

## Subject Description Form

<b>Subject Code</b>	AAE4007
<b>Subject Title</b>	Aircraft Leasing and Finance
<b>Credit Value</b>	3
<b>Level</b>	4
<b>Pre-requisite/ Co-requisite/ Exclusion</b>	Nil
<b>Objectives</b>	To provide students with an overview of the Aircraft Leasing Industry at undergraduate advanced level.
<b>Intended Learning Outcomes</b>	<p>Upon completion of the subject, students will be able to:</p> <ol style="list-style-type: none"> <li>a. Describe the salient features of the Aircraft Leasing and Aviation Finance industry; and</li> <li>b. Identify the roles and functions of various airlines and the characteristics of the airline business; and</li> <li>c. Understand and appreciate the aircraft leasing business, economics and the management of risks related to aircraft leasing; and</li> <li>d. Make recommendations on a leasing transaction.</li> </ol>
<b>Subject Synopsis/ Indicative Syllabus</b>	<p><b>Airline fleets, growth and demand</b> - Aircraft fleet delivery history, Aircraft order forecasts, Aircraft types and markets segmented and Lessor market share.</p> <p><b>Airline markets and segments</b> - Airline categories, Airline business by market (geography), Airline market trends, Airline costs and Airline revenues.</p> <p><b>Aircraft lessors</b> - Aircraft leasing, background and history, Aircraft lessors by size, shape, portfolio, shareholder, Aircraft leasing – key performance factors and Aircraft leasing – habitual base jurisdictions.</p> <p><b>Aircraft Leasing Economics</b> - Individual aircraft lease financial modelling, Aspects of portfolio aircraft lease financial modelling and Accounting and Auditing mark to market valuation.</p> <p><b>Aircraft Leasing Risk Management</b> - Aircraft general rating, Aircraft specifications and value, Airline risk, not just credit, Aircraft lease transaction risk, Aircraft lease portfolio risk and Aircraft lessor enterprise risk.</p> <p><b>Aircraft Lease Risk Investment Submission / Committee</b> - Assist to prepare an aircraft lease transaction investment submission for discussion, review and approval decision and to conduct the corresponding aircraft lease transaction investment review committee, findings and recommendations.</p>
<b>Teaching/Learning Methodology</b>	<ol style="list-style-type: none"> <li>1. The teaching and learning methods include lectures/tutorial sessions and assignments.</li> <li>2. The continuous assessments are aimed at providing students with integrated knowledge of the course of study.</li> </ol>

	<p>3. Technical/practical examples and problems are raised and discussed in class/tutorial sessions.</p> <table border="1" data-bbox="502 309 1425 750"> <thead> <tr> <th data-bbox="502 309 997 481" rowspan="2">Teaching/Learning Methodology</th> <th colspan="4" data-bbox="997 309 1425 414">Intended subject learning outcomes to be covered</th> </tr> <tr> <th data-bbox="997 414 1109 481">a</th> <th data-bbox="1109 414 1212 481">b</th> <th data-bbox="1212 414 1316 481">c</th> <th data-bbox="1316 414 1425 481">d</th> </tr> </thead> <tbody> <tr> <td data-bbox="502 481 997 548">1. Lecture</td> <td data-bbox="997 481 1109 548">✓</td> <td data-bbox="1109 481 1212 548">✓</td> <td data-bbox="1212 481 1316 548">✓</td> <td data-bbox="1316 481 1425 548">✓</td> </tr> <tr> <td data-bbox="502 548 997 616">2. Tutorial</td> <td data-bbox="997 548 1109 616">✓</td> <td data-bbox="1109 548 1212 616">✓</td> <td data-bbox="1212 548 1316 616">✓</td> <td data-bbox="1316 548 1425 616">✓</td> </tr> <tr> <td data-bbox="502 616 997 683">3. Assignments</td> <td data-bbox="997 616 1109 683">✓</td> <td data-bbox="1109 616 1212 683">✓</td> <td data-bbox="1212 616 1316 683"></td> <td data-bbox="1316 616 1425 683"></td> </tr> <tr> <td data-bbox="502 683 997 750">4. Written Exam</td> <td data-bbox="997 683 1109 750">✓</td> <td data-bbox="1109 683 1212 750">✓</td> <td data-bbox="1212 683 1316 750">✓</td> <td data-bbox="1316 683 1425 750">✓</td> </tr> </tbody> </table>	Teaching/Learning Methodology	Intended subject learning outcomes to be covered				a	b	c	d	1. Lecture	✓	✓	✓	✓	2. Tutorial	✓	✓	✓	✓	3. Assignments	✓	✓			4. Written Exam	✓	✓	✓	✓
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<p><b>Assessment Methods in Alignment with Intended Learning Outcomes</b></p>	<table border="1" data-bbox="502 824 1425 1198"> <thead> <tr> <th data-bbox="502 824 790 996" rowspan="2">Specific assessment methods/tasks</th> <th data-bbox="790 824 997 996" rowspan="2">% weighting</th> <th colspan="4" data-bbox="997 824 1425 929">Intended subject learning outcomes to be assessed</th> </tr> <tr> <th data-bbox="997 929 1109 996">a</th> <th data-bbox="1109 929 1212 996">b</th> <th data-bbox="1212 929 1316 996">c</th> <th data-bbox="1316 929 1425 996">d</th> </tr> </thead> <tbody> <tr> <td data-bbox="502 996 790 1064">1. Assignments</td> <td data-bbox="790 996 997 1064">40%</td> <td data-bbox="997 996 1109 1064">✓</td> <td data-bbox="1109 996 1212 1064">✓</td> <td data-bbox="1212 996 1316 1064"></td> <td data-bbox="1316 996 1425 1064"></td> </tr> <tr> <td data-bbox="502 1064 790 1131">2. Written Exam</td> <td data-bbox="790 1064 997 1131">60%</td> <td data-bbox="997 1064 1109 1131">✓</td> <td data-bbox="1109 1064 1212 1131">✓</td> <td data-bbox="1212 1064 1316 1131">✓</td> <td data-bbox="1316 1064 1425 1131">✓</td> </tr> <tr> <td data-bbox="502 1131 790 1198">Total</td> <td data-bbox="790 1131 997 1198">100 %</td> <td colspan="4" data-bbox="997 1131 1425 1198"></td> </tr> </tbody> </table> <p data-bbox="502 1249 1425 1317">Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p data-bbox="502 1339 742 1366">Overall Assessment:</p> <p data-bbox="502 1388 1125 1415"><math>0.4 \times \text{Continuous Assessment} + 0.6 \times \text{Written Exam}</math></p> <p data-bbox="502 1438 1425 1668">The continuous assessment consists of two assignments. They are aimed at evaluating the progress of students study, assisting them in self-monitoring of fulfilling the respective subject learning outcomes, and enhancing the integration of the knowledge learnt. The written exam is used to assess the knowledge acquired by the students for understanding and analyzing the problems critically and independently; as well as to determine the degree of achieving the subject learning outcomes.</p>	Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed				a	b	c	d	1. Assignments	40%	✓	✓			2. Written Exam	60%	✓	✓	✓	✓	Total	100 %					
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<b>Student Study Effort Expected</b>	Class contact:	
	▪ Lecture	26 Hrs.
	▪ Tutorial	13 Hrs.
	Other student study effort:	
	▪ Self-study	66 Hrs.
	Total student study effort	<b>105 Hrs.</b>
<b>Reading List and References</b>	<ol style="list-style-type: none"> <li>1. Vasigh, B., Fleming, K., &amp; Humphreys, B. (2014). Foundations of airline finance: Methodology and practice. Routledge.</li> <li>2. Murphy, R., &amp; Desai, N. (Eds.). (2011). Aircraft financing. Euromoney Books.</li> <li>3. Morrell, P. S. (2013). Airline finance. Ashgate Publishing, Ltd.</li> <li>4. Vitaly S. Guzhva, Sunder Raghavan, Damon J. D'Agostino (2018). Aircraft Leasing and Financing: Tools for Success in International Aircraft Acquisition and Management. Elsevier Science.</li> <li>5. Donald H. Bunker. International Aircraft Financing (Volume 1 – General Principles and Volume 2 – Specific Documents).</li> </ol>	

December 2020