

Syllabus

1. Course Description

- a. Title of a Course: **ANALYSIS AND RISK MANAGEMENT**
- b. Pre-requisites: basic knowledge in the areas of 1) Corporate finance, 2) Banking business, 3) Financial markets, and 4) Statistics
- c. Course Type: Elective

2. Learning Objectives

Give students sufficient knowledge and knowhow for them to take appropriate management decisions based on the results of thorough analysis of qualitative and quantitative factors of risk.

3. Learning Outcomes

- Students understand the principles and terminology related to risk management, including contingency elements and risk factors, risk mapping and standard mitigation factors (e.g. insurance, hedging, limits, diversification, control).
- Students understand the basic quantitative methods used for the appraisal of main financial risks (credit risk, market risk, liquidity and interest rate risks) as well as for business risks (Operational, regulatory, legal, strategic, and reputational risks).
- Students can calculate and give appropriate interpretation of Value-at-Risk on individual instruments as well as on a whole portfolio.
- Students understand risk management's best practice in all its key areas, including financial risk management and business risk management.
- Students are capable to define the principles of risk management for financial sector's companies, which includes the most modern tools for the realization of integrated risk management system at the whole company level (ERM).
- Students are familiar with up-to-date tools for risk-factored decision taking, such as EVA and RAROC, as well as assessment methods of company's financial strength in stress situations (stress testing).
- Students are familiar with up-to-date regulatory approaches to banking risk, including Basel Committee recommendations on banking supervision and capital requirements, as well as present normative requirements from Bank of Russia.

4. Course Plan

5. Reading List

a. Required:

- Hull J. C. Risk management and financial institutions. Pearson Education International. 2007 (and later editions).
- Whaley R. E., Derivatives: Markets, Valuation, and Risk Management. John Wiley & Sons, 2006.

b. Optional:

- [Christoffersen P. F. Elements of financial risk management. Elsevier. 2012.](#) (e-book).
- Basel II & III (www.bis.org).

6. Grading System

Students' performance is evaluated on a 10-point mark scale as follows:

Points	Description
10	Distinguished performance
8-9	Excellent performance
6-7	Good performance
4-5	Satisfactory performance
0-3	Fail

The rounding of the definitive performance grade is conducted in accordance with the standard mathematical rounding rules. The rounding of the intermediate grades is not conducted to avoid the rounding bias.

7. Guidelines for Knowledge Assessment

The final mark will be the weighted average between participation to contact work and case studies (weighted 0.4) and final examination (weighted 0.6). Knowledge will be tested by the lecturer through quick assessment during the period of study and at the end of each session. Overall knowledge will be checked through the final exam, which will be based on MCQ in order to cover all the seven themes and outcomes mentioned above.

8. Methods of instruction

The instructors use traditional methods of instruction by providing well-structured reading during contact hours with a lot of illustrations, problems and real case studies and discussing the materials.

9. Special equipment and software support

Not required.