Subject Code	AF6301
Subject Title	Advanced Financial Management
Credit Value	3
Level	6
Normal Duration	One Semester
Pre-requisite / Co-requisite/ Exclusion	None
Role and Purposes	This subject contributes to the achievement of the DBA/DMgt outcome by acquiring an in-depth knowledge of a specialist area (Outcome 2). The main purpose of this subject is to provide students with a fundamental philosophy and framework on corporate finance. It is expected that students would find the theoretical frameworks developed in this course relevant and useful to their professional careers. In particular, after taking this course, students should be able to examine many of the financial management issues in a rigorous and critical manner.
Subject Learning Outcomes	Upon completion of the subject, students will be able to: a. Understand the critical problems in financial management; b. Apply theoretical models to develop and implement financial management policies; c. Have sufficient exposure to the frontiers of academic research in financial management so that they have adequate preparation for the analytical and critical skills required to pursue a thesis in the area of financial management if they so choose.
Subject Synopsis/ Indicative Syllabus	• Agency Problems • Corporate Governance • Payout Policy • Capital Structure • Board and Ownership Structure • Executive Compensation • Corporate Control
Teaching/Learning Methodology	Since this is an advanced seminar course, you are assumed to be familiar with topics covered in an intermediate level of corporate finance/financial management. The course lectures and class discussion will be to a large extent a reflection of the assigned readings. Consequently, for the most efficient and productive use of class time *all students are required to read before the class the assigned materials to be discussed.* This is absolutely essential because you are expected to actively participate in and make contributions to class discussions.

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			
Continuous assessment	**100%**	✓	✓	✓			
1. Class participation	20%	✓	✓	✓			
2. Paper presentation	30%	✓	✓	✓			
3. Research topic proposal	50%	✓	✓	✓			
Total	**100 %**						

**Weighting of assessment methods/tasks may be different, subject to each subject lecturer.*

Student Study Effort Expected

Class contact:	
▪ Lectures / Seminars	30 Hrs.
Other student study effort:	
▪ Preparation for lectures	30 Hrs.
▪ Preparation for the term paper	60 Hrs.
Total student study effort	120 Hrs.

Reading List and References

Jensen, M. and W. Meckling, 1976, Theory of the Firm: Managerial Behavior, Agency Costs, and Ownership Structure, Journal of Financial Economics 3, 305- 360.

Myers, S. C. and N. S. Majluf, 1984, Corporate Financing and Investment Decisions: When Firms Have Information That Investors Do Not Have, Journal of Financial Economics 13, 187-221.

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Morck, R., B. Yeung, and W. Yu, 2000, The Information Content of Stock Markets: Why Do Emerging Markets Have Synchronous Stock Price Movements? *Journal of Financial Economics*, Vol. 58, 215-260.

Bebchuk Lucian A. and Michael Weisbach, 2010, The state of corporate governance research, Review of Financial Studies v23n3, 939 – 960.

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Vishny, 1998, Law and finance. Journal of Political Economy v106n6, 1113–1155.

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Jae-Seung Baek, Jun-Koo Kang, Kyung Suh Park, 2004, Corporate governance and firm value: evidence from the Korean financial crisis, Journal of Financial Economics 71, 265 – 313.

Alon Brav, John R Graham, Campbell R Harvey, Roni Michaely. 2005, Payout policy in the 21st century, Journal of Financial Economics v 77n3, 483-527.

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MARK T. LEARY and MICHAEL R. ROBERTS, 2005, Do Firms Rebalance Their Capital Structures?, Journal of Finance v60n6, 2575 – 2619.

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Alexander Dyck, Luigi Zingales. 2004, Private Benefits of Control: An International Comparison, Journal of Finance v59n2, 537-600.

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Vishny. 1999, Corporate ownership around the world. Journal of Finance,

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B.Hermalin and M. Weisbach, 2003, Boards of directors as an endogenously determined institution: a survey of the economic literature. Economic Policy Review – Federal Reserve Bank of New York 9, 7 – 26.

David Yermack, 1996, Higher market valuation of companies with a small board of directors, Journal of Financial Economics v40n2, 185 – 211.

Michael Weisbach, 1988, Outside directors and CEO turnover, Journal of Financial Economics 20, 431 – 460.

Morck, Randall, Andrei Shleifer and Robert Vishny, 1988, Management Ownership and Market Valuation: An Empirical Analysis, Journal of Financial Economics 20, 293-315.

Jensen Michael C., and Kevin J. Murphy, 1990, Performance pay and top management incentives, Journal of Political Economy v98n2, 225-262.

John E. Core, Robert W. Holthausen, David F. Larcker, 1999, Corporate governance, chief executive officer compensation, and firm performance, Journal of Financial Economics 51 (1999) 371-406

Steven N. Kaplan and Joshua Rauh, 2010, Wall Street and Main Street: What Contributes to the Rise in the Highest Incomes?, Review of Financial Studies 23, 1004 – 1050.

Warner, J., Watts, R., Wruck, K., 1988. Stock prices and top executive management changes. Journal of Financial Economics 20, 461–492.

Defond, Mark LC. and Mingyi Hung, 2004, Investor protection and corporate governance: Evidence from worldwide CEO turnover, Journal of Accounting Research v42n2, 269-312.

Jensen, M., 1993. The modern industrial revolution, exit, and the failure of internal control systems. Journal of Finance 48, 831-880.

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