

FB5804P: CORPORATE FINANCE

Effective Term

Semester B 2024/25

Part I Course Overview

Course Title

Corporate Finance

Subject Code

FB - College of Business (FB)

Course Number

5804P

Academic Unit

College of Business (CB)

College/School

College of Business (CB)

Course Duration

Non-standard Duration

Other Course Duration

Intensive mode: 4 days

Credit Units

2

Level

P5, P6 - Postgraduate Degree

Medium of Instruction

Chinese (Putonghua)

Medium of Assessment

Chinese

Prerequisites

FB5803P/FB5803 Financial Reporting and Analysis for Decision Making

Precursors

Nil

Equivalent Courses

FB5804 Corporate Finance

Exclusive Courses

Nil

Part II Course Details

Abstract

This course aims at providing students the knowledge and skills required to make corporate financial decisions like cashflow management and investment and financing decisions.

Course Intended Learning Outcomes (CILOs)

	CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	choose and apply the appropriate model to evaluate the value of assets, real investment opportunities and corporations in a wide range of situations	30 - 40	x	x	x
2	choose the appropriate short-term and long-term financing methods in a wide range of situations	30 - 40	x	x	x
3	discover and argue for a new way of enhancing the financial health of an organization	10 - 20	x	x	x
4	identify the current trend in the financing and investment practice of corporations in major industrial countries as well as Hong Kong and other Asia-Pacific countries.	5 - 15	x	x	x
5	work together with a team of classmates to conduct independent research with limited guidance.	5 - 10	x	x	x
6	communicate effectively in oral and written presentation	5 - 10	x	x	x

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 real-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.

Learning and Teaching Activities (LTAs)

	LTAs	Brief Description	CILO No.	Hours/week (if applicable)
1	1	Lecture	1, 2, 3, 4, 5, 6	2.5
2	2	Class Discussion	1, 2, 3, 4, 5, 6	2.5
3	3	Group projects, case studies	1, 2, 3, 4, 5, 6	1.5

Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)
1	1. Participation	1, 2, 3, 4, 5, 6	25	
2	2. One Written Case Assignments (individual)	1, 2, 3, 4, 5, 6	35	
3	3. Group Project	1, 2, 3, 4, 5, 6	40	

Continuous Assessment (%)

100

Assessment Rubrics (AR)**Assessment Task**

1/2/3 (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Excellent

(A+, A, A-) Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base. Able to suggest new ways of resolving the issues at stake, provide a substantial analysis of the new ways, and provide new solutions to the issues.

Good

(B+, B, B-) Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature. Able to suggest new ways of resolving the issues at stake and provide a preliminary analysis of the new ways.

Fair

(C+, C, C-) Student who is profiting from the university experience; understanding of the subject; ability to develop solutions to simple problems in the material. Able to suggest new ways of resolving the issues at stake.

Marginal

(D) Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

Failure

(F) Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.

Assessment Task

1/2/3 (for students admitted from Semester A 2022/23 to Summer Term 2024)

Excellent

(A+, A, A-) Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of subject matter; evidence of extensive knowledge base. Able to suggest new ways of resolving the issues at stake, provide a substantial analysis of the new ways, and provide new solutions to the issues.

Good

(B+, B) Evidence of grasp of subject, some evidence of critical capacity and analytic ability; reasonable understanding of issues; evidence of familiarity with literature. Able to suggest new ways of resolving the issues at stake and provide a preliminary analysis of the new ways.

Marginal

(B-, C+, C) Sufficient familiarity with the subject matter to enable the student to progress without repeating the course.

Failure

(F) Little evidence of familiarity with the subject matter; weakness in critical and analytic skills; limited, or irrelevant use of literature.

Part III Other Information

Keyword Syllabus

Outline

I. Goal of financial management

II. Financing decision

1. Capital structure decisions
2. Long-term financing tools
3. Dividend policies

4. Short-term financing

III. Investment decision

5. Net present value and internal rate of return
6. Valuation and capital budgeting
7. Risk, cost of capital and real options

IV. Special topics

8. Mergers, acquisitions, and divestitures
9. CEO compensation and incentives

Reading List

Compulsory Readings

Title	
1	罗斯 (S A Ross), 威斯特菲尔德 (R W Westerfield) 杰富 (J F Jaffe)著; 吴世农等译 2012 公司理财(Corporate Finance, 原书第9 版) 北京: 机械工业出版社 ISBN 978-7-111-36751-2.
2	Selected Cases

Additional Readings

Title	
1	罗斯 (S A Ross), 威斯特菲尔德 (R W Westerfield) 乔丹 (B D Jordan)著; 方红星等译 2011 公司理财精要版(Fundamentals of Corporate Finance, 原书第9 版) 北京: 机械工业出版社.
2	G. Hawawini and C. Viallet Finance for Executives, (South-Western any edition)
3	Financial news/reports