

Capital University of Economics and Business

Overseas Chinese College

Course Syllabus

<u>Year and Semester</u>	2023 Spring
<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>	M11:35-12:20/T13:30-15:05/F9:55-12:20
<u>Learning Centre</u>	M9:55-11:30/W18:00-20:00 online
<u>Grade/Section</u>	2020ACCA Y01&Y02
<u>Course Time/Place</u>	Y01 M8:00-9:35/BX109 W8:00-9:35/BX109 Y02 T8:00-9:35/BX109 F8:00-9:35/BX109

Textbook

ACCA Advanced Financial Management, BPP Learning Media,2023, 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 taking or recommending financial management decisions that are likely to have an impact on the entire organization. This course is an advanced level paper in the ACCA qualification structure. 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 learning this course, students should be able to:

Knowledge:

- ◆ Discuss the role and purpose of the financial management function
- ◆ 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

Capability

- ◆ evaluate data
- ◆ assess the potential financial and strategic consequences of taking investment decisions
- ◆ advise on alternative course of action, among other things, in both a domestic and international context

Mindset

- ◆ establish the integrity and objectivity in accounting workplace
- ◆ be logical, ethical, methodical, consistent and accurate
- ◆ apply critical thinking in the process of decision making

Website Source

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

Sophomore and Junior students' Final Exam: June 5-9, 2023

ACCA Global Exam Date for AFM: June 6, 2023

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	Topics	Homework
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) Review NPV layout for FM and Exercise	
	<ul style="list-style-type: none"> ● Chapter 3 Discounted cash flow techniques 1 Net present value (NPV) Be familiar with NPV layout for AFM and Practice	
2	Final exam for Semester 2022 Fall	
3	Final exam for Semester 2022 Fall	
4	<ul style="list-style-type: none"> ● Chapter 3 Discounted cash flow techniques 2 Internal rate of return 3 Modified internal rate of return (MIRR) 4 Risk and uncertainty 5 Capital rationing	
	<ul style="list-style-type: none"> ● Chapter 3 Discounted cash flow techniques ● Comprehensive Exercises and explanations Mindset: fair valuation and appropriate decision rule protect wealth of the entire society. Business cases of company failure could warn students that risk should be considered when seeking profit. Life without goals is chaotic, so as to stimulate students to set up goals at all stages of life and strive for the ideal goals.	Practice and Revision kit Questions
5	<ul style="list-style-type: none"> ● Chapter 4 Application of option pricing theory in investment decisions 1 Types of real options	

	<p>2 Components of option value 3 Applying the Black-Scholes model</p> <p>Mindset: combined with the hot issues in different periods, the content related to the course is selected. To encourage student to have critical thinking during decision making process, for example to allow for flexible response to new market challenges. To be aware of what is happening in the market.</p>	
	<p>● Chapter 4 Application of option pricing theory in investment decisions ● Comprehensive Exercises and explanations</p>	Practice and Revision kit Questions
	<p>● Chapter 5 International investment and financing decisions 1 Motives for international investment 2 Investment decision: exchange rate risk 3 Evaluating international investments</p>	
6	<p>● Chapter 5 International investment and financing decisions 4 Financing decision: managing risk of international investments 5 Financing strategy</p> <p>Mindset: connected with practice and financial news, students are encouraged to integrate different social resources to help companies to cover financial gaps and to make contribution to society development</p>	Practice and Revision kit Questions
	<p>● Chapter 6 Cost of capital and changing risk 1 Impact of debt finance on the cost of capital 2 Investment that change financial risk</p>	
7	<p>● Chapter 6 Cost of capital and changing risk 3 Investment that change business risk</p>	Practice and Revision kit Questions
	<p>● 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</p> <p>Mindset: The history cannot fully represent the future. To be prudent to give out any recommendations and to fully incorporate new information, accuracy of data estimations should be improved. Everyone should be accountable to their behavioral.</p>	
8	<p>● Chapter 7 Financing and credit risk ● Comprehensive Exercises and explanations</p>	Practice and Revision kit Questions
	<p>● Chapter 8 Valuation for acquisitions and mergers 1 Asset-based models 2 Market-based models 3 Cash-based models</p>	
9	<p>● Chapter 8 Valuation for acquisitions and mergers 3 Cash-based models (cont.)</p> <p>Mindset: remind students to pay attention to the risk of securities investment in the future, carefully evaluate and select stocks, do not put all the eggs in one basket, and carefully manage money.</p>	Practice and Revision kit Questions
10	<p>● Chapter 9 Acquisitions: strategy issues and regulation 1 Growth strategy</p>	

	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 Mindset: students should consider all the influencing factors comprehensively and develop an overall view.	
	●Chapter 9 Acquisitions: strategy issues and regulation ●Chapter 10 Financing acquisitions and mergers ●Comprehensive Exercises and explanations	Practice and Revision kit Questions
11	● 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	
	● Chapter 12 Managing currency risk 3 Currency futures 4 Currency options	
12	● Chapter 12 Managing currency risk 3 Currency futures 4 Currency options ●Comprehensive Exercises and explanations Mindset: risk management concerns people’s livelihood, social stability and harmony, the realization of the interests of the masses, and has strong practicality and applicability. We should cultivate students’ risk awareness, help students to master the basic skills and potential awareness of risk management.	Practice and Revision kit Questions
	● 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	
13	● Chapter 13 Managing interest rate risk 5 Interest rate swaps & currency swaps Mindset: By optimizing the risk management technology, interest risks are minimized or transferred, so that competitive advantages of companies could be maintained to allow for better cash planning.	
	● Chapter 13 Managing interest rate risk ●Comprehensive Exercises and explanations	Practice and Revision kit Questions
14	Revision	
15	Presentation	
16	Presentation	

Note:

In the first three weeks, Xuexitong, 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. Xuexitong and Tencent Meeting will be used as main platform to organize study activities. When school reopen, Xuexitong 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, 2023	
Feb. 11-12	Registration
Feb. 13	Classes Begin
Apr.5	Qing Ming Festival
Apr.21	Spring Sports
May 1	Labor Day
June 22	Dragon-Boat Festival

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: _____

