

Course Title	Financial Risk Management			
Course Code	ACF 410			
Course Type	Elective			
Level	Undergraduate			
Year / Semester	Year 4 / Semester 7			
Teacher's Name	ARISTIDIS SAMITAS/THEODOSIS KALLENOS			
ECTS	6	Lectures / week	3	Laboratories / week
Course Purpose and Objectives	<p>This course provides students with the principles and concepts of risk that firms are exposed and consequently have to identify and manage appropriately. The aim of this course is to equip students with the appropriate tools for risk management in a corporate setting. Topics include the types of risks such as market risk, credit risk, interest rate risk, liquidity risk, <i>etc.</i>, as well as the various regulations that modern financial institutions must comply with (<i>e.g.</i> Basel I, II, III). Students should be able to understand the major risks and provide solutions to mitigate them.</p>			
Learning Outcomes	<p>Upon completion of the course, students will be able to</p> <ul style="list-style-type: none"> ▪ Understand the importance of identifying the major risks that firms are exposed. ▪ Recognize the various risks that modern financial institutions face. ▪ Develop an in-depth understanding of the various risk management tools that financial institutions use. ▪ Use techniques to measure and manage the risks of financial institutions. ▪ Describe the regulatory frameworks underlying modern financial institutions, especially in relation to the Basel Accords. 			
Prerequisites	MAT 101, MAT 201, MAT 202	Required		
Course Content	<ul style="list-style-type: none"> ▪ Introduction to risk management ▪ How to mitigate and manage financial risks ▪ Interest Rate Risk ▪ Market Risk ▪ Volatility and Risk, Value-at-Risk ▪ Modeling Market Risk 			

	<ul style="list-style-type: none"> ▪ Credit Risk and Credit Migration Approach ▪ The Contingent Claim Approach and Credit Risk ▪ Other Type of Risks ▪ Off-Balance Sheet Risk, Currency Risk, Sovereign Risk, Operational Risk, Inflation Risk, Liquidity Risk ▪ Hedging Credit Risk ▪ Bank Stress Testing and Hypothetical Scenarios
Teaching Methodology	<ul style="list-style-type: none"> ▪ Lectures coupled with case study teaching and discussion ▪ Reading and resolving problems ▪ Working on problem-solving and case studies ▪ Solving unstructured questions and case studies ▪ Brief oral presentation before starting a new chapter and reply to queries from students ▪ Homework for revision purposes ▪ Interaction and collaborative learning ▪ Guest speakers
Bibliography	<ul style="list-style-type: none"> ▪ Crouhy M., D. Galai and R. Mark (2001). Risk management. McGraw-Hill. ▪ Anthony Saunders, Marcia M Cornett. Financial Institutions Management: A Risk Management Approach, 9th Edition, McGraw-Hill, 2018
Assessment	<ul style="list-style-type: none"> ▪ Coursework (40%) ▪ Final Exam (60%)
Language	English