

DESCRIPTION OF STUDY COURSE

Course unit title	Financial Risk Management
Programme	Bachelor International Finance
Year of study	3
Level of course unit (e.g. first, second or third cycle)	First, Bachelor's study
Course unit code	BFa032
Name of lecturer(s)	Dr. Ilja Arefjevs
Credit points	3 ECTS
Language of instruction	English
Type of course unit (compulsory, optional)	Compulsory
Semester when the course unit is delivered	6
Mode of delivery	Face-to-face
Aim of Course	The aim of the course is to deliver comprehensive introduction to the financial risk management. During the studies, students will be able to get acquainted with and apply in practical tasks the essential theoretical methods of dealing with financial risk arising in different industries. Course will concentrate on the methods, which are in general common for many fields of economy such as industry, banking, insurance and asset management.
Preliminary knowledge (prerequisites and co-requisites)	Mathematics, Statistics, Corporate Financial Management I and II
Course contents	The course consists of the following themes: 1) The concepts of Risk 2) Quantitative Analysis 3) Classical Interest Theory 4) Market Risk 5) Monte-Carlo Methods 6) Value at risk (VaR) 7) Hedging Linear Risk 8) Dealing with Non-linear Risks 9) Investment Risk Management 10) Credit Risk Management 11) Operational Risks
Planned learning activities and teaching methods	The student attends lectures, participates in seminars and case study analysis, prepares individual practical works, and passes the final exam. The total evaluation of the study course consists of 70% final exam (Moodle), 20% groupwork presentation and 10% groupwork discussion.

	Teaching methods				Student work load (1 CP = 40 hours of student work)
	Lecture				40%
	Case study analysis, group works				10%
	Seminar				20%
	Independent practical works				25%
	Work in the library, independent studies				5%
					Total 80 hours
Learning outcomes of the course unit	<ol style="list-style-type: none"> The student has in-depth knowledge about financial risk management in different industries. The student has practical skills in use of main methods of risk assessment and management in different industries. The student is able to assess company exposure to financial risk in managerial decision-making. 				
Assessment methods and criteria	Learning outcomes				
		1.	2.	3.	
	The form of assessment				
	Case study and discussions	●	●	●	
Independent practical works	●	●	●		
Written exam	●	●	●		
Recommended or required reading	<p>Compulsory Literature:</p> <ol style="list-style-type: none"> Allen, S., Financial Risk Management: A Practitioner's Guide to Managing Market and Credit Risk, John Wiley & Sons Inc., 2013 <p>Recommended Literature:</p> <ol style="list-style-type: none"> Damodaran, A. Applied Corporate Finance, 4th ed., USA: John Wiley&Sons,Inc., 2014.p.658. ISBN 978-1-118-80893-1 Zvi Bodie, Investments / Zvi Bodie, Alex Kane, Alan J. Marcus. 10th edition, Berkshire, UK : McGraw-Hill Education, 2014. ISBN 978-007716114. 				
Recommended optional programme components	To be agreed at the start of the course.				