

**DESCRIPTION OF STUDY COURSE**

<b>Course unit title</b>	<b>Financial Risk Management</b>
<b>Programme</b>	Bachelor International Finance
<b>Year of study</b>	3
<b>Level of course unit (e.g. first, second or third cycle)</b>	First, Bachelor's study
<b>Course unit code</b>	<b>BFa032</b>
<b>Name of lecturer(s)</b>	Dr. Ilja Arefjevs
<b>Credit points</b>	2 CP
<b>Number of ECTS allocated</b>	3 ECTS, Latvian credit points are multiplied by 1,5 to get ECTS
<b>Language of instruction</b>	English
<b>Type of course unit (compulsory, optional)</b>	Compulsory
<b>Semester when the course unit is delivered</b>	6
<b>Mode of delivery</b>	Face-to-face
<b>Aim of Course</b>	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.
<b>Preliminary knowledge (prerequisites and co-requisites)</b>	Mathematics, Statistics, Corporate Financial Management I and II
<b>Course contents</b>	The course consists of the following themes: <ol style="list-style-type: none"> <li>1) The concepts of Risk</li> <li>2) Quantitative Analysis</li> <li>3) Classical Interest Theory</li> <li>4) Market Risk</li> <li>5) Monte-Carlo Methods</li> <li>6) Value at risk (VaR)</li> <li>7) Hedging Linear Risk</li> <li>8) Dealing with Non-linear Risks</li> <li>9) Investment Risk Management</li> <li>10) Credit Risk Management</li> <li>11) Operational Risks</li> </ol>
<b>Planned learning activities and teaching methods</b>	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.

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