

SYLLABUS

Project financing

Academic year 2024/2025

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1. General Organization

1.1. Subject Information

Subject Information	Topic	Project financing
	Topic Code	11_2MaPM_FT-EN-03
	Program Name	Master in Project Management Official Program of Universidad Internacional de la Empresa
	Credits	3 ECTS
	Type	Obligatory
	Year	First
	Period	First
	Language	English
	Teaching Modality	On-Campus
	Recommended study dedication per 1 ECTS	25 hours

1.2. Faculty

Teacher's name	Mrs. Vera Gelashvili PhD in Financial Accounting by Complutense University of Madrid
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1.3. Subject Presentation

At present, knowledge of the economic-financial area project management is becoming a strategic area within the company itself, because it is immersed in many simultaneous projects. However, any organization (company) is faced with the dilemma of choosing among those projects that contribute the most value to it and even more when they must be submitted to the board of directors or shareholders of the same, because the financial resources of the company are always limited.

We must take into account that another aspect that is booming in the economic-financial area is to validate the viability plan of new business projects or "start - ups" prior to its start - up or operation.

Every company or entrepreneur has projects of all kinds to carry out. Some of them can be:

- Launching of a new product or service to the market.
- The implementation of a new information system.
- Commissioning of an installation.
- In launching a "start-up"

On the other hand, Project Financing deals with the determination of economic resources, the obtaining of funds, the effective management of their use and the validation and attainment of the economic benefits of the project. This scope determines different activities that take place from before the beginning of the project, during its development and after its completion.

Investment Projects make use of capital for the creation of goods or services and obtain benefits (social and / or economic). Project Financing is the key for the Investment Projects to become reality.

1.4. Learning Results

LEARNING RESULTS OF THE PROGRAM

CC2 Identifying investment needs and the appropriate funding sources in the program and management

HD1 Applying techniques for determining feasibility, opportunity and economic and financial return on investment

CP3 Adequately using the necessary tools for and control of a Project

CP5 Carrying time and cost contingency calculation based on the results of quantitative

CP7 Seleccionar las personas con las habilidades necesarias para constituir de proyecto competente y para que ejerzan adecuadamente dicha responsabilidad. Select the people with the necessary skills to form a competent project team and to adequately exercise said responsibility.

LEARNING OUTCOMES

- Use of the tools enabling investment selection and assessment methods to be used
- In-depth knowledge of mechanisms for financing projects, particularly project financing.
- Methods learnt for assessing and organising complex financing operations and the ability acquired to identify risks related with this type of investment and devise methods to mitigate such risks.
- Development of models for identification, imputation and evaluation of the costs which can be assigned to a project
- Assessment of the financing and investment needs of a project using multi-criteria techniques

2. Content

Study of the viability of the investment and the different ways of seeking financing to obtain the estimated economic resources. Analysis of the context of project financing, the keys and types of investment projects, the financing of investment projects, the project finance as a product or financial mechanism from the perspective of Project Management.

Topic 1. Financial planning of projects

Topic 2. Economic management of project: valuation and selection.

- Economic management of project.
- Estimating resource needs.
- Identification of financing sources. Sources for financing projects and their capital cost.
- Evaluation and selection with quantitative methods for evaluating return on investment.
- Quantitative methods for evaluating project return on investment.

- f. Qualitative methods. The weighted control list.
- g. The problem of the decision-makers preferences and the utility function.

Topic 3. What is a Project Financing?

- a. Definition and features.
- b. Project Financing and cash flows.

Topic 4. Why is project financing used?

- a. Ways to finance an infrastructure Project
- b. Advantages of project financing.
- c. Benefits of project financing for third parties.

Topic 5. Parties to a project financing: investors, suppliers and advisers.**Topic 6.** Financial institutions and project financing: finance conditions.**Topic 7.** Project finance phases.

- a. Three stages: development, construction and operations.
- b. Risks in Project Financing.
- c. Financial or finance structure.

Topic 8. Financial model.

- a. What is the financial model?
- b. Purposes of the base cases.
- c. Auditing and limits of the financial model.

Topic 9. Project valuation and coverage ratios. The loan agreement.**Topic 10.** Feasibility: project risks.

- a. Risk distribution.
- b. Commercial risks.
- c. Macroeconomic or financial risk.
- d. Political risk.
- e. Risk matrix.

3. Teaching and Learning Methodologies

Problem-based learning: This methodology places the student at the center of learning. Having previously shared the information and knowledge necessary to deal with the problems,

the resolution of these demands the student a process of recognition of the lessons learned, identification of the needs of the problem and development of the appropriate skills to achieve a satisfactory result. The key to the success of this methodology in the program we are dealing with, is the problem-solving and prior exposure, analysis and synthesis of information and knowledge to be sufficient to achieve the best possible outcome in solving the problem, but also to address enough learning and improvement challenges that motivate students and achieve effective learning

Learning based on experience: This methodological approach bases its effectiveness on the weight of experience in our learning processes. We learn much more from what we do than from what we hear or see. In the program that concerns us, we train professionals to manage and manage projects, so each step, each subject and each module must be oriented towards the development of appropriate skills in project management and management situations. In this sense, the students will work in different projects, across the course and throughout the course to be able to deploy and test the learning as the course progresses.

Case study: The case method would be a complement or a nuance with respect to the methodologies previously proposed. While the final project and business practices may place students in real contexts of problem solving and learning based on experience, most situations must be fictitious, supported by real cases, known or experienced by teachers, and will promote student learning in a simulation environment, without jeopardizing the success of a real project.

Seminars and conferences: Your training will be complemented by the organization of seminars and conferences in which professionals of recognized prestige and real experience in the field will participate.

“Students with disabilities or special educational needs”

EAE Business School will guarantee the achievement of the skills listed for all students. Those students who present special educational needs related to their hearing, visual, physical and/or organic, intellectual disability, mental health problems or temporary disability that directly affect the achievement of their academic results, will be attended by Student Services. Analyzing the particular case, the unit will establish the appropriate measures for curricular adaptation and will provide academic support to both the faculty and the student to achieve them.

It will be an essential requirement for this to issue a report on curricular adaptations by said Unit, so students with disabilities or special educational needs must contact it, in order to jointly analyze the different alternatives.

4. Activities

Activity	# Hours	Face to face (%)
EXPOSITION	4	100
COMPARISON OF PREVIOUS KNOWLEDGE	4	100
DISCUSSION	2	100
SYNTHESIS	2	100
PROBLEM SOLVING	15	13
CASE STUDIES	15	33
COMPUTER LABORATORY	5	100
SELF-STUDY	24	0
TUTORIALS	4	0
Total	75	

5. Assessment

5.1. Assessment methods

The Student Assessment Model at the University follows the principles of the European Higher Education Area (EHEA).

Assessment system	Weighting
Continuous assessment activities *	60 %
Weight of each activity: Problems resolution: 20 % Case study/Project design: 30 % Oral presentations: 10 %	
Assessment system	Weighting

Exams*	40%
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***In order to pass the course it is mandatory to obtain a minimum average of 5 points in each part independently (Continuous assessment activities and Exams)**

The final grade will be calculated using the weighting described above, except in the case of failure to pass at least one of the two sections. In the latter case, the final grade will be the lowest grade between the continuous assessment activities and the exams.

For sanctions associated with lack of academic honesty, the 'Normativa General de Evaluación y Calificación de la Universidad y la Normativa de Convivencia y Reglamento Disciplinario de Estudiantes' (General Regulation for Assessment and Qualification of the University and the Coexistence and Disciplinary Regulations for Students) will be applied. In particular, the use of content authored by someone other than the student himself must be adequately cited in the submitted work. In the event of a coincidence of more than 15% -reproducing information from sources without properly citing them-, the sanction will be a fail grade (0) in the activity in which it is detected.

In case of repeated behavior, the penalty will be a fail grade (0) in the subject and loss of the call in which the infraction occurred, in addition to the decision taken by the disciplinary committee for being a very serious infringement. Likewise, the use of fraudulent means during the exams will imply a fail (0) and may imply the opening of a disciplinary file.

In order to be assessed in ordinary call, you may not have more than 25% of absences in attendance.

In extraordinary call, the same competences/learning results will be assessed using the same system as in ordinary call. The student must repeat only the evaluative activities that he/she has not passed in ordinary call. Only students who have obtained a final grade of "Fail" or "Not submitted" may apply for extraordinary call.

5.2. Grading system

The course grade will be established on a numerical scale from 0 to 10, with the following associated qualitative grades:

Level of Proficiency	Official Grade	Qualitative Grade
Very competent	9,0 - 10	Outstanding
Proficient	7,0 - 8,9	Remarkable

Acceptable	5,0 -6,9	Passing
Not yet competent	0,0 -4,9	Failed

The mention of "Matrícula de Honor" ("Honors" degree) may be awarded at the discretion of the teacher to students who have obtained a grade equal to or greater than 9.0. One honors degree may be awarded for every 20 students when the teacher of the subject considers the performance of the candidates have been exceptional. In the event that the number of students in the group is less than 20, just one Honors Degree may be awarded.

In each of the activities carried out, **the achievement of the learning results** will be measured, with impartiality and objectivity.

6. Bibliography

- Ross, S., Westerfield, R. y Jaffe, J. (2005): Corporate finance. McGraw-Hill.
- Shefrin, H. (2007): Behavioral corporate finance. McGraw-Hill.
- Benninga, S. (2011): Principles of Finance with Excel, 2ª ed. Oxford University Press.
- Sengunpta, C. (2010): Financial and Modeling using Excel and VBA, John Wiley & Sons.



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