



ESCUELA SUPERIOR DE ECONOMIA Y ADMINISTRACION DE EMPRESAS
(HIGHER SCHOOL OF ECONOMY AND BUSINESS ADMINISTRATION)

UNIVERSITY INSTITUTE (AUTHORIZED BY DECREE N° 238/99)

(MBA) Masters in Business Administration

Accredited by CONEAU, res. 522/04

Course: Business Finance

Instructor:

Professor: Dr. C. E. Juan Carlos Alonso

Contact hours:

16 sessions – 48 academic hours

Course Objectives:

That students appreciate the functions of finance, that they acquire the knowledge to face the problems that surround financial decisions and that they select the adequate strategies to maximize the value of the organization. To these ends, they will learn the criteria to value and optimally assign resources, considering the interchange between profit and risks of the finance that is available. The management of resources in inflationary contexts will be studied and the will be related to theories of portfolio applicable to stable economic situations and their validity in more complex economic scenarios with risk and uncertainty. Derived instruments and real options will be introduced.

Content:

The function of finance. Budgeting: Budget currency. Financial analysis. Managing working capital. Policies of credits and charges. Working capital in inflationary contexts. Investment decisions: TIR and VAN, criteria to use in conditions of certainty and risk. Investment portfolio: diversification, CAPM. Investment decisions in inflationary contexts. Derived instruments: futures, options and swaps. Policies of dividends and financial structure. Modigliani and Miller. Finance decisions. Operative and financial leverage. Real options.

Class methods and evaluation:

1. Material will be taught combining analysis with case studies and/or exercises covering various themes. To maximize class time, it's indispensable that students read and discuss the cases before coming to class, studying ahead of time the theoretical concepts related with the themes to be analyzed (10% of the final grade).

2. Presentation and exposition of group work regarding current themes, research, field work or bibliographies (10% of the final grade).
3. Final written exam, practical-theoretic, during exams week as outlined by ESEADE, with the practical component counting between 60% and 70% of the grade, that will require a minimum grade of 6/10 in order to pass (80% of final grade).

A minimum class attendance of 75% is required.

Course Analytical Program:

SESSION	TEMA	BIBLIOGRAFIA
1	Financial functions- Development of business finance, objectives of Administrational Finance, basic decision making.	1(Chap.1), 2
2	Financial Valuations: Interest rates. Simple and complex operations. Amortization Systems. Total costs funding.	1(Chap.2),10,12
3	Bond valuation: Types of bonds. Interpretation of contributions. Performance. Valuations. Duration and convexity.	14 y 12
4	Budgeting: Financial, economic and cultural budgets. At constant, common and base currency. Practicum.	1 (Chap.3),11
5	Investment Decisions: Valuation criteria. Practicum.	1(Chap. 4), 2,15
6	IRR and NPV. Exclusive projects. Multiple rates. Practicum	1(Chap. 4),2,16
7	Investment Decisions in Risky Conditions: Methods to administer risk. Analysis of individual projects.	1 (Chap.8),2,17
8	Investment Portfolio. Risk diversification. Markowitz. CAPM. Validating its use in developing markets. Other models.	1(Chap.8),2, 15
9	Investment Decisions in Inflationary Contexts. Practicum.	8
10	Derived Instruments: Futures. Options. Swaps. Real options.	1(Chap.8),4,9,10
11	Policies of dividends and financial structuring: Traditional theory. Modigliani and Miller. Cost of capital.	1(Chap.5),2,15
12	Operative and Financial Leverage: Practicum.	1(Chap.6), 2,17
13	Finance Decisions. Factoring. Leasing. Securitizations. Trusts.	13
14	Financial Analysis: Control and planning. Indexes and activity relations, cost structure, liquidity and debt growth.	1(Chap 3), 18

15	Administration of Working Capital: Aggressive and conservative policies. Administration of liquid resources. Credit and collection policies. Working capital in inflationary contexts. Protection mechanisms.	1(Chap.7), 3, 8,15
16	General Review	

Bibliography

Basic:

1. (Administrative Finance in Organizations). **Sapetnitzky C., Alonso J.C., Carbajal C., López Dumrauf, Vulovic P. y colaboradores**, “*Administración Financiera de las Organizaciones*”, Edic. Macchi, 2ª edición, 2003.
2. (Principles of Corporate Finance). **Brealey R. & Myers S.**: “*Principios de finanzas corporativas*”, Mc.Graw Hill, 8a. edición, 2006.

Ampliatoria:

3. (Changes in credit policies). **Alonso J.C.**, “*Cambios en la política de créditos*”, XXV Jornadas de SADAF, 2005.
4. (Real Options). **Amram, M y Kulatilaka N.**, “*Opciones Reales*”, Gestión 2000, 1ª edición, 2000. **Damodaran A.**, “*Corporate Finance- Theory and Practice*”, John Wiley & Sons, Inc., 2ª edición, 2001
5. (Administration of Investment Portfolios). **Elbaum, M.**, “*Administración de carteras de inversión*”, Ediciones Macchi, 1a.edición, 2004.
6. (Administration of Corporate Finance). **Emery, D. R. y Finnerty, J.D.**: “*Administración Financiera Corporativa*”, Prentice Hall, 2000.
7. (Inflationary Erosion of Working Capital and Profitability of the Firm). **Gauto M.**, “*La erosión inflacionaria del capital de trabajo y la rentabilidad de la firma*”, IAEF, 1986.
8. (Introduction to Futures and Options Markets). **Hull, J.**, “*Introducción a los Mercados de Futuros y Opciones*”, Prentice Hall, 4ª. Edición, 2002.
9. (Corporate Finance). **López Dumrauf, G.**, “*Finanzas Corporativas*”, Grupo Guía Editores, 2003.
10. (Budget and Management). **Matossian P. y Rodríguez E.**, “*El Presupuesto y su gestión*”, Nueva Técnica, 1981.
11. (A Manual of Financial Calculus). **Murioni O. y Trossero A.**: “*Manual de cálculo financiero*”, 3ª edición, Fondo Editorial CPCECABA, 2005.
12. (Sources of Funding). **Porto, J.M.** “*Fuentes de financiación*”, Buyatti, 2ª edición, 2003.
13. (Bonds within Everyone’s Reach). **Rosiello, J.C.**, “*Bonos al alcance de todos*”, Lacasarosada.net SRL, 2002.
14. (Corporate Finance). **Ross S., Westerfield R., & Jaffe J.**: “*Finanzas Corporativas*”, Irwin McGraw Hill, 5a. ed., 2000.
15. (Optimal Investment Decisions and Financing of Companies). **Suárez Suárez A.**: “*Decisiones óptimas de inversión y financiamiento de empresas*”, Pirámide, 20ª edición, 2003.
16. (Fundamentals of Administration Finance). **Van Horne J., Wachowicz, J.M.**, “*Fundamentos de Administración Financiera*”, Prentice Hall, 11a. edición, 2002.

17. (Finance in Administration). **Weston F. & Copeland T.:** “*Finanzas en Administración*”, Mc.Graw Hill, 9ª. edición, 1994.

The material is prepared by the Instructor to be taught in class.

Professor

- *PhD in Business Economics (UBA). Actuary, Publics Accountant and Bachelor in Administration (UBA).*
- *Professor (Res. CD 2056/07) College of Economic Sciences. (UBA).*
- *Advising Director in the CPCECABA.*
- *Vice-president of SADAF (Argentine Society of Administration Finance Teachers)*
- *Vice-president of IAA (Argentine Actuarial Institute).*
- *Financial and actuarial company consultant.*
- *External Auditor and Actuary registered before the Superintendence of Federal Insurance.*
- *Author of professional and academic works.*
- *Member and presenter in workshops and professional conferences.*