

University Master Degree in Hotel Management

Academic Year: 2017-2018

Teaching guide

Area: Financial Management

Subject: International Financial Management I

Period: Semester 1

Lecturers:

Dr. Juan Pedro Aznar Alarcón

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MODULE: INTERNATIONAL HOTEL MANAGEMENT
AREA: FINANCIAL MANAGEMENT
SUBJECT: INTERNATIONAL FINANCIAL MANAGEMENT I
CODE: MHMIFMI
LANGUAGE: ENGLISH
YEAR: 1
PERIOD: SEMESTER 1
CREDITS: 5 ECTS

1. Subject objectives

International Finance Management is a course on Corporate Finance. This course is divided into two semester subjects. The study of Corporate Finance is focused mainly on the hotel industry, and at every topic the particularities of the hotel sector will be under consideration.

The first semester is designed to bring the students the set of tools a finance director need to evaluate the financial situation and to take the decisions according to the strategic plan of the company. The first part is the study of financial reporting and mainly financial assessment analysis. The aim is to provide the students with the tools needed to understand information from the balance sheet, the income statement and the cash-flow statement in order to be able to judge the financial structure, the profitability and the strengths and weakness from a financial point of view.

The second part of this first semester includes a review on the main financial markets: stock markets and bond markets, and the tools used in these assets valuation.

The subject has been designed from a very practical point of view. Every session will include some first lecturing and after it students must to solve concrete situations mainly related to real hotel companies. Practical part is a key component in this subject.

The final objective is to provide students with the analytical skills and the ability to understand financial information from companies and from financial markets.

2. Competencies developed

Basic

B06 - knowledge and understanding that provide a basis or opportunity for originality in developing and / or applying ideas, often in a research context

B07 - students can apply their knowledge and their ability to solve problems in new or unfamiliar

environments within broader (or multidisciplinary) contexts related to their field of study

B08 - students are able to integrate knowledge and handle complexity and formulate judgments based on information that is incomplete or limited, include reflecting on social and ethical responsibilities linked to the application of their knowledge and judgments

B09 - students can communicate their conclusions and the underlying supporting knowledge and rationale to specialists and non-specialists in a clear and unambiguous way.

B10 - students must possess the learning skills that enable them to continue studying in a way that will be largely self-directed or autonomous

General

G01 - be able to search and manage information from sources in order to make decisions that contribute to achieving the objectives of the organization

Transversales

T03 - use English as the language of the hotel industry in developing a career in an international environment

Specific

E03 - Manage and plan the economic-financial resources affecting the hotel industry, as well as making investment decisions

E07 - evaluate the operational areas of the different types of accommodation and catering for a full analysis of the production process in terms of excellence and quality of service

E08 - Detect technical planning needs of infrastructure and hotel facilities to plan their maintenance, renovation and improvement

E10 - Identifying and using information technology and communications (ICT) in the various fields of hotel management companies, both internally and externally

3. Content

Session 1: Introduction to industry analysis in the hotel sector The financial statements: balance sheet, income statement and cash-flow sheet . Related material: Previous reading: The slides related to this topic and published in the moodle. Fundamentals of Corporate Finance (Berk, DeMarzo, Harford) (Pearson) Chapter 1 and Chapter 2(2.1-2.5)

Session 2: Balance sheet ratios and its interpretation . Related material: Previous reading: The slides related to this topic Fundamental of Corporate Finance Chapter 2 6

Session 3: Income statement and profitability ratios ROA and ROE. Turnover assets and margin . Related material: Previous reading: The slides related to this topic Fundamental of Corporate Finance

chapter 2.6

Session 4: Balance sheet and income statement analysis. Practical cases and Project. . Related material: We will work in analyzing some real situations of hotels and their financial reports. Students will work half of the session on their project.

Session 5: Cases analysis and work on their projects.. Related material: Own material: Powerpoint presentation, exercises and Excel file for forecasting cash-flows

Session 6: Forecast of financial statements using Excel. Exam preparation.

Session 7: Presentation of the work done by the different groups of students. Through the course the students have been involved in research about a financial aspect of a real firm, the final week they have to handle the report and do a oral presentation that will be an important part on their final grade..

4. Teaching methodology

Practical Exercises.

Project evaluation. Students will be divided in two groups and they will work on a project developed by the subject professor and Hilton. The valuation of the project will imply a 40% of the final mark.

Student Presentations (individual or group).

Plenary Lectures. Most of the sessions the first 40% of time will be used to to a plenary session, the 60% of the time the students will work in exercises, projects or cases studies related to what have been previously discussed in the lecture

Theoretical evaluation . The final exam will have some questions designed to evaluate the theoretical knowledge of the students (around 25%-30% of the final exam)

Practical evaluation. The 60%-70% of the final exam will be exercises, cases and comments on real situations to evaluate if the student is able to apply the financial tools studied previously in class

5. Assessment activities

Regular examination call

• **The project the students need to work on through all the course will have two assessment. This will be the first one to evaluate the progress they have made. They have to handle a report explaining what they have done so far and the next steps the will do. They must handle a word document (less than 10 pages). Depending on the progress made in class maybe do a short oral presentation-(To be decided) (Dec, 14/2017)**

Supervised project (Group - 35%)

Evaluated competences: CB8,CB9,CB10,E03,E07,E08,G01,T03,E10

• **The students have to study the balance sheet and annual reports of a firm (in the hotel sector)**

analyzing the economic and financial situation through the use of the sectorial ratios and the most usual balance ratios: The student has to do an oral presentation on the specific firm he has been working on. (Dec, 16/2017)

Case analysis (Individual - 30%)

Evaluated competences: CB6, CB7, T03, E10

• A mix of theoretical and practical questions to evaluate the level of knowledge and competence in using the financial tools studied at the course. Maybe one part of the exam needs the use of a computer (Excel)

Final exam (Individual - 30%)

Evaluated competences: CB6, CB7, CB8, CB9, T03, E03, E07

• Students will handle at the beginning of each session a file in Moodle that will consist on review exercises of what has been done in the previous session.

Academic Work (Individual - 5%)

Evaluated competences:

Resit examination call

• The students that have to do the extraordinary evaluation will have to a exam that will count 80% of the mark.

Final exam (Individual - 40%)

Evaluated competences: CB6, CB7, CB8, CB9, CB10, T03, E03, E07, E08

• Students that go to the extraordinary exam has to handle a set of exercises related to all the syllabus before the exam.

Academic Work (Individual - 60%)

Evaluated competences: CB6, CB7, CB8, CB9, CB10, G01, T03, E10, E03, E07, E08

Repeating students without attendance: regular examination call

• Set of practical exercises covering all the syllabus

Academic Work (Individual - 40%)

Evaluated competences: CB6, CB7, CB8, CB9, CB10, G01, T03, E03, E07, E08, E10

- **Final exam (Individual - 60%)**

Evaluated competences: CB6, CB7, CB8, CB9, CB10, E03, E07, E08, T03

Repeating students without attendance: resit examination call

- **Final exam (Individual - 80%)**

Evaluated competences: CB6, CB7, CB8, Cb9, CB10, T03, E03, E07, E08

- **Academic Work (Individual - 20%)**

Evaluated competences: Cb6, CB7, CB8, CB9, CB10, E03, E07, E08, E10, G01, T03

Follow-up meetings

Week 3

Week 7

Week 13

6. Bibliography

Mandatory readings

Fundamentals of Corporate Finance (Berk, DeMarzo, Harford) (Pearson)

Fernandez, Pablo. "Valuation using multiples: How do analysts reach their conclusions?." Available at SSRN 274972 (2013).

Athens Journal of Tourism. Vol 2 Issue 3 (september 2015) The financial and economic performance of hotels in Spanish beach tourist destinations. Pedro Aznar and Josep M Sayeras

Hua, Nan, Khaldoon ?Khal? Nusair, and Arun Upneja. "Financial characteristics and outperformance: Evidence of a contemporary framework from the US lodging industry." International Journal of Contemporary Hospitality Management 24.4 (2012): 574-593.

7. Lecturer/s

Dr. Juan Pedro Aznar Alarcón (Head lecturer) - pedro.aznar@htsi.url.edu

Contact hour: Friday from 15.00h to 16.00h, also students can send an e mail to concrete a different schedule time.

PhD in Economics and Business Administration, Universidad de Málaga, Thesis on financial situation of

the beach Spanish hotels.

PhD Courses in Economic Theory Universidad de Barcelona

Degree in Business Administration, Universidad de Barcelona

ESADE Business and Law School.

Professor of Economics at the Law Degree (from 2010)

Professor of Economics I (Microeconomics) and Economics II (Macroeconomics) at the Bachelor Business Administration. (from 2010)

Professor of Analysis of the Economic Environment at the Bachelor Business Administration (1998-2001)

Professor at different Master, MBA and Executive Education programs at ESADE

Head of Bachillerato at Oak House School (2011-2014)

Professor of Economics , IB Diploma program and Business at Oak House School (from 2009)

Professor of Financial Statement Analysis, Accounting and Corporate Finance at Centro de Estudios Universitarios CONTEC.(1998-2006)

Industrial Controller at ACUSTER, responsible of the design of the financial annual statements and reporting to the CEO (2001-2004)

Aznar Alarcón, J. & Sayeras Maspera, J. (2015). The financial and economic performance of hotels in spanish beach tourist destinations. Athens Journal of Tourism, 2 (3), pp. 141-152.

? Contabilidad de Dirección para la toma de decisiones. Contabilidad de gestión y de costes. Carlos Mallo, Alfredo Rocafort and other authors. (Responsable del capítulo 3). Editorial Profit. ISBN 978-84-15735-99-1

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? Co-author of: El sector exterior de la economía española (1986-1995) en la revista del CIDOB, número 34 - 35, 10 años de España en la UE.

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? Member of the team responsible of: Diccionario Gran Vox de Contabilidad, Economía y Finanzas (Bibliografía, primera edición diciembre de 1997).

Member of the Royal Academy of Doctors (2014)

8. Observations