



SZKOŁA GŁÓWNA  
GOSPODARSTWA  
WIEJSKIEGO

## Budgeting and Financial Modeling

### Educational subject description sheet

#### Basic information

<b>Field of study</b> Finance and accounting - przedmioty do wyboru		<b>Didactic cycle</b> 2024/25	
<b>Speciality</b> -		<b>Subject code</b> EKRFA-FS_D.28.06473.24	
<b>Organizational unit</b> Faculty of Economics		<b>Lecture languages</b> english	
<b>Study level</b> second cycle (post bachelor's degree)		<b>Mandatory</b> Elective subjects	
<b>Study form</b> full-time studies		<b>Block</b> Major subjects	
<b>Education profile</b> General academic		<b>Disciplines</b> Economics and finance	
<b>Coordinator</b>	Serhiy Zabolotnyy		
<b>Teacher</b>	Serhiy Zabolotnyy		
<b>Period</b> Semester 4	<b>Examination</b> Pass with grade	<b>Number of ECTS points</b> 3	
	<b>Activities and hours</b> Lecture: 20, including remote classes: <ul style="list-style-type: none"><li>• Synchronous lecture: 20</li></ul> Auditorium exercises: 10, including remote classes: <ul style="list-style-type: none"><li>• Synchronous auditorium exercises: 10</li></ul>		

## Goals

Code	Goal
C1	Present the theoretical framework of financial management in business entities
C2	Introduce practical instruments for capital budgeting and short-term financial planning
C3	Present the budgeting process in a business entity

## Entry requirements

Corporate Finance, Accounting

## Subject's learning outcomes

Code	Outcomes in terms of	Effects	Examination methods
<b>Knowledge - Student knows and understands:</b>			
W1	Students have knowledge of key areas of corporate financial management	FA_K2_W02	Test (written or computer based)
W2	Students know the process of budgeting in a business entity	FA_K2_W04	Test (written or computer based)
W3	Students have a knowledge of the purpose and structure of a budgeted financial statement	FA_K2_W04	Test (written or computer based)
<b>Skills - Student can:</b>			
U1	Students can solve complex financial management problems	FA_K2_U01	Test (written or computer based)
U2	Students can prepare an operating budget of a business entity	FA_K2_U02	Test (written or computer based)
U3	Students can prepare a budgeted financial statement of a company	FA_K2_U03	Test (written or computer based)
<b>Social competences - Student is ready to:</b>			
K1	Students effectively present arguments on applying budgeting techniques and other financial management instruments in business entities	FA_K2_K01	Test (written or computer based)
K2	Students are prepared to participate in financial planning and modeling using high business ethics and sustainability standards	FA_K2_K02	Test (written or computer based)

## Study content

No.	Course content	Subject's learning outcomes	Activities
1.	Financial Statements and Ratio Analysis; Long-term Financial Plans, Operating Plans and Budgets, Cash and Profit Planning, Cash Budgets, Pro Forma Financial Statements; Capital Budgeting Techniques; Relevant Cash Flows, Initial Investment, Operating Cash Flow, Terminal Cash Flow, Forecasting Earnings, Revenue and Cost Estimates, Determining Free Cash Flow, Adjusting a Free Cash Flow, Project Analysis; Leverage and Capital Structure, Cost of Capital, Optimal Capital Structure, The Cost of Bankruptcy and Financial Distress, Capital Budgeting and Valuation with Leverage; Working Capital and Assets Management, Net Working Capital, Inventory and Receivables Management, Current Liabilities Management, Cash conversion cycle; Valuation Using Comparables, The Business Plan, Building the Financial Model, Estimating the Cost of Capital, Valuing the Investment, Sensitivity analysis.	W1, W2, W3, U1, U2, U3, K1, K2	Lecture, Auditorium exercises, Synchronous lecture, Synchronous auditorium exercises

### Course advanced

Activities	Methods of conducting classes
Lecture	Lecture, Problem lecture, Conversation lecture
Auditorium exercises	Case study, Problem solving

Activities	Examination method	Percentage
Lecture	Test (written or computer based)	50%
Auditorium exercises	Test (written or computer based)	50%

Activities	Credit conditions
Lecture	written test- 50%
Auditorium exercises	written test- 50%

### Literature

#### Obligatory

1. Principles of Managerial Finance, Lawrence J. Gitman, Chad J. Zutter, Pearson.
2. Corporate Finance, Jonathan Berk, Peter DeMarzo, Pearson.
3. A comparison of strategies for working capital management of listed food companies from Northern Europe, Serhiy Zabolotnyy, Timo Sipilainen, Agricultural and Food Science.

### Calculation of ECTS points

Activity form	Activity hours*
Lecture	20

Auditorium exercises	10
Preparation for the exam	20
Preparation for exercises	20
Self-study on the content covered in class	20
<b>Student workload</b>	<b>Hours</b> 90
<b>Number of ECTS points</b>	<b>ECTS</b> 3

\* hour means 45 minutes

## Effects

Code	Content
FA_K2_K01	The graduate is ready to recognition of the profound importance of knowledge in professional life, a critical analysis of its resources and the search for its sources among experts
FA_K2_K02	The graduate is ready to conduct professional activity in a socially responsible, entrepreneurial, ethical and public interest manner, as well as develop professional achievements and maintain the ethos of the profession, as well as think in an entrepreneurial way
FA_K2_U01	The graduate is able to use the knowledge to a greater extent when selecting data sources, methods, tools, analyses and calculations in the field of phenomena in the field of finance and accounting, as well as for critical evaluation and interpretation of the results obtained
FA_K2_U02	The graduate is able to skilfully analyse the causes and effects of phenomena occurring in the economy in the field of finance and accounting
FA_K2_U03	The graduate is able to properly use normative systems, norms, rules for solving problems in the field of finance and accounting, formulating conclusions and opinions based on the results obtained
FA_K2_W02	The graduate knows and understands in-depth data and processing methods appropriate for economics and finance
FA_K2_W04	The graduate knows and understands directions and content of contemporary doctrines in economics and finance as well as enterprise theory and economic and financial terminology at an extended level