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| **Topic Overview** | |
| **Topic** | Strategies and Management  E4: Resources Management – Sources of Financing |
| **Level** | S3 |
| **Duration** | 3 lessons (40 minutes per lesson) |

**Learning Objectives:**

1. To identify the main forms of financing,
2. To understand the characteristics of different forms of financing, and
3. To understand the benefits and drawbacks of different forms of financing.

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| **Overview of Contents:** | |
| Lesson 1 | Short-term Finance |
| Lesson 2 | Long-term Finance (Debts) |
| Lesson 3 | Capital Finance |

**Resources:**

* Topic Overview and Teaching Plan
* PowerPoint Presentation

**Suggested Activities:**

* Class Discussion
* In-class exercise
* After-class exercise

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| **Lesson 1** | |
| **Theme** | Short-term Finance |
| **Duration** | 40 minutes |

**Expected Learning Outcomes:**

**Upon completion of this lesson, students will be able to:**

1. identify the main forms of short-term borrowing,
2. describe the characteristics of term loan, trade credit and government assistance, and
3. describe the benefits and drawbacks of short-term financing.

**Teaching Sequence and Time Allocation:**

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| **Activities** | **Reference** | **Time Allocation** |
| **Part I: Introduction** | | |
| * Teacher starts the lesson by a discussion with students of how to obtain funds for business expansion. | PPT #2 – 3 | 8 minutes |
| * Teacher explains the concept and definition of short-term and long-term financing. | PPT #4 – 5 | 6 minutes |
| **Part II: Content** | | |
| * Teacher introduces the major types of short-term financing and their characteristics. * Teacher further explains the following types of short-term financing:   + Banking facilities – term loans and loans with line of credit (e.g. overdraft and credit card)   + trade credit   + government assistance programme * Teacher explains the benefits and drawbacks of short-term financing. | PPT #6 – 7  PPT #8 – 9  PPT #10  PPT #11  PPT #12 – 13 | 5 minutes  10 minutes  6 minutes |
| * **Activity 1: After-class exercise**   + Teacher explains the activity to students, asking them to perform a research on different kinds of loan facilities for discussion in the next lesson. | PPT #14 | 3 minutes |
| **Part III: Conclusion** | | |
| * Teacher concludes the lesson by reviewing the key points covered. |  | 2 minutes |

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| **Lesson 2** | |
| **Theme** | Long-term Finance (Debts) |
| **Duration** | 40 minutes |

**Expected Learning Outcomes:**

**Upon completion of this lesson, students will be able to:**

1. name the main forms of long-term debts,
2. explain the characteristics of the main types of long-term loans, and
3. select appropriate types of long-term loans in cases.

**Teaching Sequence and Time Allocation:**

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| **Activities** | **Reference** | **Time Allocation** |
| **Part I: Introduction** | | |
| * Teacher recaps the purpose and sources of short-term finance and introduces the concept of long-term loan. |  | 2 minutes |
| **Part II: Content** | | |
| * Teacher describes major types of long-term financing and their characteristics, including:   + banking facilities – term loan and mortgage as well as the concepts of floating and fixed interest rate.   + leasing including operating and finance lease   + the characteristics and functions of debenture   + government assistance programme * Teacher explains the benefits and drawbacks of long-term debt. | PPT #2 – 3  PPT # 4 – 6  PPT #7  PPT #8  PPT #9  PPT #10 – 11 | 5 minutes  6 minutes  4 minutes  4 minutes  3 minutes  6 minutes |
| * **Activity 1: Class discussion**   + Compare the research results of students. * Teacher discusses the findings from students and makes conclusion. | PPT #12 | 5 minutes  3 minutes |
| **Part III: Conclusion** | | |
| * Teacher concludes the lesson by reviewing the key points covered. |  | 2 minutes |

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| **Lesson 3** | |
| **Theme** | Capital Finance |
| **Duration** | 40 minutes |

**Expected Learning Outcomes:**

**Upon completion of this lesson, students will be able to:**

1. explain the common sources of capital finance: introducing new partners and issuing shares,
2. explain the two major forms of share issuing: private offering and public issue (IPO), and
3. describe the difference between Main Board and GEM.

**Teaching Sequence and Time Allocation:**

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| **Activities** | **Reference** | **Time Allocation** |
| **Part I: Introduction** | | |
| * Teacher recaps both short-term and long-term loan financing and introduces capital finance |  | 2 minutes |
| **Part II: Content** | | |
| * Teacher describes major types of capital finance. * Teacher explains the advantages and disadvantages of introducing new partners to source fund. * Teacher explains the characteristics of two share issuing methods: private offering and public issue. | PPT #2  PPT #3 – 5  PPT #6 – 12 | 2 minutes  8 minutes  18 minutes |
| * **Activity 1: Class discussion**   + Students are required to consider the best solution for financing the expansion of online trading business. * Teacher discusses the suggestions provided by students and makes conclusion.   (Note: there is no absolute answer but the purpose is to stimulate students’ thinking and understanding of capital finance.) | PPT #13 | 5 minutes  3 minutes |
| **Part III: Conclusion** | | |
| * Teacher concludes the lesson by reviewing the key points covered. |  | 2 minutes |