

**City University of Hong Kong  
Course Syllabus**

**offered by the Department of Economics and Finance  
with effect from Semester B 2023 / 2024**

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**Part I Course Overview**

<b>Course Title:</b>	Advanced Corporate Finance
<b>Course Code:</b>	FB5142
<b>Course Duration:</b>	1 semester
<b>Credit Units:</b>	3
<b>Level:</b>	P5
<b>Medium of Instruction:</b>	English
<b>Medium of Assessment:</b>	English
<b>Prerequisites:</b> <i>(Course Code and Title)</i>	Nil
<b>Precursors:</b> <i>(Course Code and Title)</i>	1. FB5040 Corporate Finance AND 2. FB5153 Investment Analysis and Portfolio Management or EF5052 Investments
<b>Equivalent Courses:</b> <i>(Course Code and Title)</i>	EF5142 Advanced Corporate Finance
<b>Exclusive Courses:</b> <i>(Course Code and Title)</i>	Nil

## Part II Course Details

### 1. Abstract

This course aims to provide students with in-depth understanding of some major topics in corporate finance. Topics covered include several theories of capital structure, pay-out policy, investment banking and securities issuance, leverage buyouts, private equity valuation, merge and acquisition, bankruptcy and financial distress, hedging with financial derivations.

### 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 <sup>#</sup>	Weighting (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Explain the capital structure decisions of firms		√	√	
2.	Explain dividend pay-out decision		√	√	
3.	Understand IPOs, SEOs, go private transactions		√	√	
4.	Understand merge and acquisition transactions		√	√	
5.	Understand the bankruptcy and its consequence		√	√	
6.	Hedging with derivatives		√	√	
		100%			

<sup>#</sup> Please specify the alignment of CILOs to the Gateway Education Programme Intended Learning outcomes (PILOs) in Section A of Annex.

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	5	6	
	Lecture, class discussion	√	√	√	√	√	√	
	Problem set and exam	√	√	√	√	√	√	
	Computer project and exam			√				

**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	5	6		
Continuous Assessment: <u>50</u> %								
Coursework (including class participation, homework and case studies)	√	√	√	√	√	√		
Final Project : <u>50</u> %								
Final project (including in-class presentation, and final research report)	√	√	√	√	√	√		
							100%	

## 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)
Coursework	Based on class participation, and performance of homework, and case studies.	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.	Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.	Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.	Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.
Examination	Based on the three-house exam	>=85%	70-84%	50-69%	<50%

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)
Coursework	Based on class participation, and performance of homework, and case studies	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base.	Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature.	Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material.	Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.	Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.
Examination	Based on the three-house exam	>=85%	70-85%	55-70%	50-55%	<50%

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

**1. Keyword Syllabus**

*(An indication of the key topics of the course.)*

- Capital Structure
- Pay-out policy
- Merge and Acquisition
- IPOs and SEOs
- Going Private and Leveraged Buyouts
- Private equity valuation
- Bankruptcy
- Financial derivatives

**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.)*

1.	Nil
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**2.2 Additional Readings**

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

1.	<i>Corporate Finance</i> by Stephen Ross, Randolph W. Westerfield, Jeffery Jaffe, Joseph Lim, Ruth Tam, and Helen Wang, McGraw Hill (Asia Global Edition)
2.	“Investment banking and securities issuance”, Chapter 9, <i>Handbook of the Economics of Finance</i> , Jay Ritter