

# COURSE OUTLINE

Year: 2006 -2007

**LEVEL: III SEMESTER 1**

**NAME OF THE SUBJECT: FINANCIAL STRATEGY**

**No. CREDITS: 4**

**NAME OF THE TEACHER: RICARDO S. ESTERA**

**SHORT CV OF THE TEACHER:**

Academic background: Business-Administration (Professor Mercantile) (UB) Corporate Business (E.A.D.A), Economic Planning (UAM).

Business background : 24 years in a US multinational corporation: Union Carbide a leading world-wide corporation in manufacturing: Chemicals, plastics, industrial gases, graphite electrodes and consumer products.

Relevant positions: 4 years as Finance Director in Spain, 3 years European Foreign Exchange Mgr in Switzerland, 5 years as Finance Director in Brazil, 8 years as V.P Finance & Control for Europe, and Managing Director of Union Carbide Eurofinance B.V, 2 years as V.P CFO & Treasurer in a Joint Venture between Union Carbide-Mitsubishi Corp. and Managing Director of Union Carbide-Mitsubishi Finance B.V. Locations : Spain, Brazil, Switzerland, Holland and United States.

COURSE DESCRIPTION: Valuation analysis for financial securities is one of the key requirements to perform a financial job in a international corporation, and a Restructuring a company when is threatened by a potential take-over is normally in the agenda of CEOs. In the M&A area a review of Capital Risk Project.

Topics include: Continuously compounding interest rate, CF, DCF, FCF, DFCF and NPV valuations, Bonds and Zero Coupon Bonds, Sensitivity and Duration, Annuities, Sinking Funds and Perpetuities. A restructuring program to improve EPS and FCF and Capital Risk Project (M&A) review (FCF, DFCF, IRR, and Capital investment).

COURSE OBJECTIVE: You learn to analyze and set pricing of a variety of financial securities and set-up a company's restructure to improve EPS and FCF as compared to it main competitor. Review the key variable of a Capital Risk Project. Formulas and methods are developed in EXCEL 2003. A PC is required.

COURSE STRUCTURE: 12 classes (first semester) including the exam, each class has 2 hours duration, no extra work at home is required.

## SYLLABUS

### SEMESTER 1

Year 2006

							<u>Estimated</u>	
							<u>hours</u>	<u>CLASS SUBJECT</u>
18 Sept.-22 Sept.	Teaching week	1	Wk	2	2 h.			Continuously compounding interest Cash Flow, PV, FV, DCF, FCF and NPV
25 Sept.-29 Sept.	Teaching week	2	Wk	3	2 h			Corporate Debt and Zero Coupon Bonds
02 Oct. - 06 Oct.	Teaching week	3	Wk	4	2 h			Annuities, Sinking funds, Perpetuities
09 Oct, - 11 Oct.	Teaching week	4	Wk	5				12 Oct. Bank holiday
16 Oct. - 20 Oct.	Teaching week	5	Wk	6	2 h			Annuities, Sinking funds, Perpetuities
23 Oct. - 27 Oct.	Teaching week	6	Wk	7	2 h			Currency forwards, Swaps and Options
30 Oct. - 03 Nov.	Teaching week	7	Wk	8	2 h			Currency forwards, Swaps and Options
06 Nov.- 10 Nov.	Teaching week	8	Wk	9	2 h			CAPM and Option pricing
13 Nov.- 17 Nov.	Teaching week	9	Wk	10	2 h			Linear Corporation Project
20 Nov.- 24 Nov.	Teaching week	10	Wk	11	2 h			Linear Corporation Project
27 Nov.- 01 Dec.	Teaching week	11	Wk	12	2 h			Capital Risk Project M&A
04 Dec.- 07 Dec.	Teaching week	12	Wk	13	2 h			Capital Risk Project M&A
11 Dec.- 15 Dec.	Teaching week	13	Wk	14	<u>2 h</u>			Exams
	<u>TOTAL HOURS</u>						<u>24 h</u>	