

**City University of Hong Kong**

**Information on a Course  
offered by the Department of Economics and Finance  
with effect from Semester A in 2012 / 2013**

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**Part I**

**Course Title:** EF5142

**Course Code:** Advanced Corporate Finance

**Course Duration:** 1 semester (39 hours)

**Credit Units:** 3

**Level:** P5

**Medium of Instruction:** English

**Prerequisites:** Nil

**Precursors:** EF5042 Corporate Finance, EF5052 Investments

**Equivalent Courses:** Nil

**Exclusive Courses:** Nil

**Part II**

**Course Aims**

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.

### Course Intended Learning Outcomes (CILOs)

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

No.	CILOs	Weighting (if applicable)
1.	Explain the capital structure decisions of firms	
2.	Explain market anomalies of stock returns	
3.	Understand IPOs, SEOs, go private transactions	
4.	Apply private equity valuation techniques	
5.	Use derivatives to value merge and acquisition transactions	
6.	Calculate the fees for the credit default swap products	

### 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	Lecture, class discussion	
CILO 2	Lecture, class discussion	
CILO 3	Lecture, class discussion	
CILO 4	Lecture, class discussion	
CILO 5	Lecture, class discussion	
CILO 6	Lecture, class discussion	

### 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	Problem set and exam		
CILO 2	Problem set and exam		
CILO 3	Computer project and exam		
CILO 4	Problem set and exam		
CILO 5	Problem set and exam		
CILO 6	Computer project and exam		

### Assessment Methods

	Coursework	Final Exam	Total
CILO 1-6	50%	50% (one 3-hour exam)	100%

**Grading of Student Achievement:**

Refer to Grading of Courses in the Academic Regulations for Taught Postgraduate Degrees.

**Part III****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

**Recommended Reading**

*Corporate Finance* by Richard Brealey, Stewart Myers and Franklin Allen, McGraw Hill (eighth edition, 2006)

Pinegar and Wilbricht (1989), *Financial Management* and Kamath (1997), *Financial Review*.

“Yes, you can beat the market”, April 3, 1995, *Fortune* 44.

“Investment banking and securities issuance”, Chapter 9, *Handbook of the Economics of Finance*, Jay Ritter

*Investment Banks, Hedge Funds and Private Equity: A New Paradigm*, by David Stowell, Elsevier.

**Online Resources**