



# **Course Syllabus**

## **Topics OF Finance**

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**August – december 2021**

**IX Cycle**

**Professor:**  
**Edmundo R. Lizarzaburu**

## I. General Information of the Course

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<b>Subject:</b>	Topics of Finance		
<b>Requisite:</b>		<b>Code: 10243</b>	
<b>P.E 2014</b>	Instrumentos Financieros	<b>P.E 2014</b>	
<b>P.E 2016</b>	Financial Instruments	<b>P.E 2016</b>	
<b>Precedente:</b>	-----	<b>Semester:</b>	2021-2
<b>Credits:</b>	4	<b>Cycle:</b>	IX
<b>Weekly Hours:</b>	3	<b>Type of the course:</b>	Remote - Synchronous
<b>Type of course</b>	Obligatory	<b>Course Coordinator</b>	Jhony Ostos Mariño jostos@esan.edu.pe
<b>Career(s)</b>			

## II. Summary

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The course shows the student issues that contribute to their training, enabling them to develop skills for proper financial management. The course studies, risk management with application of Value at Risk (VaR). Valuation of companies. Social assessment of projects. Mergers and acquisitions. Derivatives. Capital structure. Credit risk. Trusts. Project Finance. Structuring transactions to medium term. **Besides the course would include several virtual and online sessions.**

## III. Course Objectives

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The course objective is to provide the tools and techniques for the analysis of statistical data and indicators for management decision making and review several financial topics.

Also, provides the concepts and principles of current finances, applied to both local and international market and allows the student to understand the concepts of finance such as financial statement analysis, planning and management scenarios.

Besides, the course reviewed risk management strategies and the impact of them in the companies and business. Identify opportunities and challenges that globalization needs.

## IV. Learning Outcomes

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**After completing the course, students:**

- Understand the importance of financial analysis.
- Know the determinants of credit risk.
- Review the variables to consider when evaluating a company.
- Acquire knowledge on mergers and acquisitions.
- Analyze and review the trust mechanism.
- Understand the application of project finance in the Peruvian market.

- Understand the importance of managing stakeholders.

## V. Methodology

The classes will be developed to promote the combination of theory with practice, there will be investment simulations with applications that allow capture everything we learned in class to which, the teacher assumes the role of facilitator of learning.

Be combined also with teamwork, to reinforce learning and developing the participant the skills needed to function successfully. The participant must read the assigned materials for each session which will consolidate their classroom learning and will be taken in the controls, practices and qualifying exams.

## VI. Assessment

The assessment system is continuous and comprehensive. Its purpose is to promote student learning. It is evaluated the learning activities throughout the course such as participation, case studies, research, practices and other activities assigned qualified.

It assesses the knowledge acquired in the middle and end of the cycle through a midterm (partial) and a final. The mark will be obtained by averaging the continuous assessment – evaluation (40%), the midterm – partial exam (30%) and final exam (30%).

Continuous evaluation is the weighted average of the evaluations that correspond to the monitoring of student learning process: Practices qualified / Case / Research Work / Participation in classes / activities assigned. The average of these scores gives the final grade.

<b>PERMANENT ASSESSMENT AVERAGE (PAA) 40%</b>		
<b>Type of evaluation</b>	<b>Description</b>	<b>Weight %</b>
Quiz*	3 Quizzes None can be canceled	45%
Group Paper Critique**	Paper Critique	15%
Individual Research Assignment**	Individual Research Paper + Presentation	30%
Class Involvement	Participation and Attendance	10%

\* No grade is canceled.

\*\* The guidelines for both the Group and Individual Research Assignments will be handed out by the teacher at the start of the semester.

Final Average (FA) is calculated as follows:

$$PF = (0, 30 \times EP) + (0, 40 \times PEP) + (0, 30 \times EF)$$

**Where:**

PF = Final Grade

EP = Partial Exam  
 PEP = Average of continuous evaluation  
 EF = Final Exam

## VII. Program Course

<b>WEEK</b>	<b>DETAILS</b>	<b>ACTIVITIES</b>
1°	<b>Introduction and Finance Analysis.</b> <ul style="list-style-type: none"> <li>• Overview of the Financial Function</li> <li>• Introduction to Corporate Governance</li> <li>• Three Lines</li> <li>• Manager function</li> <li>• Corporate governance: Objectives and guiding principles</li> <li>• OCDE</li> <li>• Ratio Analysis and top down method.</li> </ul>	Groups and review the lectures:  “Case Studies of Good Corporate Governance Practices” from the OECD Topcis in Finance, Chapter 1
2°	<b>Trusts - Fideicommissum.</b> <ul style="list-style-type: none"> <li>• Type of Trusts</li> <li>• Alternatives</li> <li>• Tendency</li> <li>• Use in Peru and Latam.</li> <li>• La Fiduciaria</li> <li>• Capital Market</li> </ul>	Presentation/Comments
	Ross, S., Westerfield, R. & Jaffe, J. (2007) Modern Financial Management. Chapter 20.	
3°	<b>Capital Structure.</b> <ul style="list-style-type: none"> <li>• Concepts of Debt</li> <li>• Concepts of Equity</li> <li>• Preposition of Modigliani and Miller</li> <li>• Taxes</li> <li>• Use of debt</li> <li>• WACC</li> <li>• CAPM</li> <li>• WACC per year</li> </ul>	Presentation/Comments Quiz 01
	Ross, S., Westerfield, R. & Jaffe, J. (2007) Modern Financial Management. Chapters 15 & 16	
4°	<b>Enterprise Valuation II</b> <ul style="list-style-type: none"> <li>• Market capitalization</li> <li>• Valuation Models</li> <li>• Discount Rate</li> <li>• Mark to market</li> <li>• Finance Report example</li> <li>• S&amp;P, Fitch, Moody’s</li> <li>• Financial Planning and Forecasting</li> <li>• Investment Valuation</li> <li>• Economic Indicators</li> <li>• NPV</li> <li>• IRR</li> </ul>	Presentation/Comments

<b>WEEK</b>	<b>DETAILS</b>	<b>ACTIVITIES</b>
	<ul style="list-style-type: none"> <li>• Pro-forma and Forecasted Statements</li> </ul>	
<b>5°</b>	<p><b>Mergers and Acquisitions (M&amp;A)</b></p> <ul style="list-style-type: none"> <li>• Forms of acquisitions</li> <li>• Synergy</li> <li>• Reason for Merge</li> <li>• Stockholders</li> <li>• Type of Stocks</li> <li>• Tax consideration</li> <li>• Check list to evaluate a M&amp;A</li> </ul> <p>Ross, S., Westerfield, R. &amp; Jaffe, J. (2007) Modern Financial Management. Chapter 29.</p>	Presentation/Comments
<b>6°</b>	<p><b>WORKING CAPITAL MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>• Credit Policy</li> <li>• Evaluating Trade Discounts</li> <li>• Inventory Costs</li> <li>• Inventory Management Techniques</li> <li>• Savings examples</li> <li>• Cash Budget</li> <li>• Forecast balance sheet</li> </ul> <p>Reading assigned by the professor</p>	Presentation/Comments Quiz 02
<b>7°</b>	<p><b>Project Finance</b></p> <ul style="list-style-type: none"> <li>• Capital Budgeting</li> <li>• The Payback Period</li> <li>• Net Present Value</li> <li>• Internal Rate of Return</li> <li>• Type of agreement, technical and finance</li> <li>• Working Capital</li> <li>• Credit Policy</li> <li>• Forecast Strategies</li> </ul>	Presentation/Comments
<b>8°</b>	<b>MID-TERM EXAM</b>	

WEEK	DETAILS	ACTIVITIES
9°	<p><b>Project Finance using PMI.</b></p> <ul style="list-style-type: none"> <li>• Structure, using Banks, government, assets.</li> <li>• Characteristics in Project Finance</li> <li>• PMI Theory new changes</li> <li>• Agency problem</li> <li>• Manage Risk</li> <li>• Costs, alternatives</li> <li>• Structure</li> <li>• Examples</li> </ul>	Presentation/Comments
10°	<p><b>Risk Management and ISO 31000: 2018</b></p> <ul style="list-style-type: none"> <li>• Risk meaning</li> <li>• Measures</li> <li>• Risk Steps</li> <li>• Prices and returns</li> <li>• Risk Management</li> <li>• Market Price, Latam Programs</li> <li>• Level Risk</li> </ul> <p><b>Portafolios theory (two assets)</b></p> <ul style="list-style-type: none"> <li>• EPU</li> <li>• Equity, Bonds,</li> <li>• Vector Price, calculation,</li> <li>• Discount and Premium value.</li> <li>• Yield to maturity</li> </ul> <p>Ross, S., Westerfield, R. &amp; Jaffe, J. (2007) Modern Financial Management. Chapter 9.  Jorion, P. (2010). Financial Risk Manager HANDBOOK. Chapter 10.  Topcis in Finance, Chapter 2</p>	Presentation/Comments
11°	<p><b>Reputational Risk</b></p> <ul style="list-style-type: none"> <li>• Stakeholders and the relation with reputation</li> <li>• Reputation theory in several sectors</li> <li>• Law 30424 and ISO 37001</li> <li>• Compliance</li> <li>• Audit   Control</li> </ul>	Presentation/Comments
12°	<p><b>Credit Risk.</b></p> <ul style="list-style-type: none"> <li>• Banking credit risk</li> <li>• Credit scoring</li> <li>• Enterprise credit risk</li> <li>• 5 C of Credit</li> <li>• Term of sale</li> <li>• Credit alternatives (factoring, letters) - instruments</li> </ul> <p>Ross, S., Westerfield, R. &amp; Jaffe, J. (2007) Modern Financial Management. Chapter 28.  Jorion, P. (2010). Financial Risk Manager HANDBOOK. Chapter 18.</p>	Presentation/Comments

<b>WEEK</b>	<b>DETAILS</b>	<b>ACTIVITIES</b>
<b>13°</b>	<b>Corporate Social Responsibility</b> <ul style="list-style-type: none"> <li>• Definition</li> <li>• Principles</li> <li>• Actual tendency</li> </ul>	Presentation/Comments Quiz 03
	Ross, S., Westerfield, R. & Jaffe, J. (2007) <i>Modern Financial Management</i> . Chapter 28. Jorion, P. (2010). <i>Financial Risk Manager HANDBOOK</i> . Chapter 18.	
<b>14°</b>	<b>Big data, analytics and cryptocurrencies</b> <ul style="list-style-type: none"> <li>• Big data in corporate finance</li> <li>• Analytics for valuations</li> <li>• Tendency of cryptocurrencies</li> </ul>	Presentation/Comments Individual Research Paper due
<b>15°</b>	Individual Research Presentations	Individual Research Presentation
<b>16°</b>	<b>FINAL EXAM</b>	

## VIII. References

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### Mandatory References

Lizarzaburu, Burneo, **Topcis in Finance**, Primera Edición, Editorial Pearson

Ross, S., Westerfield, R. & Jaffe, J. (2007) **Modern Financial Management**. 8th Edition. Mc Graw Hill.

Jorion, P. (2010). **Financial Risk Manager HANDBOOK**, 6th Edition, Garp, Wiley Finance

Benninga, S. (2008), **Financial Modeling**, 3<sup>rd</sup> Edition, The MIT Press, Cambridge

### Complementary References

Ross, S., Westerfield, R. & Jaffe, J.. **Corporate Finance**. 7<sup>th</sup> Edition, Mc Graw – Hill International Edition.

### Papers

Microfinance Sector in Emerging Capital Markets: Peruvian Financial Entity CMAC (CAJA Municipal de Huancayo), Emeraldinsight, Research in Finance, 2018  
<https://www.emeraldinsight.com/doi/abs/10.1108/S0196-382120170000034014>

CSR Actions in Companies and Perception of Their Reputation by Managers: Analysis in the Rural Area of an Emerging Country in the Banking Sector, Sustainability, 2018  
<http://www.mdpi.com/2071-1050/10/4/920>

A Government funding tool: The Designated Market Maker program and the Bond market in Peru, Revista Espacios, 2016  
<http://www.revistaespacios.com/a16v37n12/16371207.html>

## **IX. Professor**

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