EF5042: CORPORATE FINANCE

Effective Term
Semester A 2025/26

Part I Course Overview

Course Title
Corporate Finance

Subject Code
EF - Economics and Finance

Course Number
5042

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
Nil

Equivalent Courses
Nil

Exclusive Courses
FB5040 Corporate Finance

Part II Course Details

Abstract
This course aims at providing students the knowledge and skills required to make corporate financial decisions like cash flow management and investment and financing decisions. The course also aims to enable students to apply financial

principles and theories to understanding issues of importance to corporate managers and solving problems in real corporate settings.

Course Intended Learning Outcomes (CILOs)

	CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Apply appropriate models to asset valuation project valuation, and real investment opportunities in a wide range of situations.	30	x	x	x
2	Identify the appropriate short-term and long-term financing methods in a wide range of situations.	30	x	x	x
3	Justify the financial position of corporations and the tools to improve their financial position by using financial statement analysis.	20	x	x	x
4	Explain the current issues and trends in the financing methods of corporations in major industrial countries Hong Kong, and other Asia-Pacific countries using real-world examples.	20	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 and in-class discussions	Students will engage in formal lectures to gain knowledge by responding to questions and will discuss key issues of real-world examples.	1, 2, 3, 4	3-hour seminar per week
2	Problem sets	Students will apply financial concepts and academic theories to find solutions in the real world.	1, 2, 3	Some in-class but mostly out-of-class assignments

3	Case assignments/project	Students will work on case assignments/ projects as a group or independently and will conduct an independent analysis to develop solutions to critical issues.	1, 2, 3, 4	In-class and out-of-class preparation and participation

Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks ("-" for nil entry)	Allow Use of GenAI?
1	Coursework (such as case assignments, problem sets, etc.)	1, 2, 3, 4	50	For Assignments and Group Project, 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. Students are not allowed to use Generative Artificial Intelligence Tools in mid-term examination(s)/ quiz(zes).	Yes

Continuous Assessment (%)

50

Examination (%)

50

Examination Duration (Hours)

2

Additional Information for ATs

Students are required to pass both coursework and examination components in order to pass the course.
Students are not allowed to use Generative Artificial Intelligence Tools in the final examination.

Assessment Rubrics (AR)

Assessment Task

Coursework (such as, case assignments, problem sets, etc.) (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

Ability to demonstrate critical understanding of the course material

Excellent

(A+, A, A-) Outstanding

Good

(B+, B, B-) High

Fair

(C+, C, C-) Moderate

Marginal

(D) Basic

Failure

(F) Not reaching marginal level

Assessment Task

Final examination (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

1. Ability to present material in a logical manner
2. Ability to apply theories introduced in class
3. Ability to understand financial reports

Excellent

(A+, A, A-) Outstanding

Good

(B+, B, B-) High

Fair

(C+, C, C-) Moderate

Marginal

(D) Basic

Failure

(F) Not reaching marginal level

Assessment Task

Coursework (such as, case assignments, problem sets, etc.) (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

Ability to demonstrate critical understanding of the course material

Excellent

(A+, A, A-) Outstanding

Good

(B+, B) High

Marginal

(B-, C+, C) Basic

Failure

(F) Not reaching marginal level

Assessment Task

Final examination (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion

1. Ability to present material in a logical manner
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Part III Other Information

Keyword Syllabus

Agency cost

Capital budgeting

Cost of capital

Capital structure decisions

Financial leverage and financial risk

Net present value for levered firms

Dividend policies

Initial public offering

Reading List

Compulsory Readings

	Title
1	The instructor may adopt one of the following as a main textbook: Textbook - S. A. Ross, R. W. Westerfield, and J. Jaffe Corporate Finance, Current International Edition, McGraw-Hill.

2	The instructor may adopt one of the following as a main textbook: Textbook - R. A. Brealey S. C. Meyers, and F. Allen, Principles of Corporate Finance, Current International Edition, McGrawHill.
3	The instructor may adopt one of the following as a main textbook: Textbook - J. Berk and P. DeMarzo, Corporate Finance, Current International Edition, Pearson.
4	Cases and Journal Articles - Cases from Harvard Business School (www.hbsp.harvard.edu).
5	Cases and Journal Articles - Lecture notes, newspaper clippings, and academic articles.

Additional Readings

	Title
1	Nil