Risk Management for Finance Sector Enterprises (FIN114)

in 2010

KAPLAN PROFESSIONAL

This subject introduces students to the concept of risk, its forms, how it is regulated and how it is managed in finance sector enterprises. Specifically it introduces students to the introductory statistical concepts used in measuring risk, and to concepts and applications relating to market, credit, operational, legal/regulatory and reputation risk. It explains how risk is considered in and outside enterprises, and how to protect against it.

Learning outcomes

At the completion of this subject students should be able to:

- Undertake basic statistical computations to measure the risk and relative performance of financial products
- Define the main types of risk and discuss the effect of risk on various finance sector enterprises
- Identify and explain the components of risk and losses
- Describe the role of regulators in risk management and discuss the effects of legal/regulatory and reputation risk on organisations
- Explain how risk is identified and measured
- Identify, assess and manage internal and external risks to assets, people and systems
- Explain the role of Basel II in risk management

Subject content

- Describing Risk: Measures of Location and Dispersion
- Probability and Measures of Association
- Normal distributions
- Introduction to financial risk management
- Market risk
- Credit risk
- Operational risk
- Legal, regulatory and reputation risk
- Basel II and risk management

Assessment

Assessment Type	Assessed	Weighting
Examination	Week 6	40%
Assignment (available from your Subject Room in week 6)	Week 12	60%

Task Force profile

This subject is developed and maintained by a Task Force made up of experienced industry practitioners. Click here to read their profiles.

Delivery method

Kaplan's delivery is primarily through distance education, supported by comprehensive print and online resources. Students will have access to subject notes, pre-recorded lectures, an online subject room, practitioner led Discussion Forums, online exercises, library and further resources.

Pre-requisites

There are no pre-requisites for this subject, however it is assumed students will have knowledge of financial markets and techniques in financial analysis (i.e. FIN111 and FIN113).

Students are also assumed to have a basic understanding of Microsoft® Excel (using the worksheet and cells; entering and editing data; working with formulas; formatting the worksheet; creating a chart; printing the worksheet and saving the worksheet).

Workload

This subject requires approximately 120 hours of student effort (11-12 hours per week). This includes time spent on activities such as: Reading and review of course notes and other reading material, attending to or listening to live or pre-recorded lectures, participating in e-learning activities, and assessment preparation and review.

Reading list

The following list of references provides the student with key and additional reading material.

Prescribed text
There are no prescribed texts for this subject

Additional readings:
Bernstein, PL 1998, *Against the gods: the remarkable story of risk,* John Wiley.
ISBN 9780471295631 (paperback)

Hull, JC 2008, *Options, futures and other derivatives*, 7th ed., Prentice-Hall, ISBN 9780136015864

Taleb, N 2007, *The black swan: The impact of the highly improbable*, Penguin Books, London. ISBN 9780141034591