**Syllabus of Risk Management**

**风险管理教学大纲**

**Course Code（课程代码）:** FIN 368

**Course Name（课程名称）:** Risk Management /风险管理

**Semester（开课学期）:** 6

**Credits（学分）**/**Academic Hours（学时）:** 3/48

**Course Type（课程类别）:** Required Course（必修课）

**Prerequisite(s)（先修课程）:** Basic knowledge of finance

**Offered by（开课单位）:** School of Economics and Management （经济与管理学院）

**Prepared by（执笔人）:** Cheah Hon Foong

**Reviewed by（审核人）:** Bi Zhantian（毕占天）

**Approved by（审批人）:** LiuHonggmin（刘洪民）

**1. Course Overview (including course description, objectives, outcomes, content)【课程简介（包含课程性质、目的、任务和内容）】**

This course deals with the ways in which risks are quantified and managed by financial institutions. The topics covered are the nature of financial institutions and their regulation, market risk, credit risk, liquidity risk, and the lesson from the credit crisis which started in 2007.

**2. Methods of Instruction（教学方法）**

Lecturing, Q & A, class discussion, and demonstrating methods are mainly used for most of lectures. In addition, presentation, quizzes, research paper and homework assignment are also given in due time to check the students’ learning outcomes.

**3. In-class and Extracurricular Teaching and Learning Arrangement and Basic Requirements（课内外教学环节教学安排及基本要求）**

Teaching and Learning components and academic hour allocation are shown in Table 3-1

**Table 3-1 Teaching and Learning Components and Academic Hour Allocation**

| No. | Course Content | In-class Academic Teaching Hours | Extracurricular Hours |
| --- | --- | --- | --- |
| 1 | Introduction: Risk and Return for Investor and Companies | 4 | 4 |
| 2 | Plain Vanilla instruments, Exchanges and Short Selling | 4 | 4 |
| 3 | How Traders Manage their Risk | 4 | 4 |
| 4 | Interest rate risk, Duration and Convexity | 4 | 4 |
| 5 | Volatility and measuring using historical data | 4 | 4 |
| 6 | Measuring daily Volatility, correlation | 4 | 4 |
| 7 | Value at Risk, Historical Simulation methods | 4 | 4 |
| 8 | Review and Midterm Exam | 4 | 4 |
| 9 | Value at Risk: Model building approach | 4 | 4 |
| 10 | Credit Risks | 4 | 4 |
| 11 | Banks and Banking Regulation: Basel II | 4 | 4 |
| 12 | Banking Regulation: Basel II (continued) and Review | 4 | 4 |
| Total |  | 48 | 48 |

**4. Extracurricular Learning Requirements（课外学习要求）**

Students are required to spend extracurricular hours before class, to acquaintance themselves with the basic concepts and terminologies, as well as after class, for homework assignments.

For extracurricular learning materials, see the references listed in Part 7. Learning through search engines and E-Learning are also encouraged.

There will be homework assignments every 1-2 weeks. You may discuss homework questions with your classmates; however, it has to be your individual work. You have to submit your solution file for each assignment immediately after you are notified. The due date for each assignment will be announced when the homework are assigned. Late submission will cause penalty on the grade. Plagiarism in assignments is considered as academic dishonesty and failing grades in a particular assignment will be given for the students involved in plagiarism according to the seriousness of offense.

The students may also be required to submit a research paper which is regarding risk management theory and/or its applications, one current and real-world finance issue and so on. The purpose of this paper is to improve the ability of academic research. The topic of the paper can either be chosen by the students themselves based on discussion with the teacher or be given by the teacher directly. The final version of the paper should be submitted no later than 16th week of the semester. Late submission will cause penalty on the grade.

**5. Grading Policy（考核内容及方式）**

**Grading System:** Hundred-mark system (√); Five-grade system ( ); Two-grade system ( )

(1) Five-grade system: A: from 100 to 90; B: from 89 to 80;

C: from 79 to 70; D: from 69 to 60; F: below 60

(2) Two-grade system: P: from 100 to 60; F: below 59

**Evaluation Type:** Exam based (√); Non-Exam based ( )

The course evaluation grade is proportionately composed of in-semester evaluation and final exam as follows:

* 70% assessment in in-semester evaluation which includes class attendance (10%), homework assignments/presentations (30%), Midterm exam (30%).

School policy dictates that attendance is mandatory. Students should come to every class on time, stay for the entire class, and be attentive during the class except for family or health related emergencies. If you do miss a class it is your responsibility to get lecture notes and assignments from another student. If you miss more than three classes the Instructor reserves the right to drop you from the course.

* 30% assessment in final exam. The exam duration is 2 hours. The final exams will focus on the text, lectures and homework assignments.

**Academic Honesty Standards**

It is the student’s responsibility to familiarize himself or herself with and adhere to the University standards set forth in the policies on cheating and plagiarism.

**6. Continuous Improvement（持续改进）**

According to the feedbacks from students and supervisors of teaching and learning during in-semester evaluation, class discussions, final exam, etc., teaching and learning approaches of this course should be improved timely and continuously so that attainment of the corresponding graduate attributes can be guaranteed.

**7. Textbook(s) and References（教材及参考资料）**

**Suggested Textbook(s):**

Risk Management and Financial Institutions, fourth edition by John C. Hull

**References:**

1. Financial Institution and Management: A Risk Management Approach, seventh edition