
International Accounting

Professor: Luz Parrondo

E-mail: luz.parrondo@upf.edu

Office hours: by appointment

Course Description

The course provides the student with the needed skills to build, understand and analyze the Financial Statements of a company. Students will apply different methods in order to evaluate the firm's financial situation. Additionally it delivers techniques to measure the cash flows and value the companies. It also provides students with the required tools to evaluate the company's financing structure, the costs allocation systems and the implication of potential investments. Finally, students will have a better understanding of the working capital management as a key factor of the firm's financial strength.

Objectives

Every business, small or large, public or private, develop or emerging market has to make investment, financing and dividend decisions.

The objective in corporate finance for all of these businesses remains the same: maximizing value." While the constraints and challenges that firms face can vary dramatically across firms, the first principles do not change.

- A publicly traded firm, with its greater access to capital markets and more diversified investor base, may have much lower costs of debt and equity than a private business, but they both should look for the financing mix that minimizes their costs of capital.
- A firm in emerging markets may face greater uncertainty, when assessing new investments, than a firm in a developed market, but both firms should invest only if they believe they can generate higher returns on their investments than they face as their respective (and very different) hurdle rates.

Methodology

The professor will use lectures to introduce the key materials, and class discussions to encourage students to share their understanding of these materials. Students will use worksheets and mini-case studies to gain practical experience of the key points. They will read relevant contemporary articles before class, and relevant videos will be shown before or during class sessions, to link the theoretical topics discussed to current events.

Evaluation criteria

The weight on the Final Grade is as follows:

- 15% Participation
- 15% Cases and Exercises
- 70% Final Exam

Students are required to attend 80% of classes. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program

As with all courses taught at the UPF BSM, students who fail the course during regular evaluation will be allowed ONE re-take of the examination/evaluation. Students that pass any Retake exam should get a **5 by default as a final grade for the course**. If the course is again failed after the retake, students will have to register again for the course the following year.

In case of a justified no-show to an exam, the student must inform the corresponding faculty member and the director(s) of the program so that they study the possibility of rescheduling the exam (one possibility being during the “Retake” period). In the meantime, the student will get an “incomplete”, which will be replaced by the actual grade after the final exam is taken. The “incomplete” will not be reflected on the student’s Academic Transcript.

Plagiarism is to use another’s work and to present it as one’s own without acknowledging the sources in the correct way. All essays, reports or projects handed in by a student must be original work completed by the student. By enrolling at any UPF BSM Master of Science and signing the “Honor Code,” students acknowledge that they understand the schools’ policy on plagiarism and certify that all course assignments will be their own work, except where indicated by correct referencing. Failing to do so may result in automatic expulsion from the program.”

Calendar and Contents

Term: Second term

Number of credits: 1.5 ECTS

Total number of hours committed: 15 h of class + 22.5 h of out-of-class work

Timetable: Fridays, 9.30-13.00

Session 1: Basics in Financial Accounting

- 1.1. Accounting equation and accounting cycle
- 1.2. Comprehensive chart of accounts
- 1.3. Main Financial Statements
 - 1.3.1. Balance Sheet
 - 1.3.2. Income Statement
 - 1.3.3. Statement of Owner’s Equity
 - 1.3.4. Cash Flow Statement
- 1.4. Main differences between IFRS and U.S. GAAP

Session 2: Cash Flow Management

- 2.1. Economic Cash Flow vs. Financial Cash Flow
- 2.2. Calculation methods to Financial Cash Flow
- 2.3. Free Cash Flow
- 2.4. The high profit/no cash paradox

Session 3: Financial Statements Analysis

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- 2.5. Horizontal Analysis
- 2.6. Vertical Analysis
- 2.7. Statement of Cash Flow Analysis and Earnings quality
- 2.8. Ratio Analysis

Session 4: Business Valuation

- 4.1. Main objectives
- 4.2. Valuation Methods

Session 5: Cost Accounting

- 5.1. Direct and Indirect Costs
- 5.2. Variable and Fixed Costs
- 5.3. Costs Allocation
- 5.4. Break-even Costs

Reading Materials/ Bibliography/Resources

- POWERS & NEEDLES. Financial Accounting. South-Western, Cengage Learning (11th edition). 2010
- CHARLES H. GIBSON. Financial Statement Analysis. South-Western, Cengage Learning (12th edition). 2009
- POWERS & NEEDLES. International Financial Reporting Standards. An introduction. South-Western, Cengage Learning (3rd edition). 2010
- PALEPU, HEALY & PEEK. Business Analysis and Valuation IFRS Edition. South-Western, Cengage Learning (2nd edition). 2010
- COLIN DRURY. Management and Cost Accounting. Cengage Learning (8th edition). 2012

Bio of Professor

Education: PhD in Economics, Finance and Business, Univ. Pompeu Fabra (UPF)

Research interests

Management and accounting; Detailed: Earnings management, Risk management, Corporate Social Responsibility, entrepreneurship and gender studies

Teaching Experience

Barcelona School of Management (UPF): Managerial Accounting, International Finance
Assistant professor UPF: Financial accounting, Economy and analytical instruments
Toulouse Business School: ABC/ABM costing methods and Budgeting
IES Abroad: International Finance Management

Professional Experience

Financial consultant (freelance) for SMEs (Actual)
Acquamedia Technologies SL Financial and HR Manager
Modiss Iluminación SL Financial and HR Manager
Mazel Ingenieros S.A. Financial Controller / Assistant Financial Manager

International Taxation

Professor: Toni de Weest Part i Jorba

E-mail: tprat@globalabogados.com

Office hours: By appointment

Course Description

In international trade, taxation is becoming a key issue and a growing area of importance due to the complexity of operations and worldwide players and the amount of rules in the international context.

In any transaction, there is a possible taxation that may be deemed either in the country where the transaction is taking place or the residency of the companies involved. Thus, the correct decision will necessarily take into account the risk involved and a clear picture on net investment return. This allows for an understanding the net cash after paying the corresponding taxes that will be collected.

In a global economy, it may seem that taxation should be uniform, but it is not. Taxation is still regulated by bilateral agreements between countries.

That implies that it is necessary to understand the tax treaties' schemes, OCDE regulations and international rules to avoid double taxation and any liability. Such questions will be analyzed in class in order to have a general knowledge and understanding of the key issues that may rise on international trade.

Objectives

This course comprises 5 classes. The main objective is to understand the tax system, especially international in order to apply it in international business and transactions.

Methodology

Course material will be provided at the end of every class. The class will consist in teacher explanation previous homework to introduce into each subject. Exercises will be done in class in order to reinforce the teaching.

Evaluation criteria

The evaluation of this course will consist of:

- A written assessment consisting of three parts
 - (i) test questions
 - (ii) conceptual development questions and
 - (iii) a numeric exercise. 70% of the final grade.
- Homework and class participation. 30 % of the final grade.

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Calendar and Contents

The subjects that will be covered are:

Introduction to taxation.

The concept of tax, tax legislation and how it is applicable to countries of the OECD framework will be analyzed. The different types of taxes will also be discussed.

Different taxes that apply to OCDE countries.

Direct and indirect taxes, how they work and the implications on international trade will be examined.

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Taxation of non-residents.

The treatment of resident tax payers and non-residents that act in international transactions, International taxation for companies that act as non-residents and the mechanisms to avoid double taxation will be covered.

Definition of permanent establishment.

The definition of permanent establishment is a key issue where taxes are applied. Business models of multinational corporations will be studied.

International tax planning.

We will analyse the different investment schemes and business models to perform investments in multinational markets.

Bio of Professor

Born in Barcelona in 1972. In 1995 he obtained a degree in Law from Universidad of Barcelona and in 2014 a degree in Economics from U.A.O.

He is an active member of the Ilustre Colegio de Abogados de Barcelona.

He obtained a Master's Degree in Marketing and Financial Management from EADA, the Program for Management Development at the Instituto de Estudios Superiores de la Empresa (IESE and Harvard Law School).

Toni is member of the Fiscal Commission at the Barcelona Chambers of Commerce, Navigation and Industry and collaborates with many educative institutions.

His professional career began in 1995 working for Arthur Andersen as Account Auditor. From 1998 to 2006 worked for Garrigues at the Tax Department.

Since 2006 he has been partner in charge of national and international department at Global Abogados. He is the Managing Director of Andersen Tax&Legal Spain.