

# FB5818P: CAPITAL MARKETS AND CORPORATE FINANCE

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## Effective Term

Semester B 2024/25

## Part I Course Overview

### Course Title

Capital Markets and Corporate Finance

### Subject Code

FB - College of Business (FB)

### Course Number

5818P

### 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

Other Languages

### Other Languages for Medium of Assessment

Chinese/English

### 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 solid corporate financial decisions such as investment and financing decisions as well as the functioning of the capital market.

**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	2	Class Discussion	1, 2, 3, 4, 5, 6	
3	3	Group projects, case studies	1, 2, 3, 4, 5, 6	

**Assessment Tasks / Activities (ATs)**

	<b>ATs</b>	<b>CILO No.</b>	<b>Weighting (%)</b>	<b>Remarks (e.g. Parameter for GenAI use)</b>
1	Participation	1, 2, 3, 4, 5, 6	30	
2	One Written Assignment (individual)	1, 2, 3, 4, 5, 6	30	
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 &amp; 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. Capital markets**

1. Overview of global capital markets
2. The functioning of the capital market
3. Challenges in developing a functioning capital market

**II. Goal of financial management****III. Financing decision**

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

**IV. Investment decision**

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

**V. 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