

International Qualifying Scheme (IQS)

With effect from 1 January 2020, HKICS will launch a new qualifying programme, **Chartered Governance Qualifying Programme (CGQP)**, which replaces the current International Qualifying Scheme (IQS). IQS is valid to the Collaborative Courses Programme (CCA) and Partnership Bachelor Programme (PBP) which programme intakes not yet change to CGQP by 2020.

The IQS is divided into two programmes which cover 8 subjects.

Professional Programme (Part I)	Professional Programme (Part II)
Strategic and Operations Management	Corporate Governance
Hong Kong Corporate Law	Corporate Administration
Hong Kong Financial Accounting	Corporate Secretaryship
Hong Kong Taxation	Corporate Financial Management

Important Notes:

- 1. Knowledge of the important legal decisions will be expected. Candidates should also have a general knowledge of any major change in, or addition to, existing legislation which has been formally proposed by the Government. However, a detailed knowledge of new legislation will not be expected in examinations held within six months of the passing of the legislation. Questions in this paper may require candidates to submit answers in the form of letter, reports or memoranda.*
- 2. Updated versions of all Ordinances and Regulations can be obtained from the Department of Justice website (www.doj.gov.hk)*

Syllabus and Reading List

STRATEGIC AND OPERATIONS MANAGEMENT

AIM

The aim of the module is to develop knowledge and understanding of key principles and practices in management, to equip the aspiring Chartered Secretary for both the strategic and operational contexts of the professional role.

LEARNING OUTCOMES

At the conclusion of this module, the candidate will be able to:

- understand and apply strategy theory, models and language to contribute to boardroom decision making
- understand and apply operations theory and best practice in contributing to corporate management.
- understand and apply leadership theory and best practice in the functional role and leadership of teams.

PRE-REQUISITE LEARNING

This module is a component of the ICSA Bridging Programme. It is designed to enable aspiring Chartered Secretaries to (a) demonstrate required standards of competence for professional practice in a key discipline, and (b) acquire essential knowledge and skills to underpin the relevant components of the Professional Programme.

Evidence of assessed knowledge and understanding must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards.

The module specification is based on the assumption of some relevant prior learning in management.

PAPER REQUIREMENTS AND FORMAT

Section A: A case study with a maximum of five compulsory questions. (Total - 40 marks for Section A)

Section B: 3 questions to be attempted from a choice of 5; 20 marks each (Total - 60 marks for Section B)

LEARNING CONTENT

Strategic Management

The nature of strategy. The "Boardroom" strategic role. Mission, ethics and values. Social responsibility and stakeholders' expectations. The corporate environment and systems theory. Environmental factors: the impact of law, regulation, the market, and other "PEST" factors. Internal factors.

Strategic choice: business-level strategy, corporate-level strategy and international strategy, strategic alliances. Analysis and evaluation: the "balanced scorecard" and the strategic balance sheet. Analytical techniques: portfolio analysis, competitor analysis, value chain analysis, market migration analysis.

The distinction between strategy and policy. Planning: short, medium and long term. Targets. Resources. Planning techniques, including scenario planning. Strategy: effective corporate performance; strategic options for direction, change and growth. Policymaking and implementation. Supply chain management and logistics. The virtual organisation.

Creative and rational models in strategic management: applications and limitations. The rational cycle: corporate needs, decision making, implementation, monitoring and review, feedback. Measurement of corporate performance; concepts of output and outcome. Contingency management and agile strategies.

Corporate Management

The management of change: growth, stability and contraction. Business process re-engineering. Organisational culture: types and characteristics. The management and mobilisation of culture. Organisational development. The management of quality: total quality management and audit approaches. Benchmarking.

Cycle time reduction. Just in Time and Manufacturing Resource Planning techniques. Knowledge and information management: dissemination and feedback. The Internet and Intranets. Networking, cascading and team briefing. Formal management communications: reports, minutes, directives, standing orders, working manuals, communications technology.

Team Leadership

The concepts of morale, motivation, leadership, authority and responsibility: theoretical models and their application. Emotional intelligence, empowerment, self-directed and cross-functional teams. Project management and team leadership. Techniques in team building. Enhancing the performance of teams and individuals. Performance appraisal and measurement: organisation, team and individual.

Recommended Readings

1. Strategic and Operations Management, ICSA Study Text, ICSA International, 5th edition
2. Johnson, Scholes and Whittington, Exploring Corporate Strategy - Text and Cases, FT Prentice Hall, 9th edition
3. Mullins, L., Management and Organisational Behaviour. FT, Trans-Atlantic Publications, 11th edition
4. Handy, C., Understanding Organizations. Penguin
5. Huczynski, A, and Buchanan, D., Organization Behaviour: An Introductory Text FT Prentice Hall; 9th edition
6. Daft, R. L., & Lane, P. Management. South-Western College Pub, 12th edition
7. Slack, N., Brandon-Jones, A., Johnston, R. Operations Management London. Pearson Education, 7th edition
8. Slack, N. Brandon-Jones, A., Johnston, R. Essentials of Operations Management, Financial Times

Further Readings

1. Belbin, R.M. Beyond the Team. London, Butterworth-Heinemann
2. Bennis, W. On Becoming a Leader. London: Hutchinson Business Books
3. Garrat, B., The Fish Rots from the Head – The Crisis in our Boardrooms. Profile Books
4. Goleman, D. Emotional Intelligence. New York, Bantam Books
5. Handy, C. Inside Organisations. London, penguin Books
6. Mintzberg, H., The Rise and Fall of Strategic Planning. London, Prentice Hall
7. Moore, J.I. Writers on Strategy and Strategic Management, Penguin Books Ltd., 2nd edition
8. Obeng, E. All Change!, London, FT/Prentice Hall
9. Peters, T.J. and Waterman, R.H. In Search of Excellence, Profile Books Ltd
10. Porter, M.E., On Competition Updated and Expanded Edition, Harvard Business School Press
11. Senge, P.M., The Fifth Discipline, London, Century Business

12. Stacey, R.D., Strategic Management and Organisational Dynamics, Pearson Education, 7th edition
13. Trompenaars, F. Riding the Waves of Culture, Nicholas Brealey, 3rd edition
14. Williams, H. The Essence of Managing Groups and Teams. London, Prentice Hall

HONG KONG CORPORATE LAW

AIM

The Company Secretary is, within the organisation, the first point of authority and reference on the requirements of corporate law. A pivotal role is also played in corporate compliance, and the body of law is the basis and framework for corporate secretarial practice.

The aim of the module is therefore to provide a thorough grounding in, and knowledge and understanding of the sources and principal provisions of corporate law in the structure, management and performance of the business entity.

LEARNING OUTCOMES

At the conclusion of this module, the candidate will be able to:

- understand and advise on the provisions and application of corporate law appropriate to the constitution, formation and performance of the business entity.
- perform the role of principal compliance officer.
- understand and advise on the impact of law on the role of Directors, the Company Secretary, and the audit function.

PRE-REQUISITE LEARNING

This module is a component of the ICSA Professional Programme Part One. It is designed to enable aspiring Chartered Secretaries to (a) demonstrate required standards of competence for professional practice in a key discipline, and (b) acquire essential knowledge and skills to underpin the relevant components of the Professional Programme.

Evidence of assessed knowledge and understanding must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards.

The module specification is based on the assumption of some relevant prior certificated knowledge, and candidates will find it helpful to have familiarised themselves particularly with:

- An introduction to the principles of law.
- Business law

PAPER REQUIREMENTS AND FORMAT

Section A: A case study with a maximum of five compulsory questions. (Total - 40 marks for Section A)

Section B: 3 questions to be attempted from a choice of 5; 20 marks each (Total - 60 marks for Section B)

LEARNING CONTENT

Formation and Constitution

The concept, process and effect of incorporation: corporate personality, limited liability. The not-for-profit organisation: legal entity and regulatory environment.

Types of company: public and private, limited by guarantee, unlimited. Holding and subsidiary companies and undertakings. Relevant comparison with other forms of organisation. Sole traders. Partnerships, Limited liability partnerships. Joint ventures. Public corporations. Public bodies. Voluntary and charitable bodies.

Company formation: The Registrar of Companies. Content and effects of the articles of association. Its alteration. Promoters. Prospectuses. The commencement of business.

The Legal Status of Company Officers

Directors: powers and duties (statutory and common law); appointment, reappointment, remuneration, removal, retirement and disqualification. Directors' liabilities, indemnity and insurance. Borrowing powers. Disclosure of interest. Insider dealing.

The Company Secretary: appointment, qualification and functions.

Auditors: rights, powers and duties; appointment and removal.

Corporate Transactions and Governance

Legal capacity. The concept of agency. Pre-incorporation contracts. The common seal. Apparent authority. Turquand's rule. Majority rules and minority protection. Common law protection and statutory protection of minority. Market Misconduct.

Shares and Loan Capital

Share capital: methods of raising, maintaining, increasing, reducing. Principal categories. The concept of membership. Allotment of shares. Underwriting and commissions. Transfer and transmission. Restrictions on transfer; Forged transfers. Share certificates. Mortgage of shares. Calls, lien, surrender and forfeiture of shares. Capital maintenance rule. Redemption and purchase of own shares. Financial assistance for acquisition of shares. Distribution of profits. Disclosure of substantial holdings and of beneficial ownership. Variation of class rights. Declaration and payment of dividends. Capitalising profits. Reserves.

Loan capital: debentures. Secured creditors. Registration and priority of charges.

Reconstructions, Disputes and Liquidation

Reconstruction; Schemes of arrangement (members and/or creditors); Takeovers and mergers; Compulsory acquisition of shares on takeover.

Receivership: Appointment and function of Receiver and Receiver-Managers.

Compulsory and voluntary liquidation: grounds for winding up; order of application of assets of insolvent companies; preference and the avoidance of transactions; fraudulent trading; consequences of winding up. Striking off and restoration of companies to the Register; Voluntary arrangements. Regulatory investigations.

Meetings

General legal principles relating to convening, constitution and conduct of meetings at common law. Law relating to meetings of companies governed by Hong Kong Companies Ordinance. Provisions of Model Articles relating to meetings. Kinds of company meetings: general meetings, class meetings, Board meetings and meetings in winding up.

Recommended Readings

1. The Hong Kong Institute of Chartered Secretaries, Hong Kong Corporate Law Study Pack
2. Vanessa Stott, Hong Kong Company Law, Hong Kong: Longman, 14th edition
3. John Brewer, The Law & Practice of Hong Kong Companies, Sweet & Maxwell, 2nd edition
4. Nigel Davis and Melanie Mitchell, Hong Kong Listed Companies: Law and Practice, Wolters Kluwer Hong Kong Ltd
5. Stefan Lo and Dr. Charles Qu, Law of Companies in Hong Kong (Student edition), Sweet & Maxwell

Further Readings

1. Paul Kwan, Hong Kong Corporate Law, Hong Kong: LexisNexis
2. E.L.G. Tyler (ed), Hong Kong Company Law Handbook, Hong Kong: LexisNexis, 18th edition
3. Loh Siew Cheang and William Wong, Company Law: powers and accountability, Hong Kong: LexisNexis, 2nd edition
4. Cheng Po Wah, Sum Heung Suet, Anna and Yuen Kam Tim, Francis, The Hong Kong Company Secretary's Handbook: practice and procedure, Hong Kong: Longman, 10th Edition
5. Derek French et al, Mayson, French & Ryan on Company Law, Oxford: Oxford University Press, 33rd edition
6. Paul Davies, Gower and Davies' Principles of Modern Company Law, London: Sweet & Maxwell, 10th edition
7. Len Sealy and Sarah Worthington, Cases and Materials in Company Law, Oxford: Oxford University Press, 11th edition
8. Alice Leung; Victor Joffe QC; Roxanne Ismail SC; Kingsley Ong; Selina Kung, HK Companies Ordinance – Commentary & Annotations (2 volumes), Sweet & Maxwell
9. ELG Tyler, Stefan Lo, New Companies Ordinance (Cap 622), A Butterworths Hong Kong Handbook (Volume I to VI), LexisNexis

Useful website: www.legislation.gov.hk

- Companies Ordinance (Cap.622)
- Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32)
- Securities and Futures Ordinance (Cap. 571)

HONG KONG FINANCIAL ACCOUNTING

AIM

In professional practice, the Chartered Secretary has to be competent in Financial Accounting to a high standard, and in a number of different contexts.

Expertise is demanded in the boardroom setting to contribute to the analysis and interpretation of corporate financial performance and results. Corporate reporting in compliance with legal and stakeholder requirements, including financial statements, is a core responsibility of the Company Secretary. In public practice, and in many organisations, the Chartered Secretary, serving in the role of Company Secretary, is also sometimes called upon to fulfil the role of Corporate Accountant.

The aim of the module is to develop the knowledge and skills necessary for the Chartered Secretary to carry out these professional responsibilities.

LEARNING OUTCOMES

At the conclusion of this module, the candidate will be able to:

- understand the language, concepts and use of financial accounts and reports.
- identify and utilise the sources of accounting data and information.
- understand and apply standards of accounting practice.
- prepare financial statements for different forms of organisation in compliance with legal and regulatory requirements.
- apply financial information and statements in corporate reporting.
- undertake the corporate accounting role for employers and clients.
- contribute to boardroom analysis of corporate financial performance.

PRE-REQUISITE LEARNING

This module is a component of the HKICS Professional Programme Part One. It is designed to enable aspiring Chartered Secretaries to (a) demonstrate required standards of competence for professional practice in a key discipline, and (b) acquire essential knowledge and skills to underpin the relevant components of the Professional Programme.

Evidence of assessed knowledge and understanding must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards.

The module specification is based on the assumption of some relevant prior certificated knowledge, and candidates will find it helpful to have familiarised themselves particularly with:

- An introduction to the principles of book-keeping and accounting.

PAPER REQUIREMENTS AND FORMAT

Section A: A case study with a maximum of five compulsory questions. (Total - 40 marks for Section A)

Section B: 3 questions to be attempted from a choice of 5; 20 marks each (Total - 60 marks for Section B)

LEARNING CONTENT

Methods of Financial Measurement

Financial goals; profit, surplus and break even. The recognition of profit: matching revenue with expenditure; and increase in the value of the business. Profit measurement and asset valuation on the basis of historical cost, replacement (current) cost, fair value accounting, asset impairment and recoverable amount.

Accounting Regulations

The need for regulations. Substance versus form. Sources of regulation. Requirements of the Hong Kong Companies Ordinance and Hong Kong Accounting Standards. Form and content of financial statements for publication purpose. Calculation of distributable profits. Capital maintenance. Issue and redemption of shares and debentures. Capital reduction and reorganisation.

Accounting Reports

The preparation and presentation of statement of cash flows; segmental reports; interim reports; statement of profit or loss and other comprehensive income; statement of changes in equity and statement of financial position. Related party disclosures. The limitations of financial statements.

Valuation of Assets and Liabilities

Accounting concepts, bases and policies. Treatments of inventory and construction contracts; property, plant and equipment and depreciation; investment properties; borrowing costs; foreign currency translations; leases; goodwill and intangible assets; impairment of assets; non-current assets held for sale and discontinued operations; provisions; contingencies; financial instruments, employees' benefits and taxation; share-based payment and events after the reporting date.

Consolidated Accounts

Business combinations. Definitions of holding, subsidiary, associated companies and joint ventures. The nature, purpose and preparation of consolidated financial statements. Merger, acquisition, equity methods of accounting.

Interpretation of Accounts

The examination and analysis of financial information. Uses and limitations of ratio analysis. The preparation for reports in appropriate style for management, investors, creditors and other user groups.

Recommended Readings

1. Wild, J J et al, Fundamental Accounting Principles (International Financial Reporting Standards) (IFRS), McGraw-Hill Education, 2nd edition, Asia Global Edition
2. Tan, Lim and Lee, Advanced Financial Accounting. An IAS and IFRS Approach, McGraw, 2nd edition
3. Lam and Lau, Intermediate Financial Reporting. An IFRS Perspective. McGraw Hill Education (Asia), 3rd edition.
4. Chow, Kan, Taylor and Tsui, Advanced Financial Accounting in Hong Kong, Longman, 5th edition
5. Leo, Hoggett, Sweeting and Radford. Company Accounting, Wiley, 10th edition
6. Patrick Ng, Associate Professor Ng Eng Juan, Hong Kong Master GAAP Guide 2015/2016, Wolters Kluwer Hong Kong Ltd

Further Readings

1. Hong Kong Institute of Certified Public Accountants, Hong Kong Financial Reporting Standards
2. The Companies Ordinance.
3. Picker, Dunn, Loftus, Koltz, Clark, Livne and van der Tas, Applying International Financial Reporting Standards, John Wiley & Sons Ltd., 4th edition
4. Spiceland, Sepe, Nelson, Tan, Low & Low, Intermediate Accounting: IFRS Edition, McGraw Hill, Global Edition
5. Cotter, D, Advanced Financial Reporting: A Complete Guide to IFRS, Financial Times Prentice Hall
6. Stice, J D and Stice, E K, Intermediate Accounting, South-Western/ Cengage Learning, 19th edition

Useful website

1. Hong Kong Institute of Certified Public Accountants - Hong Kong Financial Reporting Standards:
<http://www.hkicpa.org.hk/ebook/main.php>
2. The Companies Ordinance: <http://www.legislation.gov.hk>
3. Hong Kong Exchanges and Clearing Limited - Rules and Guidelines on Listing Matters (Appendix 16 to the Listing Rules details the disclosure of financial information):
<http://www.hkex.com.hk/rule/index/rulesandguidelines.htm>

HONG KONG TAXATION

AIM

To develop an understanding of the current law relating to taxation and its practical application to companies, partnerships, and individuals.

PAPER REQUIREMENTS AND FORMAT

Section A: A case study with a maximum of five compulsory questions. (Total - 40 marks for Section A)

Section B: 3 questions to be attempted from a choice of 5; 20 marks each (Total - 60 marks for Section B)

LEARNING CONTENT

An understanding of the general concept of the Hong Kong taxation system

Administration: issue of tax returns and assessments, payment and recovery of tax, procedures for objections and appeals, penalties and offenses.

The taxation of limited companies, partnerships and individuals under Profits Tax, including:

- (i) scope of charge,
- (ii) principles of assessment,
- (iii) ascertainment of profits,
- (iv) treatment of losses,
- (v) depreciation allowance, including detailed computation,
- (vi) commencement and cessation of business,
- (vii) change of accounting date,
- (viii) special business including club, trade association and financial institution.

The taxation of individuals' income under Salaries Tax including:

- (i) scope of charge,
- (ii) principles of assessment,
- (iii) ascertainment of net assessable income and net chargeable income,
- (iv) personal allowances.

The taxation of income from property under Property Tax including:

- (i) scope of charge,
- (ii) principles of assessment,
- (iii) ascertainment of net assessable income.

Election for Personal Assessment

- (i) objectives,
- (ii) eligibility and procedures for election for personal assessment,
- (iii) ascertainment of net assessable income and net chargeable income under personal assessment,
- (iv) tax set-off and reliefs.

The relevance of the three separate income taxes to management decision-making and corporate planning, including basic principles of the following:

- (i) tax planning for individuals and companies,
- (ii) tax avoidance,
- (iii) anti-avoidance provisions,
- (iv) tax evasion,
- (v) investigation.

Stamp Duty

- (i) basic scope of charge,
- (ii) principles of assessment,
- (iii) relief and exemptions,
- (iv) administration, including appeal, late filing, penalty, and interest.

The application of double taxation arrangements.

Application of double taxation arrangements on companies and individuals. Particular emphasis is placed on the “Arrangement between the Mainland of China and the Hong Kong SAR for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income”.

Recommended Readings

1. Ho P, Hong Kong Taxation and Tax Planning, Pilot Publishing Co Ltd, the latest edition
2. Lee D, Advanced Taxation in Hong Kong, Pearson Education, 18th edition
3. Wong P and Wong J, Taxation in Hong Kong: A Practical Guide 2015/16, Wolters Kluwer Hong Kong Ltd, 3rd edition
4. Macpherson A and Pearce J, Hong Kong Taxation: Law & Practice 2015/16, The Chinese University Press
5. Halkyard A, VanderWolk J & Chow W, Hong Kong Tax Law: Cases and Materials, LexisNexis Hong Kong, 6th edition

Further Readings

1. Hong Kong Master Tax Guide 2016/17 (Wolters Kluwer Hong Kong Ltd)
2. Hong Kong Tax Cases (Hong Kong Government Printer)
3. The relevant Ordinances and Regulations in particular the Inland Revenue Ordinance, Chapter 112 of the Law of Hong Kong
4. Hong Kong Board of Review Decisions (Hong Kong Government Printer):
<http://www.info.gov.hk/bor/en/published-decisions.htm>
5. Interpretation and Practice Notes (Inland Revenue Department/Stamp Office): www.ird.gov.hk/eng/ppr/dip.htm
6. Stamp Duty Ordinance, Chapter 117 of the Law of Hong Kong

Useful Website

1. IRD – <http://www.ird.gov.hk/index.htm>
2. Bilingual Laws Information System: www.legislation.gov.hk/eng/home.htm



CHARTERED
SECRETARIES
特許秘書

PROFESSIONAL PROGRAMME (PART II)

CORPORATE GOVERNANCE

AIM

Corporate Governance has emerged on the global agenda in pursuit of proper and efficient practice in the administration and the sustainability and viability of the business entity. The objective is probity in business activity, compliance with law and regulation, and the securing of reputation and confidence towards the attraction of inward investment. The Company Secretary is the key corporate player and the global profession of Chartered Secretary has emerged as a benchmark for the development of best practice.

The aim of the module is to instil the knowledge and key skills necessary for the Chartered Secretary to act as chief adviser to the Board on best practice in corporate governance, and as the catalyst for systematic application and development in the major global forms of organisation.

LEARNING OUTCOMES

At the conclusion of this module, the candidate will be able to:

- research and apply the growing global information sources on corporate governance.
- promote awareness of, and be responsible for continuing self and personnel development on corporate governance themes.
- promulgate corporate governance principles and best practice in the employing or client organisation.
- apply professional knowledge and skills to the resolution of practical issues and problems in the proper governance of the employing or client organisation.
- understand and apply the concepts of probity and ethical standards in governance.
- understand and advise on the impact of corporate governance principles on the role of Directors, the Company Secretary, the Chief Executive and the audit function.
- understand the regulatory framework of the stock exchange in Hong Kong and corporate governance practice under relevant rules, codes and regulations.
- understand the value and importance of internal control functions and risk management to sound corporate governance

PRE-REQUISITE LEARNING

Evidence of assessed pre-requisite knowledge and understanding in the following disciplines must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards:

- Corporate Law
- Strategic and Operations Management
- Financial Accounting

PAPER REQUIREMENTS AND FORMAT

Section A: A case study with a maximum of five compulsory questions. (Total - 40 marks for Section A)

Section B: 3 questions to be attempted from a choice of 5; 20 marks each (Total - 60 marks for Section B)

LEARNING CONTENT

The Definitions and Objectives of Corporate Governance

Meaning of corporate governance: difference between governance and management, purpose of good governance. The corporate entity; separation of ownership and operation, checks and balances. The concepts of ownership and balancing systems of accountability and ethics. Agency theory, transaction cost theory, stakeholder theory. The "enlightened shareholder and stakeholder" concepts. The Region as shareholder. Models of hierarchic and functional relationships in sound governance. One-tier and two-tier Boards, stakeholder boards, advisory boards, and executive boards.

The external and internal pressures for sound governance. History and ongoing developments in corporate governance. The Reports: from Cadbury and King onwards; national and international sources. Sarbanes-Oxley Acts 2002. The Combined Code on Corporate Governance (2003/2006/2008), Corporate Governance Code 2010 of UK. The Hong Kong Corporate Governance Code. CG practices of other major countries. Corporate governance principles and guidelines: OECD Principles of Corporate Governance (2004); OECD Guidelines on Corporate Governance of State-Owned Enterprises 2005; Corporate Governance Scores or Indexes; the Commonwealth Association for Corporate Governance (CACG). The governance agenda in the developing and developed economies. Governance issues for global companies and groups, public sector and voluntary sector (charities). Case studies from Hong Kong, China, and overseas.

The Regulatory and Ethical Framework

The role of legislation and regulation in corporate governance. The nature and importance of compliance. Compliance statements. The ethical dimension: codes and practices. The assessment of corporate performance: yardsticks and measurement; corporate review; disclosure. Key concepts: openness; honesty; transparency; probity; accountability; judgement; independence, fairness, participation, reputation; social and environmental responsibility. Applying best practice in governance: voluntary and regulatory approaches, rules or principles, concept of "comply or explain". Laws and regulations governing statutory duties of directors, insider dealing and market abuse and corporate governance practices, including the corporate governance code, model code for share dealings.

Sound Governance

The concept of best practice in governance in companies. Understanding the distinct and separate roles, duties and responsibilities of corporate officers and stakeholders: Chairman, Chief Executive Officer, Directors, Company Secretary and Shareholders/Members. Committees and their role: Audit, Governance, Remuneration, Nomination. Functions and decision making authorities. Shareholders: majority control; minority rights; The importance of the board representation of independent directors in the Board, share options, and Chief Executive Officer compensation. Selection, induction, orientation and training, succession planning, and removal. Responsibilities of the Board.

Internal controls and risk assessment: Roles of internal audit function; Overall business risk assessments, formulation of risk responses to minimize financial, operational and compliance risks; evaluating the effectiveness of risk management and control policies. Whistle-blowing policy and procedures. All obligations in relation to disclosures and compliances under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. Shareholders activism and Institutional investors. The concept of Corporate Social Responsibility and Sustainability. Corporate responsibility and stakeholders: internal and external stakeholders, responsibility to various stakeholder groups interest and influence of various stakeholder groups. Elements of corporate social responsibility: employees, the environment, human rights, communities and social welfare, social investment, ethical conduct. Business ethics: ethics issues, code of ethics, reputation risk. Formulating and implementing a policy for corporate social responsibility. The concept of sustainability and long-term corporate performance. Sustainability reporting: CSR reports. ESG report, social and environmental reports. Social responsibility in the public and voluntary sectors. Recommendations or guidelines of institutional investor groups on matters relating to social and environmental issues. Concept of disclosure of interests of substantial shareholders and directors.

The Secretary and Corporate Governance

The importance and special position of the Company Secretary; the role in sound and effective governance, identifying governance issues and applying governance rules and principles in practice. Meeting rules and conflict of interest policy enforcement. Appointment, qualification and independence. Control of corporate information and corporate reporting: the annual report; the website. Disclosure in corporate governance report. Communication with stakeholders. The "whistleblowing" concept: issues and problems, protection, insurance.

Directors

Role of the board and its governance responsibilities. Size, structure and composition of the board: board diversity, checks and balances, independence. Executive and non-executive directors. Chairman, managing director. Shadow and alternate directors. The concept of independent directors: role and effectiveness. Board committees: composition, function and terms of reference. Roles of chairman and chief executive officer and their legal duties. Comparison of roles, needs, powers and duties; appointment, reappointment and rotation, remuneration, removal, retirement and disqualification. Matters reserved for the board.

Good boardroom practices: responsibilities of the chairman and company secretary. Induction and continuous professional training for directors. Board evaluation, nomination and succession planning.

Remuneration of directors and senior management: remuneration structure – principles and elements, remuneration policy, deciding a remuneration package for individual directors and senior executives, compensation for loss of office, incentive schemes (e.g. share options), disclosures of directors' remuneration.

Directors' liabilities, indemnity and insurance. Conflict and disclosure of interest. Share dealing; model codes; insider dealing. Company records. Directors' disclosures, service contracts and agreements and agreements. Connected transactions.

Financial reporting to shareholders and audit function

Financial reporting: responsibilities of the board, executive management, internal and external auditors. The contribution of internal and external audit functions to sound governance – need for reliable financial reporting, true and fair view, going concern status and discovery of fraud. Internal audit and external audit reports and their use. Appointment and removal of internal and external auditors. Independence and remuneration: rights, powers and duties in the governance framework, threat to auditor independence and non-audit work. Roles of internal and external auditors, their relationship with Audit Committee. Principles of reporting requirements for good governance: accountability, integrity, transparency.

Recommended Readings

1. Bob Tricker, *Corporate Governance: Principles, Policies, and Practice*, Oxford University Press, 3rd edition
2. The Hong Kong Institute of Chartered Secretaries, *Corporate Governance Study Pack*
3. Gordon W.E. Jones, *Corporate Governance and Compliance in Hong Kong*, LexisNexis, 2nd edition
4. Vanessa Stott, *Hong Kong Company Law*, Longman, 14th edition
5. Richard Smerdon, *A Practical Guide to Corporate Governance*, 4th Edition, Thomson Sweet & Maxwell
6. Monks, R. and N. Minow, *Corporate Governance*, 5th edition, Blackwell Publishers
7. Solomon, J., *Corporate Governance and Accountability*, John Wiley & Sons, 4th edition

8. Kim, K. and J. Nofsinger, Corporate Governance, Pearson – Prentice Hall, 3rd edition
9. Ching, K.W., Joo-Seng Tan, and Chi Ching R. G., Corporate Governance in East Asia: the Road Ahead, Pearson Education
10. Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
11. Relevant ordinances and regulations issued in the HKSAR (e.g. Companies Ordinance, Securities and Futures Ordinances).
12. The Duties and Responsibilities of Independent Non-Executive Directors of Hong Kong Main Board Listed Companies, The Hong Kong Institute of Chartered Secretaries
13. Internal Control & Risk Management-A Basic Framework, HKICPA
14. Internal Control-Integrated Framework-Executive Summary, Committee of Sponsoring Organizations of the Treadway Commission (“COSO”)
15. Enterprise Risk Management- Integrated Framework-Executive Summary, Committee of Sponsoring Organizations of the Treadway Commission (“COSO”)
16. Internal Control over Financial Reporting- Guidance for Smaller Public Companies Volume 1: Executive Summary, COSO
17. Business Ethics Report, HKICS
18. Effective Enterprise Risk Oversight-The Role of the Board of Directors, COSO
19. Using the OECD Principles of Corporate Governance: A Boardroom Guide, OECD
20. Report of the Cadbury Committee on financial aspects of Corporate Governance

Further Readings

1. Judith Sihombing, Faculty of Law, Chinese University of Hong Kong, Hong Kong Directors' Manual, Wolters Kluwer Hong Kong Ltd
2. Hong Kong Corporate Governance: a Practical Guide, 1st edition, White Page Limited: [Download here](#)
3. Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (incorporated the Environmental, Social and Governance Reporting Guide as a recommended practice): <https://www.hkex.com.hk/eng/rulesreg/listrules/mbrules/vol2.htm>
4. The Essential Company Secretary, The Hong Kong Institute of Chartered Secretaries: [Download here](#)
5. Guidelines on Disclosure of Inside Information, Securities and Futures Commission Hong Kong: [Download here](#)

Useful Websites

1. Corporate Governance: www.corpgov.net; www.icgn.org
2. Companies Registry: www.info.gov.hk/cr
3. Hong Kong Stock Exchange: www.hkex.com.hk
4. Securities and Futures Commission: www.hksfc.org.hk
5. Internal Control & Risk Management: www.hkicpa.org.hk; www.coso.org
6. Guidance Notes, HKICS www.hkics.org.hk
7. The Organisation for Economic Cooperation and Development (OECD): www.oecd.org
8. Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) www.coso.org/



CHARTERED
SECRETARIES
特許秘書

CORPORATE ADMINISTRATION

AIM

The Chartered Secretary is regularly employed in a position of strategic responsibility for administrative operations within and across the organisation. The aim of the module is to instil knowledge and key skills in handling the responsibilities of corporate administration in both the strategic and functional contexts, to develop competence in advising the Board and leading teams in administrative best practice, and in ensuring compliance with external regulation and internal procedures.

LEARNING OUTCOMES

At the conclusion of this module, the candidate will be able to:

- understand the scope of strategic and functional administration and apply it within the employing or client organisation.
- access information sources and deliver knowledge and information internally to the optimum benefit of the organisation and its needs.
- evaluate the requirements of the legal and regulatory environment in corporate administration, advise the Board accordingly, and ensure compliance.
- take responsibility for the administration of corporate knowledge and information, the human resource, pension schemes, insurance and risk, and physical corporate assets.

PRE-REQUISITE LEARNING

Evidence of assessed pre-requisite knowledge and understanding in the following disciplines must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards:

- Strategic and Operations Management
- Corporate Law

PAPER REQUIREMENTS AND FORMAT

Section A: A case study with a maximum of five compulsory questions. (Total - 40 marks for Section A)

Section B: 3 questions to be attempted from a choice of 5; 20 marks each (Total - 60 marks for Section B)

LEARNING CONTENT

Role and Functions

The role, functions and compliance perspective of the corporate administrator. Administration as a support service in organisations. The concept of best practice. The sources and application of guides to best practice.

Knowledge and Information

The sources of information on law, regulation and administrative best practice. Copyright and intellectual property, including asset protection. Trademarks and patents. Information, data and technology as a corporate resource. Technological change and innovation: internet and website applications and management. Security and integrity of information; control of access. Data protection legislation. Confidentiality. Unsolicited Electronic Messages.

The Human Resource

Employment law and regulation. The employment contract. Concepts of added value and continuous improvement. Securing and monitoring the people resource: human resource planning, recruitment and selection, job descriptions and person specifications. Maximising performance: job design; job enrichment; reward and recognition systems; job evaluation. Training and development. Coaching and counselling. Performance appraisal. Working with consultants and volunteers. Health and safety at work: legislation and practice. Health and safety at work, duties of employers, legislative compliance and practice. Equal opportunities: legislation and practice. Environmental protection: legislation and practice.

Pensions, Insurance and Risk

Pensions: their relevance and purposes. Scheme types - occupational, government, personal. Stakeholder pensions and group personal pensions. The management and proper control of pension schemes. The impact of legislation. Funds and their management. Principles and practice of trusteeship; administrative secretaryship and support. The duties of trustees in law. Trust deeds and rules.

The nature of corporate and business risks; management and control. Corporate liability and insurance: classes and types. The insurance market; brokers and intermediaries. The use of consultants and advisers. Disaster planning.

Corporate Assets

The management of physical assets. Internal control, facilities administration: role and functions. Management of risks and Security and the application of systems.

Hong Kong Competition Law (effective from the December 2018 examination)

The Hong Kong Competition Ordinance. The first conduct rule and second conduct rule and their exclusions and defences. Merger rule. Procedure/ dawn raids.

Recommended Readings

Students are advised that they should be familiar with the work of various government departments and agencies, particularly in relation to their enforcement of legislations relevant to their work. Detail reading of topics on their websites on legislative matters, cases, publications, guidance and good practice notes is recommended.

1. The Hong Kong Institute of Chartered Secretaries, Corporate Administration Study Pack

Knowledge and Information

2. Wong, K. & Lee, A, A Practical Approach to Intellectual Property Law in Hong Kong: Sweet & Maxwell, Asia

The Human Resource

3. Mondy, Noe and Premeaux, Human Resource Management: Gaining a Competitive Advantage, McGraw Hill, 10th edition
4. Downey, Michael J. (ed), Hong Kong Employment Law Manual, Latest Edition, Hong Kong Institute of Human Resource Management and Employment Law International (HK) Ltd.

Pensions, Insurance and Risk

5. The Mandatory Provident Fund, Deloitte Touche Tohmatsu

Corporate Assets

6. The Company Secretary's Manual, Latest Edition, Hong Kong: Asia Business Law IMP Ltd

Further Readings

1. Lee, Alice., Butterworths Hong Kong copyright handbook., LexisNexis, 3rd edition
2. Chan, Andy W., Bannister, Barry J. and Mak, Wai-ming, Managing Human Resources in Hong Kong, 3rd edition, Hong Kong: Sweet & Maxwell Asia
3. Todd, P, Textbook on trusts., Oxford, 12th edition
4. Pattie Walsh and Alison Hern of DLA Piper's Asia Employment, Pensions and Benefits practice, Hong Kong Employment Law: A Practice Guide, 4th edition
5. The MPF implementation guide, Hong Kong: Asia Law & Practice
6. Code of Practice on Human Resource Management : compliance guide for employers and HRM practitioners, Hong Kong : Office of the Privacy Commissioner for Personal Data
7. Berthold, Mark., Hong Kong data privacy law : territorial regulation in a borderless world / Mark Berthold and Raymond Wacks, Hong Kong : Sweet & Maxwell Asia, 2nd edition
8. Gustin, F., The facility manager's handbook, Lilburn, Ga.: Fairmont Press ; New York : M. Dekker
9. Halvey, John K., Business process outsourcing: process, strategies, and contracts, New York : John Wiley, 2nd edition

Useful Websites

1. MPF Intermediaries Examination Study Notes:
http://www.mpfa.org.hk/eng/supervision/mpf_intermediaries/intermediaries_examination/Study%20Notes%2008th%20Eng.pdf
2. Study Notes for the Principles and Practice of Insurance Examination and Study Notes for the General Insurance Examination: http://www.oci.gov.hk/press/index_04_02.html
3. Unsolicited Electronic Message Ordinance: Office of the Telecommunications Authority's website at http://www.ofca.gov.hk/en/consumer_focus/uemo/index.html
4. SAR Government sites- on MPF, privacy, insurance, health and safety, equal opportunities, environmental - - 15 - - protection: <http://www.legislation.gov.hk/eng/home.htm>
5. Equal Opportunities Commission: Race Discrimination:
<http://www.eoc.org.hk/eoc/graphicsfolder/showcontent.aspx?content=ordinance>
6. Labour Department, Occupational Safety and Health Ordinance:
<http://www.labour.gov.hk/eng/legislat/content4.htm>

CORPORATE SECRETARYSHIP

AIM

A core responsibility of the Chartered Secretary is as Secretary to the Board, i.e. the Company Secretary. The aim of the module is to specify and assess the essential knowledge and skills involved in taking overall responsibility for the corporate secretarial function in small, medium and, large scale organisations and listed companies. The practice of corporate secretaryship in this module extends to both the strategic and functional contexts, in advising the Board, in leading teams in secretarial best practice, in ensuring compliance with law and regulations, especially the Companies Ordinance, the Hong Kong Listing Rules the Securities and Futures Ordinance and the Hong Kong Codes on Takeovers and Mergers and Share Repurchases and in establishing efficient internal communication of Board's decisions and external reporting.

LEARNING OUTCOMES

At the conclusion of this module, the candidate will be able to:

- understand the scope, role and functions of corporate secretaryship and apply them within the employing or client organisation;
- understand the law and best practice in meetings, apply them in the secretaryship function, and ensure corporate compliance;
- ensure effective communication and dissemination of information to and from the Board, both internally and externally, for the optimum benefit of the organisation and its needs;
- be aware of the ongoing responsibilities of the Company Secretary as an independent professional practitioner within the organisation especially as adviser to the directors on Board procedures and relevant rules and regulations applicable;
- be responsible for continuing personnel development within the secretariat; and
- be aware of, and be responsible for continuing self development in corporate secretaryship as a professional practitioner.

PRE-REQUISITE LEARNING

Evidence of assessed pre-requisite knowledge of and understanding in the following disciplines must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards:

- Corporate Law
- Corporate Governance

PAPER REQUIREMENTS AND FORMAT

Section A: A case study with a maximum of five compulsory questions. (Total - 40 marks for Section A)

Section B: 3 questions to be attempted from a choice of 5; 20 marks each (Total - 60 marks for Section B)

LEARNING CONTENT

The Company Secretary, the Board, and the Members

The role of the Company Secretary: functions and duties. Appointment, qualifications and vacation of office. The Company Secretary as advisor to the chairman and the Board.

Dissemination of information and decisions. Communication including electronic communications with shareholders and other stakeholders.

Types of Directors. Roles, duties, qualifications, responsibilities and liabilities. Disclosure of directors' interests. Appointment, reappointment, rotation, removal, retirement and disqualification. Remuneration, loans and compensation for loss of office.

Members: Concept of membership of a limited company, voting and other rights, and minority rights.

Corporate Compliance

Formation and articles of association, of different types of companies, re-registration of unlimited companies as limited, conversion of private company to public and vice versa. Filing of company returns. Offences under the Companies Ordinance, Hong Kong Listing Rules and Securities and Futures Ordinance. Corporate Governance overview. Annual report. Corporate Governance Report. Environmental, Social and Governance Report. Auditors: Qualifications, appointment, resignation and removal. Rights of the Auditors. The Hong Kong Listing Rules relating to admission of securities to the Main Board and the Growth Enterprise Market ("GEM"), continuing obligations and reporting requirements of listed companies including notifiable transactions and connected transactions. Retention of records. Statutory registers. Seals: types, adoption and use.

Law and practice of meetings

Board meetings: composition, roles and procedures (including frequency, notice, quorum, voting, agendas and papers).

Committees

Types, purpose and composition.

General meetings

Types (AGM, and GM). Class meetings, Regulations governing general meetings. Composition; role of Chairman. Notice periods and acceptance of shorter notice, quorum, agenda and papers. Ordinary and special business. Resolutions. Standing orders, rules of order, motions, amendment. Proxies. Corporate Representatives. Adjournment. Postponement Attendance. Voting. Resolutions in writing.

Minutes and minute books: form, contents and inspection of minute books.

Capital

Types of share and loan capitals. Methods of raising new capital. Markets and listing requirements. Public Offer. Alteration of share capital.

Principles and procedures in share and membership registration. Register of members. Allotment and forfeiture of shares. Share transfer: forms and registration procedures. Transmission of shares and registration of documents affecting title. Membership in companies limited by guarantee. Issue of share certificates; lost certificates. Indemnity,

dividends and interest. Stamp Duty. Employee share schemes. New issues and takeovers. Repurchase of own shares. Redemption of shares. Rights issues. Reduction of capital. Central Clearing and Settlement System (CCASS).

Dormant Companies

Procedures, exemptions and cessation of dormant.

Dissolution: Liquidation, Striking off and deregistration

Procedures and practice in respect of winding up, appointment, duties, powers and qualifications of liquidators, dissolution of companies, accounts and audit. Striking off: registration and restoration. Deregistration: procedures and practice.

Non Hong Kong Companies

Registration and termination under Part 16 of the Companies Ordinance, continuing obligations to file accounts and annual returns, changes in documents registered, termination of registration, Stock Exchange listing and winding up of non-Hong Kong companies. Authorised representatives and serving of documents.

Offshore Companies

Pros and cons of establishing offshore companies in Hong Kong

Disclosure of Interests

Purposes of the law and obligations of disclosure and interests in listed securities. Disclosure of interests of substantial shareholders and directors under the Securities and Futures Ordinance (SFO). Effects of failure to disclose.

Insider Dealing

Definition and offences. Role of the Market Misconduct Tribunal and Securities and Futures Commission.

Arrangements, amalgamation, reconstruction and takeovers

Purposes and methods of amalgamation, reconstruction and takeovers. Schemes of arrangements and forfeiture under the Companies Ordinance and the Hong Kong Codes on Takeovers and Mergers.

Debentures

Types of debentures. Issue and registration of debentures.

Registration of charges

Registrable charges. Registration and release of charges. Purposes of registration. Effects of non-registration.

Receivership and liquidation

Commencement of receivership. Commencement of different types of liquidation. Appointment and qualifications of receivers and liquidators. Remuneration, duties, power and liabilities of receivers and liquidators. Statement of affairs. Returns of receivers and liquidators.

Recommended Readings

1. The Hong Kong Company Secretary's Handbook, practice and procedure, by Cheng Po Wah, Sum Heung Suet, Anna and Yuen Kam Tim, Francis, published by Longman, 10th edition
2. Corporate Secretaryship Study Pack, The Hong Kong Institute of Chartered Secretaries
3. Andrew Tsang, Concise Guide: Compliance and Company Secretarial Practice of Hong Kong Private Companies (Student Edition), Sweet & Maxwell
4. Andrew Tsang and Natalie L Y Chan, Compliance and Company Secretarial Practice of Hong Kong Listed Companies, Sweet & Maxwell
5. Rules Governing the Listing of Securities - both for the Main Board and the GEM Board, published by The Stock Exchange of Hong Kong Limited
6. The Hong Kong Codes on Takeovers and Mergers and Share Repurchases, published by the Securities and Futures Commission
7. Meeting in Hong Kong their Law and Practice, by P Lawton, published by Pitman
8. Guidelines - The Essential Company Secretary, The Hong Kong Institute of Chartered Secretaries
9. Corporate Governance, the Hong Kong Debate, by Goo. S.H. and Carver A.
10. Hong Kong Company Secretary's Practice Manual, by Belinda Wong, published by Wolters & Kluwer (Law & business), 3rd edition
11. Stefan Lo and Dr. Charles Qu, Law of Companies in Hong Kong (Student edition), Sweet & Maxwell, 2nd edition

Further Readings

1. The Companies Ordinance(Cap.622): www.legislation.gov.hk
2. Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap.32): <http://www.legislation.gov.hk>
3. The Securities and Futures Ordinance: <http://www.sfc.hk/sfc/html/EN/legislation/legislation/html>
4. Practice Circulars, issued by the Companies Registry, Hong Kong: www.info.gov.hk/cr/list/index.htm
5. Monthly journal of HKICS - CSJ.
6. John Brewer , The Law and Practice of Hong Kong Private Companies, 2nd edition, published by Sweet & Maxwell
7. Other relevant ordinances and regulations issued by the HKSAR: <http://www.legislation.gov.hk/eng/home.htm>
8. Guidance Notes, published by HKICS: http://www.hkics.org.hk/index.php?_function=List_Publications
9. Hong Kong Company Law, by Vanessa Stott, published by Longman, 14th edition
10. Modern Law of Meeting, by Nicholas Briggs LLM, published by Jordon, 3rd edition
11. HKICS Guidance Notes – Insider Dealing (Part 1 & 2)
http://www.hkics.org.hk/index.php?_function=Form_Publications

Useful Websites

1. Companies Registry: www.info.gov.hk/cr
2. Hong Kong Stock Exchange: www.hkex.com.hk
3. Securities and Futures Commission: www.hksfc.org.hk
4. Growth Enterprise Market: www.hkgem.com

CORPORATE FINANCIAL MANAGEMENT

AIM

The aim of this module is to address the need for the Chartered Secretary to be knowledgeable and competent in the skills of corporate financial planning, and in understanding the impact of the fiscal environment on the organisation and its decision making.

LEARNING OUTCOMES

At the conclusion of this module, the candidate will be able to:

- understand the financial sources and requirements of the employing or client organisation.
- understand the role and efficiency of the capital markets.
- understand the nature and importance of capital structure and the cost of capital.
- understand and apply the principles of working capital management.
- understand the impact of global and multi-national operations on corporate financial management.

PRE-REQUISITE LEARNING

Evidence of assessed pre-requisite knowledge and understanding in the following disciplines must be demonstrated through the Institute's examinations, or those of equivalent qualifications which have been approved as meeting the Institute's required curriculum and standards:

- Financial Accounting
- Management Accounting
- Corporate Law
- Strategic and Operations Management

PAPER REQUIREMENTS AND FORMAT

Section A: A case study with a maximum of five compulsory questions. (Total - 40 marks for Section A)

Section B: 3 questions to be attempted from a choice of 5; 20 marks each (Total - 60 marks for Section B)

LEARNING CONTENT

Financial Objectives and Requirements

The financial objectives of the main types of organisation: public and private limited companies, statutory companies, trusts, and companies limited by guarantee. Determination of financial requirements and their impact on business planning and decision taking. The role of financial audit.

Sources of Finance

Financial markets: role of the New Issues Market and Stock Exchange, including the Alternative Investment Market. The operating institutions on the markets. Influence of Markets on market decisions. State funding, corporate donations, sponsorship, grants, subscriptions, fund raising sources.

Share and Loan Capital

The raising and maintenance of share capital: issue pricing and methods. Authorised and issued capital. Dividend policy, including scrip dividends and share re-purchases. Finance and loan capital. Domestic and international sources. The nature of debt. Corporate debentures and debenture stock, convertibles, warrants. Bank loans and overdrafts. Retention and self-generated finance.

Capital Structure, the Cost of Capital

Costs of individual types of finance. Weighted average cost of capital. Portfolio theory and the Capital Asset Pricing Model. The cost of capital. Capital gearing. Capital structure theory and decisions.

Working Capital Management

Working capital and its importance. Planning and control of cash and marketable securities, debtors, current liabilities and stock. Future expansion and contraction.

Capital Investment Appraisal

Payback. Net Present Value, Internal Rate of Return and their comparison. Implications of taxation and inflation. Capital rationing. Capital budgeting under uncertainty. Lease or buy decisions.

Business Restructuring

Business expansion and financial growth. Sources of expansion and contraction. Restructuring strategies: bids, acquisitions and mergers, capital reconstructions. Divestment: sell-offs, spin-offs, management buyouts. Business failure, prediction and rescue packages.

International Aspects

Multi-national operations. Managing exchange risk. The foreign investment decision. Financing overseas investment.

Recommended Readings

1. Ross / Westerfield / Jordan. Fundamentals of Corporate Finance, McGraw-Hill
2. Emery, Douglas R., Finnerty, John D. & Stowe, John D. Corporate Financial Management, Ingram, 4th edition
3. Valdez, Stephen & Wood, Julian. An introduction to Global Financial Markets, Houndmills, Basingstoke, Hampshire; New York: Palgrave Macmillan, 8th edition
4. Besley, Scott & Brigham, Eugene F. Essentials of Managerial Finance, Mason, Ohio: Thomson/South-Western, 14th edition
5. E. McLaney. Business Finance: Theory and Practice, Prentice Hall, 10th edition
6. R.C. Higgins. Analysis for Financial Management, McGraw Hill, 11th edition
7. G. Peirson, R. Brown, S. Easton, P.Hovad. Business Finance, McGraw Hill Irwin, 11th edition

Further Readings

1. Ho, Scott & Wong, Hong Kong Financial System, Oxford
2. International Monetary Fund: www.imf.org
3. Hong Kong Monetary Authority: <http://www.info.gov.hk/hkma/>
4. Hong Kong Exchanges and Clearing Limited: <http://www.kex.com.hk>