European Institute of Management & Finance

Course Syllabus

MASTER IN GOVERNANCE, RISK AND COMPIANCE

Course Title	GRC 710 – FINANCIAL RISK MANAGEMENT
ECTS Credits	10
Semester	Fall / Spring
Teaching Methodology	Face to face
Prerequisites	N/A
Language of Instruction	English

COURSE OBJECTIVES AND COMPETENCES TO BE ACQUIRED

On successful completion of this programme, students are expected to:

Risk affects every aspect of human life. At a personal level, dealing with risks in most cases is done intuitively and based on common sense. Nevertheless, in the field of financial services the risk encountered by firms is multifaceted, far more complex and needs to be managed in a more structured manner.
The goal of the module is to introduce students to the concept of financial risk and how this should be managed, as well as providing them with a framework to identify, assess, treat and respond to risks and opportunities at all levels in the financial industry. It covers accepted frameworks and techniques to manage risks and exploit opportunities. More specifically, the aim is to equip students with the following skills:

- Measure the risks involved in a business and avoid potential pitfalls
- Apply value-at-risk measurement techniques
- Identify and address credit risks within a business
- Analyse and manage the risks present within a Financial Institution
- Gain an in-depth understanding of risk management in the corporate environment
- Understand financial risk management
- Understand credit risk management
- Understand operational risk management

Course Content

The following key thematic areas will be covered in the course:

- Financial Risk and Return
- Financial Statements and Ratio Analysis
- Introduction to Financial products
- The Risk management Process
- Internal Control - COSO Framework (Case-study Centrica)
- Interest rate risk, Market risk and Value at Risk
- Credit risk and operational Risk
- Foreign exchange risk and Liquidity risk
- The regulation of financial institutions
- Securitisation and the financial crisis
- Understanding Bank Failure

Assessment Method

Exam (60%)
Essay (20%)
Group Project (10%)
Participation (10%)

Key References – Text Books

Crouhy, M., Galai, D., & Mark, R. (2001). *The essentials of risk management*. New York: McGraw-Hill. (*)

Hopkin, P. and Thompson, C. (2022). *Fundamentals of risk management: understanding, evaluating and implementing effective risk management*. Kogan Page Publishers (*)

Hull, J. (2023) *Risk Management and Financial Institutions* (6th edition), Wiley (*)

Allen, S. (2012) *Financial Risk Management: A Practitioner's Guide to Managing Market and Credit Risk* (2nd Edition) Wiley Finance Series

Christoffersen, P. (2016) *Elements of Financial Risk Management* (2nd Edition) Academic Press

Clark, G., Dixon, A., and Monk, A. (Editors) (2009) *Managing Financial Risks: From Global to Local*, Oxford University Press

Louisot, JP and Ketcham, C. (2014) *ERM - Enterprise Risk Management: Issues and Cases,* Wiley Finance Series

Schenker, J. (2019) *Financial Risk Management Fundamentals.* Prestige Professional Publishing

Skoglund, J. and Chen, W. (2015) *Financial Risk Management: Applications in Market, Credit, Asset and Liability Management and Firmwide Risk.* Wiley Finance Series

Van Gester, T. and Baesens, B. (2008) *Credit Risk Management: Basic Concepts: Financial Risk Components, Rating Analysis, Models, Economic and Regulatory Capital,* Oxford University Press