

ACCOUNTING AND FINANCE

Bachelor of Laws LLB [2504110] SEP-2023 AFn-NLL.1.S.A

Area Accounting and Management Control

Number of sessions: 15

Academic year: 23-24

Degree course: FIRST

Number of credits: 3.0

Semester: 1^o

Category: COMPULSORY

Language: English

Professor: **JORGE COLVIN DÍEZ**

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Adjunt Professor, Finance & Accounting, IE University

Academic Background

- Ph. D. in Business Administration, University of Nebrija, Spain
- Management Development Program, IESE Business School, Spain
- PhD research degree in Business Administration, University of San Pablo CEU, Spain
- Master in Finance, IEB, Spain
- Degree in Business Administration, University of San Pablo CEU, Spain

OTHER INFORMATION

Academic Experience

- Associate Professor in Cost Accounting and Management Control, IE University/IE Business School, Spain
- Professor in Finance and Accounting, Schiller International University, Spain (since 2014)
- Professor in Finance and Accounting, University of Nebrija, Spain (since 2014)
- Professor in Finance and Accounting, University of Francisco Vitoria, Spain (since 2016)
- Professor in Finance and Accounting, University of ESIC, Spain
- Professor in Finance and Accounting, University of TEC Monterrey, Mexico
- Professor in Finance and Accounting, EAE Business School, Spain (since 2017)

Professional Experience

- PricewaterhouseCoopers Auditores, S.L. - Manager
- KPMG - Manager
- Codere Group - Member on the Chairman's Advisory Team and M&A Officer in Spain
- International Business Advisor in M&A - Partner Investment Banks

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SUBJECT DESCRIPTION

This course intends to provide students with basic notions of finance, both on a theoretical and practical basis, ranging from Accounting to personal financial planning.

Finance plays a growing role in our societies. Financial markets not only determine the course of our economies, but also the typology of cases and problems that a lawyer may face. Therefore, it is of the most importance for a Law student to understand the basics both of the financial jargon and of the financial market functioning.

Furthermore, any skilled worker who expects to earn above-average wages should acquire some essential understanding of how to manage his savings. High wages without good financial planning leads to poor estates.

After this course, students will feel comfortable when speaking, reasoning and planning from a financial point of view.

LEARNING OBJECTIVES

Given its introductory nature, the essential objective of the course is to familiarize students with basic accounting and financial concepts. In this course we will get a flavor on how individuals plan their lives from a financial point of view and how financial markets work. To do so we will go over basic concepts and tools and will sketch out the main definitions and relationships in the fields of both accounting (assets, liabilities, balance sheet, income statement, solvency, liquidity, etc.) and finance (stocks, bonds, IOUs, banks, hedge funds, etc.).

The Bachelor in Laws, through the study of Accounting & Finance, aims to develop students' ability to describe, analyze and understand the financial environment where investment takes place. More specifically, Accounting & Finance course aims for the student to make progress in several specific skills:

Cognitive (Know)

- Understand basic accounting terms and statements. –Distinguish between the different kinds of assets –Understand the general workings of the financial markets. –Understand what problems can appear in financial markets.

Procedures (Know How)

- Apply accounting and financial criteria to the analysis of current economic problems. –Use the relevant information to evaluate the financial position of private companies. –Use the course material to reason in a rigorous and systematic way from a financial point of view. –Identify the sources of relevant financial information. –Draw relevant information from data that non-experts would be unable to appreciate. –Improve the ability to present and discuss in a coherent manner, whether in a written text or public exposition, the results of a specific financial study.

Attitude (Being)

- Improve individual problem solving, confront problems in a rigorous and systematic fashion and think critically. –Develop the ability to share and discuss the results with other students. –Encourage an entrepreneurial and positive attitude when faced with new problems, and encourage students to overcome failure.

TEACHING METHODOLOGY

IE University teaching method is defined by its collaborative, active, and applied nature. Students actively participate in the whole process to build their knowledge and sharpen their skills. Professor's main role is to lead and guide students to achieve the learning objectives of the course. This is done by engaging in a diverse range of teaching techniques and different types of learning activities such as the following:

Learning Activity	Weighting	Estimated time a student should dedicate to prepare for and participate in
Lectures	13.33 %	10.0 hours
Discussions	20.0 %	15.0 hours
Exercises in class, Asynchronous sessions, Field Work	26.67 %	20.0 hours
Group work	13.33 %	10.0 hours
Individual studying	26.67 %	20.0 hours
TOTAL	100.0 %	75.0 hours

PROGRAM

SESSION 1 (LIVE IN-PERSON)

WHAT IS FINANCE AND WHY IT IS IMPORTANT?

What is finance? How it relates to accounting? Why is it important to study finance for a law student?

SESSION 2 (LIVE IN-PERSON)

INTRODUCTION TO ACCOUNTING: ASSETS AND LIABILITIES

What is an asset? And a liability? Can we represent our personal estates through accounting?
A brief introduction of Accounting Equation

SESSION 3 (LIVE IN-PERSON)

THE BALANCE SHEET

Once we have understood the basics of accounting, we can start with the detailed analysis of the balance sheet.

SESSION 4 (LIVE IN-PERSON)

THE INCOME STATEMENT

After studying the balance sheet, we can proceed to study the second basic financial statement in accounting: the income statement.

SESSION 5 (LIVE IN-PERSON)

SPECIAL SITUATIONS FROM AN ACCOUNTING POINT OF VIEW

In order to be financially sound, balance sheet and income statement must enjoy some special characteristics. If not, the economic agent might face insolvency or illiquidity.

SESSION 6 (LIVE IN-PERSON)

SPECIAL SITUATIONS FROM AN ACCOUNTING POINT OF VIEW

Group work: Analysis of Nike Financial Statements

SESSION 7 (LIVE IN-PERSON)

THE PRESENT VALUE OF ASSETS

An asset is a stream of future expected incomes. How much is that stream worth in the present?

Present Value (Money Value) – Basic financial Mathematics: Net Present Value

SESSION 8 (LIVE IN-PERSON)

THE PRESENT VALUE OF ASSETS

An asset is a stream of future expected incomes. How much is that stream worth in the present?

Present Value (Money Value) – Basic financial Mathematics: Internal Rate Return, Payback

SESSION 9 (LIVE IN-PERSON)

HOW TO VALUE A COMPANY

After understanding how assets are valued, we can start reviewing how real companies are valued in real life by professional investors.

Valuing a Company by Dividends

SESSION 10 (LIVE IN-PERSON)

HOW TO VALUE A COMPANY

After understanding how assets are valued, we can start reviewing how real companies are valued in real life by professional investors.

Examples of Valuing a Company by Dividends

SESSION 11 (LIVE IN-PERSON)

SPECIAL TOPICS:

MATCHING ASSETS WITH LIFE CYCLE

Human life is composed by different stages. This also have important implications for financial planning. We will analyse how our age and aims shape our financial needs

SESSION 12 (LIVE IN-PERSON)

SPECIAL TOPICS:

FINANCIAL MARKETS: WHAT THEY ARE AND WHAT THEY DO

What is a financial market? What is its purpose? What kind of financial markets can we find in the real world?

SESSION 13 (LIVE IN-PERSON)

SPECIAL TOPICS:

INVESTOR'S PSYCHOLOGY

SESSION 14 (LIVE IN-PERSON)

REVIEW SESSION

SESSION 15 (LIVE IN-PERSON)

ONLINE FINAL EXAM

EVALUATION CRITERIA

6.1. GENERAL OBSERVATIONS

Each student has four attempts over two consecutive academic years to pass this course.

Dates and location of the final exam will be posted in advance and will not be changed.

Students must attend at least 70% of the sessions. Students who do not comply with the 70% attendance rule will receive a 0.0 on their first and second attempts and go directly to the third one (they will need to enroll in this course again the following academic year).

Students who are in the third or fourth attempt should contact the professor during the first two weeks of the course.

criteria	percentage	Learning Objectives	Comments
Final Exam	60 %		
Workgroups	20 %		
Class Participation	20 %		

RE-SIT / RE-TAKE POLICY

6.2. RETAKE POLICY

Any student whose weighted final grade is below 5 will be required to sit for the retake exam to pass the course (except those not complying with the attendance rules, whom are banned from this possibility).

Grading for retakes will be subject to the following rules:

- The retakes will consist on a comprehensive exam. The grade will depend only on the performance on this exam; continuous evaluation over the semester will not be taken into account.
- The exam will be designed bearing in mind that the passing grade is 5 and the maximum grade that can be attained on the second and fourth attempts is 8 out of 10.

The third attempt will require the student to complete:

- a written assignment a final exam

This is also applicable to students who do not have required attendance, e.g. sickness.

Dates and location of the retakes will be posted in advance and will not be changed.

BIBLIOGRAPHY

Compulsory

- Brigham, Ehrhard, Fox. (2019). *Financial Management: Theory & Practice*. EMEA Edition - Second Edition. Cengage. ISBN 9781473760219 (Printed)

BEHAVIOR RULES

Please, check the University's Code of Conduct [here](#). The Program Director may provide further indications.

ATTENDANCE POLICY

Please, check the University's Attendance Policy [here](#). The Program Director may provide further indications.

ETHICAL POLICY

Please, check the University's Ethics Code [here](#). The Program Director may provide further indications.

