



Master of Finance (Investment Management)

(Full-time Day-time mode)

Definitive Programme Document

Programme Code: 21050



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Full-time MoF-MIM Programme Web Page

<http://www.af.polyu.edu.hk/pgprog/mofft>

PolyU Student Handbook Web Page

<http://www.polyu.edu.hk/as>

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Sundays & Public Holidays: Closed

FOREWORD

It is our pleasure to welcome you to the full-time Master of Finance (Investment Management) programme offered by the School of Accounting and Finance at The Hong Kong Polytechnic University.

The programme provides degree graduates investment management training through a combination of solid finance concepts and up-to-date industry know-how, enabling them to attain professional competence and to excel in investment management. Successful completion of this programme leads to a tertiary professional qualification widely recognized in Hong Kong and overseas.

This Programme Document contains important information that is of direct relevance to your studies. You are strongly advised to read it carefully and use it as a guide for working out your study plan.

We wish you an enjoyable and rewarding experience with the University.

With warmest regards





Professor C.S. Agnes Cheng
Head and Chair Professor of Accounting
School of Accounting and Finance

August 2015

The Hong Kong Polytechnic University

Revised Academic Calendar 2015-16 (by Semester Week)

Month	Week	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Sem. Week	Notes
Aug 2015	--	24	25	26	27	28	29	30	--	Aug. 31: Sem. 1 commences (13 teaching weeks: 31 Aug - 28 Nov 2015) Aug. 31 - Sep. 12: Add/Drop Period for Sem. 1
Sep	1	31	1	2	3	4	5	6	1	Sep. 3: The 70th anniversary day of the victory of the Chinese people's war of resistance against Japanese aggression
	2	7	8	9	10	11	12	13	2	
	3	14	15	16	17	18	19	20	3	
	4	21	22	23	24	25	26	27	4	Sep. 27: Mid-Autumn Festival (all evening classes suspended)
Oct	5	28	29	30	1	2	3	4	5	Sep. 28: The day following Mid-Autumn Festival / Oct. 1: National Day
	6	5	6	7	8	9	10	11	6	Oct. 10: PolyU Education Info Day (all day-time and evening classes suspended)
	7	12	13	14	15	16	17	18	7	
	8	19	20	21	22	23	24	25	8	Oct. 21: Chung Yeung Festival
Nov	9	26	27	28	29	30	31	1	9	Oct. 24: Twenty-first Congregation (First conferment session)
	10	2	3	4	5	6	7	8	10	
	11	9	10	11	12	13	14	15	11	Nov. 14: Twenty-first Congregation (Main conferment session, also last session)
	12	16	17	18	19	20	21	22	12	
	13	23	24	25	26	27	28	29	13	Nov. 28: Sem. 1 teaching ends
Dec	14	30	1	2	3	4	5	6	Exam.	Nov. 30 - Dec. 3: Revision Days for Sem. 1
	15	7	8	9	10	11	12	13	Exam.	Dec. 4 - 19: Examination Period for Sem. 1
	16	14	15	16	17	18	19	20	Exam.	
	17	21	22	23	24	25	26	27) Exam.) Result) Processing	Dec. 25: Christmas Day / Dec. 26: The first weekday after Christmas Day
Jan 2016	18	28	29	30	31	1	2	3	1	Dec. 30: All subject assessment results finalised / Jan. 1: The First Day of January
	19	4	5	6	7	8	9	10	2	Jan. 8: Finalisation of overall assessment results / Jan. 9: Announcement of Sem. 1 overall assessment results
	20	11	12	13	14	15	16	17	3	Jan. 11: Sem. 2 commences (13 teaching weeks: 11 Jan - 16 Apr 2016)
	21	18	19	20	21	22	23	24	4	Jan. 11 - 23: Add/Drop Period for Sem. 2
	22	25	26	27	28	29	30	31	5	
Feb	23	1	2	3	4	5	6	7	4	Feb. 7: Lunar New Year's Eve (all evening classes suspended)
	24	8	9	10	11	12	13	14	Lunar New Year Break	Feb. 8 - 10: Lunar New Year Holidays / Feb. 11 - 13: Lunar New Year Break (all day-time and evening classes suspended)
	25	15	16	17	18	19	20	21	5	
	26	22	23	24	25	26	27	28	6	
Mar	27	29	1	2	3	4	5	6	7	
	28	7	8	9	10	11	12	13	8	
	29	14	15	16	17	18	19	20	9	
	30	21	22	23	24	25	26	27	10	Mar. 25 - 28: Easter Holidays
Apr	31	28	29	30	31	1	2	3	11	
	32	4	5	6	7	8	9	10	12	Apr. 4: Ching Ming Festival
	33	11	12	13	14	15	16	17	13	Apr. 16: Sem. 2 teaching ends
	34	18	19	20	21	22	23	24	Exam.	Apr. 18 - 21: Revision Days for Sem. 2
May	35	25	26	27	28	29	30	1	Exam.	Apr. 22 - May 9: Examination Period for Sem. 2
	36	2	3	4	5	6	7	8	Exam.	May 2: The day following Labour Day
	37	9	10	11	12	13	14	15) Exam. / Exam.) Result) Processing	May 14: The Buddha's Birthday
	38	16	17	18	19	20	21	22	1	May 18: All subject assessment results finalised
	39	23	24	25	26	27	28	29	2	May 23: Summer Term commences (7 teaching weeks: 23 May - 9 Jul 2016) May 23 - 28: Add/Drop Period for Summer Term
Jun	40	30	31	1	2	3	4	5	3	May 25: Finalisation of overall assessment results May 26: Announcement of Sem. 2 overall assessment results
	41	6	7	8	9	10	11	12	4	Jun. 9: Tuen Ng Festival
	42	13	14	15	16	17	18	19	5	
	43	20	21	22	23	24	25	26	6	
Jul	44	27	28	29	30	1	2	3	7	Jul. 1: HKSAR Establishment Day
	45	4	5	6	7	8	9	10	8	Jul. 9: Summer Term teaching ends
	46	11	12	13	14	15	16	17	Exam.	Jul. 11 - 16: Examination Period for Summer Term
	47	18	19	20	21	22	23	24) Exam.) Result) Processing	
	48	25	26	27	28	29	30	31	9	Jul. 25: All subject assessment results finalised
Aug	49	1	2	3	4	5	6	7	--	Aug. 1: Finalisation of overall assessment results Aug. 2: Announcement of Summer Term overall assessment results
	50	8	9	10	11	12	13	14	--	
	51	15	16	17	18	19	20	21	--	
	52	22	23	24	25	26	27	28	--	Aug. 28: Academic Year 2015-16 ends

 General Holidays
 Dates of finalisation of examination results
 July 2015

PART I: GENERAL INFORMATION

1. THE PROGRAMME

Programme Code and Title:
21050 Master of Finance (Investment Management) (FT MoF-MIM)

Award:
Master of Finance (Investment Management)

Medium of Instruction:
English

Mode of Attendance:
Full-time mode

Normal Duration:
1 year (Maximum period is 2 years)

2. PROGRAMME AIMS AND OUTCOMES

The full-time Master of Finance (Investment Management) (FT MoF-MIM) programme aims to provide degree graduates who would like to specialize in investment management, particularly those with no or little work experience, with a combination of solid finance concepts and up-to-date industry know-how. Furthermore, the programme prepares students for the Chartered Financial Analyst (CFA[®]) examination.

On completion of the FT MoF-MIM programme, graduates will be able to:

1. apply conceptual frameworks drawn from Accounting, Risk Management, Economics, Quantitative Method and Law to the analysis of investment and corporate finance issues.
2. solve asset management/corporate finance problems as they present themselves in real-life situations.
3. formulate financial strategies and envision their outcomes.

3. ENTRANCE REQUIREMENTS

The minimum entrance requirements for the FT MoF-MIM programme are:

- i. a Bachelor's degree from a recognized university, preferably with at least a second-class lower division honour, or equivalent; and
- ii. A minimum score of 600 (Total, Verbal, and Quantitative Scores) in the Graduate Management Admissions Test (GMAT) OR a minimum score of 600 (or its equivalence under the revised General Test) in both Verbal Reasoning and Quantitative Reasoning in Graduate Record Examinations (GRE).
- iii. If you are not a native speaker of English and your Bachelor's Degree or equivalent qualification was awarded by an institution at which the medium of instruction is not English, you are expected to fulfil the University's minimum English language requirement for admission.

4. PROGRAMME STRUCTURE

The normal duration of the FT MoF-MIM programme is one year with Semesters 1 and 2 (13 weeks each), and an optional Summer Term (7 weeks). Actual number of class

meetings may vary in light of certain conditions in the offering semester, such as the arrangement of public holidays; or other pedagogical needs of subject lecturers. Students who have successfully completed this programme will be granted a Master of Finance (Investment Management) that is well recognized in Hong Kong and overseas.

To be eligible for the Master of Finance (Investment Management) award, students are required to complete 6 compulsory subjects, 4 elective subjects and 2 compulsory capstone subjects (i.e. 36 credits). Students are expected to study six subjects in each semester.

4.1 Subject Offerings

Semester	Subjects
1	<p><i>Compulsory Subjects:</i> AF5115 Accounting for Business Analysis AF5312 Principles of Corporate Finance AF5341 Economics for Financial Analysis AF5343 Quantitative Methods for Finance AF5344 Investments AF5511 Regulatory Framework</p>
2	<p><i>Compulsory Capstone Subjects*:</i> AF5355 Finance and Strategy AF5362 International Financial Management</p> <p><i>Elective Subjects* (any four):</i> AF5322 Corporate Risk Management AF5323 Fixed Income Securities AF5333 Risk Management for Corporations AF5336 Business Risk Management AF5347 Financial Analysis and Valuation AF5351 Derivatives Securities AF5353 Security Analysis and Portfolio Management AF5363 Game Theory and Business Strategy AF5368 Investment Banking and Credit Rating AF5372 Real Estate Economics & Finance AF5932/AF5933 Project[#]</p>

* Subject to university's minimum enrolment requirement, not all subjects will be offered each year. And, registration is subject to the availability of quota.

[#] The Project can be either 3 credits or 6 credits depending on its scope.

4.2 Professional Recognitions

The programme is taught by staff from the School of Accounting and Finance which is accredited by **The Securities and Futures Commission (SFC) of Hong Kong** as a recognized institution for providing continuous professional training.

The programme has been accepted into the CFA Institute University Recognition Program. This status is granted to institutions whose degree program(s) incorporate at least 70% of the CFA Program Candidate Body of Knowledge (CBOK), which provide students with a solid grounding in the CBOK and positions them well to sit for the CFA exams.

The Master of Finance (MoF) Programme at PolyU is proud to be an academic partner with GARP for risk education.

5. PROGRAMME MANAGEMENT AND OPERATION

A Programme Committee is formed to exercise the overall academic and operational responsibility for the Programme and its development within policies, procedures and regulations defined by the University. Its composition comprises academics and student representatives.

The Programme Director and/or Deputy Programme Director and/or Programme Manager are responsible for the day-to-day management and operation of the programme, student admissions, teaching and learning matters, quality assurance (QA) and programme development. Their prime role is to ensure the programme is delivered according to the established QA mechanism.

6. COMMUNICATIONS WITH STUDENTS

While we work to communicate clearly and in a timely manner with students according to University regulations and procedures, it is the **responsibility of students** to help maintain the effectiveness of the communication process. The main communication channel for disseminating information and notices to students within the University will be through e-mails and the University Portal. **Students should ensure that their up-to-date personal and correspondence details are provided** to the University and the relevant departments; and **check relevant correspondence channels regularly** to obtain the latest information regarding their studies and the status of any related applications (e.g. late assessment, appeal of subject results, add/drop of subjects, deferment, etc) lodged. Failure in doing so will not constitute any grounds for appeals/complaints against consequences/decisions of the relevant matters and applications.

7. SUBJECT REGISTRATION

7.1 Add/Drop of Subjects

In addition to programme registration, students need to register for subjects at specified period prior to the commencement of the semester.

If you wish to change the subjects enrolled, you may do so through the online add/drop system during the 2-week add/drop period (1-week for summer term). You are advised not to make any changes to the subjects pre-assigned to you by the Department without consulting your Department/Academic Advisor. In case you wish to drop all subjects in that semester, you must first seek approval from your Department for zero subject enrolment. Otherwise, you may be considered as having decided to withdraw from study on the programme concerned. Dropping of subjects after the add/drop period is not allowed. If you have a genuine need to do so, it will be handled as withdrawal of subject.

For students whose tuition fee is charged according to the number of credits taken, they will have to pay an initial down payment (equivalent to 3 credits or as specified by their Department) before the commencement of the semester. If they have taken more credits, including those taken before or during the add/drop period, they will receive a second debit note on the remaining tuition fee about 5 weeks after the commencement of the semester.

7.2 Withdrawal of Subjects

If you have a genuine need to withdraw a subject after the add/drop period, you should submit a written request for withdrawal of subject to your programme offering department. Such requests will be considered by both the programme

leader and the subject lecturer concerned if there are strong justifications and when the tuition fee of the subject concerned has been settled. Requests for subject withdrawal will not be entertained after the commencement of the examination period.

For approved cases, a handling fee will be charged. The tuition fees paid for the withdrawn subject will be forfeited. The withdrawn subjects will still be reported in your Assessment Result Sheet and Transcript of Studies although they will not be counted in Grade Point Average (GPA) calculation. If the handling fee concerned is outstanding by the payment deadline, the approval given will be declared void and you are required to attend classes of this subject and complete its assessment(s) accordingly. A reinstatement fee of HK\$400 will be charged if you wish to reinstate the approval for the withdrawn subject.

8. SUBJECT EXEMPTION AND CREDIT TRANSFER

Irrespective of the extent of previous study or credits recognised, all students studying in PolyU should complete at least one third of the normal credit requirement in order to be eligible for the PolyU award.

If you consider your previous study relevant to your current programme, you may apply for subject exemption or credit transfer by using **Form AS41c**.

Credit Transfer

You should submit an application for credit transfer upon your initial enrolment on the programme or before the end of the add/drop period of the first semester of your first year of study. Late applications may not be considered. For students whose tuition fees are charged by credits, a credit transfer fee will be charged.

The validity period of subject credits earned is eight years from the year of attainment, i.e. the year in which the subject is completed, unless otherwise specified by the department responsible for the content of the subject (e.g. the credit was earned in 2008-09, then the validity period should count from 2009 for eight years). Credits earned from previous studies should remain valid at the time when the student applies for transfer of credits.

According to the credit transfer policy of the programme, students may be granted credit transfers for a maximum of 3 Year-1 compulsory subjects, i.e. 9 credits. You may refer to the credit transfer policy given to you at the commencement of the study.

9. RETAKING OF SUBJECTS

After the announcement of subject results in a semester, you should check whether you have failed any subject via the eStudent and arrange for retaking of the subject during subject registration.

In addition to retaking a subject due to failure, you may retake any subject for the purpose of improving your grades. These students will be accorded a lower priority for taking the concerned subjects and can do so if places are available. Students concerned can register for such subjects during the last 2 days of the add/drop period.

When you retake a subject, only the final subject grade after the retake will be included in the calculation of the Grade Point Average (GPA) and the Grade Point Average for award classification. Although the original grade will not be included in the calculation of GPAs, it will be shown on the transcript of studies. You should refer to this document to

ascertain the requirements, in particular for subjects offered in consecutive semesters, for retaking failed subjects or seek advice from the Department concerned.

Students paying credit fee will be charged for the subjects retaken.

10. ZERO SUBJECT ENROLMENT

If you do not wish to take any subject in a semester, you must seek approval from your Department to retain your study place by submitting **Form AS112** before the start of the semester and in any case not later than the end of the add/drop period. Otherwise, your registration and student status with the University will be removed.

The semesters during which you are allowed to take zero subject will be counted towards the maximum period of registration for the programme concerned. You will receive notification from the Department normally within 2 weeks if your application is successful. Students who have been approved for zero subject enrolment are allowed to retain their student status and continue using campus facilities and library facilities. A fee of HK\$2,105 per semester for retention of study place will be charged.

For non-local students, if you need to apply for deferment of study/zero subject enrolment, it is necessary for you to seek approval from the Director of Immigration.

Procedures

- Seek approval from your programme offering department by submitting the relevant AS forms.
- Once the department approves your application, the Academic Secretariat will seek approval from the Director of Immigration on your behalf and advise you the outcome of your application by e-mail.

To resume study upon expiry of the approved period of deferred study, you must hold a valid student visa. If your visa has expired, you need to apply to the Immigration Department for the student visa via the Academic Secretariat.

Procedures

- Submit all the necessary documents for student visa application to the Academic Secretariat by express post at least 6 weeks before you resume your study.

For details, please visit the AS homepage (<http://www.polyu.edu.hk/as> > For PolyU Students > Visa Matters for Non-local Students).

11. DEFERMENT OF STUDY

You may apply for deferment of study if you have a genuine need to do so, such as illness. The deferment period will not be counted as part of the maximum period of registration.

You are required to submit an application for deferment of study via **Form AS7** to the programme offering department. You will be informed of the result of your application in writing or via e-mail by the Department normally within three weeks from the date of application.

It is necessary for you to settle all the outstanding tuition fee and/or other fees in order to have your application for deferment processed if the application is submitted after the start of a semester. All fees paid are non-refundable. However, current students who apply for deferment of study before the commencement of the relevant semester will be eligible for refund of the tuition fee paid for that semester. Alternatively, you may apply for zero subject enrolment to reserve your study place.

Students who have been approved for deferment of study can retain their student identity card for use upon their resumption of study. You will be advised to settle the tuition fee and complete the subject registration procedures upon expiry of the deferment period. If you do not receive such notification one week before the commencement of the Semester, you should enquire at the Academic Secretariat.

The approval of deferment of study is not automatic; applications should be submitted to the Department before the commencement of the examination period of the semester concerned. Students must observe the procedures and timelines as stipulated by the University.

For non-local students, if you need to apply for deferment of study/zero subject enrolment, it is necessary for you to seek approval from the Director of Immigration.

Procedures

- Seek approval from your programme offering department by submitting the relevant AS forms.
- Once the department approves your application, the Academic Secretariat will seek approval from the Director of Immigration on your behalf and advise you the outcome of your application by e-mail.

To resume study upon expiry of the approved period of deferred study, you must hold a valid student visa. If your visa has expired, you need to apply to the Immigration Department for the student visa via the Academic Secretariat.

Procedures

- Submit all the necessary documents for student visa application to the Academic Secretariat by express post at least 6 weeks before you resume your study.

For details, please visit the AS homepage (<http://www.polyu.edu.hk/as> > For PolyU Students > Visa Matters for Non-local Students).

12. WITHDRAWAL OF STUDY

12.1 Official Withdrawal

If you wish to discontinue your study at the University before completing your programme, it is necessary for you to complete the withdrawal procedure via Form **AS6**. Fees paid for the semester which you are studying will not be refunded.

Your application will not be processed if you have not returned your student identity card with the application form or have not cleared outstanding matters with the various departments/offices concerned, such as settling outstanding fees/fines and Library loans and clearing your locker provided by the Student Affairs Office.

The relevant Faculty/School Board Office will inform you in writing or via e-mail of the result of your application, normally within three weeks from the date of application.

Upon confirmation of your official withdrawal, you will be eligible for the refund of the caution money paid if you have no outstanding debts to the University.

All fees are non-refundable. However, current students who apply for withdrawal of study before the commencement of the relevant semester will be eligible for refund of the tuition fee paid for that semester.

If you discontinue your study at the University without completing proper withdrawal procedures, you will be regarded as having unofficially withdrawn and the caution money paid at first registration will be confiscated.

12.2 Discontinuation of Study

If you discontinue your study without following the proper procedures for official withdrawal, you will be regarded as having given up your study at the University. In such cases, you will not be eligible for the refund of caution money and shall not be considered for re-admission to the same programme in the following academic year.

12.3 De-registration

If you are de-registered on grounds of academic failure, you must return your student identity card to the Academic Secretariat within 3 weeks upon the official release of assessment result. Failure to return the student identity card may render you not eligible for any certification of your study nor for admission in subsequent years. The caution money paid will also be confiscated. Any subsequent request for the refund of caution money by returning the student identity card after the original deadline will not be entertained.

Students who have been de-registered shall not be considered for re-admission to the same programme in the following academic year.

For non-local students, Once it is confirmed that you have discontinued, withdrawn your study at PolyU or have been de-registered from your programme, the University will inform the Immigration Department accordingly. According to Immigration Regulations, you must leave Hong Kong before the expiry of your limit of stay or within 4 weeks from the date of the termination of study, whichever is earlier; otherwise, you will be committing a criminal offence of breaching your conditions of stay.

13. ASSESSMENT METHODS

Students' performance in a subject can be assessed by continuous assessment and/or examinations, at the discretion of the individual subject offering department. Where both continuous assessment and examinations are used, the weighting of each in the overall subject grade shall be clearly stated in this document. Learning outcome should be assessed by continuous assessment and/or examination appropriately, in line with the outcome-based approach.

Continuous assessment may include tests, assignments, projects, laboratory work, field exercises, presentations and other forms of classroom participation. Continuous Assessment assignments which involve group work should nevertheless include some

individual components therein. The contribution made by each student in continuous assessment involving a group effort shall be determined and assessed separately, and they can result in different grades being awarded to students in the same group.

14. PASSING A SUBJECT

In order to pass in a subject offered by the School/Departments in the Faculty of Business (i.e. subjects with prefix of AF/LGT/MM/FB), all students have to obtain Grade D or above in both the continuous assessment and examination components of the subject. If a subject is assessed by only one component (either by continuous assessment or examination), then the passing grade for the subject is D.

15. ASSESSMENT OF PROJECT

The project will be assessed by the Supervisor and a moderator appointed by the Project Coordinator. For details, please refer to the Project Guideline and Project Time Schedule distributed to students upon enrollment in AF5932/AF5933.

16. GRADING

Assessment grades shall be awarded on a criterion-reference basis. Students' overall performance in a subject shall be graded as follows:

Grade	Description	Grade Point
A+	Exceptionally Outstanding	4.5
A	Outstanding	4
B+	Very Good	3.5
B	Good	3
C+	Wholly Satisfactory	2.5
C	Satisfactory	2
D+	Barely Satisfactory	1.5
D	Barely Adequate	1
F	Inadequate	0

'F' is a subject failure grade, whilst all others ('D' to 'A+') are subject passing grades. No credit will be earned if a subject is failed.

At the end of each semester/term, a Grade Point Average (GPA) will be computed as follows, and based on the numeral grade point of all the subjects:

$$\text{GPA} = \frac{\sum \text{Subject Grade Point} \times \text{Subject Credit Value}}{\sum \text{Subject Credit Value}}$$

where n = number of all subjects (inclusive of failed subjects) taken by the student up to and including the latest semester/term. For subjects which have been retaken, only the grade point obtained in the final attempt will be included in the GPA calculation.

In addition, the following subjects will be excluded from the GPA calculation:

- i. Exempted subjects
- ii. Ungraded subjects
- iii. Incomplete subjects
- iv. Subjects for which credit transfer has been approved without any grade assigned
- v. Subjects from which a student has been allowed to withdraw

Subject which has been given an “S” code, i.e. absent from examination, will be included in the GPA calculation and will be counted as “zero” grade point. GPA is thus the unweighted cumulative average calculated for a student, for all relevant subjects taken from the start of the programme to a particular point of time. GPA is an indicator of overall performance and is capped at 4.0.

Any subject passed after the graduation requirement has been met or subjects taken on top of the prescribed credit requirements for award shall not be taken into account in the grade point calculation for award classification.

17. PROGRESSION AND DE-REGISTRATION

A student will normally have “progressing” status unless he/she falls within the following categories, any one of which may be regarded as grounds for de-registration from the Programme:

- i. the student has exceeded the maximum period of registration of two years for the FT MoF-MIM programme; or
- ii. the student’s GPA is lower than 2.0 for two consecutive semesters and his/her Semester GPA in the second semester is below 2.0; or
- iii. the student’s GPA is lower than 2.0 for three consecutive semesters.

The progression of students to the following academic year will not be affected by the GPA obtained in an optional Summer Term and that the Summer Term study does not constitute a substantial requirement for graduation.

Notwithstanding the above, the Board of Examiners will have the discretion to de-register students with extremely poor academic performance before the time specified in (ii) and (iii) above. If there are good reasons, the Board of Examiners has the discretion to recommend, for approval by the respective Faculty/School Board, that students who fall into categories (ii) or (iii) be allowed to stay on the programme.

18. ACADEMIC PROBATION

The academic probation system is implemented to give prior warning to students who need to make improvement in order to fulfill the GPA requirement of the University. If your GPA is below 2.0, you will be put on academic probation in the following semester. If you are able to obtain a GPA of 2.0 or above by the end of the probation semester, the status of “academic probation” will be lifted. The status of “academic probation” will be reflected on the web assessment results and the Official Assessment Result Notifications. However, this status will not be displayed in the transcript of studies.

19. ELIGIBILITY FOR AWARD

A student would be eligible for a Master of Finance (Investment Management) award if he/she satisfies all the conditions listed below:

- i. accumulation of 36 credits as defined in this document;
- ii. satisfying all the compulsory and electives requirements as defined in this document; and
- iii. achieving a **GPA of 2.0** or above at the end of the programme.

A student is required to graduate as soon as he/she satisfies all the above conditions for award. Upon confirmation of eligibility to graduate or leaving the University, registration for subjects (including the follow-on term of consecutive subjects) in the following semester/Summer Term will be nullified and removed.

Students who meet all the necessary requirements of the University and the programme concerned will be eligible for graduation. Students with graduation status confirmed on or before 15 March will receive the academic award parchment in late March/early April with the award parchment dated 15 March of the year concerned while students with graduation status confirmed after 15 March and before 1 October will receive their parchments in late October/early November with the award parchment dated 30 September of the year concerned. Please visit the Academic Secretariat homepage at www.polyu.edu.hk/as/web/dir/award_parchment.html for more updated information on the parchment collection arrangement in early March or early October with reference to your graduation timeline.

20. AWARD CLASSIFICATIONS

The following award classifications apply to your programme:

Award Classification	GPA
Distinction	3.7 ⁺ – 4.0
Credit	3.2 ⁺ – 3.7 ⁻
Pass	2.0 – 3.2 ⁻

The above ranges for different classifications are subject to BoE's individual discussions of marginal cases.

Note: "+" sign denotes 'equal to and more than'; "-" sign denotes 'less than'.

21. LATE ASSESSMENT

If you have been absent from an examination or are unable to complete all assessment components of a subject because of illness, injury or other unforeseeable reasons, you may apply for a late assessment. Application in writing should be made to the Head of Department offering the subject **within five working days** from the date of the examination together with any supporting documents such as a medical certificate. Approval of applications for late assessment and the means for such late assessments shall be given by the Head of Department offering the subject or the Subject Lecturer concerned, in consultation with the Programme Leader.

In case you are permitted to take a late assessment, that examination or other forms of assessment will be regarded as a first assessment and the actual grade attained will be awarded.

You are required to settle a late assessment fee before taking/completing the late assessment. If you fail to settle the fee, the result of your late assessment would be invalidated.

22. PROCEDURES FOR APPEAL

Students appealing against the decision on their assessment results shall pay a fee of HK\$125. Payment forms are obtainable from the Academic Secretariat Service Centre. If more than one examination paper is involved, an extra fee of HK\$125 shall be charged for each additional paper. This fee shall be refunded if the appeal is upheld.

A student should make his/her appeal in writing to his/her Head of Department within **7 working days** upon the public announcement of his/her overall examination results, i.e. the date when the results are announced to students via the web. [For 2015-16, the announcement dates for overall results are 9 January 2016 (Semester 1), 26 May 2016 (Semester 2) and 2 August 2016 (Summer Term).] The Head of Department shall deal with the appeal if the student is studying in a department-based programme/scheme.

The appeal should be accompanied by a copy of the fee receipt, for inspection by the Department concerned. The student should give a complete account of the grounds for the appeal in the letter, and provide any supporting evidence.

Appeal may lead to a change in the subject grade, which may go upward as well as downward, upon completion of reviewing the appeal case. Departments should inform the student concerned of the appeal result within 7 working days after receipt of the letter of appeal, whichever is later.

If the appellant is dissatisfied with the decision, he/she may then appeal in writing to the Academic Secretary within **7 working days** from the date of the post-mark of the Department's reply. He/She should provide the following information together with other relevant documents in support of the appeal:

- name in English and Chinese;
- student number;
- programme title, year and class of study;
- examination/subject results appealing against; and
- grounds for appeal

The Academic Secretary shall then refer the case to the Academic Appeals Committee, who shall determine whether there are prima facie grounds for a reconsideration of the Subject Lecturer's/SARP's/BoE's decision.

The decisions of the Academic Appeals Committee shall be final within the University.

23. DISMISSAL OF CLASS

If the subject lecturer does not show up after 30 minutes of the scheduled start time, the class is considered cancelled and appropriate follow up arrangements (e.g. rescheduled class, make-up class, etc) will be announced to students in due course.

24. PLAGIARISM AND BIBLIOGRAPHIC REFERENCING

Plagiarism refers to the act of using the creative works of others (e.g. ideas, words, images or sound, etc) in one's own work without proper acknowledge of the sources. Students are required to submit their original work and avoid any possible suggestion of plagiarism in the work they submit for grading or credit. The University/Faculty views plagiarism, whether committed intentionally or because of ignorance or negligence, as a serious disciplinary offence. Excuses such as "not knowing what is required" or "not knowing how to do it" will not be accepted. Depending on the seriousness of the

plagiarism cases, they may be referred to the Student Discipline Committee for investigation and decision. If a student is found guilty of the alleged offence, penalties considered appropriate by the Committee may be imposed. These may include:

- suspension of studies for a specified period of time;
- expulsion for a specified period or indefinitely; and
- any other penalties as considered appropriate.

Students should comply with the University's policy on plagiarism in continuous assessment, bibliographic referencing and photocopying of copyright materials.

25. PREVENTION OF BRIBERY ORDINANCE

PolyU staffs members may in no circumstances solicit or accept an advantage. For relevant details, please refer to the Prevention of Bribery Ordinance (Chapter 201) of the Laws of Hong Kong at <http://www.legislation.gov.hk>.

For details of all the regulations covered in this publication, please refer to the Student Handbook of the relevant year.

(accessible at https://www2.polyu.edu.hk/as/Polyu/STDHBK/Handbook1516/Student_Handbook_2015-16_Full_Version.pdf)

For non-local students, please also refer to the section on "Important Notes for Non-local Students" in the Student Handbook of the relevant year.

PART II: SUBJECT SYLLABUSES

<u>Subject Code</u>	<u>Subject Title</u>	<u>Page No.</u>
<i>Compulsory Subjects:</i>		
AF5115	Accounting for Business Analysis	18
AF5312	Principles of Corporate Finance	22
AF5341	Economics for Financial Analysis	25
AF5343	Quantitative Methods for Finance	27
AF5344	Investments	30
AF5511	Regulatory Framework	33
<i>Compulsory Capstone Subjects:</i>		
AF5355	Finance and Strategy	36
AF5362	International Financial Management	39
<i>Elective Subjects:</i>		
AF5322	Corporate Risk Management	42
AF5323	Fixed Income Securities	45
AF5333	Risk Management for Corporations	48
AF5336	Business Risk Management	51
AF5347	Financial Analysis and Valuation	54
AF5351	Derivatives Securities	57
AF5353	Security Analysis and Portfolio Management	60
AF5363	Game Theory and Business Strategy	63
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AF5372	Real Estate Economics & Finance	70
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AF5933	Project (6 credits)	75

The subject syllabuses contained in this Definitive Programme Document are subject to review and change from time to time. The School of Accounting and Finance reserves the right to revise or withdraw the offer of any subject contained in this document. For teaching and learning, students should refer to the updated subject syllabuses distributed to them by the relevant subject lecturers when they take the corresponding subjects.

Subject Code	AF5115
Subject Title	Accounting for Business Analysis
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	None
Role and Purposes	This subject aims to outline and explain the accounting concepts, techniques and current regulatory and governance environment that are pertaining to the preparation, presentation, analysis, understanding, and evaluation of financial reports. It contributes to the achievement of MCF/MoF Programme Outcomes by enabling students <u>to understand and apply accounting knowledge and framework to the analysis of investment, and corporate reporting and finance issues</u> (Outcome 1), and <u>to formulate financial strategies and envision their outcomes</u> (Outcome 3).
Subject Learning Outcomes	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> Understand and apply the accounting concepts and techniques, and evaluate their impact on financial statement figures and presentation; Analyze and evaluate financial statements and financial performance with various tools such as ratio analysis, trend analysis, and common-size financial statements; Assess the accounting policies and governance structure adopted by companies as well as the reporting regulations, such as HKFRS and IFRS, and their impact on the quality of earnings; and Evaluate the impact of financial analysis on capital markets, and business and financial strategy development, investment and business combination activities.
Subject Synopsis/ Indicative Syllabus	<p>Overview of Financial Statements</p> <p>The basic accounting techniques and framework; Accounting concepts; Types of financial statements and their purposes; Relationship between financial statements and investment decisions; Role of ratio analysis; Process and limitations of ratio analysis.</p> <p>Balance Sheet and Its Analysis</p> <p>Classification of assets and liabilities; Depreciation methods; inventory valuation; Treatment of intangible assets and contingent liabilities; Provisions; accruals and prepayments; Leases and off-balance-sheet debt; Asset valuation and mark-to-market valuation; Pensions and other retirement benefits; Share equity and reserves; liquidity; Leverage; Asset management; Common-size balance sheet.</p>

	<p>Profit and Loss Statement and Its Analysis</p> <p>Revenue recognition; Cost of goods sold; Gross and net profit; Recurrent and non-recurrent items; deferred charges; Extra-ordinary items; Common-size profit and loss statement; profitability ratios; Operating ratios; coverage ratios; Earnings per share.</p> <p>Statement of Cash Flows and Its Analysis</p> <p>Purpose and format of statement of cash flows; Importance and measurement of cash flows; Cash flow from operating, investing, and financing activities; Free cash flow; Limitations of cash flow reporting; cash flow ratios.</p> <p>Accounting Issues and Audit Report</p> <p>Accounting standards and financial statement reporting: non-recurring items, valuation of tangible and intangible assets, segment reporting; Equity method of accounting; Earnings management in financial tsunami; Quality of earnings; Significance and Implications of auditors' opinion for financial reporting.</p> <p>Financial Reporting and Analysis for Investments & Business Combinations</p> <p>Financial reporting and analysis for marketable securities; Bankruptcy prediction; Related party transactions; Financial reporting and analysis for business acquisitions; Other information disclosed in annual reports.</p>																																																						
<p>Teaching/Learning Methodology</p>	<p>This subject comprises of class-contact lectures and workshops. Workshops will be conducted in the form of group discussion, seminar and case study. Students are expected to apply their knowledge to the discussion of the current accounting, business and finance issues faced by an executive of a firm in Hong Kong. It is the basic philosophy of learning in this subject that at least 2 hours of outside preparation are usually required to read the assigned textbook chapter(s) and reading materials, and to prepare solutions to exercises and problems as well as presentations, as a prerequisite for a meaningful 1-hour classroom lecture/seminar.</p>																																																						
<p>Assessment Methods in Alignment with Intended Learning Outcomes</p>	<table border="1"> <thead> <tr> <th rowspan="2">Specific assessment methods/tasks</th> <th rowspan="2">% weighting</th> <th colspan="6">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> </tr> <tr> <th>a</th> <th>b</th> <th>c</th> <th>d</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Class participation</td> <td>10%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>2. Individual assignment</td> <td>20%</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3. Group project and presentation</td> <td>20%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>4. Final Examination</td> <td>50%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>100 %</td> <td colspan="6"></td> </tr> </tbody> </table>	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	b	c	d			1. Class participation	10%	✓	✓	✓	✓			2. Individual assignment	20%	✓	✓					3. Group project and presentation	20%	✓	✓	✓	✓			4. Final Examination	50%	✓	✓	✓	✓			Total	100 %						
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	Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:	
	<p>Class participation – Students have to read assigned reading materials and complete exercises in order to participate actively in class discussion, which would assess their understanding of the key accounting concepts and techniques, and their applications, analysis and evaluation in financial reporting.</p> <p>Individual assignment – Each student is required to apply the accounting knowledge and techniques to analyze and evaluate the financial position of a company based on its financial statements. The objectives are to test students' understanding and application of relevant concepts and techniques in accounting and financial analysis to a practical situation.</p> <p>Group project and presentation – Students are required to select a target company for detailed analysis, evaluate its financial performance, and assess its reporting and earnings quality. Students would apply the accounting knowledge and techniques to analyze and evaluate the impact of the macro-economic, business environment, industry, and company operation information on the financial and other qualitative performance indicators.</p> <p>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</p>	
Student Study Effort Expected	Class contact:	
	▪ Lectures / Seminars	39 Hrs.
	Other student study effort:	
	▪ Reading materials/textbook, preparing for class discussion, and assignments.	78 Hrs.
	Total student study effort	117 Hrs.
Reading List and References	<p>Textbook: Fraser, L.M. and A. Ormiston, <i>Understanding Financial Statements</i>, 9th Edition, Pearson Prentice-Hall, 2010.</p> <p>References: Elliott, B., and J. Elliott, <i>Financial Accounting, Reporting and Analysis</i>, 2nd Edition, Pearson Prentice-Hall, 2006 White, G.I., C.S. Ashwinpaul and D. Fried, <i>The Analysis and Use of Financial Statements</i>, 3rd Edition, John Wiley & Sons, Inc., 2003. K.R. Subramanyam, J.J. Wild, <i>Financial Statement Analysis</i>, 10th Edition, McGraw-Hill, 2009. Wild, J.J., <i>Financial Accounting: Information for Decisions</i>, 4th Edition, McGraw-Hill, 2008.</p>	

	<p>Indicative Journal Reading:</p> <p>Bellovary, J.L., D.E. Giacomino, and M.D. Akers. 2005. Earnings Quality: It's Time to Measure and Report, <i>The CPA Journal</i>, Nov., pp. 32-37.</p> <p>Lin, J.W., J.F. Li, and J.S. Yang, 2006. The Effect of Audit Committee Performance on Earnings Quality, <i>Managerial Auditing Journal</i>, Vol. 21(9), pp. 921-933.</p> <p>Platikanova, P. 2008. Long-Term Price Effect of S&P 500 Addition and Earnings Quality, <i>Financial Analysts Journal</i>, Vol. 64(5), pp. 62-76.</p> <p>Oded, J., and A. Michel. 2008. Stock Repurchases and the EPS Enhancement Fallacy, <i>Financial Analysts Journal</i>, Vol. 64(4), pp. 62-75.</p> <p>Schipper, K.a., C.M. Schrand, T. Shevlin, and T.J. Wilks. 2009. Reconsidering Revenue Recognition, <i>Accounting Horizons</i>, Vol. 23(1), pp. 55-68.</p> <p>Xu, M., and C. Zhang. 2009. Bankruptcy Prediction: The Case of Japanese Listed Companies, <i>Review of Accounting Studies</i>, Vol. 14(4), pp. 534-558.</p>
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Subject Code	AF5312
Subject Title	Principles of Corporate Finance
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	Pre-requisite: None Exclusion: Financial Management (AF5318) Finance for Executives (AF5327) Corporate Financial Management (AF5331)
Role and Purposes	This course introduces students to the foundation knowledge and techniques in corporate finance, as well as covering more specialised aspects of corporate finance on which other subjects can be built. This course will help students to identify real life corporate finance issues and explain the related observations or phenomena in terms of sound financial theories concepts (Outcome 1). Students are also able to apply the up-to-date corporate finance principles (Outcome 2) and see their impact on corporate policies and strategies (Outcome 3).
Subject Learning Outcomes	Upon successful completion of this course, students should be able to: <ul style="list-style-type: none"> a. Understand the major tasks of corporate finance; b. Understand the role of financial markets and interest rate in corporate financing and how they should be incorporated in corporate financing decisions; c. Understand the importance of time value of money and its relevance to corporate financial decisions, and be able to apply the up-to-date knowledge acquired in the course to solve similar capital budgeting problems in other real case situations; d. Understand the return-risk relation and the CAPM; e. Understand issues of cost of capital, capital structure, and different methods of equity and debt financing.
Subject Synopsis/ Indicative Syllabus	<p>Key Concepts of Corporate Finance</p> <p>Corporate finance and the financial manager; goals of corporate management; agency problem, corporate governance and control of the corporation; value of the firm expressed as contingency claims; time value of money and present value.</p> <p>Valuation and Capital Budgeting</p> <p>Evaluation of capital investment decisions using the net present value rule; alternative rules for capital budgeting; Risk and return; the CAPM.</p> <p>Market Efficiency and Behavioral Finance</p> <p>The efficient market hypothesis; behavioral finance; financial tsunami.</p>

	<p>Capital Structure</p> <p>Financial leverage and firm value; implications of Modigliani and Miller propositions; capital structure and cost of capital; optimal capital structure; limits to the use of debt; valuation and capital budgeting for the levered firm.</p> <p>Dividend Policy</p> <p>Types of dividend; dividend policies; factors affecting dividend payout policy.</p> <p>Long-term Equity and Debt Financing</p> <p>Public issue; alternative issue methods; cash offer; announcement of new equity and the value of the firm; cost of new issues; rights; the new-issue puzzle; types of bonds; public issue of bonds; bond refunding; bond rating; private placement of securities.</p>																																																						
<p>Teaching/Learning Methodology</p>	<p>The subject is structured around lectures/seminars, supplemented by exercises within and outside class. Participants are urged to prepare themselves well for each class and to proactively interact with both the instructor and other students. Students should read all relevant chapters a few times and try the practice questions at the end of each chapter. Problem areas should be clarified as early as possible.</p>																																																						
<p>Assessment Methods in Alignment with Intended Learning Outcomes</p>	<p>Assessment components include written problems/projects in coursework and final examination. These assessment components require students to demonstrate their ability in understanding up-to-date corporate finance principles (Outcome 1) and analyze practical corporation finance issues (Outcome 2 & 3).</p> <table border="1" data-bbox="488 1223 1476 1794"> <thead> <tr> <th rowspan="2">Specific assessment methods/tasks</th> <th rowspan="2">% weighting</th> <th colspan="6">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> </tr> <tr> <th>a</th> <th>b</th> <th>c</th> <th>d</th> <th>e</th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Class participation</td> <td>10%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>2. Mid-term test</td> <td>15%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>3. Group project</td> <td>25%</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>4. Final examination</td> <td>50%</td> <td></td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> </tr> <tr> <td>Total</td> <td>100 %</td> <td colspan="6"></td> </tr> </tbody> </table> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Class participation–Students are required to prepare answers for home assignments, and issue and discuss questions.</p> <p>Mid-term test–A closed-book test with compulsory multiple choice questions and short analytical questions. It covers the intended learning</p>	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	b	c	d	e		1. Class participation	10%	✓	✓	✓	✓	✓		2. Mid-term test	15%	✓	✓	✓				3. Group project	25%		✓	✓	✓	✓		4. Final examination	50%		✓	✓	✓	✓		Total	100 %						
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	outcomes (a), (b), and (c).	
	<p>Group project–Students are required to take the initiative in forming project groups, and identifying project topics that involve a substantial issue in corporate finance. The objective is to test student’s ability in applying subject knowledge to a practical situation, as well as to develop their communication and coordination skills, and team work spirit.</p> <p>Final examination–3-hour closed book examination with compulsory questions covering most of the intended learning outcomes.</p> <p>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</p>	
Student Study Effort Expected	Class contact:	
	▪ Lectures / Seminars	39 Hrs.
	Other student study effort:	
	▪ On average, students are expected to spend about 39 hours for reading teaching materials and doing exercise questions.	39 Hrs.
	▪ On average students are expected to spend 36 hours for the group project discussion, presentation, and report writing.	36 Hrs.
	Total student study effort	114 Hrs.
Reading List and References	<p>Textbook</p> <p>Ross, S.A., R.W. Westfield, and J. Jaffe, (RWJ) <i>Corporate Finance</i>, 9th Ed., McGraw-Hill, 2010.</p> <p>Reference</p> <p>Brealey, R., Myers, S., and F. Allen, <i>Principles of Corporate Finance</i>, 10th Ed., McGraw-Hill, 2011.</p> <p>Copeland, T., Weston, J., and Shastri, K., <i>Financial Theory and Corporate Policy</i>, 4th Ed. Pearson 2005.</p> <p>Shefrin, H., <i>Behavioral Corporate Finance</i>, McGraw-Hill, 2007.</p>	

Subject Code	AF5341
Subject Title	Economics for Financial Analysis
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	None
Role and Purposes	This course introduces students to basic economic theory and its applications. With the help of real-world examples, concepts will be discussed so as to enable students to <u>apply these tools to the analysis of investment and corporate finance issues</u> (Outcome 1).
Subject Learning Outcomes	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> a. understand the fundamental concepts in microeconomics and macroeconomics; b. have a solid and skillful grasp of various analytical tools necessary for the analysis of real world situations, in particular those related to the financial markets; c. evaluate the effectiveness of macroeconomic policy d. evaluate basic economic and financial data;
Subject Synopsis/ Indicative Syllabus	<p>Basic Microeconomics</p> <p>Opportunity cost; cost and benefit analysis; production and cost; demand and supply analysis.</p> <p>Market Efficiency and Regulation</p> <p>Perfect competition; monopoly; oligopoly; game theory; economics of information.</p> <p>Basic Macroeconomic Issues</p> <p>National income accounting; employment; inflation; money and interest rate; aggregate demand and aggregate supply analysis; fiscal policy; monetary policy.</p> <p>Issues in the financial markets</p> <p>Discussion on issues in the financial markets (for instance, the liquidity premium) will be blended in above topics when applicable.</p>
Teaching/Learning Methodology	This course will be delivered primarily through lectures/seminars discussing necessary analytical skills and their applications to topics concerned. Active participation in lectures/seminars and class discussions is strongly encouraged. Other learning activities, such as presentation and/or quiz, will be flexibly incorporated in classes as supplementary tools to help students achieve their learning outcomes. Students may be required to work on problem sets, individual as well as group assignments.

Assessment Methods in Alignment with Intended Learning Outcomes	Assessment components include class participation, individual presentation, group project, written report, quiz and final examination.							
	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)					
			a	b	c	d		
	1. Class participation	5%	✓	✓	✓	✓		
	2. Presentation and report	20%	✓	✓	✓	✓		
	3. Quiz	25%	✓	✓	✓	✓		
	4. Final examination	50%	✓	✓	✓	✓		
Total	100 %							
<p>*Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Class participation – Students have to learn proactively in class.</p> <p>Presentation and report – Students are required to apply techniques to explain and/or analyze issues related to the economy.</p> <p>Quiz – closed book examination mainly testing the students’ understanding and application of fundamental concepts and analytical techniques.</p> <p>Final examination – closed book examination mainly testing the students’ understanding and application of fundamental concepts and analytical techniques..</p> <p>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components</p>								
Student Study Effort Expected	Class contact:							
	▪ Lectures / Seminars						39 Hrs.	
	Other student study effort:							
	▪ Quiz and examination						25 Hrs.	
	▪ Presentation, report, project and self study						39 Hrs.	
	Total student study effort						103 Hrs.	
Reading List and References	<p><u>Textbook</u></p> <p>Frank Robert H., Ben S. Bernanke, and Hon-Kwong Lui, 2015, Principles of Economics, 5th Edition, McGraw Hill.</p> <p><u>Reference</u></p> <p>Selected articles related to economic and financial issues.</p>							

Subject Code	AF5343
Subject Title	Quantitative Methods for Finance
Credit Value	3
Level	5
Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	Recommended Background Knowledge: Undergraduate level statistical analysis, quantitative analysis, and microeconomics.
Role and Purposes	<p>This course covers the basic concepts and techniques of the classical econometrics, such as sampling theory, probability theory, hypothesis testing, regressions, etc. Considerable attention is devoted to finance applications of the concepts and techniques, so that we need to review basic financial mathematics. Some advanced statistical techniques will be briefly introduced. This course is also designed for those who wish to take the Chartered Financial Analysts (CFA) exams.</p> <p>This course helps achieve the MCF/MoF outcomes by enabling students to better understand conceptual frameworks drawn from quantitative methods related to economics and finance (Outcome 1), to be able to explain real world economic and financial problems (Outcome 2), and help them to better apply the tools to analyze and value real cases (Outcome 3).</p>
Subject Learning Outcomes	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> Develop a systematic understanding of fundamental statistic and econometric concepts and methodologies. Apply the concepts and methodologies to explain different problems related to finance and economics. Develop ability to resolve real world economic and finance problems by applying the methodologies to data analysis.
Subject Synopsis/ Indicative Syllabus	<p>Basic Financial Mathematics (Review) Compounding and discounting; present value and future value calculations; annuities and perpetuities; dollar and time-weighted rate of return.</p> <p>Basic Statistics Concepts Types of statistical data; measures of central tendency and dispersion</p> <p>Probability Concepts Basic concepts of probability; random variables and probability; probability theorems; covariance and correlation; expected value and variance; probability distributions</p> <p>Sampling and Estimation Random sampling and sampling distributions; point and interval estimates; confidence intervals</p>

	<p>Hypothesis Testing and Statistical Inference The concepts of hypothesis testing; types of hypothesis testing; analysis of variance</p> <p>Regression Analysis Linear regression and correlation; multiple regression analysis</p>																																																						
<p>Teaching/Learning Methodology</p>	<p>Concepts and techniques will be introduced through lectures. Students are required to apply the knowledge and skills to solving problems in the form of exercises and project. The use of relevant computer package is required.</p>																																																						
<p>Assessment Methods in Alignment with Intended Learning Outcomes</p>	<table border="1" data-bbox="486 660 1476 1198"> <thead> <tr> <th rowspan="2">Specific assessment methods/tasks</th> <th rowspan="2">% weighting</th> <th colspan="6">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> </tr> <tr> <th>a</th> <th>B</th> <th>c</th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Class Participation</td> <td>10%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>2. Homework</td> <td>10%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>3. Written Project</td> <td>30%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>4. Final Examination</td> <td>50%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>100 %</td> <td colspan="6"></td> </tr> </tbody> </table> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>The Written Project should contain the following components:</p> <ul style="list-style-type: none"> • State and motivate clearly the finance issue you wish to address in your project. • Make your issue stand out from the finance literature by offering a literature review. • Convert your finance issue to one or two testable hypotheses. • A discussion of the econometric model(s)/techniques you plan to use in your project. • A brief discussion of the data you are using – data sources, definitions, transformation involved (if any), and limitations. • A coherent analysis and discussion of your results. • A conclusion outlining what you have achieved and the problems you have encountered. • A bibliography properly documented. • The whole report should be typed and well set out. You should include tables, graphs, etc. when necessary. 	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	B	c				1. Class Participation	10%	✓	✓	✓				2. Homework	10%	✓	✓	✓				3. Written Project	30%	✓	✓	✓				4. Final Examination	50%	✓	✓	✓				Total	100 %						
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	Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.	
Student Study Effort Expected	Class contact:	
	Lectures / Seminars	39 Hrs.
	Other student study effort:	
	Reading materials/textbook and working on exercises, depending on each student's background.	78 Hrs.
	Total student study effort	117 Hrs.
Reading List and References	<p>Quantitative Investment Analysis, by Richard Armand Defusco, Dennis W. McLeavey, Jerald E. Pinto, David E. Runkle, 2nd edition, John Wiley & Sons, Inc.</p> <p>Econometric Methods, 4th edition by Jack Johnston and John DiNardo</p> <p>Some additional readings will be distributed in class.</p>	

Subject Code	AF5344
Subject Title	Investments
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	None
Role and Purposes	<p>This course provides a comprehensive coverage of the basic concepts, theories, applications and decision-making rules for financial investments. A balance between theories and applications, particularly in the Asian securities markets, is emphasized.</p> <p>This subject contributes towards the achievement of the Master of Finance program objectives, in particular (i) apply conceptual frameworks drawn from economics and quantitative method to the analysis of investment issues (Outcome 1), and (ii) formulate financial strategies and envision their outcomes (Outcome 3).</p>
Subject Learning Outcomes	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> Understand modern portfolio theory and its use in the investment management process; (Outcome 1) Apply various valuation methods on different financial securities including equity, bonds, and derivatives; (Outcome 1) Understand the process of portfolio management and portfolio performance evaluation. (Outcome 3)
Subject Synopsis/ Indicative Syllabus	<p>The Investment Environment Typical investment instruments; investment process; risk free assets; market indexes and benchmarks; short sales; primary and secondary markets for equities and bonds; investment companies.</p> <p>Portfolio Theory Measure of return and risk; risk return trade-off; diversification and portfolio risk; optimal risky portfolios; risk-free lending and borrowing; asset allocation.</p> <p>Asset Pricing Models Capital Asset Pricing Model (CAPM); multi-factor models;</p> <p>Efficient Market Hypothesis Theory and empirical evidence in favour of and against market efficiency; limits to arbitrage; behavioural finance; implication of the debate for investors. Efficient market hypothesis and the financial market turmoil of 2007-09.</p>

	<p>Fundamentals of Equity Valuation</p> <p>Valuation concepts and methods; valuation models such as dividend discount model; P/E based models. Implications of financial bubbles and crises for equity valuation.</p> <p>Fundamentals of Bond Analysis</p> <p>Basic features of debt securities; basic valuation models; yield computation; term structure of interest rates; interest rate risk; duration; convexity, management of fixed income portfolios.</p> <p>Fundamentals of Derivatives Securities</p> <p>Basic terminology; option payoffs; option strategies; futures; use of derivatives in portfolio management.</p> <p>Performance Evaluation</p> <p>Time-weighted versus dollar-weighted returns; risk adjustment in performance evaluation; performance attribution analysis.</p>																																																						
<p>Teaching/Learning Methodology</p>	<p>The theoretical aspects of this course will be covered in the class through lectures. This allows direct contact and discussion between lecturer and students. Assignments, newspaper articles, and case studies will be used to illustrate the application of the ideas, and to encourage independent learning skills. These discussions would play a critical role in achieving the learning objectives set out for the Master of Finance program (Program Outcomes 1 and 3).</p>																																																						
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	<p>Group project – the stock portfolio management project applies portfolio theory in the investment management process and portfolio performance evaluation.</p> <p>Final examination – 3 hours closed book examination with compulsory questions covering all the intended learning outcomes.</p> <p>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</p>	
<p>Student Study Effort Expected</p>	<p>Class contact:</p>	
	<ul style="list-style-type: none"> ▪ Lectures / Seminars 	<p>39 Hrs.</p>
	<p>Other student study effort:</p>	
	<ul style="list-style-type: none"> ▪ Reading 	<p>39 Hrs.</p>
	<ul style="list-style-type: none"> ▪ Homework and Project 	<p>39 Hrs.</p>
	<p>Total student study effort</p>	<p>117 Hrs.</p>
<p>Reading List and References</p>	<p>Bodie, Zvi, Alex Kane and Alan J. Marcus, Essentials of Investments, 9th edition, 2013, McGraw-Hill/Irwin, International edition. (Required Textbook)</p> <p>Bodie, Zvi, Alex Kane and Alan J. Marcus, Investments, 10th edition, 2013, McGraw-Hill/Irwin.</p> <p>Malkiel, Burton G., A Random Walk Down Wall Street: The Time-Tested Strategy for Successful Investing, 10th Edition, 2012, W.W. Norton & Company.</p> <p>Reilly, Frank K. and Keith C. Brown, Investment Analysis and Portfolio Management, 10th edition, 2011, Cengage Learning.</p> <p>Topical readings from the financial press about local and international markets.</p>	

Subject Code	AF5511
Subject Title	Regulatory Framework
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	None
Role and Purposes	This subject builds on students' understanding of fundamental legal concepts and apply them in the context of the regulatory framework of Hong Kong's financial services industry. It contributes to the achievement of the MOF Programme Outcomes by enabling students to understand conceptual frameworks drawn from accounting and law to the analysis of regulatory issues (Outcome 1) and to formulate financial strategies and envision their outcomes (Outcome 3).
Subject Learning Outcomes	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> explain the legal / regulatory framework governing the financial and securities markets in Hong Kong including listing of securities, takeover and merges of companies; interpret and apply rules in the process of complying with the regulatory requirements for financial intermediaries; explain the extent to which the current regimes provide protection to the investing public; and critically evaluate the effectiveness and efficiency of the legal / regulatory framework in promoting and maintaining a financially sound, honest and fair capital market in Hong Kong.
Subject Synopsis/ Indicative Syllabus	<p>Regulatory Framework of the Financial and Securities Market Design of the regulatory system; public policy issues; roles; powers and functions of relevant laws, regulations and the regulators who enforce them.</p> <p>The Securities and Futures Ordinance and Commission The core provisions of the Securities and Futures Ordinance and the organization of the Securities and Futures Commission.</p> <p>Hong Kong Monetary Authority (“HKMA”) The role and function of the HKMA in maintaining banking system</p> <p>Duties of Officers of Companies Overview of the law of agency. The position, power and responsibilities of directors and officers under the general law and statute and extra-statutory regulation.</p>

	<p>The Distribution of Securities and the Flotation of Companies The methods of offer of securities to the public; the function and purpose of prospectus; investors remedies for misrepresentation in prospectus; the organization of the Hong Kong Stock Exchange and its function and powers in the listing of companies; the purpose and objective of the listing rules and regulatory rules of the Stock Exchange.</p> <p>The Legal Process of Company Expansion and Restructuring The nature of takeover, amalgamation and merger; regulation on company takeovers and repurchase of own company shares; consequences of non-compliance with the rules.</p> <p>Regulation of Market Intermediaries The function of dealers, investment advisors and representatives in the capital market; statutory control on dealers, investment advisors and representatives; common law and statutory liabilities for malpractice. How the SFO regulates intermediaries: licensing and discipline, prevention of market misconduct: market manipulation and insider dealing.</p>																																																						
<p>Teaching/Learning Methodology</p>	<p>This course will be delivered through lectures and seminar discussions. Emphasis is placed on discussion of issues relating to complying with securities regulations in Hong Kong, and proposed changes to the relevant laws and regulations.</p> <p>To maximize learning, students are required to read the assigned readings, prepare solutions to exercises and problems before seminar. It normally requires 3-4 hours preparation for a 3-hour seminar.</p>																																																						
<p>Assessment Methods in Alignment with Intended Learning Outcomes</p>	<p>Assessment components include class discussion and interactions, assignment of case studies, group exercise & written report and final examination. These components require students to demonstrate their understanding of and knowledge on application of legal concepts in a regulatory context (Programme Outcome 1), their ability to formulate financial strategies and envision their outcomes (Programme Outcome 3).</p> <table border="1" data-bbox="488 1435 1474 1977"> <thead> <tr> <th rowspan="2">Specific assessment methods/tasks</th> <th rowspan="2">% weighting</th> <th colspan="6">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> </tr> <tr> <th>a</th> <th>b</th> <th>c</th> <th>d</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Group Work</td> <td>25%</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Individual Assignment</td> <td>20%</td> <td>✓</td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Seminar Participation</td> <td>5%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Final Examination</td> <td>50%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>100 %</td> <td colspan="6"></td> </tr> </tbody> </table>	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	b	c	d			Group Work	25%	✓		✓	✓			Individual Assignment	20%	✓		✓	✓			Seminar Participation	5%	✓	✓	✓	✓			Final Examination	50%	✓	✓	✓	✓			Total	100 %						
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	<p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</p>	
Student Study Effort Expected	Class contact:	
	▪ Lectures / Seminars	39 Hrs.
	Other student study effort:	
	▪ Reading materials/ textbook, preparing discussion questions.	39 Hrs.
	▪ On average around 2 hours will be spend on the individual case study and around 34 hours for the group project discussion, presentation and written report.	36 Hrs.
	Total student study effort	114 Hrs.
Reading List and References	<p>HC Lo and Z Qu, <i>Law of Companies in Hong Kong</i> (2013)</p> <p>B Fong, DW Arner, MKS Tse & S Johnstone, <i>Financial Markets In Hong Kong – Law & Practice</i> (2006)</p> <p>H Davies & D Green, <i>Global Financial Regulation: The Essential Guide</i> (2008)</p> <p>P Kwan, <i>Hong Kong Corporate Law</i> (loose-leaf) (2010)</p> <p>L Kwok & P Armour, <i>Securities Law: Hong Kong SAR & People’s Republic of China</i> (loose-leaf) (2003)</p> <p>B Mak & Da Roza AM (eds), <i>Butterworths Hong Kong Securities Handbook</i>, 2nd edn (2009)</p>	

Subject Code	AF5355
Subject Title	Finance and Strategy
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	Completion of six Year-1 compulsory subjects
Role and Purposes	This capstone subject provides a platform for students to integrate financial and business analysis skills and apply them systematically in solving multifaceted case problems. It contributes to the achievement of the MCF/MoF Outcomes by enabling students to <u>formulate financial strategies and policies</u> (Outcome 3). The analysis of the case studies also allows students <u>to envision possible outcomes on financial and strategic recommendations, and to evaluate the performance in a relevant and effective way</u> (Outcome 3).
Subject Learning Outcomes	Upon successful completion of this course, students should be able to: <ul style="list-style-type: none"> a. Explain the importance of how financial strategy impact business strategy formulation and implementation. b. Apply appropriate finance theories and concepts and business analysis techniques in analyzing complex case problems; c. Identify the financial implications on various corporate strategies; and d. Integrate finance and business theories and apply them to solve problems faced by management.
Subject Synopsis/ Indicative Syllabus	<p>Financial Strategy in Context Linkage between corporate and financial strategy; corporate governance and financial strategy</p> <p>Financial Strategy and Corporate Growth Financial strategy for startups, growth, mature and decline phases of corporate life-cycle, Capital market cycles and corporate growth.</p> <p>Value-Based Management Tools for value-based management; project evaluation using value-based management tools; implementation issues.</p> <p>Financial Implications on Strategy Capital allocation and corporate strategy; capital structure and corporate strategy; Implications of financial market bubbles and crises on corporate strategy.</p>

Teaching/Learning Methodology	Key concepts and issues will be introduced through lectures. Case discussions will be conducted extensively throughout this course to enable students to stimulate critical thinking and to integrate the concepts which they have learned in prior subjects and apply them to solve case problems.																																												
Assessment Methods in Alignment with Intended Learning Outcomes	<table border="1" data-bbox="488 405 1474 913"> <thead> <tr> <th data-bbox="488 405 804 607" rowspan="2">Specific assessment methods/tasks</th> <th data-bbox="804 405 963 607" rowspan="2">% weighting</th> <th colspan="6" data-bbox="963 405 1474 533">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> </tr> <tr> <th data-bbox="963 533 1046 607">a</th> <th data-bbox="1046 533 1129 607">b</th> <th data-bbox="1129 533 1212 607">c</th> <th data-bbox="1212 533 1295 607">d</th> <th data-bbox="1295 533 1378 607"></th> <th data-bbox="1378 533 1474 607"></th> </tr> </thead> <tbody> <tr> <td data-bbox="488 607 804 775">Analyses of case studies (discussion, presentation, and written reports)</td> <td data-bbox="804 607 963 775">85</td> <td data-bbox="963 607 1046 775">✓</td> <td data-bbox="1046 607 1129 775">✓</td> <td data-bbox="1129 607 1212 775">✓</td> <td data-bbox="1212 607 1295 775">✓</td> <td data-bbox="1295 607 1378 775"></td> <td data-bbox="1378 607 1474 775"></td> </tr> <tr> <td data-bbox="488 775 804 842">Participation</td> <td data-bbox="804 775 963 842">15</td> <td data-bbox="963 775 1046 842">✓</td> <td data-bbox="1046 775 1129 842">✓</td> <td data-bbox="1129 775 1212 842">✓</td> <td data-bbox="1212 775 1295 842">✓</td> <td data-bbox="1295 775 1378 842"></td> <td data-bbox="1378 775 1474 842"></td> </tr> <tr> <td data-bbox="488 842 804 913">Total</td> <td data-bbox="804 842 963 913">100 %</td> <td colspan="6" data-bbox="963 842 1474 913"></td> </tr> </tbody> </table> <p data-bbox="488 931 1474 999">Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p data-bbox="488 1016 1474 1245">Individual participation on case discussions requires students to demonstrate their ability to formulate finance theories and business knowledge (Outcome 3), to think critically and creatively, and to envision possible outcomes on financial and strategic recommendations, and to evaluate the performance in a relevant and effective way (Outcome 4). Individual written case assignment and group case write-up and presentation further reinforce these learning objectives.</p> <p data-bbox="488 1263 1474 1402">Note: To pass this subject, students are required to obtain Grade D or above. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</p>							Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	b	c	d			Analyses of case studies (discussion, presentation, and written reports)	85	✓	✓	✓	✓			Participation	15	✓	✓	✓	✓			Total	100 %						
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	▪ Individual case reading and analysis		68 Hrs.																																										
	▪ Group discussion		10 Hrs.																																										
	Total student study effort		117 Hrs.																																										
Reading List and References	Bruner, Robert F., Case Studies in Finance, 5th edition, McGraw Hill Chew, Donald H., The New Corporate Finance, Where Theory Meets Practice, 3rd edition, McGraw Hill Grinblatt and Titman, Financial Markets and Corporate Strategy, 2nd edition, McGraw Hill																																												

	<p>Ross, Westerfield, Jaffe and Jordan, Modern Financial Management, 8th edition, McGraw Hill</p> <p>Topical articles from the recent financial press.</p>
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Subject Code	AF5362
Subject Title	International Financial Management
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	Pre-requisite: Principles of Corporate Finance (AF5312) <i>AND</i> Investments (AF5344)
Role and Purposes	This subject contributes to the achievement of the Programme Outcome by developing students' ability to solve international financial problems as they present themselves in real-life situations (Outcome 2), and to formulate international financial strategies and envision their outcomes (Outcome 3).
Subject Learning Outcomes	<p>Upon completion of this subject, students will be able to:</p> <ol style="list-style-type: none"> a. Understand the structure and characteristics of various international financial markets and instruments; b. Understand how different exchange rate systems (especially Hong Kong's currency board system) function and how they affect an economy's business environment; c. Identify the sources of risks in international transactions and understand how these risks can be managed; d. Identify and analyze the international dimensions of the debt and equity markets, and understand their implications for a company's financing decisions and investment policies.
Subject Synopsis/ Indicative Syllabus	<p>The Foreign Exchange Market</p> <p>Exchange rate defined. Spot and forward markets. Interest rate parity relationships.</p> <p>Exchange Rate Systems</p> <p>Fixed vs. Floating exchange rates. How a fixed exchange rate is maintained? Pros and cons of fixed exchange rates. How does Hong Kong's currency board work?</p> <p>Exchange Rate Determination</p> <p>Using the interest rate parity relationship. Purchasing Power Parity considerations. Current account considerations. Fundamental approach. Technical approach. Forecasting performance of professional forecasters.</p> <p>Foreign Exchange Risk Management</p> <p>The Instruments: Foreign exchange futures and options. Transaction exposure. Economic exposure. Long-term interest rate and currency risk management. The use of swaps.</p>

	<p>International Financial Markets: The Manager’s Perspective</p> <p>International capital structure and the cost of capital. International corporate governance.</p> <p>International Financial Markets: The Investor’s Perspective</p> <p>International portfolio investments. The benefits of international diversification. The effects of exchange rate movements. Home bias in portfolio holdings.</p>																																																														
<p>Teaching/Learning Methodology</p>	<p>In the first part of most classes, the instructor will provide students with a lecture on the underlying concepts and their application in practical settings. Students will be required to participate in the lectures and class discussions, to solve analytical problems and case studies, to make presentations, and to submit written reports.</p>																																																														
<p>Assessment Methods in Alignment with Intended Learning Outcomes</p>	<table border="1" data-bbox="486 761 1476 1433"> <thead> <tr> <th rowspan="2">Specific assessment methods/tasks</th> <th rowspan="2">% weighting</th> <th colspan="6">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> </tr> <tr> <th>a</th> <th>b</th> <th>c</th> <th>d</th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Midterm Exam</td> <td>20%</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2. Group Presentation*</td> <td>7%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>3. Individual Written Report*</td> <td>13%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>4. Class Participation</td> <td>5%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>5. Final Exam</td> <td>55%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>100 %</td> <td colspan="6"></td> </tr> </tbody> </table> <p>*Different presentations/reports may address different outcomes.</p> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Students will be required to solve problems that test their understanding of how exchange rates are determined, the relationship between exchange rates and interest rates, the characteristics of international financial instruments, the impact of different exchange rate systems on the business and economic environment, and of what the sources of risks are in international financial transactions.</p> <p>There will also be cases and problems that test if students can make use of financial instruments and/or operational hedges to manage risks in international financial transactions, and understand the implications of the international nature of the debt and equity markets for corporate financial decisions.</p>	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	b	c	d			1. Midterm Exam	20%	✓	✓					2. Group Presentation*	7%	✓	✓	✓	✓			3. Individual Written Report*	13%	✓	✓	✓	✓			4. Class Participation	5%	✓	✓	✓	✓			5. Final Exam	55%	✓	✓	✓	✓			Total	100 %						
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	<p>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</p>	
<p>Student Study Effort Required</p>	Class contact:	
	<ul style="list-style-type: none"> ▪ Lectures / Seminars 	39 Hrs.
	Other student study effort:	
	<ul style="list-style-type: none"> ▪ Problems / Cases 	24 Hrs.
	<ul style="list-style-type: none"> ▪ Midterm & Final Examinations 	35 Hrs.
	<ul style="list-style-type: none"> ▪ Preparation for presentation and written report 	25 Hrs.
	Total student study effort	123 Hrs.
<p>Reading List and References</p>	<p><u>Textbook</u> Eun, C.S., B.G. Resnick, and S. Sabherwal, <i>International Finance: Global Edition</i>, 6th Edition, McGraw Hill, 2012.</p> <p><u>Supplementary Readings</u> Shapiro, A.C., <i>Multinational Financial Management</i>, 8th Edition, Wiley, 2006.</p> <p>Eiteman, D.K. A.I. Stonehill and M.H. Moffet, <i>Multinational Business Finance</i>, 11th Edition, Addison Wesley, 2007.</p> <p>Bodie, Z., A. Kane, and A.J. Marcus, <i>Essentials of Investments</i>, 6th Edition, McGraw-Hill, 2007.</p>	

Subject Code	AF5322
Subject Title	Corporate Risk Management
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	Pre-requisite: Investments (AF5344) Exclusion: Risk Management for Corporations (AF5333) Business Risk Management (AF5336)
Role and Purposes	This course is to prepare students to establish the body of knowledge necessary for independent risk management analysis and decision-making. It builds on basic finance concepts and gives the students an understanding on how a business can identify, measure and control its risks. It contributes to the achievement of the MCF/MoF programme outcomes by enabling students to identify, explain and solve real life risk management problems of non-financial and financial institutions (Outcome 2).
Subject Learning Outcomes	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> a. Understand the basic principles of risk management and the role of risk management in business firms b. Identify and analyze underlying factors that lead to good/poor risk management of a business c. Use relevant tools to identify, measure and control risk exposure related to operation, financing and investment in a global market d. Apply Value-at-Risk (VAR) methodology to assess various types of risk for a business
Subject Synopsis/ Indicative Syllabus	<p>Basic Concepts of Risk and Risk Management Definitions of risk and risk management. Risk concepts and processes.</p> <p>Risk Identification, Measurement and Control Classification of risk. Basic tools. Value-at-Risk (VAR). Stress testing.</p> <p>Liquidity Risk Asset liquidity risk. Funding liquidity risk. Liquidity-adjusted VAR.</p> <p>Credit Risk Credit exposure. Default risk. Pricing credit risk.</p> <p>Operational Risk Identification, assessment and loss distributions. Data challenge.</p> <p>Integrated/Enterprise Risk Management Enterprise-wide risk management, its importance and principles.</p>

<p>Teaching/ Learning Methodology</p>	<p>Lectures and seminars will be conducted on the topics of the syllabus. Lecture time will be used flexibly for discussing key concepts and their applications with students and carrying out other learning activities with them. Such activities include group discussions and student presentations of their work (to develop students' critical thinking, analytical skills, teamwork, and communication skills). To maximize benefits, students are encouraged to share their views and experiences actively with their lecturer and classmates.</p>																																																																				
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Student Study Effort Expected	Class contact:	
	▪ Lectures / Seminars	39 Hrs.
	Other student study effort:	
	▪ Preparing for classes and reviewing course materials.	39 Hrs.
	▪ Writing individual essay	10 Hrs.
	▪ Preparing for group presentation	10 Hrs.
	▪ Preparing for mid-term test and final exam	20 Hrs.
Total student study effort	118 Hrs.	
Reading List and References	<p><u>Textbook</u></p> <p>Jorion, Philippe, <i>Value at Risk: The New Benchmark for Managing Financial Risk</i>, 3rd edition, McGraw Hill, 2007.</p> <p><u>References</u></p> <p>Hull, John C., <i>Risk Management and Financial Institutions</i>, 2nd edition, Pearson, 2010.</p> <p>Crouhy, M, D. Galai and R. Mark, <i>The Essentials of Risk Management</i>, McGraw Hill, 2006.</p> <p>Lam, James, <i>Enterprise Risk Management</i>, Wiley, 2003.</p> <p>Lleo, Sebastien. (2009) "Risk Management: A Review." <i>The Research Foundation of CFA Institute Literature Review</i> 4 (1), 1-51.</p> <p>Taleb, N., D. Goldstein and M. Spitznagel. (2009) "The Six Mistakes Executives Make in Risk Management." <i>Harvard Business Review</i> Oct, 79-81.</p> <p>Bogle, John C. (2008) "Black Monday and Black Swans." <i>Financial Analysts Journal</i> 64 (2), 30-40.</p> <p>Derman, Emanuel. (2009) "Models." <i>Financial Analysts Journal</i> 65 (1), 28-33.</p> <p>Edwards, F. R. (1999) "Hedge funds and the collapse of Long-Term Capital Management." <i>Journal of Economic Perspectives</i> 13 (2), 189-210.</p> <p>Wright, Christopher. (2007) "Tail Tales." <i>CFA Magazine</i> Mar-Apr, 36-43.</p> <p>"Special Report – The Meltdown: One Year Later." <i>Bloomberg Businessweek</i>, 10 Sep 2009.</p> <p>http://www.businessweek.com/investor/special_reports/20090910the_meltdown_one_year_later.htm</p>	

Subject Code	AF5323
Subject Title	Fixed Income Securities
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	Pre-requisite: Investments (AF5344)
Role and Purposes	This course is concerned with fixed income securities and interest rate risk management. It will introduce tools used to explore the theoretical and empirical aspects of fixed income securities and their derivatives. It contributes to the achievement of the MCF/MoF programme outcomes by enabling students to understand and explain real life issues related to fixed income securities (Outcome 2), and apply relevant concepts and tools to solve problems on fixed income investment (Outcome 2).
Subject Learning Outcomes	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> Understand and explain the issues in pricing, hedging, and arbitrage in the fixed income securities markets. Evaluate various types of fixed income products and analyze their potential risk and return. Apply theories and concepts learned and appreciate fixed income investment decisions. Understand and explain the recent developments and issues of the fixed income markets.
Subject Synopsis/ Indicative Syllabus	<p>The Basic Products Bond price arithmetic. Treasury bills, notes, bonds and strips. Organization of government bond markets. Spot rates, par rates and forward rates. Constructing zero curves.</p> <p>Risk Management Measures of price sensitivity. Simple hedging strategies using fixed income derivatives. Eurodollar futures. Bond futures. Interest rate swaps.</p> <p>Pricing Interest Rate Claims Theories of the term structure. Arbitrage free pricing.</p> <p>Corporate Securities and Credit Risk Corporate bonds and credit risk. Credit derivatives.</p> <p>Mortgages and Their Derivatives Mortgages and mortgage backed securities. Prepayment risk. <u>Securitization and credit crisis.</u></p>

	<p>Bonds with Embedded Options</p> <p>Basic pricing principles. Static spread and option-adjusted spread. Negative convexity. Effective duration and convexity.</p>																																																														
<p>Teaching/Learning Methodology</p>	<p>Lectures and seminars will be conducted on the topics of the syllabus. Lecture time will be used flexibly for discussing key concepts and their applications with students and carrying out other learning activities with them. Such activities include group discussions and student presentations of their work (to develop students' critical thinking, analytical skills, teamwork, and communication skills). To maximize benefits, students are encouraged to share their views and experiences actively with their lecturer and classmates.</p>																																																														
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	<p>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</p>	
<p>Student Study Effort Expected</p>	Class contact:	
	<ul style="list-style-type: none"> ▪ Lectures / Seminars 	39 Hrs.
	Other student study effort:	
	<ul style="list-style-type: none"> ▪ Preparing for classes and reviewing course materials. 	39 Hrs.
	<ul style="list-style-type: none"> ▪ Writing individual essay 	10 Hrs.
	<ul style="list-style-type: none"> ▪ Preparing for group presentation 	10 Hrs.
	<ul style="list-style-type: none"> ▪ Preparing for mid-term test and final exam 	20 Hrs.
	Total student study effort	118 Hrs.
<p>Reading List and References</p>	<p><u>Textbook</u> Fabozzi, F., <i>Bond Markets, Analysis, and Strategies</i>, 8th edition, Pearson, 2013.</p> <p><u>References</u> Jacobs, B. (2009) "Tumbling tower of Babel: subprime securitization and the credit crisis" <i>Financial Analysts Journal</i>, vol. 65, 1, 1-14. Altman, Edward I. (2006) "Credit Risk and the Link between Default and Recovery Rates." <i>CFA Institute Conference Proceedings Quarterly</i>, vol. 23, no. 3 (September):35-43. Taylor, Michael C. (2007) "Emerging Market Debt: Not So Emerging Anymore." <i>CFA Institute Conference Proceedings Quarterly</i>, vol. 24, no. 1 (March):55-63.</p>	

Subject Code	AF5333
Subject Title	Risk Management for Corporations
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	Pre-requisite: Investment (AF5344) Exclusion: Corporate Risk Management (AF5322) Business Risk Management (AF5336)
Role and Purpose	This subject contributes to the achievement of the MCF/MoF Programme Outcomes by: apply conceptual frameworks drawn from Accounting, Risk Management, Economics, Quantitative Method and Law to the analysis of investment and corporate finance issues (Outcome 1), solve asset management/corporate finance problems as they present themselves in real-life situations (Outcome 2), and formulate financial strategies and envision their outcomes (Outcome 3). In addition, the student will also learn risk identification, risk measurement, and risk control, and to apply their <u>understanding of</u> crisis management and financial risk management decisions.
Intended Learning Outcomes	Upon completion of the subject, students will be able to: <i>a) understand the principles risk management in relation to Economics, corporate Finance, investment, and corporate governance</i> <i>b) conduct risk assessment for corporate projects</i> <i>c) understand the risk of structured products</i> <i>d) exercise risk control for projects and firms</i> <i>e) apply structured products to manage financial risk</i> <i>f) understand crisis management</i>
Subject Synopsis/ Indicative Syllabus	Introduction Contemporary Risk Management Basic Concepts of Risk Management Risk Identification Risk Measurement Risk Control Applications of Risk Management Conclusion
Teaching/Learning Methodology	Lectures will be used to explain the concepts. Numerical examples and real life cases will be used to enhance the understanding of the academic knowledge. In addition, the students are divided into groups for discussions of applications and cases. Individual assignment and group research projects are required. At the end of the semester, presentations are required

	as part of the research project so that students' communication skills are evaluated.							
Assessment Methods in Alignment with Intended Learning Outcomes	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)					
			a	b	c	d	e	f
	1. Individual Essay	10%						✓
	2. Group Project	30%					✓	
	3. Exam	50%	✓	✓	✓	✓	✓	✓
	4. Participation	10%						
	Total	100 %						
Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:								
<u>Assignment</u>								
This is an individual assignment. The final report is worth a maximum of 10% of the final grade. Students are required to follow the lecture notes in Crisis Management and write a report concerning a real-life crisis happened in a) Hong Kong, b) a company, or c) an overseas institution related to the financial services industry. Exceptional cases may be approved at the discretion of the instructor.								
<u>Research Project</u>								
This research is a group project. Each group should consist of 5 members. The group is required to give a presentation. The final report is expected about 1-week before the presentation and is worth a maximum of 30% of the final grade.								
Students will be required to construct basic financial statements from information provided, and to report on the worth of companies as revealed in their published accounting information. They will also be required to evaluate the extent to which the information conveyed by accounting data truly represents a company's underlying financial strength. The assessment tasks, including an individual written assignment and a group project, will require them to demonstrate the application of Risk Management concepts (Outcome 1).								
The ability to demonstrate <u>critical thinking</u> (Outcome 2) will be assessed using rubrics developed for the purpose.								
Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.								

Student Study Effort Expected	Class contact:	
	▪ Lecture	39 Hrs.
	Other student study effort:	
	▪ Self-study	78 Hrs.
	Total student study effort	117 Hrs.
Reading List and References	<p>Williams, Smith & Young, <i>Risk Management and Insurance</i>, 8th ed., Irwin McGraw-Hill 1998</p> <p>鄭子云, 司徒永富著, 企業風險管理, 商務印書館(香港)有限公司 2001</p> <p>Jorinon, Philippe, <i>Value at Risk: the new benchmark for controlling market risk</i>, Irwin Professional Pub 1997</p> <p>Harrington Niehaus, <i>Risk Management & Insurance</i>, 2nd ed., Irwin McGraw-Hill 2004</p> <p>Smithson & Smith with Wilford, <i>Managing Financial Risk-A Guide To Derivative Products, Financial Engineering and Value Maximization</i>, Irwin 1995</p> <p>Skipper, Harold D., <i>International Risk and Insurance: An Environmental - Managerial Approach</i>, Irwin/McGraw-Hill 1998</p> <p>Fink, Steven, <i>Crisis Management, Planning for the Inevitable</i>, American Management Association, 1986.</p> <p>Coombs, Timothy, <i>Ongoing Crisis Communication</i>, SAGE Publications, 1995.</p>	

Subject Code	AF5336
Subject Title	Business Risk Management
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	Exclusion: Corporate Risk Management (AF5322) Risk Management for Corporations (AF5333)
Role and Purposes	<p>This subject contributes to the achievement of the MCF/MoF Programme Outcomes by: apply conceptual frameworks drawn from Accounting, Risk Management, Economics, Quantitative Method and Law to the analysis of investment and corporate finance issues (Outcome 1), solve asset management/corporate finance problems as they present themselves in real-life situations (Outcome 2), and formulate financial strategies and envision their outcomes (Outcome 3).</p> <p>In this subject, students would be given opportunities to <u>interpret the ethical implications</u> of relevant corporate governance issues, and also to <u>evaluate the financial risk management functions</u> of a firm, such as management of the risks when planning and implementing the related company policies. This aims to prepare the students to establish the body of knowledge necessary for independent risk management analysis and decision-making.</p>
Subject Learning Outcomes	<p>On successfully completing this subject, students will be able to:</p> <p>(a) <u>identify the role of risk management in business firms;</u></p> <p>(b) <u>apply a variety of tools to identify, measure and control a firm's risk exposure related to its operation, financing and investment in a global market environment;</u> and</p> <p>(c) <u>identify and evaluate issues related to the financial risk management functions of a firm.</u></p>
Subject Synopsis/ Indicative Syllabus	<p>Basic Concepts of Risk Management Concept of risk. Classifications of Risk. Meaning of risk management. Objectives of risk management. Evolution of risk management. Utility Theory and Risk management decisions.</p> <p>Risk Management Process Steps in the risk management process. Identification of loss exposures. Risk measurement. Value at risk (VaR). Risk control tools.</p> <p>Financial Risk Management Understanding of derivatives. Identifying, measuring and monitoring market risk. Applications of VaR. Credit exposure of different financial instruments. Credit derivatives. Identifying, measuring and monitoring operational risk.</p>

<p>Teaching/Learning Methodology</p>	<p>Lectures will be used to provide theoretical concepts and approaches of the subject. Seminars will be used for case studies, presentation and discussion. Students are required to discuss real-world cases in seminars. They are expected to apply subject knowledge to the discussion of the current corporate risk management issues faced by a corporate administrator in their working environment. Ethical issue will also be discussed since the manager's unethical behavior will increase the risk for the company. Students are expected to actively participate in the seminars and to share their experience and learn from each other.</p>																																																														
<p>Assessment Methods in Alignment with Subject Learning Outcomes</p>	<p>Assessment components include written assignments, discussion, participation and presentation of issues related to risk management and subject final examination set with risk management problems. These assessment components require students to demonstrate their ability <u>to identify and evaluate various issues in financial risk management including but not limited to ethical issues</u>, which is important particularly because manager's unethical behavior will increase the risk for the company (Programme Outcomes 1 and 2).</p> <p>Students are expected <u>to apply subject knowledge to the discussion of the current corporate risk management issues faced by a corporate administrator</u> in their working environment (Programme Outcome 2). Their application of such knowledge will be assessed in their presentation and class discussion.</p> <table border="1" data-bbox="488 1057 1449 1664"> <thead> <tr> <th rowspan="2">Specific assessment methods/tasks</th> <th rowspan="2">% weighting</th> <th colspan="6">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> </tr> <tr> <th>a</th> <th>b</th> <th>c</th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>Mid-term Test</td> <td>10%</td> <td>✓</td> <td></td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Individual Essay</td> <td>15%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Project Presentation</td> <td>15%</td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Participation</td> <td>10%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Final Examination</td> <td>50%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>100%</td> <td colspan="6"></td> </tr> </tbody> </table> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Mid-term Test – questions about the role of risk management in business firms and the tools about risk identification and evaluation will be tested.</p> <p>Individual Essay – students are required to write an essay on a risk management issue in a corporate environment.</p> <p>Project Presentation – students present a study of how a business firm identifies, measures and controls its different types of risk.</p> <p>Participation – students are required to discuss concepts, issues, problems</p>	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	b	c				Mid-term Test	10%	✓		✓				Individual Essay	15%	✓	✓	✓				Project Presentation	15%		✓	✓				Participation	10%	✓	✓	✓				Final Examination	50%	✓	✓	✓				Total	100%						
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	<p>and cases in business risk management.</p> <p>Final Examination – 3-hour examination with questions, problems and cases that students are required to apply concepts/principles to analyze how firms can identify, measure and control their risks.</p> <p>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</p>	
<p>Student Study Effort Required</p>	<p>Class contact:</p>	
	<ul style="list-style-type: none"> ▪ 13 weeks of 3 hours seminar each 	<p>39 Hrs.</p>
	<p>Other student study effort:</p>	
	<ul style="list-style-type: none"> ▪ Depends on their backgrounds, on average students are expected to spend around 2 more hours for each contact hour for reading subject materials and preparing/doing coursework assignments. 	<p>78 Hrs.</p>
<p>Reading List and References</p>	<p>Jorion, P., <i>Value at risk: the new benchmark for managing financial risk</i>, latest edition, McGraw-Hill.</p> <p>Field, Peter, <i>Modern Risk Management: A History</i>, Risk Books, 2003.</p> <p>Chance, D., <i>An Introduction to Derivatives and Risk Management</i>, latest edition, South-Western.</p> <p>Culp, Christopher L., <i>The Risk Management Process: Business Strategy and Tactics</i>, latest edition, John Wiley & Sons.</p> <p>Fink, Steven, <i>Crisis Management, Planning for the Inevitable</i>, American Management Association, 1986.</p> <p>Vaughan, Emmett J., <i>Risk Management</i>, the latest edition, John Wiley & Sons.</p> <p>Jorion, P., <i>Financial Risk Manager Handbook</i>, latest edition, Wiley.</p> <p>Saunders, A. and L. Allen, <i>Credit Risk Measurement: New Approaches to Value at Risk and Other Paradigms</i>, latest edition, Wiley.</p> <p>Lam, James, <i>Enterprise Risk Management</i>, Wiley, 2003.</p> <p>Crouhy, M, D. Galai and R. Mark, <i>The Essentials of Risk Management</i>, McGraw Hill, 2006.</p>	

Subject Code	AF5347
Subject Title	Financial Analysis and Valuation
Credit Value	3
Level	5
Pre-requisite / Co-requisite/ Exclusion	Accounting for Business Analysis (AF5115) <i>AND</i> Principles of Corporate Finance (AF5312)
Role and Purposes	This subject builds on students' understanding of key accounting concepts and techniques for extracting and utilizing information from financial reports. The course contents cover various principles, issues and techniques relating to business valuation in a comprehensive and focused manner. This course helps achieve the MCF/MoF Outcomes by enabling students to identify and explain financial analysis and valuation issues (Outcome 2), and allowing them to apply the tools to analyse and value other real cases (Outcome 3).
Subject Learning Outcomes	Upon completion of the subject, students will be able to: (a) evaluate financial statements and project financial performance using an industry and country specific framework; (b) comprehend the key principles and specific techniques for assessing values of businesses; and (c) give buy/sell recommendation of individual stock based on the detail analysis of the company fundamental and valuation.
Subject Synopsis/ Indicative Syllabus	<p>Business Strategy Analysis Assessment of the profit potential of a firm at a qualitative level; the role of macroeconomic analysis; framework of industry and competitive analysis.</p> <p>Accounting Analysis Importance and limitations of the balance sheet, the income statement and the statement of cash flow; effectiveness of accounting practice in capturing the true underlying economic conditions; identification of accounting flexibility; appropriateness of a firm's accounting policies and estimates.</p> <p>Financial Analysis Evaluation of a firm's performance in the context of its stated goals and strategy; applications and limitations of frequently used tools such as ratio analysis, cash flow analysis, and common-base as well as common-size financial statements.</p> <p>Valuation Principles, Techniques and Practice The balance sheet model of a firm; the meaning of value; from historical analysis to financial projections; forecast of business operations, financing needs and investment plans; common techniques (e.g. DCF, capitalization of dividends, asset-based valuation, WACC, CAPM) in valuing business and debt as well as equity securities; other non-cash flow approaches in valuation.</p>

<p>Teaching/Learning Methodology</p>	<p>Course material will be introduced via a combination of presentations (by both lectures and course participants), class discussions, class exercises and case studies.</p> <p>Active participation in discussion is the key to learning in this subject. Students are expected to participate in discussion and contribute their views on various issues related to the topics under review.</p>																																																						
<p>Assessment Methods in Alignment with Intended Learning Outcomes</p>	<table border="1" data-bbox="488 488 1473 1025"> <thead> <tr> <th rowspan="2">Specific assessment methods/tasks</th> <th rowspan="2">% weighting</th> <th colspan="6">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> </tr> <tr> <th>a</th> <th>b</th> <th>c</th> <th></th> <th></th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Individual research report and presentation</td> <td>45%</td> <td></td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>2. Class Participation</td> <td>5%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>3. Final Examination</td> <td>50%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>100 %</td> <td colspan="6"></td> </tr> </tbody> </table> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</p>							Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	b	c				1. Individual research report and presentation	45%		✓	✓				2. Class Participation	5%	✓	✓	✓				3. Final Examination	50%	✓	✓	✓				Total	100 %								
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<p>Reading List and References</p>	<p><i>The textbook for this course is:</i></p> <p>Damodaran, A., <i>Investment Valuation</i>, John Wiley & Sons, 3rd Edition 2012 University Edition</p>																																																						

	<p><i>Also Recommended:</i></p> <p>Gerald I. White, Ashwinpaul C. Sondhi and Dov Fried, <i>The Analysis and Use of Financial Statements</i>, John Wiley & Sons, 2003 International Edition</p> <p>Thomas R. Robinson, CFA, Hennie van Greuning, Elaine Henry, Michael A Broihahn, <i>International Financial Statement Analysis</i>, John Wiley & Sons, 2008 Edition</p> <p>Piotroski, J. D, So E,(2012) Identifying Expectation Errors in Value/Glamour Strategies: A Fundamental Analysis Approach. <i>The Review of Financial Studies</i>, 25, 9, pp.2841-2875.</p> <p>Piotroski, J. D.,(2000) Value investing: The use of historical financial statement information to separate winners from losers. <i>Journal of Accounting Research</i>, 38, 1, pp.1-41.</p> <p>Value and Growth Investing: review and update, <i>Louis K C Chan, Josef Lakonishok. Financial Analysts Journal</i>. Charlottesville: Jan/Feb 2004. Vol. 60, Iss. 1; p. 71</p>
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Subject Code	AF5351
Subject Title	Derivatives Securities
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	Pre-requisite: Investments (AF5344)
Role and Purposes	This subject contributes to the achievement of the Master of Finance Programme Outcomes by enabling students to solve asset management/corporate finance problems as they present themselves in real-life situations (Outcome 2).
Subject Learning Outcomes	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> have an in-depth understanding of the derivative assets such as options, futures, and forwards; price and formulate different trading strategies of derivatives traded in the financial market; use derivative assets in hedging and trading from the perspectives of a corporate treasurer or trader; and construct and price complex derivative financial instruments.
Subject Synopsis/ Indicative Syllabus	<p>Derivative Assets and Markets Characteristics of forward, futures, options and swaps; market structures and conventions.</p> <p>Pricing and Trading Strategies of Futures Properties of forward and futures prices; forward and futures pricing model; futures trading strategies.</p> <p>Pricing and Trading Strategies of Options The Binomial model; the Black-Scholes Model: assumptions, adjustments and applications; option trading strategies including spreads, straddles, straps and strips.</p> <p>Hedging and Trading Strategies for Options and Futures Hedging concepts; types of hedges; determination of hedge ratios.</p>
Teaching/Learning Methodology	Most of the material will be covered in a lecture format but class participation is strongly recommended for students to obtain the most out of this course.

Assessment Methods in Alignment with Intended Learning Outcomes

To assess whether the students achieved the learning outcomes of this subject, the focus of mid-term examination will be on the use and the principle of pricing of forward and futures. Students are also required to do a group project to demonstrate their in-depth understanding of various derivative instruments. The final examination will have an emphasis on the pricing and formulation of the trading strategies of derivative instruments and the usage of derivative securities in the hedging and trading from a corporate treasurer or trader's perspective.

Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)					
		a	b	c	d		
1. Mid-term Test	20%	✓	✓	✓			
2. Individual Essay	15%	✓					
3. Group Project	10%	✓	✓	✓	✓		
4. Participation	5%	✓	✓	✓	✓		
5. Final Examination	50%	✓	✓	✓	✓		
Total	100 %						

Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:

Mid-term Test – 1 hour 30 minutes closed book examination with compulsory questions covering the intended learning outcome.

Individual Essay – Each student is required to submit two individual essays. The objective is to test students' abilities to apply subject knowledge to a practical situation.

Group Project – Students are required to apply techniques to process and analyze information from financial statements of a listed company as part of the decision making in certain business context such as credit analysis and equity analysis.

Final Exam – 3 hours closed book examination with compulsory questions covering the intended learning outcome.

Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.

Student Study Effort Expected	Class contact:	
	▪ Seminars	39 Hrs.
	Other student study effort:	
	▪ On average, students are expected to spend around 8 hours (for seven week block mode) for reading materials/ textbook and to answer questions and solve numerical problems a weekly basis.	56 Hrs.
	▪ Group project discussions and preparation	22 Hrs.
	Total student study effort	117 Hrs.
Reading List and References	<p><u>Indicative Reading</u></p> <p>Chance, D., & Brooks, R., <i>An Introduction to Derivatives and Risk Management</i>, 9th edition, Cengage, 2013.</p> <p>Hull, J., <i>Fundamentals of Futures, Options Markets</i>, 8th edition, Pearson, 2014.</p> <p>Black, F., & Scholes, M. (1973) "The pricing of options and corporate liabilities", <i>Journal of Political Economy</i> 3, 637-654.</p> <p>Merton, R. C. (1973) "The theory of rational option pricing", <i>Bell Journal of Economics and Management Sciences</i> 4, 141-183.</p> <p>Cox, J. C., Ross, S. A., & Rubenstein, M. (1979) "Option pricing: A simplified approach", <i>Journal of Financial Economics</i> 7, 229-263.</p> <p>Statman, M. (2009) "Regulating financial markets: Protecting us from ourselves and others", <i>Financial Analysts Journal</i>, vol. 65, 3, 1-10.</p>	

Subject Code	AF5353
Subject Title	Security Analysis and Portfolio Management
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	Pre-requisite: Investments (AF5344) Have good knowledge of using basic functions and commands in EXCEL
Role and Purposes	There are two major emphases in this course. The first part of the course focuses on portfolio analysis and the second part of the course focuses on investment management process. This subject helps achieve the MoF Outcomes by enabling students to apply theories and professional knowledge to conduct portfolio analysis with real investment problems and solve portfolio management issues (Outcome 2), and to critically examine the internal and external situations relate to investment problems (Outcome 3).
Subject Learning Outcomes	Upon successful completion of this course, students should be able to: <ul style="list-style-type: none"> a. Apply single-factor and multifactor models to construct real equity portfolios b. Give recommendation of investment plans based on investors' circumstance including policy statement, asset allocation strategy, mutual fund selection, and the fund of funds portfolio construction c. Evaluate the performance of equity funds with up-to-date performance measures d. Assess the impacts of behavioral finance and alternative investment on the portfolio management process
Subject Synopsis/ Indicative Syllabus	<p>The Mean-Variance Analysis and Portfolio Optimization in Practice The issues in the use of the mean-variance optimization in practice and possible solutions for them</p> <p>Asset Pricing Models and Factor Models The single-factor model and multi-factor models; the correlation structures of security returns under asset pricing models; and the applications of asset pricing models in equity portfolio construction</p> <p>Investment Management Process Policy statement, asset allocation strategy, portfolio construction and implementation, and international issues</p> <p>Return-Based Style Analysis and Fund of Funds Portfolio Construction Implementing asset allocation strategies by using mutual funds, a fund of funds portfolios</p>

	<p>Equity Portfolio Management Strategies Asset allocation strategies; active, passive and semi-active portfolio management strategies</p>																																																						
	<p>Portfolio Performance Evaluation and Risk Measure Holding-based portfolio performance measures; and an introduction of downside risk measures and the Value-at-Risk measure</p> <p>Alternative Investment and Structured Securities An introduction of alternative investments, hedge fund strategies and pricing structured securities</p> <p>Behavioral Finance The impact of heuristic-driven biases on investment decision making including representativeness, overconfidence, anchoring-and-adjustment, and aversion to ambiguity</p> <p>Technical Analysis Underlying assumptions; and trading rules and indicators</p>																																																						
<p>Teaching/Learning Methodology</p>	<p>Key concepts and techniques will be introduced through lectures. The course places a lot of emphasis on project work. Students will be required to deliver a project which emphasizes on real-world investment issues. By completing the project, students should have hands-on experience in using the knowledge they have learned in class to solve investment problems in practice. Students are encouraged to share their views and experiences actively with their lectures and classmates.</p>																																																						
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Student Study Effort Expected	Class contact:	
	▪ Lectures / Seminars	39 Hrs.
	Other student study effort:	
	▪ Reading materials/ textbook questions	39 Hrs.
	▪ On average around 16 hours will be spent on the individual critique and around 20 hours for the group project discussion, presentation and written report	36 Hrs.
	Total student study effort	114 Hrs.
Reading List and References	<p>Recommended</p> <p><i>Modern Portfolio Theory and Investment Analysis</i>, 8th edition, Edwin J. Elton, Martin J. Gruber, Stephen J. Brown, and William N. Goetzmann (John Wiley & Sons, 2011)</p> <p><i>Analysis of Investments and Management of Portfolios</i>, 10th edition, Frank K. Reilly and Keith C. Brown (South-Western, 2012)</p> <p>Reference</p> <p>Bodie/Kane/Marcus, <i>Investment</i>, 8th edition, McGraw Hill, 2009</p> <p>Richard C. Grinold and Ronald N. Kahn, "Active Portfolio Management: A Quantitative Approach for Providing Superior Returns and Controlling Risk", 2th edition</p> <p>Simon Benninga, <i>Financial Modeling</i>, Third Edition (The MIT Press)</p> <p>Ludwig B Chincarini and Daehwan Kim, "Quantitative Equity Portfolio Management: An Active Approach to Portfolio Construction and Management" McGraw Hill, 2006</p> <p>Roger G. Ibbotson, Moshe A. Milevsky, Peng Chen, and Kevin X. Zhu, "Lifetime Financial Advice: Human Capital, Asset Allocation, and Insurance." Monograph, April 2007, The Research Foundation of CFA Institute</p> <p>Peng Chen, George J. Jiang, and Kevin X. Zhu, "Fund of Funds, Portable Alpha, and Portfolio Optimization." <i>Journal of Portfolio Management</i>, Spring 2009, pp. 79-92.</p>	

Subject Code	AF5363
Subject Title	Game Theory and Business Strategy
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	None
Role and Purposes	<p>Game theory provides managers a structured and coherent approach to making better strategic decisions in an environment where conduct of competitors is often uncertain. This course uses cases to provide both the conceptual foundations of game theory and applications to business. This course applies tools from microeconomics, industrial organization, organizational economics and game-theoretic analysis to competitive decision making (<u>Outcomes 3</u>). The emphasis is on the application of these concepts to business situations and strategy formulations. It also explores the identification and analysis of archetypal strategic situations frequently occurring in game theory situations (bargaining, conflicts and negotiation.)</p>
Subject Learning Outcomes	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> Know the basic concepts of game theory, and how these concepts have been applied to business; Evaluate and apply game-theoretic analysis, both formally and intuitively, to negotiation and bargaining situations; Recognize and assess these concepts and situations in complicated negotiation settings; Understand dynamic view of strategy and able to make decisions relating to pricing, signaling, capacity expansion, commitment, reputation, and entry deterrence; Feel comfortable in the process of negotiation and; Make vocational choices with various job industries
Subject Synopsis/ Indicative Syllabus	<ol style="list-style-type: none"> An overview of Game Theory The Payoff Matrix The relevance of Prisoner's Dilemma and Nash Equilibrium Sequential Move Games and its relevance Mixed Strategy Theoretic Bargaining and Practical Approach The art of Auction Incentive schemes, Screening, Signaling

<p>Teaching/Learning Methodology</p>	<p>The course is heavily based on class participations, case discussions and knowledge sharing from industry experts. These guest speakers include, but not limited to, CEO of major financial institutions, strategists of global corporations, senior management of Asia-Pacific local players, and consultants of major firms. Students will no doubt gain “insider” and “first” experience and discussions from these guest speakers.</p> <p>Most class sessions will consist of both “hands-on” experiences in structured strategic situations as well as lectures about the theory underlying these situations. Discussion relating experiences in structured setting to both theory and practice are an essential aspect of the course.</p>																																																													
<p>Assessment Methods in Alignment with Intended Learning Outcomes</p>	<table border="1" data-bbox="486 622 1465 1529"> <thead> <tr> <th rowspan="2">Specific assessment methods/tasks</th> <th rowspan="2">% weighting</th> <th colspan="6">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> </tr> <tr> <th>a</th> <th>b</th> <th>c</th> <th>d</th> <th>e</th> <th>f</th> </tr> </thead> <tbody> <tr> <td>1. Class Activity /Participation</td> <td>15%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>2. Group Case-study Mid-term</td> <td>25% (Group Effort (10%) Mid-term Presentation (15%))</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>3. Final presentation</td> <td>20%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>4. Final examination (in class)</td> <td>40%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> </tr> <tr> <td>Total</td> <td>100 %</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.</p>								Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	b	c	d	e	f	1. Class Activity /Participation	15%	✓	✓	✓	✓	✓	✓	2. Group Case-study Mid-term	25% (Group Effort (10%) Mid-term Presentation (15%))	✓	✓	✓	✓	✓	✓	3. Final presentation	20%	✓	✓	✓	✓	✓	✓	4. Final examination (in class)	40%	✓	✓	✓	✓	✓	✓	Total	100 %						
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4. Final examination (in class)	40%	✓	✓	✓	✓	✓	✓																																																							
Total	100 %																																																													

Student Study Effort Expected	Class contact:	
	▪ Lectures / Seminars	39 Hrs.
	Other student study effort:	
	▪ Reading materials/ textbook, preparing discussion questions.	32 Hrs.
	▪ On average around 6 hours will be spent on the individual case study and around 20 hours for the group project discussion, presentation and written report.	26 Hrs.
	▪ Preparing for the final examination	20 Hrs.
	Total student study effort	117 Hrs.
Reading List and References	<p>Recommend:</p> <ol style="list-style-type: none"> 1. The Art of Strategy: A Game Theorist's Guide to success in business and life, WW Norton 2008, (Avinash K. Dixit and Barry J. Nalebuff), ISBN 978-0-393-06243-4 2. The Blue Ocean Strategy: How to create uncontested market space and make competition irrelevant, Harvard Business School Publishing Corporation 2005, (W. Chan Kim and Renee Mauborgne), ISBN 1-59139-619-0 3. Switch: How to change things when change is hard, by Chip Heath, Dan Heath, Broadway Books (division of Random House) 2010, ISBN 978-0-385-52875-7 4. The Lords of Strategy, Harvard Business School Publishing 2010, Walter Kiechel III, ISBN 978-1-59139-782-3 5. Drive: The surprising truth about what motivates us, by Daniel H. Pink, Riverhead (hardcover) 1st edition, ISBN 978-1594488849 6. Blink: The power of thinking without thinking, by Malcolm Gladwell, Little, Brown and Company (Jan 2005), ISBN 978-0316172325 <p>Optional:</p> <ol style="list-style-type: none"> 7. Game Theory: A Critical Introduction, Routledge 2004, (Shaun Hargreaves-Heap and Yanis Varoufakis), ISBN 0-415-25094-3 8. Good to Great: Why some companies make the leap...and others Don't, HarperCollins Publishers 2001, (Jim Collins), ISBN 0-06-662099-6 9. Onward, by Howard Schultz, Rodale Inc 2011, ISBN 978-1-60529-288-5 10. How to win friends and influence people, by Dale Carnegie, Simon & Schuster (Hardcover November 2009), ISBN 978-1-4391-6734-2 	

Subject Code	AF5368
Subject Title	Investment Banking and Credit Rating
Credit Value	3
Level	5
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	Pre-requisite: Principles of Corporate Finance (AF5312) <i>AND</i> Investments (AF5344)
Role and Purposes	<p>Investment banks and credit rating agencies play a very important role in the global financial markets:</p> <ul style="list-style-type: none"> • The increasing publicity associated with the investment banking industry, and the vast career opportunities offered by various department of investment banks, call for a need to more thoroughly understand what investment banks do and the functions they perform in the financial markets. • Credit rating facilitates the issuers in debt raising, and assists investors and regulators on assessing the credit risks of various financial instruments. The continually revolving credit market and the more complex financial products call for a need to more thoroughly understand what credit rating can/cannot do and the key rating methodologies. <p>The course aims to provide students a practical perspective of how investment banking and credit rating work, so that they can better understand these two industries (and the skill sets involved) and be better prepared for their career in investment banking and credit rating upon graduation.</p> <p>This course contributes to the achievement of the Master of Finance (Investment Management) by enabling students to apply conceptual frameworks drawn from Accounting, Risk Management, Economics, Quantitative Method and Law to the analysis of investment and corporate finance issues (Outcome 1), solve asset management/corporate finance problems as they present themselves in real-life situations (Outcome 2), and formulate financial strategies and envision their outcomes (Outcome 3).</p>
Subject Learning Outcomes	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> a. Understand and explain the role of investment banks and how they operate; b. Understand and explain how various front office business lines of an investment bank work; c. Understand and explain the role of credit rating agencies and various key credit rating terminologies; d. Apply practical methodologies in the rating analysis of corporates, FI and structured finance products.

<p>Subject Synopsis/ Indicative Syllabus</p>	<p>Overview of Investment Banking Industry Investment banks' role and function; Key investment banking players: business lines, industry segregation; Organizational structure of investment banks.</p> <p>Corporate Finance: Capital Markets and Advisory The Basics; Role of coverage, industry and execution bankers; Origination, execution and syndication.</p> <p>Sales and Trading and Research The Basics of equity and fixed Income; Role of traders, salespersons and research analysts; Product specialization (e.g. derivatives, securitization, prime brokerage etc.); Sourcing and executing trades.</p> <p>Other Specialized Areas Private Equity; Real Estate Investment (Equity & Debt); Asset Management; Private Banking.</p> <p>Credit rating introduction Background to rating agencies; Overview of rating scales & definitions; Investment grade vs. non-investment grade; National vs. international rating; Default probabilities & recovery ratings; Limitations of credit rating.</p> <p>Corporate and Financial Institution Rating Key rating terminologies; Credit rating process; Quantitative vs. qualitative consideration; Sovereign/country risk; Corporate/FI default & transition studies.</p> <p>Structured Finance Rating Key securitisation terminologies; SF credit rating process; SF credit modeling; SF Legal documentation; SF default & transition studies.</p> <p>Credit Rating Industry & Regulatory Oversight Credit rating agency organization structure; Key credit rating agencies: global and Asia; Regulatory framework for rating agencies.</p>
<p>Teaching/Learning Methodology</p>	<p>The theoretical aspects of this course will be covered in the class through lectures. This allows direct contact and discussion between the lecturer and students. Assignments, magazine and newspaper articles, and case studies will be used to illustrate the application of the theories, and to encourage independent learning skills.</p>

Assessment Methods in Alignment with Intended Learning Outcomes	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)				
			a	b	c	d	
	Class discussion	15 %	✓	✓	✓	✓	
	Written assignment/test	35 %	✓	✓	✓	✓	
	Final Examination	50 %	✓	✓	✓	✓	
Total	100 %						
Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes: Class discussions, presentations and written assignment/test enable students to identify real life investment banking and credit rating issues and explain the related observations or phenomena, apply up-to-date professional knowledge acquired in the course to solve similar banking or credit problems in real case situations, and analyse systematically and theoretically the underlying factors and reasons that lead to new investment banking and credit rating problems they may not have encountered before, and to critically examine how the existing internal and external situations relate to such problems. Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components. In addition, the specific requirements on individual assessment components discussed above could be adjusted based on the pedagogical needs of subject lecturers.							
Student Study Effort Expected	Class contact:						
	<ul style="list-style-type: none"> ▪ Lectures / Seminars 						39 Hrs.
	Other student study effort:						
	<ul style="list-style-type: none"> ▪ Review of course materials 						40 Hrs.
	<ul style="list-style-type: none"> ▪ Working on assignments 						20 Hrs.
	Total student study effort						99 Hrs.
Reading List and References	Recommended Textbooks: <ul style="list-style-type: none"> • Michel Fleuriet, Investment Banking Explained - an Insider's Guide to the Industry, McGraw-Hill, 2008 • Herwig M. Langohr and Patricia T. Langohr, The Rating Agencies and Their Credit Ratings: What They Are, How They Work, and Why They are Relevant, Wiley, 2008 						

	<p>References:</p> <ul style="list-style-type: none">• Magazines: Asiamoney, Euromoney, Finance Asia, Institutional Investors• Newspaper: Asian Wall Street Journal, Financial Times <p>Credit rating reports: To be provided</p>
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Subject Code	AF5372
Subject Title	Real Estate Economics and Finance
Credit Value	3
Level	5
Pre-requisite / Co-requisite/ Exclusion	Pre-requisite: Principles of Corporate Finance (AF5312)
Objectives	This course is concerned with real estate economics and finance, and will introduce tools used to analyze and make real estate investment decisions. Upon completion of the subject, students will be able to: solve asset management/corporate finance problems related to real estate economics and finance as they present themselves in real-life situations (Outcome 2).
Intended Learning Outcomes	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> a. Understand real estate markets, real estate economics and real estate as investment asset class. b. Apply cash flow projection, the discounted cash flow (DCF) method, and WACC to make property investment decisions. c. Understand mortgages, commercial mortgage-backed securities and REITs from an investment perspective. d. Explain and apply real option valuation theory to evaluate land value and real estate projects.
Subject Synopsis/ Indicative Syllabus	<p>The Real Estate Market Real estate asset markets. The real estate economics. Introduction to real estate as investment. Direct and indirect real estate investment. Real estate market analysis.</p> <p>Real Estate Valuation and Investment Analysis Present value method and the measure of returns in real estate. Real estate valuation by DCF and cash flow projection. Use of debt in real estate investment. After-tax cash flow projection and investment analysis. WACC and real estate investment capital structure.</p> <p>Securitization Introduction to residential property, commercial property and mortgages. Fixed rate mortgages and adjustable rate mortgages. Refinancing and default decisions. Mortgage balance, yield, duration and maturity. Residential and commercial mortgage-back securities. REITs.</p> <p>Real Options Application in Real Estate Introduction to real options analysis. Real options and land value. Redevelopment value in properties.</p> <p>Real Estate Issues in Hong Kong and China Real Estate markets in Hong Kong and China. REITs and mortgage backed securities in Hong Kong and China.</p>

<p>Teaching/Learning Methodology</p>	<p>Lectures and seminars will be conducted on the topics of the syllabus. Lecture time will be used flexibly for discussing key concepts and their application and carrying out other learning activities with students. Such activities include group discussions and student presentations of their work (to develop students' critical thinking, analytical skills, teamwork, and communication skills). To maximize benefits, students are encouraged to share their views and experiences actively with their lecturer and classmates.</p>																																																																				
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	<ul style="list-style-type: none"> ▪ Mid-term & Final Exam 	20 Hrs.
	<ul style="list-style-type: none"> ▪ Group report and presentation 	20 Hrs.
	Total student study effort	118 Hrs.
Reading List and References	<p><u>Textbook (Required)</u> Geltner, D., Miller, N., Clayton, J., Eichholtz, & P., Calhoun (2010). <i>Commercial Real Estate Analysis and Investments</i>. South-Western, Cengage Learning, 3rd edition.</p> <p><u>Textbook (Complementary)</u> Fisher, J. D., & Brueggeman, W. B. (2010). <i>Real Estate Finance and Investments</i>. Irwin professional Pub, 14th edition.</p> <p><u>References</u> DiPasquale, D., & Wheaton, W. C. (1992). The Markets for Real Estate Assets and Space: a Conceptual Framework. <i>Real Estate Economics</i>, 20(2), 181-198.</p> Titman, S. (1985). Urban Land Prices under Uncertainty. <i>The American Economic Review</i> , 505-514.	

Subject Code	AF5932
Subject Title	Project
Credit Value	3
Level	5
Normal Duration	Two Semesters (From Semester 2 to Summer Term; OR From Summer Term to Semester 1)
Pre-requisite / Co-requisite/ Exclusion	None
Role and Purpose	This course allows students to integrate theory with practice through an individual assignment which requires intensive and extensive investigation to come up with a quality report with relevant findings and sound recommendations (Outcome 3). It aims to develop and measure the students' abilities to analyze and solve a complex problem (Outcome 2).
Subject Learning Outcomes	Upon completion of the project, students should be able to: <ul style="list-style-type: none"> a. identify problem areas or critical issues that are related to various functions of finance; b. design and select the appropriate research methodologies by making reference to well-established literature; c. collect and analyse relevant data, provide solutions to problems and draw appropriate conclusions; d. carry out their study in a logical, disciplined and timely manner; and e. apply appropriate presentation skills to write up a project report in a clear, concise, precise and systematic manner.
Subject Synopsis/ Indicative Syllabus	There is no formal syllabus. Students are required to carry out, under the supervision of their supervisors, a series of activities which are set out in the Project Manual.
Teaching/Learning Methodology	An introduction seminar will be given at the beginning to explain the key issues of the subject; students are then required to carry out their 3-credit projects individually in consultation with their supervisors.

Assessment Methods in Alignment with Subject Learning Outcomes	Specific assessment methods/tasks	% weighting	Subject learning outcomes to be assessed (Please tick as appropriate)				
			a	b	c	d	e
	Proposal write-up and presentation	25%	✓	✓			
	Final written report and presentation	75%	✓	✓	✓	✓	✓
Total	100 %						
<p>Explanation of the appropriateness of the assessment methods in assessing the MoF/MCF outcomes:</p> <p>Final project proposal enable students to identify the problem area or critical issues and design and select the appropriate research methodologies. Final project report allows students to conduct their study and come up with sound recommendations.</p> <p>Note: The minimum passing grade of this subject is D.</p>							
Student Study Effort Required	Class contact:						
	▪ Discussion with project supervisor		6 Hrs.				
	Other student study effort:						
	▪ Self-study		36 Hrs.				
	Total student study effort		42 Hrs.				
Reading List and References	(Specific to the project topic)						

Subject Code	AF5933
Subject Title	Project
Credit Value	6
Level	5
Normal Duration	Two Semesters (From Semester 2 to Summer Term; OR From Summer Term to Semester 1)
Pre-requisite / Co-requisite/ Exclusion	None
Role and Purpose	This course allows students to integrate theory with practice through an individual or a group assignment which requires in-depth investigation to come up with a high quality report with relevant findings and sound recommendations (Outcome 3). It aims to develop and measure the students' abilities to analyze and solve a complex problem by envisioning the possible outcomes and evaluating the performance (Outcome 2).
Subject Learning Outcomes	Upon completion of the project, students should be able to: <ul style="list-style-type: none"> a. identify problem areas or critical issues that are related to various functions of finance; b. design and select the appropriate research methodologies by making reference to well-established literature; c. collect and analyse relevant data, provide solutions to problems and draw appropriate conclusions; d. carry out their study in a logical, disciplined and timely manner; and e. apply appropriate presentation skills to write up a project report in a clear, concise, precise and systematic manner.
Subject Synopsis/ Indicative Syllabus	There is no formal syllabus. Students are required to carry out, under the supervision of their supervisors, a series of activities which are set out in the Project Manual.
Teaching/Learning Methodology	An introduction seminar will be given at the beginning to explain the key issues of the subject; students are then required to carry out their 6-credit projects in consultation with their supervisors. Either group or individual projects are allowed. The number of students of each group must not exceed 4. The quality and scope of the project must reflect both the size of the group and the credits to be obtained from this course. <i>(Prior approval from programme leader is required if student would like to do the 6-credit Project individually.)</i>

Assessment Methods in Alignment with Subject Learning Outcomes	Specific assessment methods/tasks	% weighting	Subject learning outcomes to be assessed (Please tick as appropriate)				
			a	b	c	d	e
	Proposal write-up and presentation	25%	✓	✓			
	Final written report and presentation	75%	✓	✓	✓	✓	✓
	Total	100 %					
<p>Explanation of the appropriateness of the assessment methods in assessing the MoF/MCF outcomes:</p> <p>Final project proposal enable students to identify the problem area or critical issues and design and select the appropriate research methodologies. Final project report allows students to conduct their study and come up with sound recommendations and outcome prediction.</p> <p>Note: The minimum passing grade of this subject is D.</p>							
Student Study Effort Required	Class contact:						
	▪ Discussion with project supervisor		12 Hrs.				
	Other student study effort:						
	▪ Self-study		72 Hrs.				
	Total student study effort		84 Hrs.				
Reading List and References	(Specific to the project topic)						

