

**City University of Hong Kong
Course Syllabus**

**offered by Department of Economics and Finance
with effect from Semester A 2020/21**

Part I Course Overview

Course Title: Financial Management

Course Code: CB3410

Course Duration: 1 Semester

Credit Units: 3

Level: B3

Proposed Area:
(for GE courses only)

- Arts and Humanities
 Study of Societies, Social and Business Organisations
 Science and Technology

Medium of Instruction:

English

Medium of Assessment:

English

Prerequisites:
(Course Code and Title)

Nil

Precursors:
(Course Code and Title)

CB2400 Microeconomics or FB2400 Economics I
CB2100 Accounting I or FB2100 Accounting I

Equivalent Courses:
(Course Code and Title)

Nil

Exclusive Courses:
(Course Code and Title)

EF3010 Financial Management for Value Creation;
FB3410 Financial Management
GE2260 Introduction to Finance

Part II Course Details

1. Abstract

This course aims to provide students with a background in some fundamental concepts of modern financial management. It also exposes students to some of the major financial decision techniques used in the business world. Students will develop their attitude and ability to discover and innovate by applying the basic principles of finance to solving real-life financial problems independently, such as evaluating a capital budgeting decision or estimating the value of a company using different methods.

2. Course Intended Learning Outcomes (CILOs)

(CILOs state what the student is expected to be able to do at the end of the course according to a given standard of performance.)

No.	CILOs [#]	Weighting* (if applicable)	Discovery-enriched curriculum related learning outcomes (please tick where appropriate)		
			A1	A2	A3
1.	Apply the concepts of time value of money and risk-return trade-off for valuation of stocks, bonds, and estimating cost of capital; demonstrate ability to discover mispriced financial instruments;	50%		√	
2.	Evaluate corporate investment decisions using various capital budgeting techniques;	25%		√	
3.	Appraise various sources of financing available to corporations and evaluate capital structure decisions and examine values of levered and unlevered firm, and dividend policy.	25%		√	

* If weighting is assigned to CILOs, they should add up to 100%.

100%

[#] Please specify the alignment of CILOs to the Gateway Education Programme Intended Learning outcomes (PILOs) in Section A of Annex.

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)

(TLAs designed to facilitate students' achievement of the CILOs.)

TLA	Brief Description	CILO No.			Hours/week (if applicable)
		1	2	3	
1	Lectures, exercises and in-class discussions. Lecturer encourages students to think critically and logically by getting students to solve the problems by themselves rather than giving out the solutions without engaging students.	√	√	√	
2	Stock Valuation or Capital Budgeting Group Project/Case Study	√	√		

4. Assessment Tasks/Activities (ATs)

(ATs are designed to assess how well the students achieve the CILOs.)

Assessment Tasks/Activities	CILO No.			Weighting*	Remarks
	1	2	3		
Continuous Assessment: 50%					
Mid-term exam, group project and exercises	√	√			
Examination: 50% (duration: 2 hours, if applicable)					
Final examination	√	√	√		
				100%	

** The weightings should add up to 100%.*

Students are required to pass both coursework and examination components in order to pass the course.

5. Assessment Rubrics

(Grading of student achievements is based on student performance in assessment tasks/activities with the following rubrics.)

Assessment Task	Criterion	Excellent (A+, A, A-)	Good (B+, B, B-)	Fair (C+, C, C-)	Marginal (D)	Failure (F)
Final Examination (one 2 hours exam)	Ability to calculate financial values and explain corporate financial management	High	Significant	Moderate	Basic	Not even reaching marginal levels
Mid-term exam, group project and exercises	Ability to apply financial methods and conduct financial analysis for investment decisions	High	Significant	Moderate	Basic	Not even reaching marginal levels

Part III Other Information (more details can be provided separately in the teaching plan)

1. Keyword Syllabus

1. Introduction to Finance: basic accounting (income statement, balance sheet, cash flow analysis), goal of the firm, agency costs, basic structure of Hong Kong financial and banking systems.
2. Time value of money: determinants of interest rates, future value and present value of cash flows.
3. Bond Valuation.
4. Risk and return, efficient capital markets.
5. Stock Valuation.
6. Financial Statement Analysis.
7. Financing avenues for a firm – Initial Public Offerings (IPOs), equity fund raising, short-term and long-term debt, venture capital, external fund raising and cash flow analysis.
8. Cost of Capital.
9. Capital budgeting under uncertainty: Net Present Value, Internal Rate of Return, Investment Decisions.
10. Capital Structure.

2. Reading List

2.1 Compulsory Readings

(Compulsory readings can include books, book chapters, or journal/magazine articles. There are also collections of e-books, e-journals available from the CityU Library.)

1.	Corporate Finance Essentials, Stephen A. Ross, Randolph W. Westerfield, and Bradford D. Jordan, latest edition.
2.	Essentials of Financial Management, Eugene Brigham and Joel Houston, latest edition.
3.	Fundamentals of Corporate Finance, Stephen A. Ross, Randolph W. Westerfield, and Bradford D. Jordan, latest edition.
4.	Fundamentals of Financial Management, Eugene Brigham and Joel Houston, latest edition.

2.2 Additional Readings

(Additional references for students to learn to expand their knowledge about the subject.)

1.	Nil
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