

**City University of Hong Kong
Course Syllabus**

**offered by Department of Economics and Finance
with effect from Semester A 2022 /23**

Part I Course Overview

Course Title: Empirical Corporate Finance

Course Code: EF8080

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) Nil

Equivalent Courses:
(Course Code and Title) Nil

Exclusive Courses:
(Course Code and Title) Nil

Part II Course Details

1. Abstract

This course aims to introduce students to various areas of empirical finance research and to hone their skills in evaluating and interpreting research questions, methodologies and empirical finance results. One basic skill is literature search which will be conducted through hands-on practice throughout the course. This course will tap into the best expertise of the faculty of this department. Upon completing the course, students should be able to not only evaluate and assess others' research papers but also discover and identify important academic issues to tackle, often with the help of literature search in vast e-resources. The whole training focuses on the discovery and innovative process which is the nature of academic research.

2. Course Intended Learning Outcomes (CILOs)

No.	CILOs	Weighting	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Introduce students to various areas of empirical finance research (topics divided by 3-4 faculty members who can show their best expertise to students).	40%	√	√	√
2.	Hone their skills in evaluating and interpreting research questions, methodologies and empirical finance results, and increase their ability to discover and identify new research topics.	40%	√	√	√
3.	Conduct literature search through hands-on practice.	20%	√	√	√
		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. Teaching and Learning Activities (TLAs)

TLA	Brief Description	CILO No.			Hours/week (if applicable)
		1	2	3	
Lectures	-	√	√	√	-
Intensive In-class Discussions	-	√	√	√	-
Assignments	-	√	√	√	-

4. Assessment Tasks/Activities (ATs)

Assessment Tasks/Activities	CILO No.			Weighting	Remarks
	1	2	3		
Continuous Assessment: <u>100</u> %					
Class participation / discussion	√	√	√	20%	
One term paper	√	√	√	80%	
Examination: <u>0</u> % (duration: _____, if applicable)					
-				0%	
				100%	

5. Assessment Rubrics

Applicable to students admitted in Semester A 2022/23 and thereafter

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B)	Marginal (B-, C+, C)	Failure (F)
1. Class participation / discussion	First-rate Criterion	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of the subject of portfolio investment; evidence of extensive knowledge base as outlined in CILOs; very strong overall ability to discover and innovate, and very strong evidence of accomplishments of discovery.	Evidence of knowing how to apply the related concepts outlined in CILOs; strong overall ability to discover and innovate, and strong evidence of accomplishments of discovery.	Marginal familiarity with the subject of portfolio investment; marginal ability to discover and innovate, and marginal evidence of accomplishments of discovery.	Little evidence of familiarity with the subject of portfolio; or no show and no excuse in final exam; little evidence of ability to discover and innovate, and little evidence of accomplishments of discovery.
2. One term paper					

Applicable to students admitted before Semester A 2022/23

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
1. Class participation / discussion	First-rate Criterion	Strong evidence of original thinking; good organization, capacity to analyse and synthesize; superior grasp of the subject of portfolio investment; evidence of extensive knowledge base as outlined in CILOs; very strong overall ability to discover and innovate, and very strong evidence of accomplishments of discovery.	Evidence of knowing how to apply the related concepts outlined in CILOs; strong overall ability to discover and innovate, and strong evidence of accomplishments of discovery.	Some evidence of knowing how to apply the concepts outlined in CILOs; some ability to discover and innovate, and satisfactory evidence of accomplishments of discovery.	Marginal familiarity with the subject of portfolio investment; marginal ability to discover and innovate, and marginal evidence of accomplishments of discovery.	Little evidence of familiarity with the subject of portfolio; or no show and no excuse in final exam; little evidence of ability to discover and innovate, and little evidence of accomplishments of discovery.
2. One term paper						

Part III Other Information

1. Keyword Syllabus

Firm Valuation; Growth Opportunities; Corporate Investment; Financial Policies; External Financing; Debt Mix Choice; Initial Public Corporate Governance; Seasoned Equity Issuance; Mergers and Acquisitions; Ownership Structure; Expropriation of Minority Shareholders; Political Connections; Asymmetric Information Problems; Agency Problems

2. Reading List

2.1 Compulsory Readings

1.	Copeland, T.E., Weston, J.F., Shastri, K., Financial Theory and Corporate Policy, 4th ed. (Pearson – Addison Wesley, 2005)
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2.2 Additional Readings

1.	Grossman, S., and M. Miller, 1988, Liquidity and market structure, <i>Journal of Finance</i> , 43, 617-633.
2.	Titman, Sheridan, and Roberto Wessels, 1988, The determinants of capital structure choice, <i>Journal of Finance</i> 43, 1-19.
3.	Rajan, R, 1992, Insiders and Outsiders: The Choice between Relationship and Arm's Length Debt, <i>Journal of Finance</i> 47, 1367-1400.