



COURSE DESCRIPTION

1. Information about the programme

1.1 Institution of higher education	Alexandru Ioan Cuza University of Iasi
1.2 Faculty	Faculty of Economics and Business Administration
1.3 Department	Department of Finance, Money and Public Administration
1.4 Field of study	Finance
1.5 Level	Master
1.6 Study programme/ Qualification	Finance and Risk Management

2. Information about the course

2.1 Course name	Banking, Insurance and Risk Management						
2.2 Course coordinator	Prof. Sorin Gabriel ANTON						
2.3 Seminar coordinator	Prof. Sorin Gabriel ANTON						
2.4 Year of study	2	2.5 Semester	3	2.6 Type of assessment	EVP	2.7 Course status	E

* C – Compulsory / E - Elective

3. Total estimated time (hours allotted to teaching activities per semester)

3.1 Number of hours per week	3	of which: 3.2 lecture	2	3.3 seminar/lab	1	
3.4 Number of hours in the curriculum	42	of which: 3.5 lecture	28	3.6 seminar/lab	14	
Time distribution						hrs
Study of the textbook, coursebook, bibliography and lecture notes						40
Additional research in the library, online and on the field						20
Preparation of seminars/labs, homework, projects, portfolios and essays						15
Tutorials						2
Assessment						4
Other activities.....						2
3.7 Total number of self-study hours						83
3.8 Total number of hours per semester						125
3.9 Number of credits						5

4. Prerequisites (if applicable)

4.1 Curriculum-based	-
4.2 Competence-based	-

5. Conditions (if applicable)

5.1 For lectures	<ul style="list-style-type: none"> ▪ Attendance at lectures is strongly encouraged. ▪ Operation of cell phones and other handheld electronic devices for sending and reading text messages and e-mails, recording or other disruptive activities for fellow students and instructor is not allowed. Devices should be turned off or set to the vibrate
------------------	--





	mode before the start of the lecture.
5.2 For seminars / labs	<ul style="list-style-type: none"> ▪ Attendance is compulsory at minimum 80% of the seminars. In case of absence, the instructor should be informed in advance. ▪ Operation of cell phones and other handheld electronic devices for sending and reading text messages and e-mails, recording or other disruptive activities for fellow students and instructor is not allowed. Devices should be turned off or set to the vibrate mode before the start of the seminar.

6. Specific competencies

Professional competencies	<p>C1. Analysis of the theoretical and practical aspects of financial markets, models, instruments that are used in the management of risks.</p> <p>C2. Adequate use of mathematical and statistical concepts, methods and techniques in assessing risks and performing independent research in finance.</p> <p>C3. Evaluation of the main risk factors for organizations and financial systems.</p> <p>C4. Implementing effective financial management and reporting within the business environment to ensure value creation.</p> <p>C5. Ensuring effective and appropriate governance and management of risk within an organization, in the context of an overall ethical framework.</p>
Transversal competencies	<p>CT1. Application of the professional ethical norms and values in decision-making and undertaking of complex professional tasks, independently or within a team.</p> <p>CT2. Human resources planning within a group or organization, in the context of awareness of own responsibility for professional outcomes.</p> <p>CT3. Assuming the need for continuous development to create prerequisites for career progression and adapt own professional and managerial competencies to the economic dynamics.</p>

7. Course objectives (provided by the specific competencies grid)

7.1. Main objective	The purpose of this course is to acquire more knowledge about the ways in which risks are quantified and managed by financial institutions (banks and insurance companies).
7.2. Specific objectives	<p>On completion of the course, the students will be able to:</p> <ul style="list-style-type: none"> ▪ Analyze and relate the operations of financial institutions to their key risks ▪ Use the key tools to measure credit risk, operational risk, interest risk, liquidity risk and market risk ▪ Analyze and assess the key approaches to manage credit risk, operational risk, interest risk, liquidity risk and market risk with financial institutions ▪ Analyze and assess the current practices and principles of financial supervision of the financial industry ▪ Analyze the literature in relation to the main themes that face the financial industry





8. Content

8.1	Lectures	Teaching methods	Observations (hours & readings)
1.	Banks	Interactive lecture, Brainstorming, Ungraded quiz	2hrs: H(2), SC(2)
2.	Insurance Companies and Pension Plans	Interactive lecture, Brainstorming, Ungraded quiz	2hrs: H(3), SC(3)
3.	Regulation of financial institutions. Basel II, Basel III and Solvency II	Interactive lecture, Brainstorming, Ungraded quiz	2hrs: H(12, 13)
4.	Hedging Interest Rate Risk	Interactive lecture, Brainstorming, Ungraded quiz	4hrs: R(13)
5.	Market Risk Hedging	Interactive lecture, Brainstorming, Ungraded quiz	6hrs: R(12)
6.	Credit Risk Mitigation	Interactive lecture, Brainstorming, Ungraded quiz	4hrs: R(8)
7.	Operational Risk Management	Interactive lecture, Brainstorming, Ungraded quiz	2hrs: R(14)
8.	Liquidity Risk Management	Interactive lecture, Brainstorming, Ungraded quiz	2hrs: R(11)
9.	Enterprise Risk Management	Interactive lecture, Brainstorming, Ungraded quiz	2hrs: H(27), R(16)
10.	Risk Management Mistakes to Avoid	Interactive lecture, Brainstorming, Ungraded quiz	2hrs: H(28)

Bibliography

Textbook:

- Hull, J. – *Risk Management and Financial Institutions*, 6th edition, John Wiley & Sons, New Jersey, 2023. (H).

Main readings:

- Chance, D., Brooks, R. – *An Introduction to Derivatives and Risk Management*, 9th edition, South-Western Cengage Learning, 2013 (CD).
- Crouhy, M., Galai, D., Mark, R. – *The Essentials of Risk Management*, McGraw Hill, New York, 2006 (CGM).
- Damodaran, A. – *Strategic Risk Taking: A Framework for Risk Management*, Wharton School Publishing, New Jersey, 2008 (D).
- Hull, J. – *Options, Futures, and Other Derivatives*, 7th edition, Pearson, New Jersey, 2009 (H).
- Jorion, P., 2011, *Financial Risk Manager Handbook*, 6th ed., Wiley & Sons (Jb)
- Malz, A., 2011, *Financial risk management: models, history, and institution : models, history, and Institution*, John Wiley & Sons, New Jersey (M)
- Rossi, C., 2014, *A risk professional's survival guide: applied best practices in risk management*, Wiley & Sons (R)
- Saunders, A., Cornett, M.M. – *Financial Institution Management. A Risk Management Approach*, Ediția a 6-a, McGrawHill, New York, 2008 (SC).

Additional readings:

Other readings such as cases, simulations, journal papers, press articles will be provided periodically





throughout the course via FEAA eLearning platform, e-mail or handed-in in class.

8.2	Seminars / Labs	Teaching methods	Observations (hours & readings)
1.	The operations of financial institutions and the related key risks	Small group discussion, Simulation, Random calling	2hrs: H(2,3), SC(2,3)
2.	Hedging Interest Rate Risk	Small group discussion, Simulation, Random calling	3hrs: R(13)
3.	Market Risk Hedging	Small group discussion, Simulation, Random calling	3hrs: R(12)
4.	Credit Risk Mitigation	Small group discussion, Simulation, Random calling	3hrs: R(8)
5.	Operational Risk Management	Small group discussion, Simulation, Random calling	1hrs: R(14)
6.	Liquidity Risk Management	Small group discussion, Simulation, Random calling	1hrs: R(11)
7.	Enterprise Risk Management	Small group discussion, Simulation, Random calling	1hrs: H(27), R(16)

Bibliography

Textbook:

- Hull, J. – *Risk Management and Financial Institutions*, 6th edition, John Wiley & Sons, New Jersey, 2023. (H).

Main readings:

- Chance, D., Brooks, R. – *An Introduction to Derivatives and Risk Management*, 9th edition, South-Western Cengage Learning, 2013 (CD).
- Crouhy, M., Galai, D., Mark, R. – *The Essentials of Risk Management*, McGraw Hill, New York, 2006 (CGM).
- Damodaran, A. – *Strategic Risk Taking: A Framework for Risk Management*, Wharton School Publishing, New Jersey, 2008 (D).
- Hull, J. – *Options, Futures, and Other Derivatives*, 7th edition, Pearson, New Jersey, 2009 (H).
- Jorion, P., 2011, *Financial Risk Manager Handbook*, 6th ed., Wiley & Sons (Jb)
- Malz, A., 2011, *Financial risk management: models, history, and institution : models, history, and Institution*, John Wiley & Sons, New Jersey (M)
- Rossi, C., 2014, *A risk professional's survival guide: applied best practices in risk management*, Wiley & Sons (R)
- Saunders, A., Cornett, M.M. – *Financial Institution Management. A Risk Management Approach*, Ediția a 6-a, McGrawHill, New York, 2008 (SC).

Other readings such as cases, simulations, journal papers, press articles will be provided periodically throughout the course via FEAA eLearning platform, e-mail or handed-in in class.



**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 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. Assessment

Type of activity	10.1 Assessment criteria	10.2 Assessment methods	10.3 Weight in final grade (%)
10.4 Lectures	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 Seminars/ Labs	The quality of individual project and the test.	Seminar assessment (individual project, test, seminar activity)	50%
10.6 Minimum performance standard			
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
01.09.2023

Course Coordinator
Prof. Sorin Gabriel ANTON

Seminar Coordinator
Prof. Sorin Gabriel ANTON

Date of approval
26.09.2023

Head of Department
Professor Ovidiu STOICA

