1. **Title of the module**

BUSN7690 (CB769): Risk Management

1. **School or partner institution which will be responsible for management of the module**

Kent Business School

1. **The level of the module (Level 4, Level 5, Level 6 or Level 7)**

Level 6

1. **The number of credits and the ECTS value which the module represents**

15 credits (7.5 ECTS)

1. **Which term(s) the module is to be taught in (or other teaching pattern)**

Spring

1. **Prerequisite and co-requisite modules**

Prerequisites: BUSN7670 Financial Econometrics and BUSN7660 Derivatives

1. **The programmes of study to which the module contributes**

BSc (Hons) Finance and Investment with a Year in Industry

1. **The intended subject specific learning outcomes.  
   On successfully completing the module students will be able to:**

8.1. Demonstrate critical knowledge and systematic understanding of the overall context of, the need for, and good practices in risk management in professional financial practice and in business organisations

8.2. Demonstrate critical knowledge and systematic understanding of risk assessment methodology, specifically risk measurement techniques based on financial and statistical models related to a variety of markets.

8.3. Demonstrate critical knowledge and systematic understanding of risk management techniques for different types of risk, with and without the use of derivative securities.

8.4. Identify hedging, speculation and arbitrage, communicate effectively quantitative estimates of risk, and efficiently implement quantitative methods for risk measurement on real-world data.

1. **The intended generic learning outcomes.  
   On successfully completing the module students will be able to:**

9.1. Explain and summarize complex concepts in a non-technical manner.

9.2. Think conceptually and critically analyse situations involving uncertainty.

9.3. Understand some of the challenges involved in linking theory and real-world practice, and the need to recognise the complexity of situations by qualifying one’s conclusions.

9.4. Approach problems positively using numerical and quantitative approaches.

9.5. Source, plot, analyse and present data.

1. **A synopsis of the curriculum**

The module begins with motivations for risk management in general and then covers the practice of risk management. In particular, students are introduced to the current thinking on governance and regulatory systems, followed by industry practices for managing certain common types of risk. Critical evaluation of these practices is incorporated where applicable.

Topics covered in this module include:

* Introduction to general risk management theory, how and why it generates value
* A taxonomy of risks, including Market Risk, Credit Risk, Liquidity Risk, Operational Risk, Model Risk, Regulatory Risk, Legal/Contract Risk, Tax Risk, Accounting Risk, and Political Risk.
* Introduction to Governance and Regulation
* Standard measures of risk
* Risk measurement for security portfolios
* Hedging techniques using financial derivatives
* Evaluation of hedging performance

1. **Reading list (Indicative list, current at time of publication. Reading lists will be published annually)**

* Christoffersen, P. F., (2012). *Elements of financial risk management*, 2nd edn. Oxford: Academic Press
* Hull, J. C. (2015). *Risk management and financial institutions*, 4th edn. Hoboken, NJ: Wiley

1. **Learning and teaching methods**

The module will be taught by lectures, seminars, terminal sessions and private study.

Total Contact Hours: 32

Private Study Hours: 118

1. **Assessment methods**
   1. Main assessment methods

Exam – two hour, unseen, closed book: 70%

Group Quantitative Project - 2000 words 20%

Individual Report - 500 words: 10%

* 1. Reassessment methods

Reassessment will be on a like-for-like basis.

1. **Map of module learning outcomes (sections 8 & 9) to learning and teaching methods (section12) and methods of assessment (section 13)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Module learning outcome** |  | *8.1* | *8.2* | *8.3* | *8.4* | *9.1* | *9.2* | *9.3* | *9.4* | *9.5* |
| **Learning/ teaching method** |  |  |  |  |  |  |  |  |  |  |
| Private Study |  | **X** | **X** | **X** | **X** |  |  |  |  |  |
| *Lectures* |  | **X** | **X** | **X** | **X** |  | **X** | **X** |  |  |
| *Seminars* |  | **X** |  | **X** | **X** | **X** | **X** | **X** | **X** |  |
| *Terminal sessions* |  |  | **X** | **X** | **X** |  |  | **X** | **X** | **X** |
| **Assessment method** |  |  |  |  |  |  |  |  |  |  |
| Group quantitative exercise | *20%* |  | **X** | **X** | **X** | **X** | **X** | **X** | **X** | **X** |
| Individual written report (500 words) | *10%* | **X** |  |  | **X** | **X** |  | **X** |  |  |
| Examination – two-hour, unseen | *70%* | **X** | **X** | **X** | **X** |  |  |  | **X** |  |

1. **Inclusive module design**

The School recognises and has embedded the expectations of current equality legislation, by ensuring that the module is as accessible as possible by design. Additional alternative arrangements for students with Inclusive Learning Plans (ILPs)/declared disabilities will be made on an individual basis, in consultation with the relevant policies and support services.

The inclusive practices in the guidance (see Annex B Appendix A) have been considered in order to support all students in the following areas:

a) Accessible resources and curriculum

b) Learning, teaching and assessment methods

1. **Campus(es) or centre(s) where module will be delivered**

Medway

1. **Internationalisation**

The subject content is global by design, reflecting the nature of modern financial risks and risk management strategies. The module addresses issues at both national and international business levels.

Teaching and support activity involves discussion of the impact of risk regulations and their variation across countries, prompting the students to contemplate the global issues and opportunities in financial risk management.

**FACULTIES SUPPORT OFFICE USE ONLY**

**Revision record – all revisions must be recorded in the grid and full details of the change retained in the appropriate committee records.**

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| --- | --- | --- | --- | --- |
| Date approved | Major/minor revision | Start date of the delivery of revised version | Section revised | Impacts PLOs (Q6&7 cover sheet) |
| 22/01/2018 | n/a | January 2022 | n/a | Yes |
|  |  |  |  |  |