

Department	International College of Liberal Arts		
Semester	Fall 2023	Year Offered (Odd/Even/Every Year)	Every Year
Course Number	ECON330		
Course Title	Risk Management		
Prerequisites	ECON140 Financial Management * Exception for 2023AY: Students may register for the course without fulfilling the prerequisite in 2023AY		
Course Instructor	SHENG Dachen	Year Available (Grade Level)	3
Subject Area	Global Business & Economics	Number of Credits	3
Class Style	Lecture	Class Methods	Face to face

(NOTE 1) Class Methods are subject to change

(NOTE 2) Depending on the class size and the capacity of the facility, we may not be able to accommodate all students who wish to register for the course"

Course Description	Financial Risk Management introduces the services and products rendered by the financial institution. It emphasizes how risk management is done in those financial institutions when they need to hold the financial position and bear the risk. The course covers the risk measuring of interest risk, credit risk, liquidity risk, foreign exchange risk, sovereign risk, market risk, off-balance sheet risk and technology and other operational risks. Also, the financial instruments which could alleviate or transfer the risks are introduced. The course is suitable for students who wish to understand financial institutions better or work in financial institutions in the future.
Class plan based on course evaluation from previous academic year	The course contents and class delivery methods are reconsidered and modified to reflect the feedback from students.
Course related to the instructor's practical experience (Summary of experience)	Risk management is one of the keys to financial practice. Risk management develops students' financial thoughts and it is a common practices in almost all banks.

Learning Goals	<p>After completing the course, students should be able to:</p> <ol style="list-style-type: none"> <li>1. Know the role of different financial institutions and their major business and financial risks</li> <li>2. Understand the major financial risks and their impact on the financial market, financial institutions and the transmitting mechanism of the financial risks</li> <li>3. Demonstrate the understanding of the financial derivatives which are commonly used to treat different risks</li> <li>4. Identify other behaviours of financial institutions which may alleviate financial risks</li> </ol>
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iCLA Diploma Policy	DP1/DP2/DP3/DP4
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## iCLA Diploma Policy

(DP1) To Value Knowledge – Having high oral and written communication skills to be able to both comprehend and transfer knowledge

(DP2) To Be Able to Adapt to a Changing World – Having critical, creative, problem-solving, intercultural skills, global and independent mindset to adopt to a changing world

(DP3) To Believe in Collaboration – Having a disposition to work effectively and inclusively in teams

(DP4) To Act from a Sense of Personal and Social Responsibility – Having good ethical and moral values to make positive impacts in the world

Active Learning Methods	Student-centered class with discussion and questions. Students are encouraged to participate in all class discussions and express their opinions. The class discussion would be evaluated as part of the final grade.
Use of ICT in Class	UNIPA is used to help students study.
Use of ICT outside Class	UNIPA is used to help students study.
Expected study hours outside class	Reading the textbook would require an average of 4 to 6 hours per chapter.
Feedback Methods	Students are welcome to raise their questions anytime in class, or privately discuss with the instructor by making an appointment in advance.

Grading Criteria		
Grading Methods	Grading Weights	Grading Content
Attendance and class participation	30%	
Comprehensive Quiz	20%	
Assignment	30%	
Group Presentation	20%	

Required Textbook(s)	Anthony Saunders, Marcia Millon Cornett, Financial Institutions Management: A Risk Management Approach, Ninth Edition
Other Reading Materials/URL	John C. Hull, Fundamentals of Futures and Options Markets, Global Edition
Plagiarism Policy	Zero tolerance for any plagiarism. It is acceptable when students have demonstrated their effort but not doing well but not for any cheating behaviours.
Other Additional Notes	Students are encouraged to think independently and ask questions. Most of the assignments and questions are intuitive reasoning problems. Looking for a problem solution or solving method on the internet is OK, as long as students can demonstrate an understanding of the contents they have found. Copy the answer from your friends is NOT tolerated and it is plagiarism.

(NOTE 3) Class schedule is subject to change

Class Schedule	
Class Number	Content
Class 1	Chapter 1 Why are Financial Institutions Special?
Class 2	Chapter 2 Financial Services: Depository Institutions
Class 3	Chapter 3 Financial Services: Financial Companies
Class 4	Chapter 4 Financial Services: Securities Firms and Investment Banks
Class 5	Chapter 5 Financial Services: Mutual Fund and Hedge Fund Companies
Class 6	Chapter 6 Financial Services: Insurance Companies
Class 7	Chapter 7 Risk of Financial Institutions
Class 8	Chapter 8 Interest Rate Risk I

Class 9	Chapter 9 Interest Rate Risk II
Class 10	Chapter 10 Credit Risk: Individual Loan Risk
Class 11	Chapter 11 Credit Risk: Loan Portfolio and Concentration Risk
Class 12	Chapter 12 Liquidity Risk 1
Class 13	Chapter 12 Liquidity Risk 2
Class 14	Chapter 13 Foreign Exchange Risk
Class 15	Chapter 14 Sovereign Risk
Class 16	Chapter 15 Market Risk

Class 17	Chapter 16 Off-Balance Sheet Risk,
Class 18	Chapter 17 Technology and Other Operational Risks
Class 19	Chapter 18 Liability and Liquidity Management
Class 20	Chapter 19 Deposit Insurance and Other Liability Guarantees
Class 21	Chapter 20 Capital Adequacy
Class 22	Chapter 21 Product and Geographic Expansion
Class 23	Chapter 22 Futures and Forwards
Class 24	Chapter 22 Futures and Forwards

Class 25	Chapter 23 Options, CAPS, Floors, and Collars
Class 26	Chapter 23 Options, CAPS, Floors, and Collars
Class 27	Chapter 24 Swaps
Class 28	Group Presentation
Class 29	Group Presentation
Class 30	Group Presentation