



Course Syllabus

Course Code	Course Title	ECTS Credits
MBAN-723	Financial Risk Management	7.5
Prerequisites	Department	Semester
MBAN-621/MBAN-622	School of Business	Fall, Spring, Summer
Type of Course	Field	Language of Instruction
Elective	Finance	English
Level of Course	Lecturer(s)	Year of Study
2 nd Cycle	Dr. Spyros Repousis	1 st or 2 nd
Mode of Delivery	Work Placement	Corequisites
Face-to-Face	N/A	None

Course Objectives:

The main objectives of the course are to:

- Evaluate different types of financial risk
- Evaluate various financial instruments available to counteract unwanted financial risk
- Create and optimise opportunities available to organisations that are prepared to take on various
- Degrees of financial risk, either as defensive moves or in the implementation of dynamic strategies

Learning Outcomes:

After completion of the course students are expected to be able to:

1. Evaluate ways to manage interest rate risk with forward rate agreements
2. Create foreign exchange hedging strategies
3. Evaluate basic forward and futures strategies for managing commodity risk
4. Evaluate opportunities to develop a risk management policy
5. Evaluate and analyse strategies for estimating risks

Course Content:

- 1) **INTRODUCTION TO FINANCIAL RISK MANAGEMENT** (financial risk management process, key factors that affect interest rates, exchange rates and commodity prices)
- 2) **MAJOR FINANCIAL RISKS** (market risks such as interest rate risk, foreign exchange risk, commodity price risk and other related risks such as credit risk, operational risk and systemic risk)

- 3) **INTEREST RATE RISK** (managing and reducing interest rate exposure and risk and using swaptions)
- 4) **FOREIGN EXCHANGE RISK** (reducing foreign exchange exposure, foreign exchange hedging strategies, risk associated with specific derivatives products and strategies)
- 5) **CREDIT RISK** (major sources of credit and counterparty risk, methods for managing credit risk, basic types of credit derivatives)
- 6) **COMMODITY RISK** (aspects of commodity-related risks, strategies for identifying and managing commodity price risk)
- 7) **OPERATIONAL RISK** (basic matters about operational risk, situations in which operational risk is likely to be an issue, opportunities to reduce operational risk)
- 8) **RISK MANAGEMENT FRAMEWORK** (the importance of financial risk management, supporting risk management policy)
- 9) **MEASURING RISK** (measures of exposure and measures of risk, strengths and weaknesses of risk measurement methodologies)
- 10) **FINANCIAL REGULATION** (government safety net, capital requirements, prompt corrective action, chartering and examination, assessment of risk management, consumer protection, restrictions on competition, Dodd-Frank Act)
- 11) **FINANCIAL CRISES** (Charles Kindleberger, Hyman Minsky, financial bubbles, big financial bubbles, rationality of markets, explaining financial crises, types of financial crises, debt glossary)
- 12) **INTERNATIONAL SOVEREIGN DEBT CRISES** (debt categories and debt crisis, banking crisis, sovereign debt crisis, liquidity risk, “This-Time-is-Different” Syndrome, Eurozone debt crisis, remedial measures, Latin American debt crisis, Russian financial crisis, Argentine debt restructuring)

Learning Activities and Teaching Methods:

1. Faculty Lectures
2. Case Study Analysis
3. Academic Papers

Assessment Methods:

Project, Final Exam

Required Textbooks / Readings:

Title	Author(s)	Publisher	Year	ISBN
Elements of Financial Risk Management (second edition)	Christoffersen, P.	Academic Press, Elsevier	2012	978-0-12-374448-7

Recommended Textbooks / Readings:

Title	Author(s)	Publisher	Year	ISBN
Financial Risk Manager Handbook (sixth edition)	Jorion, Philippe	Wiley Finance	2011	978-0-470-90401-5