

The Hong Kong Polytechnic University

Subject Description Form

Subject Code	LGT5065
Subject Title	Finance for Shipping and Logistics
Credit Value	3
Level	5
Normal Duration	1-semester
Pre-requisite / Co-requisite/ Exclusion	Nil
Role and Purposes	<p>To provide students with knowledge of a broad range of concepts and methods in financial and investment management and to develop skills in applying these to decision-making in shipping and logistics.</p> <p>This subject contributes to the following Intended Learning Outcomes for the MSc programme(s):</p> <p>MSc in International Shipping and Transport Logistics (Mixed-mode/Full time Stream)</p> <p>#5 Evaluate investing and financing decisions in shipping</p>
Subject Learning Outcomes	<p>Upon completion of the subject, students will be able to:</p> <p>a. Understand a broad range of concepts and methods in investment and financial management and decision-making.</p> <p>Develop and apply appropriate financial management skills to investing and financing decision-making in shipping and logistics.</p>
Subject Synopsis/ Indicative Syllabus	<p>Fundamental concepts in investment and financial management and decision-making: capital budgeting; cost of capital and portfolio theory; capital structure and financing; economic and industry analysis; financial statements analysis; principles of valuation; ship ownership and registration.</p> <p>Sources and types of finance in shipping, bank shipping finance, ship mortgage, credit analysis in shipping finance; shipping investment, shipping industry analysis, shipping cost and profitability, managing and hedging shipping risks.</p>
Teaching/Learning Methodology	<p>Lecture: study basic concepts and techniques in investing and financing decisions.</p> <p>Case study: put the concepts and techniques into context.</p> <p>Group project: learn to apply basic investing and financing techniques to logistics/maritime industry; study selected topics in-depth.</p>

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				
	Coursework	50%	✓	✓				
	Final examination	50%	✓	✓				
	Total	100 %						
	<p>Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:</p> <p>The coursework includes a participation (5%) and a group project (30% for students to present and apply the basic skill to real world situation and 15% for proper investing and financing report writing). Examination is to test students' basic concepts and methods, and their ability to apply basic skills to solve problems.</p>							
Student Study Effort Expected	Class contact:							
	▪ Lectures / Tutorials		36 Hrs.					
	▪ Case study		3 Hrs.					
	Other student study effort:							
	▪ Group Project		42 Hrs.					
	▪ Reading and self-study		45 Hrs.					
	Total student study effort		126 Hrs.					
Reading List and References	<p>Brealey, A.R., Myers, C.S. and Allen, F. (2011). Principles of corporate finance, International Edition (10th ed.), McGraw-Hill.</p> <p>Ross, S., Westerfield, R. and Jaffe, J. (2007). Modern financial management (8th ed.), McGraw-Hill.</p> <p>Drewry Consultants (1998). Ship finance: Choices, competition and risk/reward equations, Drewry, London.</p> <p>Drewry Consultants (2001). Ship finance and investment. Drewry, London.</p> <p>Ocean Shipping Consultants Ltd. (2004). Shipping profitability to 2015.</p> <p>Stokes, P. (1997). Ship Finance – Credit expansion and the boom-bust cycle, Lloyd's of London Press.</p> <p>Stopford, M. (2009). Maritime Economics (3rd ed). Routledge.</p>							

