

**City University of Hong Kong
Course Syllabus**

**offered by Department of Economics and Finance
with effect from Semester A 2022 /23**

Part I Course Overview

Course Title: Corporate Finance

Course Code: EF5042

Course Duration: 1 semester

Credit Units: 3

Level: P5

Medium of Instruction: English

Medium of Assessment: English

Prerequisites:
(Course Code and Title) Nil

Precursors:
(Course Code and Title) Nil

Equivalent Courses:
(Course Code and Title) Nil

Exclusive Courses:
(Course Code and Title) FB5040 Corporate Finance

Part II Course Details

1. Abstract

This course aims at providing students the knowledge and skills required to make corporate financial decisions like cash flow management and investment and financing decisions. The course also aims to enable students to apply financial principles and theories to understanding issues of importance to corporate managers and solving problems in real corporate settings.

2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs	Weighting (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Choose and apply appropriate models to asset valuation, project valuation, and real investment opportunities in a wide range of situations.	30%	√	√	√
2.	Choose the appropriate short-term and long-term financing methods in a wide range of situations.	30%	√	√	√
3.	Use financial statement analysis to evaluate the financial position of corporations and the tools to improve their financial position.	20%	√	√	√
4.	Analyze the current issues and trends in the financing methods of corporations in major industrial countries as well as in Hong Kong and other Asia-Pacific countries using real-world examples.	20%	√	√	√
		100%			

A1: *Attitude*

Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: *Ability*

Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to self-life problems.

A3: *Accomplishments*

Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

3. Teaching and Learning Activities (TLAs)
(TLAs designed to facilitate students' achievement of the CILOs.)

TLA	Brief Description	CILO No.				Hours/week (if applicable)
		1	2	3	4	
Seminars and in-class discussions	Students are encouraged to think critically and logically in responding to questions and discussing issues of real-world examples.	√	√	√	√	3-hour seminar per week
Problem sets	Students are required to understand financial concepts and academic theories thoroughly and apply them to find solutions.	√	√	√		Some in-class but mostly out-of-class assignments
Case assignments/project	Students work on case assignments/project as a group or independently. Students are required to understand critical issues in the case/project and conduct an independent analysis to develop their own solutions.	√	√	√	√	In-class and out-of-class preparation and participation

4. Assessment Tasks/Activities (ATs)
(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.				Weighting	Remarks
	1	2	3	4		
Continuous Assessment: <u>50</u> %						
Coursework (such as, case assignments, problem sets, etc.)	√	√	√	√	50 %	-
Examination: <u>50</u> % (duration: 2 hours, if applicable)						
Final examination	√	√	√	√	50 %	-
					100%	

Students are required to pass both coursework and examination components in order to pass the course.

5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

Applicable to students admitted in Semester A 2022/23 and thereafter

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B)	Marginal (B-, C+, C)	Failure (F)
1. Coursework (such as, case assignments, problem sets, etc.)	Ability to demonstrate critical understanding of the course material	Outstanding	High	Basic	Not reaching marginal level
2. Final examination	1. Ability to present material in a logical manner 2. Ability to apply theories introduced in class 3. Ability to understand financial reports	Outstanding	High	Basic	Not reaching marginal level

Applicable to students admitted before Semester A 2022/23

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1. Coursework (such as, case assignments, problem sets, etc.)	Ability to demonstrate critical understanding of the course material	Outstanding	High	Moderate	Basic	Not reaching marginal level
2. Final examination	1. Ability to present material in a logical manner 2. Ability to apply theories introduced in class 3. Ability to understand financial reports	Outstanding	High	Moderate	Basic	Not reaching marginal level

Part III Other Information (more details can be provided separately in the teaching plan)

1. Keyword Syllabus

Agency cost

Capital budgeting

Cost of capital

Capital structure decisions

Financial leverage and financial risk

Net present value for levered firms

Dividend policies

Initial public offering

2. Reading List

2.1 Compulsory Readings

(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)

Textbook

The instructor may adopt one of the following as a main textbook:

1.	S. A. Ross, R. W. Westerfield, and J. Jaffe, Corporate Finance, Current International Edition, McGraw-Hill.
2.	R. A. Brealey, S. C. Meyers, and F. Allen, Principles of Corporate Finance, Current International Edition, McGraw-Hill.
3.	J. Berk and P. DeMarzo, Corporate Finance, Current International Edition, Pearson.

Cases and Journal Articles

1.	Cases from Harvard Business School (www.hbsp.harvard.edu)
2.	Lecture notes, newspaper clippings, and academic articles

2.2 Additional Readings

(Additional references for students to learn to expand their knowledge about the subject.)