



COURSE (MODULE) DESCRIPTION

Course title	Code
FUNDAMENTALS OF FINANCE	

Staff	Department
Instructor: Gustavo Adolfo Mota Salinas	Department of Finance, Faculty of Economics and Business Administration

Study cycle	Course type
Second	Compulsory

Form of implementation	Period of implementation	Language of instruction
In person: Lectures and Seminars	Spring semester	English

Requirements for student	
Prerequisites: none	Additional requirements (if any): English language

Number of ECTS credits	Student's workload	Contact hours	Individual work
5	130	48	82

Purpose of the course and competences developed		
Purpose of the course is to provide the theoretical knowledge and practical skills necessary for studying the basic concepts of finance, to develop students' abilities to understand the financial system and its changes, effectively identify and solve complex financial challenges.		
Learning outcomes	Teaching methods	Assessment methods
On completion of the course students will be able to: Learn properly apply key models of financial theory. search and analyse financial information independently. Analyse the participants of the financial system, the formation and use of their resources. Propose solutions to financial situations corresponding to the level of acquired knowledge and to discuss their advantages and disadvantages. Properly relate financial concepts and phenomena for decision making.	Lectures, discussions during seminars and lectures, review of practical examples, review and explanation of the material. Case studies, practical financial modeling, and other active learning methodologies.	Final exam: written test consisting of open-ended (problem solving) and/or closed-ended (multiple choice) questions. Problem Sets: CFA style quizzes to be answered during seminars. Independent work: Consisting on presentation materials and oral presentation of a selected topic. Bloomberg work: Completion of tasks in Bloomberg lab.

Course themes	Contact / Individual work: time and assignments								Assignments
	Lectures	Tutorials	Seminars	Practical classes	Laboratory work	Practice	Contact hours	Individual work	
An introduction to the course	2						2		
The essence of finance and its functions. The subject of financial science. Functions of finance. Description of financial theories. Finance and accounting.	2						2	2	Individual study of the summaries of lectures and supplementary material*; analysis of the assignments provided by the lecturer.
Time value of money. Interest rate. The future value of money. The present value. Recurring payment. The future value of an annuity. The present value of annuity.	2		2				4	8	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer.
Risk. The concepts of risk and uncertainty. Types of risks. Risk and profitability. Risk measurement. Identification of risk and analysis.	2		2				4	8	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer.
The Financial System. The concepts of financial markets. Participants and functions of the financial system. Financial market concept.	4		2				6	12	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer.
The Financial Markets. Structure of financial markets: the debt market, the equity market, the foreign-exchange market, the mortgage market, and the derivative market.	4		2				6	10	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer; case study.
Corporate finance. The basic principles of financial management. Financial decision. Cash flow and profit. The most common approaches to project selection. Financial statement analysis. Difference between a CFO and an accountant.	5		2				8	10	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer.
Personal finance. Household financial behaviour. The life cycle asset allocation. Basic of personal finance management. Household income and expenditure. Household Budget.	5		2				8	10	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer.
Public Finance. Essence of public budget and its' structure. Public budget and its principles. State and municipal Finance. Taxes and tax system.	4		2				6	10	Individual study of the summaries of lectures and supplementary material; analysis of the assignments provided by the lecturer.
Preparation for, exam, independent work and consultation for presentations.	2		2				4	15	Work based on requirements and the indicated literature required for the course
Total	32		16				48	85	

* Specific literature source (chapter, pages) is detailed in VMA for each lecture separately

Assessment strategy	Share	Time of assessment	Assessment criteria
Working with Bloomberg terminal	20 %	During the entire semester	20 % the final evaluation consists of the progress of the tasks in Bloomberg LAB. The assessment of the progress of completed tasks is multiplied by 0.2 and added to the final assessment. Total: Up to 2 points
Independent work (presentation slides and oral presentation)	20%	During the course, a presentation at the end of the course	1. Content quality and clarity of topic (1 point): appropriately formulated and achieved aim and objectives; the chosen topic is presented clearly and comprehensively; relevant methods selected with calculations, data and/or detailed case analysis provided; logically argued proposals and well-grounded conclusions. 2. Presentation clarity and structure (1 point): presentation is logically structured and fluent; well-prepared with visual material; information presented clearly and understandably (visual illustrations such as examples, schemes, graphs, video, etc. are used); ability to answer questions and defend proposals with arguments. Total: up to 2 points.
Problem sets	30 %	1-2 weeks after problem set is assigned. Details will be given in class.	Conceptual and practical understanding of the concepts reviewed in class (3 points): Ability to analyse, assess the situation and propose solutions. Ability to submit assignments in time. Total: Up to 3 points.
Final exam	30 %	During the examination period	The exam will take place in a computer classroom using Moodle. The test will consist of open-ended (simple problem solving) and/or closed-ended (multiple choice) questions of varying difficulty (from understanding to evaluation). Each test question is assigned a corresponding score. Students must correctly answer at least 50% of all tasks. Total: Up to 3 points.
<p>Students who fail the exam are entitled to a free retake within the first two weeks of the new semester. Exams for spring semester subjects are retaken during the first weeks of September, while exams for autumn semester subjects are retaken during the first weeks of February. If a student's exam session has been postponed, the exam must be retaken within two weeks after the end of the postponement period.</p> <p>External examination of the subject is not possible</p>			

Author	Published in	Title	Issue No. or Volume	Publishing house or Internet site
Required reading				
Brealey, R. A., Myers, S. C., Allen, F., & Mohanty, P.	2018	Principles of Corporate Finance	12 th edition	McGraw-Hill Education
Kapoor, J. R., Dlabay, L. R., Hughes, R. J., & Hart, M. M.	2019	Personal finance	13 th edition	McGraw-Hill Education
Rosen, H., Gayer, T.,	2021	Public finance	10 th edition	McGraw-Hill Education
Saunders, A., Millon, M.	2021	Financial Markets and Institutions	8 th edition	McGraw-Hill Education
Bloomberg LAB	2023	Fundamentals of Finance		Bloomberg Terminal
Additional reading				
Bodie Z., Kane A., Marcus A. J.	2016	Essentials of investments	10 th edition	McGraw-Hill/Irwin
Brigham, E. F., Houston, J. F.	2021	Fundamentals of Financial Management.		Concise. Cengage Learning.
Gitman L.J., Zutter C.J.	2019	Principles of Managerial Finance	14 th edition	Pearson
Ross, S. A., Westerfield, R. W., Jordan, B. D.	2022	Fundamentals of Corporate Finance	13 th edition	McGraw-Hill Education