOGIES - GUYOT, ALEXIS

- Rating methodology
- Default rates
- Credit risk spreads
- Scoring application

MOODY'S RATING METHODOLOGY

- Standard adjustments to financial statements
- Rating application

COVENANT PACKAGE / ESG INTEGRATION INTO CORPORATE CREDIT RATING

- Covenant package
- ESG rating

CREDIT RISK MODELS

- Altman z-score
- LDA (linear discriminant analysis) models

METHODOLOGY

Classes will be essentially participative. The participants will play a main role in the analysis, development of alternatives and implementation. This participation should be active and at the same time respectful of the opinions of the rest of the group, making use of active listening and constructive communication. Case study methodology requires an in-depth preparation of the cases and reading material before the group discussion and plenary session.

EVALUATION

The final evaluation will be calculated as follows:

1. Class participation: quality, consistency and feedback. (30% min* - 40% max).
2. Specific evaluation tests: exams. (40% min - 50% max)
3. Carrying out work or projects (10% min –30% max)

In the event of a new health emergency that involves confinement, the activities and evaluation weights will not be altered. In case they cannot be done in person, they will be transferred to a virtual environment. Due to the difficulties in correctly evaluating participation in online environments, EADA may reduce the weighting of this component of the evaluation due to the current pandemic circumstances.