Module EC3: Financial Risk Management

Study programme	MBA english

Modul type:	**ECTS-Points:**	**Workload:**	**Study stage:**	**Module duration:**
Elective	1	30	3rd or 4th	16 hrs. plus exam

Course(s):	**Contact hours:**	**Indepen-dent study-hours:**	**Planned groupsize (max.):**
Course: Financial Risk Management	16	14	15

Intended Learning Outcomes:

This course aims to develop a deep understanding of (financial) risk. Students will be enabled to assess the main factors influencing credit risk from a stand-alone and a portfolio perspective. Moreover, they will be enabled to assess market price risks (e. g. FX-risk, interest rate risk). The most important risk measures are introduced and discussed (Duration, Value at Risk). The students will be enabled to discuss risk instruments. Conclusions will be made with respect to non-financial risks.

Description / Contents:

Core topics in this course are:

- Measuring and Managing Stand-Alone Credit Risk
    - Expected Losses and Unexpected Losses
    - Rating
    - Definition of Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD)
- Measuring and Managing Market Price Risks
- FX-Risk, Interest-Rate Risks
- Duration
- Value at Risk
- Risk Strategies
- Hedging
- Portfolio Insurance
- Non-Financial Risks
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Basic Literature:

Hull, John: Futures, Options, and Other Derivatives, Actual edition.

Language:

Course is taught in English.

Teaching methods:
Lecture, case work, self-study.
Module applicability:
MBA „General Management“ - english
Pre-requisites/Requirements:
Admission to the MBA-programme “General Management” – english
Examination Types:
Oral examination
Requirement for award of ECTS-points:
Successful participation in the exam.
Course availability:
Annually
Assessment:
The exam of this module counts for 4.5 per cent of the final examination
Modul convenor and main lecturer:
Prof. Dr. Christoph J. Börner
Further information:
Material for the course will be provided online.
Module Version:
2020-11-V1