

# EF5142: ADVANCED CORPORATE FINANCE

---

## Effective Term

Semester A 2025/26

## Part I Course Overview

### Course Title

Advanced Corporate Finance

### Subject Code

EF - Economics and Finance

### Course Number

5142

### Academic Unit

Economics and Finance (EF)

### College/School

College of Business (CB)

### Course Duration

One Semester

### Credit Units

3

### Level

P5, P6 - Postgraduate Degree

### Medium of Instruction

English

### Medium of Assessment

English

### Prerequisites

Nil

### Precursors

EF5042 Corporate Finance and EF5052 Investments

### Equivalent Courses

FB5142 Advanced Corporate Finance or  
EF8081 Advanced Corporate Finance

### Exclusive Courses

Nil

## Part II Course Details

### Abstract

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)

CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Explain the capital structure decisions of firms.	x	x	
2	Explain market anomalies of stock returns.	x	x	
3	Discuss the fundamental characteristics of IPOs, SEOs, go private transactions.	x	x	
4	Apply private equity valuation techniques.	x	x	
5	Apply derivatives to value merge and acquisition transactions.	x	x	x
6	Calculate the fees for the credit default swap products.	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	Lectures	Students will participate in lectures including case studies, videos, various learning aids, etc., to learn and apply the key concepts in real-world situations.	1, 2, 3, 4, 5, 6
2	Class discussion	Students will discuss key arguments and concepts through interaction with others.	1, 2, 3, 4, 5, 6

### Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks ("- " for nil entry)	Allow Use of GenAI?
1	Problem set	1, 2, 3, 4, 5, 6	30	-	No
2	Computer project	1, 2, 3, 4, 5, 6	20	For Computer projects, students can use Generative Artificial Intelligence Tools to help them understand the concepts/ questions/ problems, or analyze data. But the final version must be their own work, e.g., students cannot copy and paste the AI answers as their own answers.	Yes

**Continuous Assessment (%)**

50

**Examination (%)**

50

**Examination Duration (Hours)**

3

**Additional Information for ATs**

Students are not allowed to use Generative Artificial Intelligence Tools in the final examination.

**Assessment Rubrics (AR)****Assessment Task**

Problem set / computer project (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.

**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.

**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.

**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**

Final Exam (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.

**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.

**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.

**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**

Problem set / computer project (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.

**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.

**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.

---

**Assessment Task**

Final Exam (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.

**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.

**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**

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

**Reading List****Compulsory Readings**

	<b>Title</b>
1	Corporate Finance by Richard Brealey, Stewart Myers and Franklin Allen, McGraw Hill (eighth edition, 2006).
2	Pinegar and Wilbricht (1989), Financial Management and Kamath (1997), Financial Review.
3	"Yes, you can beat the market", April 3, 1995, Fortune 44.
4	"Investment banking and securities issuance", Chapter 9, Handbook of the Economics of Finance, Jay Ritter.
5	Investment Banks, Hedge Funds and Private Equity: A New Paradigm, by David Stowell, Elsevier.

**Additional Readings**

	<b>Title</b>
1	Nil