



**NATIONAL UNIVERSITY OF ENGINEERING**  
**COLLEGE OF INDUSTRIAL AND SYSTEMS ENGINEERING**

**INDUSTRIAL ENGINEERING PROGRAM**

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**GP235 – FINANCIAL MANAGEMENT**

**I. GENERAL INFORMATION**

<b>CODE</b>	: GP235 Financial Management
<b>SEMESTER</b>	: 9
<b>CREDITS</b>	: 03
<b>HOURS PER WEEK</b>	: 04 (Theory – Practice)
<b>PREREQUISITES</b>	: GP223 Cost Accounting and Budgets
<b>CONDITION</b>	: Mandatory

**II. COURSE DESCRIPTION**

It is a subject of practical theoretical nature and is presented as an instrument capable of providing a clear focus on the separation between the functional activities of a company and its financial framework.

This course provides a solid basis for entering the analysis of the financial problem by studying the financial statements and their implication in the results. It gives a practical and interrelated approach to decision making regarding investment, financing and dividends.

**III. COURSE OUTCOMES**

At the end of the course the students will:

- Understand the processes and understand the basic vocabulary associated with Finance.
- Analyze and prepare the financial situation reports as part of the company's Strategic Planning process, with ethics and responsibility.
- Understand the financial behavior of companies from their main financial statements.
- Prepare financing strategies applying techniques for the analysis of the results and projections of liquidity, profitability and solvency, using prudence and forecast criteria.
- Evaluate the feasibility of long-term investments, applying the techniques of the value of money over time allowing better decision making, with ethical criteria and responsibility.
- Apply Financial forecasting criteria, especially in determining the amount of funds that the company will need, its origins and its applications, with an analytical and responsible attitude
- Have strong training and sufficient skills to support executives who make financial decisions.

#### **IV. LEARNING UNITS**

##### **1. INTRODUCTION TO FINANCIAL MANAGEMENT**

General introduction of financial management. / Objectives of the Financial Management course. / Objective of the Financial and Tax System./ The Financial Function./ Investment, financing, profitability and risk problems.

##### **2. BASIC FINANCIAL STATEMENTS**

Financial Accounting. / Definition and structure of the financial institutions: Balance Sheet and Income Statement. / Retained earnings and costs.

##### **3. INTERPRETATION OF FINANCIAL STATEMENTS**

Cycle: Money - Production and Money. / Movement of Funds. / Sources and uses of funds. / Relationship between financial statements.

##### **4. FINANCIAL ANALYSIS**

Analysis by Cash Flow. / Analysis by reasons or indices (Ratios). / Duppont Method. / EVA Analysis (Economic Value Added), economic value added. / Balance Point Analysis.

##### **5. FINANCIAL PLANNING**

Profit Planning. / Capital Needs. / Determination Method.

##### **6. INDUSTRIAL BUDGETS**

Approach, Formulation, Sales of Industrial Budget Prices. / Production Plan and Materials of Industrial Budget Prices. / Purchases, General Expenses and Investments of Industrial Budget Prices. / Financial Budget. / Financial Statements. Results Analysis and Control.

##### **7. CURRENT MANAGEMENT**

Working Capital. / Cash Management, Securities, Credit and Collection. / Inventories, Payments and Short-Term Financing. / Foreign Trade.

##### **8. CAPITAL BUDGET**

Value of money over time. / Investment Project Analysis, Methods / Financial Risk and Measures. / Risk in Investment Analysis. / Capital Cost. / Applications.

##### **9. CAPITAL STRUCTURE.**

Operation Leverage / Indebtedness Policy / Decisions in financing structure / Scenario Analysis.

##### **10. BUSINESS FINANCING**

Long-term loans. / Leasing, Warrants. / Common and Preferred Shares. / Options and futures./ Bonds and funds.

##### **11. CAPITAL MARKET**

Operation of the Capital Market / Stock Market Analysis / Fundamental and Technical School / Stock Market / Commodities / Bonds / Investment Fund.

##### **12. INFORMATION SYSTEMS [ON FINANCIAL**

Integrated financial management systems (SIAF). / Balance Score Card in finance. / Financial models./ DSS, ERP, SAP Financial, business simulation.

#### **V. METHODOLOGY**

The course is developed in sessions of theory, practice and monographs. In the theory sessions, the teacher presents the concepts. Each student group must prepare and present a project related to the financial models in a company, creating debates. In all sessions the active participation of the student is promoted.

## VI. EVALUATION FORMULA

The learning will be evaluated through the "F" system.

- Partial Exam (PE): Weight 1
- Final Exam (FE): Weight 2
- Average of Practices (P): Weight 1.
- The Average of Practices (P), is obtained by averaging the 03 highest grades of the 04 qualified practices plus the 02 monographic works.

$$FA = \frac{PE + 2 * FE + P}{4}$$

## VII. BIBLIOGRAPHY

- WESTON, John Fred. Financial Administration Pearson- Addison Wesley. 2012.
- JAMES, Van Horne. Fundamentals of Financial Administration. Pearson-Addison Wesley. 2012.
- GITMAN, Laurence. Principles Financial Administration. Pearson- Addison Wesley.
- ANTHONY, Robert. Accounting Administration. Editorial Mc. Graw Hill. 2012.