



# MASTER

## MASTERING of Accounting, Finance & Professionalism

2014-2015

### Master of Finance (Investment Management) (Full-time Day-time mode)

Definitive Programme Document

Programme Code: 21050

We are among a small group of business schools  
worldwide with Triple Accreditation:



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*Version: August 2014*

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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>

### School of Accounting and Finance (AF)

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Weekdays: 8:45am – 1:00pm; 2:00pm – 5:35pm  
Saturdays: 9:00am – 12:00nn  
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 2014

# The Hong Kong Polytechnic University

## Academic Calendar 2014-15 (by Semester Week)

Month	Week	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Sem. Week	Notes
Aug 2014	--	25	26	27	28	29	30	31	--	
Sep	1	1	2	3	4	5	6	7	1	<b>Sep. 1: Sem. 1 commences (13 teaching weeks: 1 Sep - 29 Nov 2014)</b> Sep. 1 - 13: Add/Drop Period for Sem. 1
	2	8	9	10	11	12	13	14	2	Sep. 8: Mid-Autumn Festival (all evening classes suspended) / Sep. 9: The day following Mid-Autumn Festival
	3	15	16	17	18	19	20	21	3	
	4	22	23	24	25	26	27	28	4	
Oct	5	29	30	1	2	3	4	5	5	Oct. 1: The National Day / Oct. 2: Chung Yeung Festival
	6	6	7	8	9	10	11	12	6	Oct. 11: PolyU Education Info Day (all day-time and evening classes suspended)
	7	13	14	15	16	17	18	19	7	
	8	20	21	22	23	24	25	26	8	Oct. 25: Twentieth Congregation (with different conferment sessions up to Saturday, 15 November) (tentative)
Nov	9	27	28	29	30	31	1	2	9	
	10	3	4	5	6	7	8	9	10	
	11	10	11	12	13	14	15	16	11	
	12	17	18	19	20	21	22	23	12	
	13	24	25	26	27	28	29	30	13	<b>Nov. 29: Sem. 1 teaching ends</b>
Dec	14	1	2	3	4	5	6	7	Exam.	Dec. 1 - 4: Revision Days for Sem. 1 / <b>Dec. 5 - 20: Examination Period for Sem. 1</b>
	15	8	9	10	11	12	13	14	Exam.	
	16	15	16	17	18	19	20	21	Exam.	
	17	22	23	24	25	26	27	28	Exam.	Dec. 25: Christmas Day / Dec. 26: The first weekday after Christmas Day
Jan 2015	18	29	30	31	1	2	3	4	Result	Jan. 1: First Day of January
	19	5	6	7	8	9	10	11	Processing	<b>Jan. 2: All subject assessment results finalised</b> <b>Jan. 9: Finalisation of overall assessment results</b> <b>Jan. 10: Announcement of Sem. 1 overall assessment results</b> <b>Jan. 12: Sem. 2 commences (13 teaching weeks: 12 Jan - 18 Apr 2015)</b> Jan. 12 - 24: Add/Drop Period for Sem. 2
	20	12	13	14	15	16	17	18	1	
Feb	21	19	20	21	22	23	24	25	2	
	22	26	27	28	29	30	31	1	3	
	23	2	3	4	5	6	7	8	4	
	24	9	10	11	12	13	14	15	5	
Mar	25	16	17	18	19	20	21	22	Lunar New Year Break	Feb. 16 - 18: Lunar New Year Break (all day-time and evening classes suspended) / Feb. 19 - 21: Lunar New Year Holidays
	26	23	24	25	26	27	28	1	6	
	27	2	3	4	5	6	7	8	7	
	28	9	10	11	12	13	14	15	8	
	29	16	17	18	19	20	21	22	9	
Apr	30	23	24	25	26	27	28	29	10	
	31	30	31	1	2	3	4	5	11	Apr. 3 - 6: Easter Holidays
	32	6	7	8	9	10	11	12	12	Apr. 7: The second day following Ching Ming Festival
	33	13	14	15	16	17	18	19	13	<b>Apr. 18: Sem. 2 teaching ends</b>
May	34	20	21	22	23	24	25	26	Exam.	Apr. 20 - 22: Revision Days for Sem. 2 / <b>Apr. 23 - May 9: Examination Period for Sem. 2</b>
	35	27	28	29	30	1	2	3	Exam.	May 1: Labour Day
	36	4	5	6	7	8	9	10	Exam.	
	37	11	12	13	14	15	16	17	Exam. Result	<b>May 18: All subject assessment results finalised</b> May 25: The Buddha's Birthday
	38	18	19	20	21	22	23	24	Processing	<b>May 26: Finalisation of overall assessment results</b> <b>May 26: Summer Term commences (7 teaching weeks: 26 May - 13 Jul 2015)</b> May 26 - Jun. 1: Add/Drop Period for Summer Term
Jun	39	25	26	27	28	29	30	31	1	<b>May 27: Announcement of Sem. 2 overall assessment results</b>
	40	1	2	3	4	5	6	7	2	
	41	8	9	10	11	12	13	14	3	
	42	15	16	17	18	19	20	21	4	Jun. 20: Tuen Ng Festival
Jul	43	22	23	24	25	26	27	28	5	
	44	29	30	1	2	3	4	5	6	Jul. 1: The HKSAR Establishment Day
	45	6	7	8	9	10	11	12	7	
	46	13	14	15	16	17	18	19	Exam.	<b>Jul. 13: Summer Term teaching ends / Jul. 14 - 20: Examination Period for Summer Term</b>
Aug	47	20	21	22	23	24	25	26	Exam./	
	48	27	28	29	30	31	1	2	Exam. Result	<b>Jul. 28: All subject assessment results finalised</b> <b>Aug. 4: Finalisation of overall assessment results</b> <b>Aug. 5: Announcement of Summer Term overall assessment results</b>
	49	3	4	5	6	7	8	9	Processing	
	50	10	11	12	13	14	15	16	--	
	51	17	18	19	20	21	22	23	--	
	52	24	25	26	27	28	29	30	--	<b>Aug. 30: Academic Year 2014-15 ends</b>

General Holidays (tentative for 2015)  
 Dates of finalisation of examination results

March 2014

## **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<sup>®</sup>) 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>                      AF5323 Fixed Income Securities                      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                      AF5932/AF5933 Project<sup>#</sup></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.

## 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. **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**

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.

All credits transferred will be counted for satisfying the award requirements. Transferred credits may be counted for meeting the requirements of more than one award.

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.

Once you have been approved to defer your study, it is necessary for you to return your student identity card to the relevant office immediately and not later than two weeks after the approval of your application. If you do not return your student identity card by the deadline, the approval on your application will be withdrawn.

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. However, if you submit the application before the commencement of the relevant 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.

Upon expiry of the approved period of deferred study, you will be advised to settle the tuition fee and complete the subject registration procedures. If you do not receive such notification one week before the commencement of the Academic Year/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 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 examination results. However, this status will not be displayed in the transcripts 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.

## 20. AWARD CLASSIFICATIONS

The following award classifications apply to your programme:

Award Classification	GPA
Distinction	3.7 <sup>+</sup> – 4.0
Credit	3.2 <sup>+</sup> – 3.7 <sup>-</sup>
Pass	2.0 – 3.2 <sup>-</sup>

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 2014-15, the announcement dates for overall results are 10 January 2015 (Semester 1), 27 May 2015 (Semester 2) and 5 August 2015 (Summer Term).] The Head of Department shall deal with the appeal if the student is studying in a department-based programme/scheme. If the student is studying in other postgraduate schemes, the Head of Department shall refer the appeal to the Scheme Committee Chairman for Postgraduate Schemes.

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.***

***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**

<b><u>Subject Code</u></b>	<b><u>Subject Title</u></b>	<b><u>Page No.</u></b>
<b><i>Compulsory Subjects:</i></b>		
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
<b><i>Compulsory Capstone Subjects:</i></b>		
AF5355	Finance and Strategy	36
AF5362	International Financial Management	39
<b><i>Elective Subjects:</i></b>		
AF5323	Fixed Income Securities	42
AF5347	Financial Analysis and Valuation	45
AF5351	Derivatives Securities	48
AF5353	Security Analysis and Portfolio Management	51
AF5363	Game Theory and Business Strategy	54
AF5368	Investment Banking and Credit Rating	57
AF5932	Project (3 credits)	61
AF5933	Project (6 credits)	63

*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.*

<b>Subject Code</b>	AF5115
<b>Subject Title</b>	Accounting for Business Analysis
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	None
<b>Role and Purposes</b>	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).
<b>Subject Learning Outcomes</b>	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> <li>a. Understand and apply the accounting concepts and techniques, and evaluate their impact on financial statement figures and presentation;</li> <li>b. Analyze and evaluate financial statements and financial performance with various tools such as ratio analysis, trend analysis, and common-size financial statements;</li> <li>c. 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</li> <li>d. Evaluate the impact of financial analysis on capital markets, and business and financial strategy development, investment and business combination activities.</li> </ul>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Overview of Financial Statements</b></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><b>Balance Sheet and Its Analysis</b></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><b>Profit and Loss Statement and Its Analysis</b></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><b>Statement of Cash Flows and Its Analysis</b></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><b>Accounting Issues and Audit Report</b></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><b>Financial Reporting and Analysis for Investments &amp; Business Combinations</b></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><b>Teaching/Learning Methodology</b></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><b>Assessment Methods in Alignment with Intended Learning Outcomes</b></p>	<table border="1" data-bbox="486 1355 1508 1960"> <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> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p>	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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4. Final Examination	50%	✓	✓	✓	✓																																																		
Total	100 %																																																						

	<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><b>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.</b></p>	
<p><b>Student Study Effort Expected</b></p>	<p>Class contact:</p>	
	<ul style="list-style-type: none"> <li>▪ Lectures / Seminars</li> </ul>	<p>39 Hrs.</p>
	<p>Other student study effort:</p>	
	<ul style="list-style-type: none"> <li>▪ Reading materials/textbook, preparing for class discussion, and assignments.</li> </ul>	<p>78 Hrs.</p>
	<p>Total student study effort</p>	<p>117 Hrs.</p>
<p><b>Reading List and References</b></p>	<p><b>Textbook:</b></p> <p>Fraser, L.M. and A. Ormiston, <i>Understanding Financial Statements</i>, 9th Edition, Pearson Prentice-Hall, 2010.</p> <p><b>References:</b></p> <p>Elliott, B., and J. Elliott, <i>Financial Accounting, Reporting and Analysis</i>, 2nd Edition, Pearson Prentice-Hall, 2006</p> <p>White, G.I., C.S. Ashwinpaul and D. Fried, <i>The Analysis and Use of Financial Statements</i>, 3rd Edition, John Wiley &amp; Sons, Inc., 2003.</p> <p>K.R. Subramanyam, J.J. Wild, <i>Financial Statement Analysis</i>, 10th Edition, McGraw-Hill, 2009.</p> <p>Wild, J.J., <i>Financial Accounting: Information for Decisions</i>, 4th Edition, McGraw-Hill, 2008.</p>	

	<p><b>Indicative Journal Reading:</b></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&amp;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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<b>Subject Code</b>	AF5312
<b>Subject Title</b>	Principles of Corporate Finance
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	Pre-requisite: None Exclusion: Financial Management (AF5318) Finance for Executives (AF5327) Corporate Financial Management (AF5331)
<b>Role and Purposes</b>	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).
<b>Subject Learning Outcomes</b>	Upon successful completion of this course, students should be able to: <ul style="list-style-type: none"> <li>a. Understand the major tasks of corporate finance;</li> <li>b. Understand the role of financial markets and interest rate in corporate financing and how they should be incorporated in corporate financing decisions;</li> <li>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;</li> <li>d. Understand the return-risk relation and the CAPM;</li> <li>e. Understand issues of cost of capital, capital structure, and different methods of equity and debt financing.</li> </ul>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Key Concepts of Corporate Finance</b></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><b>Valuation and Capital Budgeting</b></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><b>Market Efficiency and Behavioral Finance</b></p> <p>The efficient market hypothesis; behavioral finance; financial tsunami.</p>

	<p><b>Capital Structure</b></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><b>Dividend Policy</b></p> <p>Types of dividend; dividend policies; factors affecting dividend payout policy.</p> <p><b>Long-term Equity and Debt Financing</b></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><b>Teaching/Learning Methodology</b></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><b>Assessment Methods in Alignment with Intended Learning Outcomes</b></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 &amp; 3).</p> <table border="1" data-bbox="488 1155 1509 1693"> <thead> <tr> <th rowspan="2">Specific assessment methods/tasks</th> <th rowspan="2">% weighting</th> <th colspan="5">Intended subject learning outcomes to be assessed (Please tick as appropriate)</th> <th rowspan="2"></th> </tr> <tr> <th>a</th> <th>b</th> <th>c</th> <th>d</th> <th>e</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="5"></td> <td></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 outcomes (a), (b), and (c).</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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	<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><b>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.</b></p>	
<p><b>Student Study Effort Expected</b></p>	<p>Class contact:</p>	
	<ul style="list-style-type: none"> <li>▪ Lectures / Seminars</li> </ul>	<p>39 Hrs.</p>
	<p>Other student study effort:</p>	
	<ul style="list-style-type: none"> <li>▪ On average, students are expected to spend about 39 hours for reading teaching materials and doing exercise questions.</li> </ul>	<p>39 Hrs.</p>
	<ul style="list-style-type: none"> <li>▪ On average students are expected to spend 36 hours for the group project discussion, presentation, and report writing.</li> </ul>	<p>36 Hrs.</p>
	<p>Total student study effort</p>	<p>114 Hrs.</p>
<p><b>Reading List and References</b></p>	<p><b>Textbook</b></p> <p>Ross, S.A., R.W. Westfield, and J. Jaffe, (RWJ) <i>Corporate Finance</i>, 9<sup>th</sup> Ed., McGraw-Hill, 2010.</p> <p><b>Reference</b></p> <p>Brealey, R., Myers, S., and F. Allen, <i>Principles of Corporate Finance</i>, 10<sup>th</sup> Ed., McGraw-Hill, 2011.</p> <p>Copeland, T., Weston, J., and Shastri, K., <i>Financial Theory and Corporate Policy</i>, 4<sup>th</sup> Ed. Pearson 2005.</p> <p>Shefrin, H., <i>Behavioral Corporate Finance</i>, McGraw-Hill, 2007.</p>	

<b>Subject Code</b>	AF5341
<b>Subject Title</b>	Economics for Financial Analysis
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	None
<b>Role and Purposes</b>	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).
<b>Subject Learning Outcomes</b>	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> <li>a. understand the fundamental concepts in microeconomics and macroeconomics;</li> <li>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;</li> <li>c. evaluate the effectiveness of macroeconomic policy</li> <li>d. evaluate basic economic and financial data;</li> </ul>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Basic Microeconomics</b></p> <p>Opportunity cost; cost and benefit analysis; production and cost; demand and supply analysis.</p> <p><b>Market Efficiency and Regulation</b></p> <p>Perfect competition; monopoly; oligopoly; game theory; economics of information.</p> <p><b>Basic Macroeconomic Issues</b></p> <p>National income accounting; employment; inflation; money and interest rate; aggregate demand and aggregate supply analysis; fiscal policy; monetary policy.</p> <p><b>Issues in the financial markets</b></p> <p>Discussion on issues in the financial markets (for instance, the liquidity premium) will be blended in above topics when applicable.</p>
<b>Teaching/Learning Methodology</b>	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.

<b>Assessment Methods in Alignment with Intended Learning Outcomes</b>	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><b>Note: To pass this subject, students are required to obtain Grade D or above in BOTH the Continuous Assessment and Examination components</b></p>								
<b>Student Study Effort Expected</b>	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.
<b>Reading List and References</b>	<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>							

<b>Subject Code</b>	AF5343
<b>Subject Title</b>	Quantitative Methods for Finance
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	Recommended Background Knowledge: Undergraduate level statistical analysis, quantitative analysis, and microeconomics.
<b>Role and Purposes</b>	<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>
<b>Subject Learning Outcomes</b>	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> <li>Develop a systematic understanding of fundamental statistic and econometric concepts and methodologies.</li> <li>Apply the concepts and methodologies to explain different problems related to finance and economics.</li> <li>Develop ability to resolve real world economic and finance problems by applying the methodologies to data analysis.</li> </ol>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Basic Financial Mathematics (Review)</b> Compounding and discounting; present value and future value calculations; annuities and perpetuities; dollar and time-weighted rate of return.</p> <p><b>Basic Statistics Concepts</b> Types of statistical data; measures of central tendency and dispersion</p> <p><b>Probability Concepts</b> Basic concepts of probability; random variables and probability; probability theorems; covariance and correlation; expected value and variance; probability distributions</p> <p><b>Sampling and Estimation</b> Random sampling and sampling distributions; point and interval estimates; confidence intervals</p>

	<p><b>Hypothesis Testing and Statistical Inference</b> The concepts of hypothesis testing; types of hypothesis testing; analysis of variance</p> <p><b>Regression Analysis</b> Linear regression and correlation; multiple regression analysis</p>																																																						
<p><b>Teaching/Learning Methodology</b></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><b>Assessment Methods in Alignment with Intended Learning Outcomes</b></p>	<table border="1" data-bbox="488 663 1513 1200"> <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"> <li>• State and motivate clearly the finance issue you wish to address in your project.</li> <li>• Make your issue stand out from the finance literature by offering a literature review.</li> <li>• Convert your finance issue to one or two testable hypotheses.</li> <li>• A discussion of the econometric model(s)/techniques you plan to use in your project.</li> <li>• A brief discussion of the data you are using – data sources, definitions, transformation involved (if any), and limitations.</li> <li>• A coherent analysis and discussion of your results.</li> <li>• A conclusion outlining what you have achieved and the problems you have encountered.</li> <li>• A bibliography properly documented.</li> <li>• The whole report should be typed and well set out. You should include tables, graphs, etc. when necessary.</li> </ul>	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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	<b>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.</b>	
<b>Student Study Effort Expected</b>	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.
<b>Reading List and References</b>	<p>Quantitative Investment Analysis, by Richard Armand Defusco, Dennis W. McLeavey, Jerald E. Pinto, David E. Runkle, 2<sup>nd</sup> edition, John Wiley &amp; Sons, Inc.</p> <p>Econometric Methods, 4<sup>th</sup> edition by Jack Johnston and John DiNardo</p> <p>Some additional readings will be distributed in class.</p>	

<b>Subject Code</b>	AF5344
<b>Subject Title</b>	Investments
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	Pre-requisite: Principles of Corporate Finance (AF5312)
<b>Role and Purposes</b>	<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>
<b>Subject Learning Outcomes</b>	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> <li>Understand modern portfolio theory and its use in the investment management process; (Outcome 1)</li> <li>Apply various valuation methods on different financial securities including equity, bonds, and derivatives; (Outcome 1)</li> <li>Understand the process of portfolio management and portfolio performance evaluation. (Outcome 3)</li> </ol>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>The Investment Environment</b>                      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><b>Portfolio Theory</b>                      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><b>Asset Pricing Models</b>  <b>Capital Asset Pricing Model (CAPM); multi-factor models;</b></p> <p><b>Efficient Market Hypothesis</b>                      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><b>Fundamentals of Equity Valuation</b></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><b>Fundamentals of Bond Analysis</b></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><b>Fundamentals of Derivatives Securities</b></p> <p>Basic terminology; option payoffs; option strategies; futures; use of derivatives in portfolio management.</p> <p><b>Performance Evaluation</b></p> <p>Time-weighted versus dollar-weighted returns; risk adjustment in performance evaluation; performance attribution analysis.</p>																																																						
<p><b>Teaching/Learning Methodology</b></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>																																																						
<p><b>Assessment Methods in Alignment with Intended Learning Outcomes</b></p>	<table border="1" data-bbox="486 1120 1508 1657"> <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. Mid-Term Test</td> <td>20%</td> <td>✓</td> <td>✓</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3. Project</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> <p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>Class participation – Students should read assigned readings before the class to prepare for better learning and possible Q&amp;A sessions in class.</p> <p>Homework assignments test students on their understanding of investments theories and valuation methods.</p>	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)						a	b	c				1. Class Participation	10%	✓	✓	✓				2. Mid-Term Test	20%	✓	✓					3. Project	20%	✓		✓				4. Final Examination	50%	✓	✓	✓				Total	100 %						
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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><b>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.</b></p>	
<p><b>Student Study Effort Expected</b></p>	<p>Class contact:</p>	
	<ul style="list-style-type: none"> <li>▪ Lectures / Seminars</li> </ul>	<p>39 Hrs.</p>
	<p>Other student study effort:</p>	
	<ul style="list-style-type: none"> <li>▪ Reading</li> </ul>	<p>39 Hrs.</p>
	<ul style="list-style-type: none"> <li>▪ Homework and Project</li> </ul>	<p>39 Hrs.</p>
	<p>Total student study effort</p>	<p>117 Hrs.</p>
<p><b>Reading List and References</b></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, 10<sup>th</sup> Edition, 2012, W.W. Norton &amp; 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>	

<b>Subject Code</b>	AF5511
<b>Subject Title</b>	Regulatory Framework
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	None
<b>Role and Purposes</b>	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).
<b>Subject Learning Outcomes</b>	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> <li>explain the legal / regulatory framework governing the financial and securities markets in Hong Kong including listing of securities, takeover and merges of companies;</li> <li>explain the extent to which the current regimes provide protection for the investing public;</li> <li>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; and</li> <li>follow and appreciate the process of complying with the regulatory requirements and the issues and difficulties which arise in the process.</li> </ol>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Regulatory Framework of the Securities Industry</b> Design of the regulatory system; public policy issues; roles; powers and functions of the regulators.</p> <p><b>The Securities and Futures Commission ("SFC")</b> The organisation of the SFC and its role in the capital market.</p> <p><b>Hong Kong Monetary Authority ("HKMA")</b> The role and function of the HKMA in maintaining banking system</p> <p><b>Duties of Officers of Company</b> The position, power and responsibilities of directors and officers under the general law and statute and extra-statutory regulation.</p>

	<p><b>The Distribution of Securities and the Flotation of Companies</b></p> <p>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><b>The Legal Process of Company Expansion and Restructuring</b></p> <p>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><b>Regulation of Market Intermediaries</b></p> <p>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.</p> <p>How the SFO regulates intermediaries: licensing and discipline, prevention of market misconduct: market manipulation and insider dealing.</p>																																																														
<p><b>Teaching/Learning Methodology</b></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><b>Assessment Methods in Alignment with Intended Learning Outcomes</b></p>	<p>Assessment components include class discussion and interactions, assignment of case studies, group exercise &amp; 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="485 1420 1469 2049"> <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>In-Class Group Exercise</td> <td>10%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>✓</td> <td></td> <td></td> </tr> <tr> <td>Group Written Report</td> <td>15%</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	e		In-Class Group Exercise	10%	✓	✓	✓	✓			Group Written Report	15%	✓	✓	✓	✓			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><b>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.</b></p>	
<b>Student Study Effort Expected</b>	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.	
<b>Reading List and References</b>	<p>HC Lo and Z Qu, <i>Law of Companies in Hong Kong</i> (2013)</p> <p>B Fong, DW Arner, MKS Tse &amp; S Johnstone, <i>Financial Markets In Hong Kong – Law &amp; Practice</i> (2006)</p> <p>H Davies &amp; 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 &amp; P Armour, <i>Securities Law: Hong Kong SAR &amp; People’s Republic of China</i> (loose-leaf) (2003)</p> <p>B Mak &amp; Da Roza AM (eds), <i>Butterworths Hong Kong Securities Handbook</i>, 2<sup>nd</sup> edn (2009)</p>	

<b>Subject Code</b>	AF5355
<b>Subject Title</b>	Finance and Strategy
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	Completion of six Year-1 compulsory subjects
<b>Role and Purposes</b>	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).
<b>Subject Learning Outcomes</b>	Upon successful completion of this course, students should be able to: <ul style="list-style-type: none"> <li>a. Explain the importance of how financial strategy impact business strategy formulation and implementation.</li> <li>b. Apply appropriate finance theories and concepts and business analysis techniques in analyzing complex case problems;</li> <li>c. Identify the financial implications on various corporate strategies; and</li> <li>d. Integrate finance and business theories and apply them to solve problems faced by management.</li> </ul>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Financial Strategy in Context</b> Linkage between corporate and financial strategy; corporate governance and financial strategy</p> <p><b>Financial Strategy and Corporate Growth</b> Financial strategy for startups, growth, mature and decline phases of corporate life-cycle, Capital market cycles and corporate growth.</p> <p><b>Value-Based Management</b> Tools for value-based management; project evaluation using value-based management tools; implementation issues.</p> <p><b>Financial Implications on Strategy</b> Capital allocation and corporate strategy; capital structure and corporate strategy; Implications of financial market bubbles and crises on corporate strategy.</p>

<b>Teaching/Learning Methodology</b>	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.						
<b>Assessment Methods in Alignment with Intended Learning Outcomes</b>	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)				
	Analyses of case studies (discussion, presentation, and written reports)	85	a	b	c	d	
	Participation	15	✓	✓	✓	✓	
	Total	100 %					
	Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:  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.  <b>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.</b>						
<b>Student Study Effort Expected</b>	Class contact:						
	<ul style="list-style-type: none"> <li>▪ Lectures / Seminars</li> </ul>						39 Hrs.
	Other student study effort:						
	<ul style="list-style-type: none"> <li>▪ Individual case reading and analysis</li> </ul>						68 Hrs.
	<ul style="list-style-type: none"> <li>▪ Group discussion</li> </ul>						10 Hrs.
	Total student study effort						117 Hrs.
<b>Reading List and References</b>	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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<b>Subject Code</b>	AF5362
<b>Subject Title</b>	International Financial Management
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	Pre-requisite: Principles of Corporate Finance (AF5312) <i>AND</i> Investments (AF5344)
<b>Role and Purposes</b>	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).
<b>Subject Learning Outcomes</b>	<p>Upon completion of this subject, students will be able to:</p> <ol style="list-style-type: none"> <li>Understand the structure and characteristics of various international financial markets and instruments;</li> <li>Understand how different exchange rate systems (especially Hong Kong's currency board system) function and how they affect an economy's business environment;</li> <li>Identify the sources of risks in international transactions and understand how these risks can be managed;</li> <li>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.</li> </ol>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>The Foreign Exchange Market</b> Exchange rate defined. Spot and forward markets. Interest rate parity relationships.</p> <p><b>Exchange Rate Systems</b> 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><b>Exchange Rate Determination</b> Using the interest rate parity relationship. Purchasing Power Parity considerations. Current account considerations. Fundamental approach. Technical approach. Forecasting performance of professional forecasters.</p> <p><b>Foreign Exchange Risk Management</b> 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><b>International Financial Markets: The Manager’s Perspective</b> International capital structure and the cost of capital. International corporate governance.</p> <p><b>International Financial Markets: The Investor’s Perspective</b> International portfolio investments. The benefits of international diversification. The effects of exchange rate movements. Home bias in portfolio holdings.</p>																																																														
<p><b>Teaching/Learning Methodology</b></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><b>Assessment Methods in Alignment with Intended Learning Outcomes</b></p>	<table border="1" data-bbox="486 728 1511 1400"> <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></td> <td></td> <td></td> <td></td> <td></td> <td></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><b>Student Study Effort Required</b></p>	Class contact:	
	<ul style="list-style-type: none"> <li>▪ Lectures / Seminars</li> </ul>	39 Hrs.
	Other student study effort:	
	<ul style="list-style-type: none"> <li>▪ Problems / Cases</li> </ul>	24 Hrs.
	<ul style="list-style-type: none"> <li>▪ Midterm &amp; Final Examinations</li> </ul>	35 Hrs.
	<ul style="list-style-type: none"> <li>▪ Preparation for presentation and written report</li> </ul>	25 Hrs.
	Total student study effort	123 Hrs.
<p><b>Reading List and References</b></p>	<p><b><u>Textbook</u></b>                      Eun, C.S., B.G. Resnick, and S. Sabherwal, <i>International Finance: Global Edition</i>, 6th Edition, McGraw Hill, 2012.</p> <p><b><u>Supplementary Readings</u></b>                      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>	

<b>Subject Code</b>	AF5323
<b>Subject Title</b>	Fixed Income Securities
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	Pre-requisite: Investments (AF5344)
<b>Role and Purposes</b>	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).
<b>Subject Learning Outcomes</b>	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> <li>Understand and explain the issues in pricing, hedging, and arbitrage in the fixed income securities markets.</li> <li>Evaluate various types of fixed income products and analyze their potential risk and return.</li> <li>Apply theories and concepts learned and appreciate fixed income investment decisions.</li> <li>Understand and explain the recent developments and issues of the fixed income markets.</li> </ol>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>The Basic Products</b> 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><b>Risk Management</b> Measures of price sensitivity. Simple hedging strategies using fixed income derivatives. Eurodollar futures. Bond futures. Interest rate swaps.</p> <p><b>Pricing Interest Rate Claims</b> Theories of the term structure. Arbitrage free pricing.</p> <p><b>Corporate Securities and Credit Risk</b> Corporate bonds and credit risk. Credit derivatives.</p> <p><b>Mortgages and Their Derivatives</b> Mortgages and mortgage backed securities. Prepayment risk. <u>Securitization and credit crisis.</u></p>

	<p><b>Bonds with Embedded Options</b></p> <p>Basic pricing principles. Static spread and option-adjusted spread. Negative convexity. Effective duration and convexity.</p>																																																														
<p><b>Teaching/Learning Methodology</b></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><b>Student Study Effort Expected</b></p>	Class contact:	
	<ul style="list-style-type: none"> <li>▪ Lectures / Seminars</li> </ul>	39 Hrs.
	Other student study effort:	
	<ul style="list-style-type: none"> <li>▪ Preparing for classes and reviewing course materials.</li> </ul>	39 Hrs.
	<ul style="list-style-type: none"> <li>▪ Writing individual essay</li> </ul>	10 Hrs.
	<ul style="list-style-type: none"> <li>▪ Preparing for group presentation</li> </ul>	10 Hrs.
	<ul style="list-style-type: none"> <li>▪ Preparing for mid-term test and final exam</li> </ul>	20 Hrs.
	Total student study effort	118 Hrs.
<p><b>Reading List and References</b></p>	<p><u>Textbook</u> Fabozzi, F., <i>Bond Markets, Analysis, and Strategies</i>, 8<sup>th</sup> 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>	

<b>Subject Code</b>	AF5347
<b>Subject Title</b>	Financial Analysis and Valuation
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Pre-requisite / Co-requisite/ Exclusion</b>	Accounting for Business Analysis (AF5115) <i>AND</i> Principles of Corporate Finance (AF5312)
<b>Role and Purposes</b>	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).
<b>Subject Learning Outcomes</b>	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.
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Business Strategy Analysis</b>                      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><b>Accounting Analysis</b>                      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><b>Financial Analysis</b>                      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><b>Valuation Principles, Techniques and Practice</b>                      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><b>Teaching/Learning Methodology</b></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>																																																							
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<p><b>Reading List and References</b></p>	<p><i>The textbook for this course is:</i></p> <p>Damodaran, A., <i>Investment Valuation</i>, John Wiley &amp; Sons, 3<sup>rd</sup> 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 &amp; 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 &amp; 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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<b>Subject Code</b>	AF5351
<b>Subject Title</b>	Derivatives Securities
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	Pre-requisite: Investments (AF5344)
<b>Role and Purposes</b>	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).
<b>Subject Learning Outcomes</b>	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> <li>have an in-depth understanding of the derivative assets such as options, futures, and forwards;</li> <li>price and formulate different trading strategies of derivatives traded in the financial market;</li> <li>use derivative assets in hedging and trading from the perspectives of a corporate treasurer or trader; and</li> <li>construct and price complex derivative financial instruments.</li> </ol>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Derivative Assets and Markets</b>            Characteristics of forward, futures, options and swaps; market structures and conventions.</p> <p><b>Pricing and Trading Strategies of Futures</b>            Properties of forward and futures prices; forward and futures pricing model; futures trading strategies.</p> <p><b>Pricing and Trading Strategies of Options</b>            The Binomial model; the Black-Scholes Model: assumptions, adjustments and applications; option trading strategies including spreads, straddles, straps and strips.</p> <p><b>Hedging and Trading Strategies for Options and Futures</b>            Hedging concepts; types of hedges; determination of hedge ratios.</p>
<b>Teaching/Learning Methodology</b>	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.**

<b>Student Study Effort Expected</b>	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.
<b>Reading List and References</b>	<p><b><u>Indicative Reading</u></b></p> <p>Chance, D., &amp; Brooks, R., <i>An Introduction to Derivatives and Risk Management</i>, 9<sup>th</sup> edition, Cengage, 2013.</p> <p>Hull, J., <i>Fundamentals of Futures, Options Markets</i>, 8<sup>th</sup> edition, Pearson, 2014.</p> <p>Black, F., &amp; 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., &amp; 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>	

<b>Subject Code</b>	AF5353
<b>Subject Title</b>	Security Analysis and Portfolio Management
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	Pre-requisite: Investments (AF5344) Have good knowledge of using basic functions and commands in EXCEL
<b>Role and Purposes</b>	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).
<b>Subject Learning Outcomes</b>	Upon successful completion of this course, students should be able to: <ul style="list-style-type: none"> <li>a. Apply single-factor and multifactor models to construct real equity portfolios</li> <li>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</li> <li>c. Evaluate the performance of equity funds with up-to-date performance measures</li> <li>d. Assess the impacts of behavioral finance and alternative investment on the portfolio management process</li> </ul>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>The Mean-Variance Analysis and Portfolio Optimization in Practice</b> The issues in the use of the mean-variance optimization in practice and possible solutions for them</p> <p><b>Asset Pricing Models and Factor Models</b> 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><b>Investment Management Process</b> Policy statement, asset allocation strategy, portfolio construction and implementation, and international issues</p> <p><b>Return-Based Style Analysis and Fund of Funds Portfolio Construction</b> Implementing asset allocation strategies by using mutual funds, a fund of funds portfolios</p> <p><b>Equity Portfolio Management Strategies</b> Asset allocation strategies; active, passive and semi-active portfolio</p>

	management strategies																																																												
	<p><b>Portfolio Performance Evaluation and Risk Measure</b>                  Holding-based portfolio performance measures; and an introduction of downside risk measures and the Value-at-Risk measure</p> <p><b>Alternative Investment and Structured Securities</b>                  An introduction of alternative investments, hedge fund strategies and pricing structured securities</p> <p><b>Behavioral Finance</b>                  The impact of heuristic-driven biases on investment decision making including representativeness, overconfidence, anchoring-and-adjustment, and aversion to ambiguity</p> <p><b>Technical Analysis</b>                  Underlying assumptions; and trading rules and indicators</p>																																																												
<b>Teaching/Learning Methodology</b>	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.																																																												
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<b>Effort Expected</b>	▪ 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.
<b>Reading List and References</b>	<p><b>Recommended</b></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 &amp; 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><b>Reference</b></p> <p>Bodie/Kane/Marcus, Investment, 8<sup>th</sup> 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, Financial Modeling, 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." Journal of Portfolio Management, Spring 2009, pp. 79-92.</p>	

<b>Subject Code</b>	AF5363
<b>Subject Title</b>	Game Theory and Business Strategy
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	None
<b>Role and Purposes</b>	<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>
<b>Subject Learning Outcomes</b>	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> <li>Know the basic concepts of game theory, and how these concepts have been applied to business;</li> <li>Evaluate and apply game-theoretic analysis, both formally and intuitively, to negotiation and bargaining situations;</li> <li>Recognize and assess these concepts and situations in complicated negotiation settings;</li> <li>Understand dynamic view of strategy and able to make decisions relating to pricing, signaling, capacity expansion, commitment, reputation, and entry deterrence;</li> <li>Feel comfortable in the process of negotiation and;</li> <li>Make vocational choices with various job industries</li> </ol>
<b>Subject Synopsis/ Indicative Syllabus</b>	<ol style="list-style-type: none"> <li>An overview of Game Theory</li> <li>The Payoff Matrix</li> <li>The relevance of Prisoner's Dilemma and Nash Equilibrium</li> <li>Sequential Move Games and its relevance</li> <li>Mixed Strategy</li> <li>Theoretic Bargaining and Practical Approach</li> <li>The art of Auction</li> <li>Incentive schemes, Screening, Signaling</li> </ol>

<p><b>Teaching/Learning Methodology</b></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><b>Assessment Methods in Alignment with Intended Learning Outcomes</b></p>	<table border="1" data-bbox="488 622 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><b>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.</b></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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<b>Student Study Effort Expected</b>	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.
<b>Reading List and References</b>	<p><b>Recommend:</b></p> <ol style="list-style-type: none"> <li>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</li> <li>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</li> <li>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</li> <li>4. The Lords of Strategy, Harvard Business School Publishing 2010, Walter Kiechel III, ISBN 978-1-59139-782-3</li> <li>5. Drive: The surprising truth about what motivates us, by Daniel H. Pink, Riverhead (hardcover) 1st edition, ISBN 978-1594488849</li> <li>6. Blink: The power of thinking without thinking, by Malcolm Gladwell, Little, Brown and Company (Jan 2005), ISBN 978-0316172325</li> </ol> <p><b>Optional:</b></p> <ol style="list-style-type: none"> <li>7. Game Theory: A Critical Introduction, Routledge 2004, (Shaun Hargreaves-Heap and Yanis Varoufakis), ISBN 0-415-25094-3</li> <li>8. Good to Great: Why some companies make the leap...and others Don't, HarperCollins Publishers 2001, (Jim Collins), ISBN 0-06-662099-6</li> <li>9. Onward, by Howard Schultz, Rodale Inc 2011, ISBN 978-1-60529-288-5</li> <li>10. How to win friends and influence people, by Dale Carnegie, Simon &amp; Schuster (Hardcover November 2009), ISBN 978-1-4391-6734-2</li> </ol>	

<b>Subject Code</b>	AF5368
<b>Subject Title</b>	Investment Banking and Credit Rating
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	Pre-requisite: Principles of Corporate Finance (AF5312) <i>AND</i> Investments (AF5344)
<b>Role and Purposes</b>	<p>Investment banks and credit rating agencies play a very important role in the global financial markets:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul> <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>
<b>Subject Learning Outcomes</b>	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> <li>a. Understand and explain the role of investment banks and how they operate;</li> <li>b. Understand and explain how various front office business lines of an investment bank work;</li> <li>c. Understand and explain the role of credit rating agencies and various key credit rating terminologies;</li> <li>d. Apply practical methodologies in the rating analysis of corporates, FI and structured finance products.</li> </ol>

<p><b>Subject Synopsis/ Indicative Syllabus</b></p>	<p><b>Overview of Investment Banking Industry</b> Investment banks' role and function; Key investment banking players: business lines, industry segregation; Organizational structure of investment banks.</p> <p><b>Corporate Finance: Capital Markets and Advisory</b> The Basics; Role of coverage, industry and execution bankers; Origination, execution and syndication.</p> <p><b>Sales and Trading and Research</b> 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><b>Other Specialized Areas</b> Private Equity; Real Estate Investment (Equity &amp; Debt); Asset Management; Private Banking.</p> <p><b>Credit rating introduction</b> Background to rating agencies; Overview of rating scales &amp; definitions; Investment grade vs. non-investment grade; National vs. international rating; Default probabilities &amp; recovery ratings; Limitations of credit rating.</p> <p><b>Corporate and Financial Institution Rating</b> Key rating terminologies; Credit rating process; Quantitative vs. quantitative consideration; Sovereign/country risk; Corporate/FI default &amp; transition studies.</p> <p><b>Structured Finance Rating</b> Key securitisation terminologies; SF credit rating process; SF credit modeling; SF Legal documentation; SF default &amp; transition studies.</p> <p><b>Credit Rating Industry &amp; Regulatory Oversight</b> Credit rating agency organization structure; Key credit rating agencies: global and Asia; Regulatory framework for rating agencies.</p>
<p><b>Teaching/Learning Methodology</b></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 %						
<p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>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.</p> <p><b>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.</b></p>								
Student Study Effort Expected	Class contact:							
	▪ Lectures / Seminars		39 Hrs.					
	Other student study effort:							
	▪ Review of course materials		40 Hrs.					
	▪ Working on assignments		20 Hrs.					
	Total student study effort		99 Hrs.					
Reading List and References	<p>Recommended Textbooks:</p> <ul style="list-style-type: none"> <li>• Michel Fleuriet, Investment Banking Explained - an Insider's Guide to the Industry, McGraw-Hill, 2008</li> <li>• 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</li> </ul>							

	<p>References:</p> <ul style="list-style-type: none"><li>• Magazines: Asiamoney, Euromoney, Finance Asia, Institutional Investors</li><li>• Newspaper: Asian Wall Street Journal, Financial Times</li></ul> <p>Credit rating reports: To be provided</p>
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<b>Subject Code</b>	AF5932
<b>Subject Title</b>	Project
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	Two Semesters (From Semester 2 to Summer Term; <b>OR</b> From Summer Term to Semester 1)
<b>Pre-requisite / Co-requisite/ Exclusion</b>	None
<b>Role and Purpose</b>	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).
<b>Subject Learning Outcomes</b>	Upon completion of the project, students should be able to: <ul style="list-style-type: none"> <li>a. identify problem areas or critical issues that are related to various functions of finance;</li> <li>b. design and select the appropriate research methodologies by making reference to well-established literature;</li> <li>c. collect and analyse relevant data, provide solutions to problems and draw appropriate conclusions;</li> <li>d. carry out their study in a logical, disciplined and timely manner; and</li> <li>e. apply appropriate presentation skills to write up a project report in a clear, concise, precise and systematic manner.</li> </ul>
<b>Subject Synopsis/ Indicative Syllabus</b>	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.
<b>Teaching/Learning Methodology</b>	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.

<b>Assessment Methods in Alignment with Subject Learning Outcomes</b>	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><b>Note: The minimum passing grade of this subject is D.</b></p>							
<b>Student Study Effort Required</b>	Class contact:						
	▪ Discussion with project supervisor		6 Hrs.				
	Other student study effort:						
	▪ Self-study		36 Hrs.				
	Total student study effort		42 Hrs.				
<b>Reading List and References</b>	(Specific to the project topic)						

<b>Subject Code</b>	AF5933
<b>Subject Title</b>	Project
<b>Credit Value</b>	6
<b>Level</b>	5
<b>Normal Duration</b>	Two Semesters (From Semester 2 to Summer Term; <b>OR</b> From Summer Term to Semester 1)
<b>Pre-requisite / Co-requisite/ Exclusion</b>	None
<b>Role and Purpose</b>	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).
<b>Subject Learning Outcomes</b>	Upon completion of the project, students should be able to: <ul style="list-style-type: none"> <li>a. identify problem areas or critical issues that are related to various functions of finance;</li> <li>b. design and select the appropriate research methodologies by making reference to well-established literature;</li> <li>c. collect and analyse relevant data, provide solutions to problems and draw appropriate conclusions;</li> <li>d. carry out their study in a logical, disciplined and timely manner; and</li> <li>e. apply appropriate presentation skills to write up a project report in a clear, concise, precise and systematic manner.</li> </ul>
<b>Subject Synopsis/ Indicative Syllabus</b>	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.
<b>Teaching/Learning Methodology</b>	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.  <b>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.</b>  <i>(Prior approval from programme leader is required if student would like to do the 6-credit Project individually.)</i>



<b>Assessment Methods in Alignment with Subject Learning Outcomes</b>	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><b>Note: The minimum passing grade of this subject is D.</b></p>							
<b>Student Study Effort Required</b>	Class contact:						
	▪ Discussion with project supervisor		12 Hrs.				
	Other student study effort:						
	▪ Self-study		72 Hrs.				
	Total student study effort		84 Hrs.				
<b>Reading List and References</b>	(Specific to the project topic)						

