

Capital University of Economics and Business

Overseas Chinese College

Course Syllabus

<u>Year and Semester</u>	2021 Spring (Feb 28, 2021— July 18, 2021)
<u>Course Name</u>	Advanced Financial Management
<u>Course Code</u>	ACCAP4
<u>Course Type</u>	<input type="checkbox"/> General Education (Required) <input type="checkbox"/> General Education (Elective) <input type="checkbox"/> Professional Course (Required) <input checked="" type="checkbox"/> Professional Course (Elective) <input type="checkbox"/> Basic Disciplinary Course
<u>Course Credits</u>	4
<u>Course Hours</u>	64
<u>Prerequisites</u>	ACCA F9
<u>Instructor</u>	Xiaoshu Qin
<u>Contact Information</u>	Office: C203 Tele: (010)8395 1085 Email:xiaoshumt@126.com
<u>Office Hour</u>	T9:00-10:00/T14:30-17:30/W13:00-14:00/F8:00-9:00
<u>Learning Centre</u>	M13:00-15:00/M18:00-20:00
<u>Grade/Section</u>	2018ACCA Y01
<u>Course Time/Place</u>	M: 8:00—9:50 / BX212 W: 8:00—9:50 / BX212
<u>Textbook</u>	ACCA Advanced Financial Management, BPP Learning Media,2021, ISBN 978-1-5097-1681-4

Reference Books

1. Stephen A. Ross. *Corporate Finance, 11th Edition*, China Machine Press, Beijing, ISBN: 978-7-111-58856-6

Course Description

The aim of this course is to develop students' ability to apply advanced financial knowledge and skills, to exercise the professional judgment expected of a senior financial adviser in making financial management decisions. Core areas covered in this course include advanced investment appraisal, mergers and acquisitions, corporate reconstruction and reorganization, treasury management, interest risk and foreign currency risk management techniques.

Student Learning Objectives

After completing this course, students should be able to:

- Explain the role of the senior financial advisor in the multinational organization;
- Apply discounted cash flow techniques; apply option pricing theory in investment; understand the impact of financing on investment; understand valuation and free cash flow;
- Discuss and apply appropriate valuation methods in mergers and acquisitions;
- Discuss methods of corporate reconstruction and reorganization;
- Apply derivatives instruments in hedging against interest rate risk and currency risk.

Website Source

- 1 <http://www.cmegroup.com/>
2. <https://www.bbwc.cn/>
3. <http://www.ftchinese.com/>

Teaching Methods

This course contains lectures, class discussions, homework, quizzes, presentation and exams. Textbook content will be introduced first. Then real case and practice questions will be delivered to students as a way to test their understanding of the knowledge. This will require individual or group assignment in or after class.

Grade Criterion

Component	Weight	Description
Final Exam	40%	A cumulative final examination will be given based on all of the contents of the class. The exam paper may be composed of multiple-choice questions, short answer questions, essay questions, problems. Students should rely primarily on homework assignments to give them a sense of what they may see for material on exams.
Mid-Term Test	0%	N/A
Homework	15%	Most of the assigned homework is taken from the Exercises in the textbook. Assignments will be collected at the clearly stated date. Late assignments will not be accepted. The graded assignments will be kept by the tutor for reference and won't be returned to students.
Quizzes	15%	There will be at least 2 quizzes during the semester. Quizzes may or may not be announced in advance. It may also be used as a way to check the attendance. Quizzes will test your knowledge of both concepts and the application of those concepts.
Presentation	10%	The students will be divided into several groups to prepare a presentation. Each student is required to be involved in the presentation. The topics can be selected from the textbook or lectures or course related materials. Each group needs to finish a PPT related to the topic which is given and hand in the related resources to the teacher before the presentation.
Participation	10%	Individuals will be asked to participate individually in a question and answer at least 5 times during the semester. The performances should be counted in their participation.
Attendance	10%	Refer to attendance policy listed below
Total	100%	

Detailed Grade Computation

	Before Midterm	After Midterm
Attendance	5%	5%
Participation	5%	5%
Homework	5%	10%

Quizzes	5%	10%
Presentation		10%
Midterm test	0%	
Final exam		40%
Total	20%	80%

Grading Policy

A+ 97-100	A 93-96	A- 90-92	B+ 87-89	B 83-86	B- 80-82
C+ 75-79	C 70-74	C- 67-69	D+ 63-66	D 62-60	F 0-59

Exam Schedule

Final Exam: June 21-25, 2021

Assessment of Student Performance

☞ Self-Study and Reading ability Practice

Instructor will give out the chapters or the reference books to read and use class hours to have discussion; students should be able to show a proactive attitude and ability for self-study and reading. Knowledge and oral English will be elements of homework or presentation score.

☞ Homework

Students should finish their homework by themselves. Copying from others will be treated as cheating and the homework scores will be lowered. Students should hand in all assignments on time. Late assignments will be accepted at the discretion of the instructor (i.e., when the student was ill or had an excused absence). Late assignments without reasonable proof will be reduced in score by 50%.

☞ Attendance

Because the course covers a great deal of material, attending every class session is very important for performing well.

- ◆ Being late for 15 minutes or more is considered an absence.
- ◆ Five hours or above of unexcused absences will result in the lower level of the final grade by one grade band (e.g. from C – to D+). Any excused absence must be discussed directly with the teacher.
- ◆ Absence which is more than 1/3 of the total teaching hours will cause an F (a failing grade) directly. But students are welcome to continue attending classes.
- ◆ An incomplete grade (I) will be considered in case of medical or family emergencies.

☞ Participation

- ◆ Students should participate in classes actively. Half of participation grade is determined by their presentation in class. They are encouraged to ask questions relevant to the subject and express their own opinions. Every student should respect the ideas, opinions, and questions of their classmates.
- ◆ Students should also use office hours to ask questions or talk with the instructor for good communication and effective learning.
- ◆ Frequent visiting the instructor and chatting in English during office hours is highly recommended.
- ◆ Any misbehavior and non-class related activities in class will result in the lower level of the participation grade, including ringing cell phones.
- ◆ All above behaviors will be solely evaluated by the instructor for scoring.

☞ *Textbook*

Students must bring the textbook to class.

Topical Course Outline

Week	Date	Topics	Homework
1	Mar.1	<ul style="list-style-type: none"> ● Syllabus & Strategic Professional CBE (SPCBE) ● Chapter 1&2 (Self-study) ● Chapter 3 Discounted cash flow techniques 1 Net present value (NPV) 	Practice and Revision kit Questions
	Mar.3	<ul style="list-style-type: none"> 2 Internal rate of return 3 Modified internal rate of return (MIRR) 4 Risk and uncertainty 5 Capital rationing ●Comprehensive Exercises and explanations 	—
2	Mar.8	<ul style="list-style-type: none"> ● Chapter 4 Application of option pricing theory in investment decisions 1 Types of real options 2 Components of option value 3 Applying the Black-Scholes model 	—
	Mar.10	<ul style="list-style-type: none"> ●Comprehensive Exercises and explanations 	—
3	Mar.15	<ul style="list-style-type: none"> ● Chapter 5 International investment and financing decisions 1 Motives for international investment 2 Investment decision: exchange rate risk 3 Evaluating international investments 	—
	Mar.17	<ul style="list-style-type: none"> 4 Financing decision: managing risk of international investments 5 Financing strategy 	—
4	Mar.22	<ul style="list-style-type: none"> ●Comprehensive Exercises and explanations 	—
	Mar.24	<ul style="list-style-type: none"> ● Chapter 6 Cost of capital and changing risk 1 Impact of debt finance on the cost of capital 2 Investment that change financial risk 	—
5	Mar. 29	<ul style="list-style-type: none"> 3 Investment that change business risk 	—
	Mar. 31	<ul style="list-style-type: none"> ● Chapter 7 Financing and credit risk 1 Credit risk and the cost of debt 2 Estimating the yield curve 3 The credit risk premium 4 Impact of a change in credit rating 5 Duration of a bond 6 Sources of finance 	—
6	Apr.5	<ul style="list-style-type: none"> ● Chapter 8 Valuation for acquisitions and mergers 1 Asset-based models 2 Market-based models 3 Cash-based models 	—
	Apr.7	<ul style="list-style-type: none"> 3 Cash-based models (cont.) 	—
7	Apr.12	<ul style="list-style-type: none"> ●Comprehensive Exercises and explanations 	—
	Apr.14	Spring Sports	—
8	Apr.19	<ul style="list-style-type: none"> ● Chapter 9 Acquisitions: strategy issues and regulation 1 Growth strategy 2 Acquisition target 3 Reverse takeovers 	—

		● Chapter 10 Financing acquisitions and mergers 1 Method 1: cash offer 2 Method 2: paper offer 3 Evaluating an offer	
	Apr.21	●Comprehensive Exercises and explanations	
9	Apr.26	● Chapter 11 The role of the treasury function (self-study) ● Chapter 12 Managing currency risk 1 Currency quotation 2 Internal methods/forward contracts/ Money market hedging	
	Apr.28	3 Currency futures	——
10	May.3	4 Currency options	——
	May.5	● Chapter 13 Managing interest rate risk 1 Interest rate risk 2 Hedging with forward rate agreements (FRAs) 3 Interest rate futures 4 Interest rate options	——
11	May.10	5 Interest rate swaps & currency swaps	——
	May.12	●Comprehensive Exercises and explanations	——
12	May.17	● Chapter 14 Financial reconstruction 1 Financial reconstructions to prevent business failure 2 Financial reconstruction for value creation	——
	May.19	●Comprehensive Exercises and explanations	——
13	May.24	● Chapter 15 Business reorganization 1 Unbundling 2 Divestment(sell-off) 3 Management buy-out (MBO) 4 Demerger (spin-off)	
	May.26	5 valuations ●Comprehensive Exercises and explanations	
14	May.31	Revision	——
	June.2	Revision	——
15	June.7	Revision	——
	June.9	Global Exam (AFM)	
16	June.14	● Presentation	——
	June.16	● Presentation	——

Note: Note: In the first three weeks, YunBanKe, Tencent Meeting and WeChat group will be used as main teaching methods. WeChat group will be mainly used to inform students of daily study activities and tasks. YunBanKe and Tencent Meeting will be used as main platform to organize study activities. When school reopen YunBanKe will be used to release learning materials.

Some chapters or sections may leave for self-study, this is the students' duty to learn and understand, they may also be included in the quizzes or exams.

A review in Chinese may be held during L.C. and O.H. in the semester.

Teacher's Office Hour

- ◆ The instructor's office hour is shown in the front of the office door.
- ◆ Students are suggested to use the instructor's office hour and learning center to ask questions or talk with the instructor once at least per week for good communication and effective learning, which is recorded in the students' participation.

- ♦ The time can be scheduled by instructors or students, or both.

Cheating and Plagiarism

Cheating is not tolerated. Any student caught cheating on a quiz; test or exam will be given a mark of zero (0) for the particular work. At the beginning of the semester the definition of plagiarism will be carefully explained, when any thoughts or writings of another person are used, they must be clearly identified (usually one uses quotation marks) and the source notes. **If any student is caught cheating on any homework assignment, the highest score the student can earn in that course is a "C".**

Important Dates

Spring Semester, 2021	Feb 28, 2021— July 18, 2021
Feb. 28	Registration
Mar. 1	Classes Begin
Apr.4	Qing Ming Festival
Apr.16	Spring Sports
Apr.26 -30	Midterm Test (tentative)
May 1	Labor Day
June 14	Dragon-Boat Festival
June 21-25	Final Exams for Sophomores and Juniors
June 28-July18	Social Practice for Sophomores and Juniors (tentative)
July 19	Summer Vacation Begins

Note: This syllabus is tentative and may be changed or modified throughout the semester. All students will be notified and a new syllabus will be given.

Instructor: Xiaoshu Qin

Department Head: _____

