Syllabus

Course Description

Course Title	Financial Risk Management
Course Code	27343
Course Title Additional	
Scientific-Disciplinary Sector	ECON-09/B
Language	German
Degree Course	Bachelor in Economics and Management
Other Degree Courses (Loaned)	
Lecturers	Prof. Dr. Peter Alfons Schmid, PeterAlfons.Schmid@unibz.it https://www.unibz.it/en/faculties/economics-management/academic-staff/person/44766
Teaching Assistant	
Semester	First semester
Course Year/s	3
CP	6
Teaching Hours	36
Lab Hours	-
Individual Study Hours	-
Planned Office Hours	
Contents Summary	This is an introductory course on risk management and financial products. The main contents are the mechanics and pricing of derivatives (forwards, futures, swaps and options). Students will be equipped with the knowledge of how to use such derivatives for risk management.
Course Topics	Functioning of futures markets; hedging strategies; determination of forward and future prices; swaps; functioning of options markets; trading strategies with options; Binomial trees; Vienna processes; Black-Scholes-Merton model;

	options on stock indices, currencies and futures; the "Greeks".
Keywords	Unconditional forward transactions (forwards and futures), swaps, options, binomial trees, Black-Scholes-Merton model, "Greeks"
Recommended Prerequisites	
Propaedeutic Courses	
Teaching Format	Lectures
Mandatory Attendance	Not mandatory, but recommended
Specific Educational Objectives and Learning Outcomes	ILO (Intended Learning Outcomes) ILO 1 Knowledge and understanding ILO 1.1 Knowledge of the analytical method for estimating present values and discount factors for estimating the cost of capital and the valuation of bonds and equities ILO 1.2 Knowledge of the methods of medium and long-term financial forecasting and sensitivity analysis with simulation under uncertainty for risk management in corporate and international finance ILO 1.3 Knowledge and understanding of the international financial environment, multinational risk defence techniques and competitive strategies of global banks ILO 2 Ability to apply knowledge and understanding ILO 2.1 Knowledge of the use of spreadsheet programmes to value fixed income financial instruments and shares in listed companies ILO 2.2 Apply techniques to evaluate the performance of financial assets and understand the pricing mechanisms of high-risk financial assets and spot and forward interest rates ILO 3 Making judgements ILO 3.1 critically analyse the facts and the situations to be dealt with ILO 3.2 select the most appropriate quantitative and qualitative methods of analysis ILO 3.3 combine information and analytical methods, including the

	use of modern software packages, in a logical argument to find a solution ILO 4 Learning skills ILO 4.1 critically analyse and integrate data, information and future experiences, including using advanced software packages
Specific Educational Objectives and Learning Outcomes (additional info.)	
Assessment	Written examinations
Evaluation Criteria	Written examinations after 50% and at the end of the semester. 1st session: Assessment based on the mid-term exam (33.33%) and the final exam (66.67%). Without participation in the mid-term exam: final exam (100%). 2nd or 3rd session: final exam always 100%. Minimum points for a positive final examination: 18 out of 30+ points. ILOs assessed 1 to 4
Required Readings	John Hull: Options, Futures and Other Derivatives, Pearson, 11th edition, 2022.
Supplementary Readings	
Further Information	
Sustainable Development Goals (SDGs)	Quality education, Responsible consumption and production, Industry, innovation and infrastructure, Decent work and economic growth