



1. General Information

Course Subject	FINA
Course Number	2312
Course Title	Advanced Corporate Finance
Academic Years	2023-2024
Grading Method	Letter

2. Instructors

Professor Wong, Kit Pong
Office: Room 930 /F K.K. Leung Building
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Office: 2859 1044
Subclasses: 1A,2B

3. Teaching Assistants

Ms Kwok, Oi Ching Hermione
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Office: 28578308
Subclasses: 1A,2B

4. Course Description

Course Description	The objective of this course is to introduce the theoretical literature on the microeconomics of corporate finance in a unified framework. Topics covered include: corporate financing and agency costs, corporate financing under asymmetric information, liquidity and risk management, corporate finance and product markets, passive and active monitoring in corporate finance, lending relationships and investor activism, control rights and corporate governance, and takeovers. Subtle elements of information and agency considerations are emphasized.
Prerequisites	ECON1210: Introductory Microeconomics; and FINA1310: Corporate Finance
Free Elective	Yes

5. Course Objectives

1. To understand discounting and compounding, valuation of bonds and stocks, pricing options and derivatives, capital budgeting, capital structure, and real options.
2. To study the economics of asymmetric information and agency problems in the context of corporate finance.
3. To prepare students for their next level courses in corporate finance and related disciplines.

6. Faculty Learning Goals
Goal 1: Acquisition and internalization of knowledge of the programme discipline
Goal 2: Application and integration of knowledge
Goal 3: Inculcating professionalism
Goal 4: Developing global outlook
Goal 5: Mastering communication skills
Goal 6: Cultivating leadership

7. Course Learning Outcomes						
Course Teaching and Learning Activities	Aligned Faculty Learning Goals					
	1	2	3	4	5	6
CLO1. Analyze the synthesis of modern asset pricing and corporate finance	✓	✓				
CLO2. Compare and contrast real options analysis with traditional valuation methods.	✓	✓				
CLO3. Evaluate the effects of information and agency conflicts on corporate financial decisions.	✓	✓				

8. Course Teaching and Learning Activities		
Course Teaching and Learning Activities #	Expected Study Hours	Study Load (% of study)
T&L1. Lectures Instructors will give lectures on major concepts and issues.	40	33.3
T&L2. In-class and tutorial presentation and discussion Students are expected to present their answers and engage in discussion during tutorial meetings. Most in-depth learning takes place when students actively engage themselves in discussions thought presenting and sharing their ideas	13	10.8
T&L3. Consultation Both instructor and teaching assistant hold weekly consultation hours to answer students’ questions.	2	1.7
T&L4. Homework (biweekly)	19	15.8
T&L5. Self-Study	46	38.4
	Total: 120	Total: 100

9. Assessment Methods			
Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. Mid-term Test	Mid-term test contains both qualitative and quantitative type questions	30%	1,2,3

9. Assessment Methods

	There will be respectively one mid-term test and final exam to test the students' understanding of the course topics. Students who absented from the mid-term test without prior approval from the instructor will receive zero score; while approved students can transfer their mid-term weight to the final examination.		
A2. Homework	Biweekly assignments have to be finished on individual student basis.	20%	1,2,3
A3. Final Exam	Final examination contains both qualitative and quantitative type questions There will be respectively one mid-term test and final exam to test the students' understanding of the course topics. Students who absented from the mid-term test without prior approval from the instructor will receive zero score; while approved students can transfer their mid-term weight to the final examination.	50%	1,2,3

Assessment Rubrics

A2. Homework	
A+,A,A-	Questions are answered with thorough steps and excellent accuracy.
B+,B,B-	Questions are answered with adequate steps and good accuracy.
C+,C,C-	Questions are answered with some steps and fair level of accuracy.
D+,D	Questions are answered with few steps and accuracy.
F	Questions are badly attempted: no steps and wrong results. Or the assignment is not submitted.

10. Course Grade Descriptors

A+,A,A-	Strong evidence of superb ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.
B+,B,B-	Strong evidence of the ability to fulfill the intended learning outcomes of the course at all levels of learning: describe, apply, evaluate, and synthesis.
C+,C,C-	Evidence of adequate ability to fulfill the intended learning outcomes of the course at low levels of learning such as describe and apply but not at high levels of learning such as evaluate and synthesis.
D+,D	Evidence of basic familiarity with the subject.
F	Little evidence of basic familiarity with the subject.

11. Course Content and Tentative Teaching Schedule

Topic/ Session	Date	Time	Content	Readings	Assignments	Other information
			Discounting and			

11. Course Content and Tentative Teaching Schedule

			Compounding			
			Valuation of Bonds			
			Valuation of Stocks			
			Pricing Options and Derivatives			
			Pricing Options and Derivatives			
			Valuation of Corporate Securities			
			Reading week			
			Mid-Term Test			
			Real Options			
			Real Options			
			Capital Structure			
			Incentives and Capital Structure			
			Information and Capital Structure			

12. Required/Recommended Readings & Online Materials

Textbook	<p>This course uses no textbooks. The following references may be useful.</p> <p>Berk, Jonathan and Peter DeMarzo, 2020. Corporate Finance (5th ed.). New York, NY: Pearson.</p> <p>Shockley, Richard L., Jr., 2007. An Applied Course in Real Options Valuation. Mason, OH: Thomson SouthWestern</p>
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13. Means / Processes for Student feedback on Course

✓	Conducting mid-term survey in additional to SETL around the end of the semester
	Online response via Moodle site
	Others

14. Course Policy

Academic Conduct

The University Regulations on academic dishonesty will be strictly enforced. Please check the University Statement on plagiarism on the web: <http://www.hku.hk/plagiarism/>

Academic dishonesty is behavior in which a deliberately fraudulent misrepresentation is employed in an attempt to gain undeserved intellectual credit, either for oneself or for another. It includes, but is not necessarily limited to, the following type of case:

Plagiarism - The representation of someone else's ideas as if they are one's own. Where the arguments, data, designs, etc., of someone else are being used in a paper, report, oral presentation, or similar academic project, this fact must be made explicitly clear by citing the appropriate references. The references must fully indicate the extent to which any parts of the project are not one's own work. Paraphrasing of someone else's ideas is still using someone else's ideas, and must be acknowledged.

1. The relevant Board of Examiners may impose a penalty in relation to the seriousness of the offence.
2. The relevant Board of Examiners may report the candidate to the Senate, where there is prima facie evidence of an intention to deceive and where sanctions beyond those in (1) might be involved.

Class Decorum The basic principle is to be considerate to others. Telephones and pagers must be switched off during class periods.

15. Additional Course Information

Remarks:

Lecture Notes: Hard copy of lecture notes will not be provided. Students should download the materials themselves from the course webpage at HKU Moodle.