

## **MODULE DESCRIPTOR**

<b>TITLE</b>	FINANCIAL RISK MANAGEMENT			
<b>SI MODULE CODE</b>	44-7821-00S/N			
<b>CREDITS</b>	15			
<b>LEVEL</b>	7			
<b>JACS CODE</b>	N341 - Financial Risk			
<b>SUBJECT GROUP</b>	FINANCE AND BANKING - SBS			
<b>DEPARTMENT</b>	Finance, Accounting and Business Systems			
<b>MODULE LEADER</b>	Jonathan Jeffery			
<b>NOTIONAL STUDY HOURS BY TYPE</b>	Tutor-led	Tutor-directed	Self-directed	Total Hours
	30	30	90	150

## **MODULE AIM(S)**

The module will enable students to:

Provide a critical understanding of the identification, measurement and management of financial risk in organisations.

To develop a critical appreciation that risk management must always be related to the corporates key objectives.

To be able to critically apply the concepts and theories from relevant literature to practical situations so as to develop cost effective solutions which recognise the need for an enterprise-wide approach.

## **MODULE LEARNING OUTCOMES**

**By engaging successfully with this module a student will be able to**

On successful completion of the module, students will be able to:

- Explain the role and scope of risk management in organisations and justify the need for an integrated, holistic approach to risk management;
- Recognise and apply the principles which underpin the identification, measurement and management of financial risks in large, complex organisations;
- Undertake a critical analysis of risk from the viewpoint of the individual transaction or exposure, the business unit and the organisation;
- Justify the use , and evaluate the effectiveness, of a variety of approaches to risk financing, risk transfer and risk control in the context of an organisation's integrated risk management strategy;
- Appreciate to main ways in which derivatives are priced, used and the resulting risks which their use generates.

## **INDICATIVE CONTENT**

**These are examples of the content of the module**

- Risk and its management
- Financial market risk – Interest rates
- Foreign exchange rate determination
- Financial market risk – Foreign exchange
- Financial risk – liquidity
- Other financial risks and issues such as operational risk.

All topics will be taught by using worked examples which are placed in the context of real life business and financial market situations.

## **LEARNING AND TEACHING METHODS**

**Students will be supported in their learning, to achieve the above outcomes, in the following ways**

Students will be supported in their learning, to achieve the above outcomes in the following ways:

### **Lectures**

There are weekly one-hour lectures for this module. Lectures will be used to introduce the major concepts, principles and theories relevant to each topic, and to identify and explain key terms and techniques. Visual aids, such as PowerPoint and videos, will be used in lecture sessions.

### **Seminars**

There will be a series of weekly, two-hour seminars for this module. Seminars will be used to reinforce and expand upon the material covered in the lectures and provide students with the opportunity to demonstrate and develop their analytical, problem solving and numerical skills.

Students are required to prepare answers to a series of numerical / problem / case study and/or essay-based questions in advance of attending each seminar. These questions are set out in the module guide.

### **Virtual Learning Environment (VLE) - Blackboard**

The module has a dedicated Blackboard site, which students are expected to access on a regular basis. The Blackboard site is used to communicate information to students outside of contact sessions (via the 'Announcements' page). In addition, the blackboard site includes:

- An electronic (PDF) version of the module handbook
- Links to lecture/PowerPoint slides
- Details regarding assessments
- Additional topical and contemporary information with direct links to external websites.

### **Assessment Strategy**

You will have the opportunity to test and evaluate your learning through formative and summative assessment. A variety of formative assessment methods will be used, e.g. presentations, report writing, analysis of case studies. Time will be allocated for staff and students to work through each other's expectations and understanding of the module's assessment tasks.

## **ASSESSMENT STRATEGY AND METHODS**

Students will have the opportunity to test and evaluate their learning through formative and summative assessment. A variety of formative assessment methods will be used, e.g. presentations, report writing, analysis of case studies. Time will be allocated for staff and students to work through each other's expectations and understanding of the module's assessment tasks.

<b>Task No.</b>	<b>Task Description</b>	<b>Task Type</b>	<b>Task Weighting %</b>	<b>Word Count / Duration</b>	<b>In-module retrieval available</b>
1	Phase Test 1: covering WK1 to WK 5	Phase Test	50	1.5 hours	Yes
2	Phase Test 2: Covering WK6 to Wk 10	Phase Test	50	1.5 hours	Yes

## **ASSESSMENT CRITERIA**

<b>Learning Outcome</b>	<b>Fail</b>	<b>PASS</b>	<b>2.2</b>	<b>2.1</b>	<b>First</b>
<b>1</b>	Fails to explain the role and scope of risk management in organisations and justify the need for an integrated, holistic approach to risk management	Some understanding of the role and scope of risk management in organisations and justify the need for an integrated, holistic approach to risk management	A sound understanding of the role and scope of risk management in organisations and justify the need for an integrated, holistic approach to risk management	A good understanding of the role and scope of risk management in organisations and justify the need for an integrated, holistic approach to risk management	A comprehensive understanding of the role and scope of risk management in organisations and justify the need for an integrated, holistic approach to risk management
<b>2</b>	Fails to recognise and apply the principles which underpin the identification, measurement and management of financial risks in large, complex organisations;	Some ability to recognise and apply the principles which underpin the identification, measurement and management of financial risks in large, complex organisations;	A sound ability to recognise and apply the principles which underpin the identification, measurement and management of financial risks in large, complex organisations;	A good ability to recognise and apply the principles which underpin the identification, measurement and management of financial risks in large, complex organisations;	A comprehensive ability to recognise and apply the principles which underpin the identification, measurement and management of financial risks in large, complex organisations;
<b>3</b>	Fails to undertake a critical analysis of risk from the viewpoint of the individual transaction or exposure, the business unit and the organisation;	Some ability to undertake a critical analysis of risk from the viewpoint of the individual transaction or exposure, the business unit and the organisation;	A sound ability to undertake a critical analysis of risk from the viewpoint of the individual transaction or exposure, the business unit and the organisation;	A good ability to undertake a critical analysis of risk from the viewpoint of the individual transaction or exposure, the business unit and the organisation;	A comprehensive ability to undertake a critical analysis of risk from the viewpoint of the individual transaction or exposure, the business unit and the organisation;
<b>4</b>	Fails to justify the use , and evaluate the effectiveness, of a variety of approaches to risk financing, risk transfer and risk control in the context of an organisation's integrated risk management strategy;	Some justification and evaluation as to the use , and effectiveness, of a variety of approaches to risk financing, risk transfer and risk control in the context of an organisation's integrated risk management strategy;	A sound justification and evaluation as to the use , and effectiveness, of a variety of approaches to risk financing, risk transfer and risk control in the context of an organisation's integrated risk management strategy;	A good justification and evaluation as to the use , and effectiveness, of a variety of approaches to risk financing, risk transfer and risk control in the context of an organisation's integrated risk management strategy;	A comprehensive justification and evaluation as to the use , and effectiveness, of a variety of approaches to risk financing, risk transfer and risk control in the context of an organisation's integrated risk management strategy;
<b>5</b>	Little appreciation of the main ways in which derivatives are priced, used and the resulting	Some appreciation of the main ways in which derivatives are priced, used and the resulting risks	A sound appreciation of the main ways in which derivatives are priced, used and the resulting risks	A good appreciation of the main ways in which derivatives are priced, used and the resulting risks which their use generates	A comprehensive appreciation of the main ways in which derivatives are priced, used and the resulting risks which

	risks which their use generates	which their use generates	which their use generates		their use generates
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## **FEEDBACK**

### **Students will receive feedback on their performance in the following ways**

Students will receive formative feedback during seminar sessions and summative feedback within 3 weeks for the phase test.

All answers to their phase test will be placed on BB straight their test and marks released within the normal university period. 1 hour of the following seminar will be dedicated to going over the phase test identifying areas of weakness or topics which need further clarification.

One to one meetings with students will be arranged if required.

## **LEARNING RESOURCES (INCLUDING READING LISTS)**

Students will be provided with course notes and supplementary reading via web links placed on BB

Supplementary reading will be taken from

Eiteman, Stonehill and Moffett, Multinational Business Finance, Global edition.

Buckley, A, Multinational Finance 5th Edition (Prentice Hall 2004)

Horcher, K A, Essential of Managing Treasury, (Wiley 2006)