

**THE UNIVERSITY OF HONG KONG  
FACULTY OF BUSINESS AND ECONOMICS**

**School of Economics and Finance  
FINA0303/FINA2311 Case Studies in Corporate Finance**

<b>GENERAL INFORMATION</b>	
<p>Instructor: Dr. Dan Li</p> <p>Email: lidan@hku.hk Office: Room 819 K K Leung Building</p> <p>Teaching Assistant: TBA Semester: 2 FINA0303A/FINA2311A: Lecture: Friday 14:20 – 17:20 in MB122 FINA0303B/FINA2311B: Lecture: Friday 09:30 – 12:20 in LE6</p> <p>Office hour: Thursday 10:00 - 12:00 in K K Leung 819</p> <p>Pre-requisites: ECON1001/ECON1210 Introductory microeconomics; FINA1003/FINA1310 Corporate Finance</p>	
<b>COURSE DESCRIPTION</b>	
<p>The course offers students a case-oriented approach to understand how concepts and theories of finance are applied to corporate finance decision making in real world and generate lasting impact on firm values, a driving issue faced and constantly asked by CFOs and CEOs. The course is structured around the most important financial decisions made at the firm level in an uncertain environment. For example: what capital structure to adopt (financing decision); how to value a firm or investment project (investment/valuation decision); how to raise capital in the equity market (IPO decision); what mechanisms to put in place to discipline managers and the largest shareholder (corporate governance decision); whether to return cash and how to return cash to investors (dividend/share repurchase decision); and whether a firm should engage in mergers and acquisitions (M&amp;A) activities and how to do an M&amp;A right (M&amp;A decision). This course exposes students to some of the most fundamental issues in corporate finance today as well as some of the most important advances in corporate finance of the last decade. It will offer students an opportunity to understand how the concepts and theories of corporate finance are applied in real world.</p>	
<b>COURSE OBJECTIVES</b>	
<ol style="list-style-type: none"> <li>1. To help students develop expertise in applying financial theory, including capital budgeting, capital structure,</li> <li>2. To provide students with practical tools and technical skills to analyze corporate finance decisions.</li> <li>3. To expose students to complex real world issues facing corporate managers and investors, and train their abilities to define a financial problem and to determine an appropriate course of action.</li> <li>4. To develop students' effective communication skills, and provide them with leadership &amp; teamwork experiences.</li> </ol>	
<b>COURSE LEARNING OUTCOMES</b>	
<b>Course Learning Outcomes</b>	<b>Aligned Programme Learning Outcomes</b>
CLO1 Understand the important financial decisions made at firm level	G1, G4
CLO2 Understand and analyze real-life financial situations facing corporate managers and investors.	G1, G2
CLO3 Obtain experiences in the application of financial theory and techniques to evaluate a firm's investment and financing decisions.	G1, G2, G4

CLO4 Work in a group setting to tackle complex financial problems that arise in the management of a corporation.	G1, G2, G4, G5
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**COURSE TEACHING AND LEARNING ACTIVITIES**

Course Teaching and Learning Activities	Expected contact hour	Study Load (% of study)
T&L1. Lecture with interactive presentation	36	25
T&L2. Assignment: Review questions of applying finance theories and analytical techniques to case analysis	20	14
T&L3. Case analysis: Study questions for cases	50	34
T&L3. Self-Study and term project	40	27
Total	146	100%

Assessment Methods	Brief Description (Optional)	Weight	Aligned Course Learning Outcomes
A1. Class participation	Preparation and active participation are essential to case studies. You will be graded according your overall contribution in lectures and especially case study discussions. It is highly important to ask good questions and make high quality comments.	25%	CLO1, 2
A2. Case study (written report and presentation)	This is a team exercise. You are required to form groups. There will be two types of cases. Short cases will be assigned and discussed in class. I will randomly call on teams to analyse and answers questions about the case. Complex cases and a list of sample questions will be assigned a week in advance. Groups must submit the case report before class. Detailed instructions will be given in due course.	45%	CLO1, 2, 3, 4
A3. Term project presentation and report	Each team is required to form groups to analyse a real world case. Your need to first submit a project proposal of what you are going to do for approval prior to conducting your study. A final written project report and an in-class presentation are required. Detailed instructions will be given in due course.	30%	CLO1, 2, 3, 4
	Total	100%	

**STANDARDS FOR ASSESSMENT**

Course Grade Descriptors	
A+, A, A-	Candidate has consistently demonstrated a thorough grasp of the subject as evidenced by excellent to strong performance in all dimensions of assessment.
B+, B, B-	Candidate has demonstrated reasonably high level of understanding of the subject through good performance in most dimensions of assessment.
C+, C, C-	Candidate has demonstrated fair level of understanding of the subject.

D+, D	Evidence of basic familiarity with the subject.
F	Little evidence of basic familiarity with the subject.

**Assessment Rubrics for Each Assessment** (Please provide us the details in a separate file if the space here is not enough)

A1 Written assignment

A+ A A-	B+ B B-	C+ C C-	D+ D	F
Submitted well written assignment with excellent accuracy.	Submitted assignment with good accuracy.	Submitted assignment with fair level accuracy.	Submitted assignment with limited accuracy.	Poorly written assignment or no submission.

A2 Case analysis and class discussion

A+ A A-	B+ B B-	C+ C C-	D+ D	F
Extremely well prepared for case discussion, very active in sharing views, and attended almost all case discussion sessions.	Well prepared for case discussion, quite active in sharing views, and attended most of the case discussion sessions.	Reasonably prepared for case discussion, limited active in sharing views, and attended most of the case discussion sessions.	Not well prepared for case discussion, limited or no sharing of views, and attended some case discussion sessions.	Poorly prepared for case discussion, no sharing of views, and rarely attended case discussion sessions.

A3 Term project

A+ A A-	B+ B B-	C+ C C-	D+ D	F
Identified very interesting real-world case, submitted excellent project report that demonstrates clear understanding of the most critical aspects and technical skills, and presented project with insights and logically consistent and well-articulated analysis.	Identified good real-world case, submitted well-written project report that demonstrates good understanding of the most critical aspects and technical skills, and presented project with logically consistent and well-organized analysis.	Identified adequate real-world case, submitted clearly written project report that demonstrates reasonable understanding of the most critical aspects and technical skills, and presented project clearly	Identified uninteresting case, submitted poorly structured project report that demonstrates limited understanding of the most critical aspects and technical skills, and presented project unclearly	Identified inadequate case, submitted poorly written project report with little evidence of basic understanding of the critical aspects and technical skills, and presented project poorly.

A4 Test

A+ A A-	B+ B B-	C+ C C-	D+ D	F
Idea development is insightful and sophisticated; supporting evidence is convincing, accurate	Idea development is clear and thoughtful; supporting evidence is sufficient and accurate; well written.	Idea development is simplistic and lacking in relevance; supporting evidence insufficient but	Idea development is superficial and ineffective; supporting evidence is insufficient and	Idea development is absent; supporting evidence is vague or missing; poorly written.

and detailed; well written with clear focus.		accurate; somewhat well written.	inaccurate; writing is unclear.	
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### COURSE CONTENT AND TENTATIVE TEACHING SCHEDULE

The course is taught as a mixture of lectures and case study discussions. The lectures review some of the key concepts in corporate finance, with a focus on valuation methods, merger and acquisition and leverage buyout. Students are required to form groups, presenting at least one case study to the class, and comment actively on their colleagues' presentations. Cases will come in several varieties, including relatively short cases and complex ones requiring more in-depth analysis of the material. The course has no midterm exam and no final exam, but an end-of-term final project is required.

### REQUIRED/RECOMMENDED READINGS & ONLINE MATERIALS (e.g. journals, textbooks, website addresses etc.)

- Recommended textbook: Ross, Westerfield, Jaffe, Lim, Tan, and Wong, 2015, *Corporate Finance*, Asia Global Edition, McGraw-Hill
- Case materials: To be purchased by students
- Lecture notes and assigned readings: Available on course website.

### MEANS/PROCESSES FOR STUDENT FEEDBACK ON COURSE

Conducting mid-term survey in additional to SETL around the end of the semester

### COURSE POLICY (e.g. plagiarism, academic honesty, attendance, etc.)

#### Class Conduct

Students are required to attend all classes on time. If you miss a class, it is entirely your responsibility for what you have missed. In case you have to leave the class early, please inform the instructor beforehand and leave quietly.

No use of mobile phone or chatting is allowed when the class is in session. Remember to turn off or mute the phone before each session. The instructor has the discretion to give penalty in case of class misconduct.

Respect your instructors and your fellow students. Be considerate to others.

#### Email communications

Please remember put FINA2311/FINA0303 at the start of the subject line in any email to me so I won't miss it.

#### Academic Dishonesty

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 any act that misrepresents a person's own academic work or that compromises the academic work of another. It includes (but not limited to) cheating on assignments or examinations; plagiarizing, i.e., representing someone else's ideas as if they are one's own; sabotaging another's work.

If you are caught in an act of academic dishonesty or misconduct, you will receive an "F" grade for the subject. The relevant Board of Examiners may impose other penalty in relation to the seriousness of the offense.