ANEXO I

Faculty of Business and Tourism

BACHELOR'S DEGREE IN BUSINESS ADMINISTRATION
2026 - 2027

Subject Data

Name:	
DIRECCIÓN FINANCIERA II – Gestión de Riesgo y Estructura de Capital	
English name:	
FINANCIAL MANAGEMENT II – Risk Management and Capital Structure	
Code:	**Type:**
858510213	COMPULSORY

Hours:			
	Total	**In class**	**Out class**
Time distribution	150	60	90

ECTS:				
Standard group	**Small groups**			
	Classroom	**Lab**	**Practices**	**Computer classroom**
4,8				1,2

Departments:	**Knowledge areas:**
FINANCIAL ECONOMICS, ACCOUNTING AND OPERATIONS MANAGEMENT	FINANCIAL ECONOMICS AND ACCOUNTING
Year:	**Semester**
3rd	1st

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TEACHING STAFF		
Name:	**E-mail:**	**Telephone**
David Toscano Pardo	dtoscano@uhu.es	+34 959 21 78 78
Others Data (Tutoring, schedule...)		
Tutoring: Tuesday and Thursday 9.30 h – 12.30 h Office : Number 27 – Ground floor Campus La Merced		

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SPECIFIC INFORMATION OF THE COURSE

1. Contents description:

1.1 In English:

Analysis of the relationship between return and risk for a company. The different asset valuation models and their application to risk measurement will be studied · The effect of both capital structure decisions and dividend policy on company value will be analysed.

1.2 In Spanish:

Relación rentabilidad de una compañía con su riesgo. Se estudiarán los distintos modelos de valoración de activos y su aplicación a la medición del riesgo · Análisis del efecto de las decisiones relacionadas con la estructura financiera en el valor de la empresa. Se estudiará el efecto de la política de dividendos, y de la estructura de capital sobre dicho valor.

2. Background:

2.1 Situation within the Degree:

This is a compulsory 3rd year subject that completes the knowledge acquired with the compulsory 2nd year subject "Financial Management I" and “Financial Mathematics”

2.2 Recommendations

Having completed and acquired basic training in Financial Mathematics, Company Tax Regime, Financial Management I and Financial Accounting.

3. Objectives (as result of teaching):

GENERALS
To develop students' ability to make informed financial decisions in corporate settings.

SPECIFIC
- To understand the rational behaviour of the agents before the financial decisions of the company.
- To propose and solve financial valuation problems, both for financing decisions and for investment in economic and financial assets.
- To identify and understand the factors that affect the optimal design of the debt policy, the dividend policy and the working capital policies.

4. Skills to be acquired

4.1 Specific Skills:

CE-11 – Be able to select investment projects and financing sources, interpreting the financial information of firms and the stock exchange market, carry out financial operations in the context of corporate finance.

4.2 General, Basic or Transversal Skills:

BS1 - That students demonstrate understanding of knowledge in an area of study supported by advanced textbooks, also including some of the last topics involved from the of your field of study.
BS2 - That students know how to apply their knowledge to their work or vocation in a professional way and possess the competencies that are usually demonstrated through the elaboration and defense of arguments and the resolution of problems within their area of study.
BS3 - That students have the ability to gather and interpret relevant data (usually within their study area) to make judgments that include a reflection on relevant issues of a social, scientific or ethical nature.
BS4 - That students can transmit information, ideas, problems and solutions to both specialized and non-specialized audiences.
BS5 - That students develop those learning skills necessary to undertake further studies with a high degree of autonomy.

TS1. Be completely fluent in Spanish, mastering the different styles and the specific languages required to develop and communicate the acquired knowledge in the scientific and academic environment.
TS2. Development of a critical attitude in relation to the capacity for analysis and synthesis.
TS3. Development inquired attitude that allows the revision and permanent advancement of knowledge.
TS4. Acquire Computer and Information Skills (C12) and apply them working.
TS6. To promote, respect and safeguard human rights, democratic values, social equality and environmental sustainability, without discrimination on the basis of birth, race, sex, religion, opinion or other personal or social circumstances.

5. Training Activities and Teaching Methods

5.1 Training Activities:

- Lectures / problem solving sessions.
- Supervised academic activities: seminars, conferences, projects, debates, group office hours, evaluation activities, self-evaluation activities.
- Individual study.

5.2 Teaching Methods:

- Lectures
- Problem solving sessions.
- Individual supervised work.
- Evaluation activities.
- Office hours.

5.3 Development and Justification:

All necessary materials to follow-up the lectures and problem-solving sessions will be available on the online learning platform Moodle. The website of this course will contain information about the contents of the subject, working plans, schedules and interesting links.

During lectures, different resources such as blackboards (traditional/ electronic) and slide presentations will be used. Additionally, lecturers and professors may provide students with supplementary materials (electronic files, photocopies).

Problem solving sessions will allow students to put into practice the knowledge they acquired during master classes. Emphasis will be placed on the resolution mechanisms, their limitations and advantages, as well as a critical analysis of the results achieved. These problem-solving sessions will be interactive and students' participation will be considered when assessing their performance and learning outcomes.

6. Detailed Contents

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BLOCK I. RISK

Chapter 1. RISK AND RETURN IN CAPITAL MARKETS

Part A. Computing return and risk
1.1. A first look at risk and return
1.2. Computing historical returns: arithmetic vs geometric averages
1.3. Measuring risk: Volatility

Part B. Portfolio management
1.4. Return and risk of a portfolio: variance-covariance matrix
1.5. Systematic Risk vs Specific Risk
1.6. Beta and market risk

Chapter 2. RELATIONSHIP BETWEEN RISK AND RETURN
2.1. Markowitz's Portfolio Theory
2.2. The Capital Asset Pricing Model (CAPM)
23. The beta and the cost of capital
2.4. Testing the validity and robustness of the CAPM
2.5. Factorial Models: Three factors Fama – French model

BLOCK II. THE CAPITAL STRUCTURE AND THE DIVIDEND POLICY

Chapter 3. CAPITAL STRUCTURE
3.1. The choice of capital structure
3.2. The capital structure in perfect capital markets
3.3. Debt and taxes
3.4. Cost of insolvency and bankruptcy
3.5. The optimal capital structure
3.6. Agency cost and information

Chapter 4. DIVIDEND POLICY
4.1. Cash distributions to Shareholder
4.2. Dividends versus share repurchases in a perfect capital market
4.3. The tax disadvantage of dividends
4.4. Payout versus retention of cash
4.5. Signaling with Payout Policy
4.6. Stock dividends, splits and spin-offs
4.7. Advice for the Financial Manager

7. Bibliography

7.1 Basic Bibliography:

Berk, J., & DeMarzo, P. (2020). *Corporate Finance* (5th ed.). Pearson.

7.2 Additional Bibliography:

Brealey, R. A., Myers, S. C., Allen, F., & Mohanty, P. (2018). *Principles of corporate finance.* 12th edition. McGraw-Hill Education.
Hull, J. C. (2022). *Risk Management and Financial Institutions* (6th ed.). Wiley.

7.3 Other Learning Resources

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- **Damodaran Online** (http://pages.stern.nyu.edu/~adamodar/)
Includes downloadable datasets, financial modeling spreadsheets, and video lectures related to corporate finance, valuation, and risk management.

- **LSEG (Eikon/Datastream)**
For practical application of financial metrics, beta estimation, cost of capital and ESG risk factors.

- **Khan Academy – Finance & Capital Markets** (https://www.khanacademy.org/economics-finance-domain/core-finance)
Short and accessible videos to support the understanding of CAPM, risk, and returns.

- **Investopedia** (www.investopedia.com)
Reference tool for key financial concepts and formulas in capital structure, dividend policy, and risk measurement.

- **Microsoft Excel / Python / Stata**
Recommended tools for numerical problem-solving, regression analysis, and financial modeling.

8. Systems and Assessment Criteria

8.1 System for Assessment:

Students will be assessed through a combination of **continuous assessment and a final written exam**. Continuous assessment will include midterm tests, individual assignments, and class participation. A single final evaluation option is also available, as per university regulations.

8.2 Assessment Criteria and Marks:

8.2.1 Examinations Convocatory I

All the evaluation activities will be subject to the Evaluation Regulation for the Official Degree and Master's Degrees of the University of Huelva (approved by the Governing Council on March 13, 2019): http://www.uhu.es /sec.general/Normativa/Textos_Pagina_Normativa/Normativa_2019/Rgto_evaluacion_grado_mofs_ccgg_19_03_13.pdf.

The subject will include several assessment activities throughout the semester, accounting for **40%** of the final grade. These will cover both theoretical and practical content. In addition, students must complete one or more tasks related to specific course topics (**10%**).

The final exam, held at the end of the semester, will assess all theoretical and practical content of the subject and will account for the remaining 50% of the final grade.

To pass the course, students must obtain a **minimum score of 5 out of 10**.

Likewise, the regulations also contemplate the possibility of a single final evaluation, in which the student will be examined on the entire content of the subject. To qualify for it, the student, in the first two weeks of classes, or in the two weeks following enrollment if it has occurred after the start of the semester, will notify the coordinator of the course through email, using the email account provided by the University of Huelva. This will imply the express resignation to the continuous evaluation and the student won´t be able to change the assessment method.

In ordinary calls II and III and other evaluations, the final grade will be 100% of the grade obtained in the final exam, which will follow the same format, evaluation criteria and qualification as in the case of the single final evaluation.

The qualification system used in this course is in accordance with that established in article 5 of Royal Decree 1125/2003, of September 5, which establishes the European credit system and the qualification system in university degrees of character official and valid throughout the national territory: The results obtained by the student in each of the subjects of the study plan will be graded according to the following numerical scale from 0 to 10, with an expression of one decimal, to which its corresponding qualitative rating may be added:

- 0.0 to 4.9: Fail (SS)
- 5.0 to 6.9: Pass (AP)
- 7.0 to 8.9: Notable (NT) - 9.0 to 10: Excellent (SB)

The mention "With Honor" may be awarded to students who have obtained a grade equal to or greater than 9.0. Their number may not exceed 5% of the students enrolled in a subject in the corresponding academic year, unless the number of students enrolled is less than 20, in which case a single "With Honor".

In the event that the number of candidates for the mention “With Honor” is higher than the maximum allowed and they all have the same grades; an additional test will be proposed to break the tie.

8.2.2 Examinations Convocatory II

In all cases (second, third and extraordinary calls), the evaluation system and grading criteria will follow the same format as the single final evaluation described above.

8.2.3 Examinations Convocatory III
In all cases (second, third and extraordinary calls), the evaluation system and grading criteria will follow the same format as the single final evaluation described above.

8.2.4 Extraordinary Convocatory

In all cases (second, third and extraordinary calls), the evaluation system and grading criteria will follow the same format as the single final evaluation described above.

8.3 Single Final Evaluation:

Likewise, the regulations also contemplate the possibility of a single final evaluation, in which the student will be examined on the entire content of the subject. To qualify for it, the student, in the first two weeks of classes, or in the two weeks following enrollment if it has occurred after the start of the semester, will notify the coordinator of the course through email, using the email account provided by the University of Huelva. This will imply the express resignation to the continuous evaluation and the student won´t be able to change the assessment method.

The qualification system used in this course is in accordance with that established in article 5 of Royal Decree 1125/2003, of September 5, which establishes the European credit system and the qualification system in university degrees of character official and valid throughout the national territory: The results obtained by the student in each of the subjects of the study plan will be graded according to the following numerical scale from 0 to 10, with an expression of one decimal, to which its corresponding qualitative rating may be added:
- 0.0 to 4.9: Fail (SS)
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In the event that the number of candidates for the mention “With Honor” is higher than the maximum allowed and they all have the same grades; an additional test will be proposed to break the tie.