

FB5142: ADVANCED CORPORATE FINANCE

Effective Term

Semester A 2025/26

Part I Course Overview

Course Title

Advanced Corporate Finance

Subject Code

FB - College of Business (FB)

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

1. FB5040 Corporate Finance AND
2. FB5153 Investment Analysis and Portfolio Management or EF5052 Investments

Equivalent Courses

EF5142 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, pay-out policy, investment banking and securities issuance, leverage buyouts, private equity valuation, merge and acquisition, bankruptcy and financial distress, hedging with financial derivations.

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 dividend pay-out decision	x	x	
3	Understand IPOs, SEOs, go private transactions	x	x	
4	Understand merge and acquisition transactions	x	x	
5	Understand the bankruptcy and its consequence	x	x	
6	Hedging with derivatives	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	Lecture, class discussion	1, 2, 3, 4, 5, 6	
2	Problem set and exam	1, 2, 3, 4, 5, 6	
3	Computer project and exam	3	

Assessment Tasks / Activities (ATs)

ATs	CILO No.	Weighting (%)	Remarks ("- " for nil entry)	Allow Use of GenAI?	
1	Coursework (including class participation, homework and case studies)	1, 2, 3, 4, 5, 6	50	-	No

Continuous Assessment (%)

50

Examination (%)

50

Examination Duration (Hours)

3

Assessment Rubrics (AR)

Assessment Task

Coursework (Applicable to students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

Based on class participation, and performance of homework, and case studies

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 university experience; understanding of the subject; ability to develop solution 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

Examination (Applicable to students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

Based on the three-hour exam

Excellent

(A+, A, A-) $\geq 85\%$

Good

(B+, B, B-) 70-85%

Fair

(C+, C, C-) 55-70%

Marginal

(D) 50-55%

Failure

(F) $< 50\%$

Assessment Task

Coursework (Applicable to students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

Based on class participation, and performance of homework, and case studies.

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

Examination (Applicable to students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

Based on the three-hour exam

Excellent

(A+, A, A-) $\geq 85\%$

Good

(B+, B) 70-84%

Marginal

(B-, C+, C) 50-69%

Failure

(F) $< 50\%$

Part III Other Information

Keyword Syllabus

- Capital Structure
- Pay-out policy
- Merge and Acquisition
- IPOs and SEOs
- Going Private and Leveraged Buyouts
- Private equity valuation
- Bankruptcy
- Financial derivatives

Reading List**Compulsory Readings**

Title	
1	Nil

Additional Readings

Title	
1	Corporate Finance by Stephen Ross, Randolph W. Westerfield, Jeffery Jaffe, Joseph Lim, Ruth Tam, and Helen Wang, McGraw Hill (Asia Global Edition)
2	“Investment banking and securities issuance” , Chapter 9, Handbook of the Economics of Finance, Jay Ritter