



Faculty of Business Management and Tourism

BACHELOR'S DEGREE IN FINANCE ACCOUNTING

ACADEMIC YEAR 2026-2027

Name:

DIRECCIÓN FINANCIERA III

English name:

FINANCIAL MANAGEMENT III

Code:

859010302 -858610216 - 858510302 - 859110302-

Type:

BASIC

Hours:

	Total	In class	Out class
Time distribution	150 hours	45 hours	105 hours

ECTS:

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

Departments:

FINANCIAL ECONOMICS, ACCOUNTING AND
OPERATIONS MANAGEMENT

Knowledge areas:

FINANCIAL ECONOMICS AND
ACCOUNTING

Year:

3°

Semester

2°

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TEACHING STAFF		
Name:	E-mail:	Telephone
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Others Data (Tutoring, schedule...)		
OFFICE HOURS: Faculty of Business Management and Tourism (Office no. 21) Tuesdays: From 9:00 to 12:00 h. Thursday: From 9:00 to 12:00 h.		

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SPECIFIC INFORMATION OF THE COURSE

I. Contents description:

I.1 In English:

- Internal valuation: accounting-based perspective.
- External valuation: market-based perspective.
- Alternative valuation models.
- Value creation and market risk.
- Application of market-based models for investment valuation.
- Additional techniques and investment systems.

I.2 In Spanish:

- Valoración interna: desde la empresa.
- Valoración externa: desde el mercado.
- Otros métodos de valoración.
- Creación de valor y riesgo del mercado.
- Aplicaciones de los modelos de mercado a la valoración de inversiones.
- Otras técnicas y sistemas de inversión.

2. Background:

2.1 Situation within the Degree:

This subject is an upper-division undergraduate finance course.

2.2 Recommendations

Prerequisites: None.

Recommendations: Basic training in Financial Mathematics, Tax Law, Financial Accounting, Financial Management I & II.

3. Objectives (as result of teaching):

GENERAL OBJECTIVES

- To learn how to calculate a firm's value.

SPECIFIC OBJECTIVES

- To learn alternative valuation methods.
- To be able to apply alternative valuation methods in order to value a real company.
- To apply the main valuation methods using Excel.

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4. Skills to be acquired

4.1 Specific Skills:

- CE11 - Be able to select investment projects and financing sources, interpret the financial information of the companies and the Stock Market, carry out financial operations in the business field and in the field of finance corporate.

4.2 General, Basic or Transversal Skills:

- CG1 - That students develop cognitive, instrumental and attitudinal skills in the context of Finance and Accounting.
- CB1 - That students demonstrate understand the 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.
- CB2 - 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.
- CB3 - 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.
- CB4 - That students can transmit information, ideas, problems and solutions to both specialized and non-specialized audiences.
- CB5 - That students develop those learning skills necessary to undertake studies posterior with a high degree of autonomy.
- TC1. 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.
- TC2. Develop a critical attitude, being able to analyse and synthesize.
- TC4. Acquire Computer and Information Skills (CI2) and apply them working.
- TC6. 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 (<http://moodle.uhu.es/contenidos/login/index.php>). 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 PowerPoint 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 taken into account when assessing their performance and learning outcomes.

6.Detailed Contents**UNIT 1. "INTRODUCTION TO VALUATION OF FIRMS"**

1. Introduction.
2. The role of valuation.
3. Generalities about valuation.
4. Company Valuation Methods.
5. Conclusions.

UNIT 2. "STATIC AND DYNAMIC VALUATION"

1. Introduction.
2. Static value.
3. Dynamic value.
6. Basic model I.
5. Basic model II.

UNIT 3. "GOODWILL-BASED METHODS (MIXED METHODS OF BUSINESS ASSESSMENT)"

1. Introduction.
2. The "classic" valuation method or German method.
3. The simplified "abbreviated goodwill income" method or the simplified UEC method.
4. Union of European Accounting Experts (UEC) method.
5. Indirect method.
6. Anglo-Saxon or direct method.
7. Annual profit purchase method.
8. Risk-bearing and risk-free rate method.
9. Practice case.

UNIT 4. "RELATIVE VALUATION MODELS"

1. Introduction.
2. Price/Earnings Ratio (PER).
 - 2.1. What is PER?
 - 2.2. Why do we use PER?
 - 2.3. Calculating PER for stable firms.
 - 2.4. Calculating PER for high-growth firms.
 - 2.5. Comparison of PER and Expected Growth Rate.
 - 2.6. Mistakes while comparing PE ratios.
 - 2.7. Comparing company to entire cross-section.
 - 2.8. Problems with PER.
3. Price/Book Value Multiples.
 - 3.1. Estimating PBV ratios from fundamentals.
 - 3.2. Estimating PBV ratios from comparable firms.
 - 3.3. PBV ratios and investment strategies.
 - 3.4. Variants on PBV ratios.

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4. Price/Sales Multiples.
 - 4.1. What is PS ratio?
 - 4.2. Advantages and Disadvantages using PS ratio.
 - 4.3. PS ratio for a stable firm.
 - 4.4. PS ratio for a high-growth firm.
 - 4.5. PS ratios and profit margins.
 - 4.6. The value of a brand name.
5. Conclusions.
6. Practice case.

UNIT 5. "CASH FLOW DISCOUNTING-BASED METHODS"

1. Introduction.
2. General method for cash flow discounting.
3. Deciding the appropriate cash flow for discounting and the company's economic balance sheet.
 - 3.1. The free cash flow.
 - 3.2. The equity cash flow.
 - 3.3. Capital cash flow.
4. Calculating the value of the company using the free cash flow.
5. Calculating the value of the company as the unlevered value plus the discounted value of the tax shield.
6. Calculating the value of the company's equity by discounting the equity cash flow.
7. Calculating the company's value by discounting the capital cash flow.
8. Basic stages in the performance of a valuation by cash flow discounting.
9. Which is the best method to use?
10. Practice case.

UNIT 6. "MEASURES OF SHAREHOLDER VALUE CREATION"

1. Introduction.
2. Measuring the created value.
3. Traditional value indicators.
4. Economic value added (EVA).
5. Estimation of EVA.
6. Market value added (MVA).
7. Correct interpretation of EVA and MVA.
8. Other measures of value creation: The cash flow return of investment (CFROI).
9. Practice case.

7. Bibliography

7.1 Basic Bibliography:

- Titman S. and Martin, J.D. (2018). Valuation: The Art and Science of Corporate Investment Decisions, 4th Edition Pearson.
- Damodaran, A. (2018) The Dark Side of Valuation – Third Edition. Wiley.
- Koller, T.; Goedhart, M. and Wessels, D. (2020): Valuation: Measuring and Managing the Value of Companies. 7th Edition. John Wiley & Sons. New Jersey.
- Koller, T.; Goedhart, M.; Wessels, D. and Cichello, M. (2015): Valuation Workbook: Step-by-Step Exercises and Tests to Help you Master Valuation. 6th Edition. John Wiley & Sons. New Jersey.

7.2 Additional Bibliography:

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- Damodaran, A. (2019) Damodaran on Valuation: Security Analysis for Investment and Corporate Finance, Study Guide.
- Damodaran, A. (2016). The Little Book of Valuation: How to Value a Company, Pick a Stock and Profit.
- Koller, T.; Dobbs, R. and Huyett, B. (2011): Value: The Four Cornerstones of Corporate Finance. John Wiley & Sons. New Jersey.
- Kruschwitz, L. and Löffler, A. (2006): Discounted Cash Flow: A Theory of the Valuation of Firms. Wiley. New Jersey.
- Moles, P.; Parrino, R. & Kidwell, D. (2011): Corporate Finance. European Edition. John Wiley & Sons. Chichester.
- Wiley Berk, J. and De Marzo P. (2020). Corporate Finance. 4th edition. Pearson.

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8.Systems and Assessment Criteria

8.1 System for Assessment:

- Written/ oral exam.
- Continuous assessment.

8.2Assessment Criteria and Marks:

8.2.1Examinations 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 final written exam for the subject, which accounts for 50% of the final grade, consists of 20 - 30 theoretical and practical multiple-choice questions that can be open, closed, multiple-choice or association. The remaining 50% of the final grade for the course can be obtained through continuous evaluation of the different activities and tests suggested in the Moodle platform, that must be delivered in a timely manner.

To pass the course, it will be necessary to obtain a minimum grade of 5 points out of 10. That being considered, in order to add the score of the continuous assessment to the student's grade, it will be an essential condition to have obtained a minimum grade of 4 points in the final exam.

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.

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8.2.2 Examinations Convocatory II

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.

8.2.3 Examinations Convocatory III

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.

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8.2.4 Extraordinary Convocatory

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.

8.3 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)
- 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.