

**City University of Hong Kong**

**Information on a Course  
offered by Department of Accountancy  
with effect from Semester A in 2014/2015**

---

---

**Part I**

**Course Title:** Financial Management

**Course Code:** AC6531

**Course Duration:** 1 semester

**Credit Units:** 3

**Level:** P6

**Medium of Instruction:** English

**Prerequisites:** Nil

**Precursors:** Nil

**Equivalent Courses:** Nil

**Exclusive Courses:** Nil

**Part II**

**Course Aims**

This course aims to prepare students:

1. to apply relevant knowledge and skills as expected of a financial executive or advisor regarding the financial management of an organization;
2. to exercise professional judgment in decision-making as expected of a financial executive or advisor.

## Course Intended Learning Outcomes (CILOs)

*Upon successful completion of this course, students should be able to:*

No.	CILOs	Weighting (if applicable) 1= most important, 2= of secondary importance, 3= least important	DEC-related dimension
1.	Identify and explain the relationship between risk and return and the relevance of these parameters to financial decisions.	1	Attitude and Ability
2.	Apply various concepts of valuation in financial assets and real assets.	1	Attitude and Ability
3.	Identify and evaluate different sources of finance, and their risks and costs.	1	Attitude and Ability
4.	Demonstrate numerical competence in analyzing financial information and selecting the financial policies that optimize the use of financial resources.	1	Attitude and Ability
5.	Analyze and make professional judgement about financial decisions and risks of different financial policies.	1	Attitude
6.	Prepare reports for management and communicate effectively the financial consequences of different financial policies.	2	Attitude and Ability

## Teaching and Learning Activities (TLAs)

*(Indicative of likely activities and tasks designed to facilitate students' achievement of the CILOs. Final details will be provided to students in their first week of attendance in this course)*

CILO No.	TLAs	Hours/week (if applicable)
CILO 1 CILO 2 CILO 3	Mini lectures (with actual examples) to illustrate core concepts and theories and clarify main points in assigned readings.	
CILO 2 CILO 4	Case analysis to assist students to integrate and apply their learning.	
CILO 4	Spread-sheet problems, online quizzes and web-problems may be assigned as homework assignments.	
CILO 5 CILO 6	Small group discussions and in-class exercises to encourage peer learning.	
CILO 5 CILO 6	Case studies/Group projects and presentations.*	

\*DEC TLA element

### Assessment Tasks/Activities

(Indicative of likely activities and tasks designed to assess how well the students achieve the CILOs. Final details will be provided to students in their first week of attendance in this course)

CILO No.	Type of Assessment Tasks/Activities	Weighting (if applicable)	Remarks
CILO 1	AT1, AT2, AT4		
CILO 2			
CILO 3			
CILO 4			
CILO 5	AT1, AT3		
CILO 6			

Coursework: 50%

AT1 In-class and take-home assessment activities (5% - 15%)

AT2 Mid term test (20% - 30%)

AT3 Case study/group project (10% - 20%)\*

\*DEC AT element

Examination: 50% (a 3-hour examination)

AT4 A 3-hour closed book comprehensive examination (written)

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

**Grading of Student Achievement:** Refer to Grading of Courses in the Academic Regulations for Taught Postgraduate Degrees.

CILO No.	Excellent (A+, A, A-)	Good (B+, B, B-)	Adequate (C+, C, C-)	Marginal (D)
CILO1	Demonstrate a superior grasp of the relationship between risk and return and demonstrate excellent understanding of the relevance of these parameters in financial decisions and valuation.	Demonstrate a good grasp of the relationship between risk and return and demonstrate good understanding of the relevance of these parameters in financial decisions and valuation.	Demonstrate an adequate grasp of the relationship between risk and return and demonstrate basic understanding of the relevance of these parameters in financial decisions and valuation.	Demonstrate a basic understanding of the relationship between risk and return and demonstrate some familiarity of the relevance of these parameters in financial decisions and valuation.

<b>CILO No.</b>	<b>Excellent (A+, A, A-)</b>	<b>Good (B+, B, B-)</b>	<b>Adequate (C+, C, C-)</b>	<b>Marginal (D)</b>
CILO2	Able to apply the various concepts of valuation in both financial assets and real assets.	Able to apply almost all major concepts of valuation in both financial assets and real assets.	Able to apply most of the major concepts of valuation in either/both financial assets and real assets.	Able to apply some major concepts of valuation in either financial assets and real assets.
CILO3	Able to identify and evaluate different sources of finance, and manage their risks and control their costs.	Able to identify and evaluate almost all sources of finance, and manage their risks and control their costs respectively.	Able to identify and evaluate most sources of finance, and manage their risks and control their costs respectively.	Able to identify and evaluate some sources of finance, and manage their risks and control their costs respectively.
CILO4	Demonstrate excellent numerical competence in analyzing financial information and in selecting the financial policies that optimize the use of financial resources in all cases.	Demonstrate good numerical competence in analyzing financial information and in selecting the financial policies that optimize the use of financial resources in almost all cases.	Demonstrate adequate numerical competence in analyzing financial information and in selecting the financial policies that optimize the use of financial resources in most cases.	Demonstrate fair numerical competence in analyzing financial information and in selecting the financial policies that optimize the use of financial resources in some cases.
CILO5	Able to analyze and make professional judgement of all major financial decisions and demonstrate excellent understanding of the risks related to different financial policies.	Able to analyze and make professional judgement of almost all major financial decisions and demonstrate good understanding of the risks related to different financial policies.	Able to analyze and make professional judgement of most financial decisions and demonstrate adequate understanding of the risks related to different financial policies.	Able to analyze and make professional judgement of some financial decisions and demonstrate some familiarity of the risks related to different financial policies.

<b>CILO No.</b>	<b>Excellent (A+, A, A-)</b>	<b>Good (B+, B, B-)</b>	<b>Adequate (C+, C, C-)</b>	<b>Marginal (D)</b>
CILO6	Demonstrate excellent interpretation of financial data and be able to communicate effectively all major financial consequences to management.	Demonstrate good interpretation of financial data and be able to communicate effectively almost all major financial consequences to management.	Demonstrate adequate interpretation of financial data and be able to communicate effectively most major financial consequences to management.	Demonstrate fair interpretation of financial data and be able to communicate effectively some financial consequences to management.

### **Part III**

#### **Keyword Syllabus**

Roles and Responsibilities of financial executives; Investment Appraisal; Valuation of bonds and stocks; Hybrid financing; Cost of Capital and Corporate Valuation; Capital Structure and Dividend Decisions; Derivatives and Risk Management; Options Theories; Special Financial Decisions; Agency Theory.

#### **Recommended Reading**

##### **Text(s)**

1. Eugene F. Brigham and Michael C. Ehrhardt, Financial Management: Theory and Practice, Thomson Learning, latest edition.
2. Brealey, R. A., S. C. Myers, and F. Allen, Principles of Corporate Finance, McGraw-Hill, latest edition.
3. Ross S.A., Westerfield R.W., Jaffe J.F., Jordan B.D., Corporate Finance: Core Principles and Applications, McGraw-Hill, latest edition.
4. Brigham E.F. and Houston J.F., Essential of Financial Management, Cengage Learning, latest edition.
5. Berk J. and DeMarzo P., Corporate Finance: The Core, Pearson, latest edition.

#### **Online Resources**

1. Blackboard site for the course
2. Websites: International Monetary Fund, HK Monetary Authority, HK Exchanges and Clearing Limited, Yahoo! Finance