

**City University of Hong Kong  
Course Syllabus**

**offered by Department of Economics and Finance  
with effect from Semester A 2024 /25**

**Part I Course Overview**

**Course Title:** Advanced Corporate Finance

**Course Code:** EF8081

**Course Duration:** 1 semester

**Credit Units:** 3

**Level:** R8

**Medium of Instruction:** English

**Medium of Assessment:** English

**Prerequisites:**  
(Course Code and Title) Nil

**Precursors:**  
(Course Code and Title) EF5042 Corporate Finance, EF5052 Investments

**Equivalent Courses:**  
(Course Code and Title) EF5142 Advanced Corporate Finance

**Exclusive Courses:**  
(Course Code and Title) 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, market anomalies, investment banking and securities issuance, leverage buyouts, private equity valuation, venture capital term sheets, syndicated loans, investment banking innovations, and credit default swaps.

### 2. Course Intended Learning Outcomes (CILOs)

No.	CILOs	Weighting (if applicable)	Discovery-enriched curriculum related learning outcomes		
			A1	A2	A3
1.	Students should be able to understand the financial theories on capital structure and propose appropriate capital structure decision for firms	25%	√	√	
2.	Students should be able to understand the market anomalies of stock returns and contrast with the predictions from the theories	15%	√	√	
3.	Student should be familiar with the process of IPOs, SEOs, go private transactions	15%	√	√	
4.	Students should be able to apply private equity valuation techniques	15%	√	√	
5.	Students should be able to use derivatives to value merge and acquisition transactions	20%	√	√	√
6.	Students should be able to calculate the fees for the credit default swap products	10%	√	√	√
		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. Learning and Teaching Activities (LTAs)

LTA	Brief Description	CILO No.						Hours/week (if applicable)
		1	2	3	4	5	6	
Lecture	To provide students the concepts guide students to think critically and logically.	√	√	√	√	√	√	
Problem set / project / mid-term	Students are expected to apply the knowledge they acquired in class to solve some problems from simulated cases and scenarios.	√	√	√	√	√	√	
Final Exam	The final examination which covers the topics in lectures and coursework will reflect the learning outcomes of the course.	√	√	√	√	√	√	

### 4. Assessment Tasks/Activities (ATs)

Assessment Tasks/Activities	CILO No.						Weighting	Remarks
	1	2	3	4	5	6		
Continuous Assessment: <u>50%</u>								
Problem set/ project/ mid-term exam/ others	√	√	√	√	√	√	50%	
Examination: <u>50%</u> (duration: 3 hours, if applicable)								
Final Exam	√	√	√	√	√	√	50%	
							100%	

## 5. Assessment Rubrics

Applicable to students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1. Problem set/ project/ mid-term exam/ others	Demonstrate the understanding of the course materials by completing problem solving questions / project / questions in the mid-term.	Strong evidence of original thinking; good organization, capacity to analyse and synthesize;	Evidence of grasp of subject, some evidence of critical capacity and analytic	Student who is profiting from the university experience; understanding of	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.
2. Final Exam	Demonstrate the understanding of the course materials by passing the final examination paper which is in alignment with the CILOs	superior grasp of subject matter; evidence of extensive knowledge base.	ability; reasonable understanding of issues; evidence of familiarity with literature.	the subject; ability to develop solutions to simple problems in the material.		

Applicable to students admitted from Semester A 2022/23 to Summer Term 2024

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B)	Marginal (B-, C+, C)	Failure (F)
1. Problem set/ project/ mid-term exam/ others	Demonstrate the understanding of the course materials by completing problem solving questions / project / questions in the mid-term.	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior	Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable	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.
2. Final Exam	Demonstrate the understanding of the course materials by passing the final examination paper which is in alignment with the CILOs	grasp of subject matter; evidence of extensive knowledge base.	understanding of issues; evidence of familiarity with literature.		

## Part III Other Information

### 1. Keyword Syllabus

Capital Structure; Market Anomalies; IPOs and SEOs; Going Private and Leveraged Buyouts; Private Equity; Term Sheet Valuation; Syndicated Loan; Nikkei Put Warrants; Credit Default Swaps

### 2. Reading List

#### 2.1 Compulsory Readings

1.	<i>Corporate Finance</i> by Richard Brealey, Stewart Myers and Franklin Allen, McGraw Hill (eighth edition, 2006)
2.	Pinegar and Wilbricht (1989), <i>Financial Management</i> and Kamath (1997), <i>Financial Review</i> .
3.	“Yes, you can beat the market”, April 3, 1995, <i>Fortune</i> 44.
4.	“Investment banking and securities issuance”, Chapter 9, <i>Handbook of the Economics of Finance</i> , Jay Ritter
5.	<i>Investment Banks, Hedge Funds and Private Equity: A New Paradigm</i> , by David Stowell, Elsevier.

#### 2.2 Additional Readings

Nil