



## COURSE OUTLINE

### 1. Information about the program

1.1 Higher education institution	“Alexandru Ioan Cuza” University of Iași
1.2 Faculty	Faculty of Economics and Business Administration
1.3 Department	Finance, Money and Public Administration
1.4 Field of study	Economics
1.5 Cycle of study	Bachelor
1.6 Study program / Qualification	Economics and Finance

### 2. Information about the course

2.1 Course title	Financial Risk Management						
2.2 Course coordinator	Assoc. Prof. SORIN GABRIEL ANTON						
2.3 Seminar coordinator	DUMITRU NICUSOR CARAUSU, Ph.D.						
2.4 Year of study	3	2.5 Semester	1	2.6 Type of evaluation*	MT	2.7 Course status**	C

\* MT-MID-TERM, O-ORAL EXAM, E-EXAM, M-MIXED; \*\* C-compulsory/O-optional/E-elective

### 3. Estimated time allocation (hours per semester and teaching activities)

3.1 Number of hours per week	4	out of which: 3.2 course	2	3.3 seminar / laboratory	2
3.4 Total number of hours per semester	56	out of which: 3.5 course	28	3.6 seminar / laboratory	28
Time allocation					hrs
Study based on course book, course materials, bibliography and other					40
Supplementary study in the library, on electronic platforms and on the field					40
Preparing seminars/laboratories, assignments, papers, portfolios and essays					35
Tutorship					6
Examination					3
Other activities .....					
3.7 Total hours of individual study					124
3.8 Total hours per semester					180
3.9 Number of credits					6

### 4. Prerequisites (if applicable)

4.1 Referring to curriculum	Not necessary
4.2 Referring to competences	Not necessary

### 5. Conditions (if applicable)

5.1 For the course	Not necessary
5.2 For the seminar / laboratory	Not necessary



## 6. Specific competences accumulated

<b>Professional competencies</b>	<ul style="list-style-type: none"><li>• C1.1 Defining economic-financial concepts, theories, methods and tools.</li><li>• C5.1 Identifying the possible means to minimize the economic-financial activity specific risks.</li><li>• C5.3 Applying specific risk minimizing means to an economic-financial situation.</li><li>• C5.4 Using general and specific criteria and norms to assess risks and their implications.</li><li>• C5.5 Devising case studies focused on risk assessment and its economic-financial implications.</li></ul>
<b>Transversal competencies</b>	Application of the principles, norms and values of the professional code of ethics in students' own rigorous, efficient and responsible work strategy.

## 7. Course objectives (based on specific competencies accumulated)

<b>7.1 General objective</b>	The purpose of this course is to acquire more knowledge and to develop functional skills related to financial risk management
<b>7.2 Specific objectives</b>	On completion of the course, the students will be able to: <ul style="list-style-type: none"><li>▪ Analyze and relate the operations of financial institutions to their key risks</li><li>▪ Describe the risk management framework</li><li>▪ Apply the key tools to measure credit risk, market risk, operational risk, and liquidity risk</li><li>▪ Use the key tools to assess insurance risks (life and non-life risk)</li></ul>

## 8. Content

8.1	Course	Teaching methods	Observations (time and bibliography)
1.	Risk Management Framework	Interactive lecture, Brainstorming, Ungraded quiz	4hrs: (H), (Jb), (SC)
2.	Measurement of Market Risk	Interactive lecture, Brainstorming, Simulation, Ungraded quiz	6hrs: (A), (H), (Ja), (Jb)
3.	Measurement of Credit Risk	Interactive lecture, Brainstorming, Simulation, Ungraded quiz	6hrs: (BOW), (H), (Jb)
4.	Measurement of Operational Risk	Interactive lecture, Brainstorming, Ungraded quiz	3hrs: (H), (Jb)
5.	Measurement of Liquidity Risk	Interactive lecture, Brainstorming, Ungraded quiz	2hrs: (Jb)
6.	Measurement of Non-life Risk	Interactive lecture, Brainstorming, Ungraded quiz	3hrs: (KGDD)
7.	Measurement of Life Risk	Interactive lecture, Brainstorming, Ungraded quiz	4hrs: (KGDD)

**Bibliography****Main readings:**

- Alexander, C., 2008, Value-at-Risk Models, John Wiley & Sons (A)
- Bluhm, C., Overbeck, L., Wagner, C., 2002, An Introduction to Credit Risk Modeling, Taylor & Francis Ltd. (BOW)
- Hull, J., 2018, Risk Management and Financial Institutions, 5<sup>th</sup> edition, John Wiley & Sons, New Jersey (H).
- Jorion, P., 2006, Value at Risk, 3rd ed., McGraw-Hill (Ja)
- Jorion, P., 2011, Financial Risk Manager Handbook, 6th ed., Wiley & Sons (Jb)
- Kaas, R., Goovaerts, M., Dhaene, J., Denuit, M., 2008, Modern Actuarial Risk Theory, 2<sup>nd</sup> edition, Springer, Berlin (KGDD)
- Saunders, A., Cornett, M.M., 2008, Financial Institution Management. A Risk Management Approach, 6th ed., McGrawHill, New York (SC)

**Additional readings:**

May be provided periodically throughout the course via Blackboard Learn FEAA.

8.2	Seminar / Laboratory	Teaching methods	Observations (time and bibliography)
1.	Risk Management Framework	Small group discussion, Random calling	2hrs: (H), (Jb), (SC)
2.	Measurement of Market Risk	Small group discussion, Simulation, Random calling	8hrs: (A), (H), (Ja), (Jb)
3.	Measurement of Credit Risk	Small group discussion, Simulation, Random calling	6hrs: (BOW), (H), (Jb)
4.	Measurement of Operational Risk	Small group discussion, Simulation, Random calling	4hrs: (H), (Jb)
5.	Measurement of Liquidity Risk	Small group discussion, Simulation, Random calling	4hrs: (Jb)
6.	Measurement of Insurance Risks	Small group discussion, Simulation, Random calling	4hrs: (KGDD)

**Bibliography****Main readings:**

- Alexander, C., 2008, Value-at-Risk Models, John Wiley & Sons (A)
- Bluhm, C., Overbeck, L., Wagner, C., 2002, An Introduction to Credit Risk Modeling, Taylor & Francis Ltd. (BOW)
- Hull, J., 2018, Risk Management and Financial Institutions, 5<sup>th</sup> edition, John Wiley & Sons, New Jersey (H).
- Jorion, P., 2006, Value at Risk, 3rd ed., McGraw-Hill (Ja)
- Jorion, P., 2011, Financial Risk Manager Handbook, 6th ed., Wiley & Sons (Jb)
- Kaas, R., Goovaerts, M., Dhaene, J., Denuit, M., 2008, Modern Actuarial Risk Theory, 2<sup>nd</sup> edition, Springer, Berlin (KGDD)
- Saunders, A., Cornett, M.M., 2008, Financial Institution Management. A Risk Management Approach, 6th ed., McGrawHill, New York (SC)

**Additional readings:**

May be provided periodically throughout the course via Blackboard Learn FEAA.

**9. Corroboration of the course content with the expectations of community representatives, professional associations and representative employers from the programme's related field**



This course provides students with the core knowledge, skills, and abilities that are generally accepted and applied by finance and investments professionals throughout the world. Topics are selected in accordance to the requirements of Chartered Financial Analyst (CFA) and Professional Risk Manager (PRM) world-leading certifications for finance and risk management, to offer the adequate preparation for CFA and PRM exams.

The course content is correlated to that of similar courses taught at renowned universities and is continuously updated based on the feedback of students and alumni. Moreover, this is a student-centered course that follows the best practices of learning and teaching in undergraduate education through the adoption of a variety of active-learning instructional methods.

#### 10. Evaluation

Type of activity	10.1 Evaluation criteria	10.2 Evaluation methods	10.3 Allocation to the final grade (%)
10.4 Course	The quality of the written paper. The minimum grade must be 5,00 to pass the course.	Written exam with open questions	50%
10.5 Seminar/ Laboratory	The quality of individual project and the test.	Seminar assessment (individual project, test, seminar activity)	50%
<b>10.6 Minimum performance standard</b>			
The final grade is computed as $0.5 * \text{seminar assessment} + 0.5 * \text{final exam grade}$ .			
The minimum final grade must be 5.00 in order to pass the course.			

Date  
11.09.2018

Course coordinator  
Assoc. Prof. Sorin Gabriel ANTON

Seminar coordinator  
Dumitru Nicusor CARAUSU, Ph.D.

Date of approval in the department

Head of department

14.09.2018

Professor Ovidiu STOICA