

# Syllabus

## *Course Description*

<b>Course Title</b>	Financial Risk Management
<b>Course Code</b>	27343
<b>Course Title Additional</b>	
<b>Scientific-Disciplinary Sector</b>	ECON-09/B
<b>Language</b>	German
<b>Degree Course</b>	Bachelor in Economics and Management
<b>Other Degree Courses (Loaned)</b>	
<b>Lecturers</b>	Prof. Dr. Peter Alfons Schmid, PeterAlfons.Schmid@unibz.it <a href="https://www.unibz.it/en/faculties/economics-management/academic-staff/person/44766">https://www.unibz.it/en/faculties/economics-management/academic-staff/person/44766</a>
<b>Teaching Assistant</b>	
<b>Semester</b>	First semester
<b>Course Year/s</b>	3
<b>CP</b>	6
<b>Teaching Hours</b>	36
<b>Lab Hours</b>	-
<b>Individual Study Hours</b>	-
<b>Planned Office Hours</b>	
<b>Contents Summary</b>	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.
<b>Course Topics</b>	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".
<b>Keywords</b>	Unconditional forward transactions (forwards and futures), swaps, options, binomial trees, Black-Scholes-Merton model, "Greeks"
<b>Recommended Prerequisites</b>	
<b>Propaedeutic Courses</b>	
<b>Teaching Format</b>	Lectures
<b>Mandatory Attendance</b>	Not mandatory, but recommended
<b>Specific Educational Objectives and Learning Outcomes</b>	<p>ILO (Intended Learning Outcomes)</p> <p>ILO 1 Knowledge and understanding</p> <p>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</p> <p>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</p> <p>ILO 1.3 Knowledge and understanding of the international financial environment, multinational risk defence techniques and competitive strategies of global banks</p> <p>ILO 2 Ability to apply knowledge and understanding</p> <p>ILO 2.1 Knowledge of the use of spreadsheet programmes to value fixed income financial instruments and shares in listed companies</p> <p>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</p> <p>ILO 3 Making judgements</p> <p>ILO 3.1 critically analyse the facts and the situations to be dealt with</p> <p>ILO 3.2 select the most appropriate quantitative and qualitative methods of analysis</p> <p>ILO 3.3 combine information and analytical methods, including the</p>

	<p>use of modern software packages, in a logical argument to find a solution</p> <p>ILO 4 Learning skills</p> <p>ILO 4.1 critically analyse and integrate data, information and future experiences, including using advanced software packages</p>
<b>Specific Educational Objectives and Learning Outcomes (additional info.)</b>	
<b>Assessment</b>	Written examinations
<b>Evaluation Criteria</b>	<p>Written examinations after 50% and at the end of the semester.</p> <p>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%).</p> <p>2nd or 3rd session: final exam always 100%.</p> <p>Minimum points for a positive final examination: 18 out of 30+ points.</p> <p>ILOs assessed 1 to 4</p>
<b>Required Readings</b>	John Hull: Options, Futures and Other Derivatives, Pearson, 11th edition, 2022.
<b>Supplementary Readings</b>	
<b>Further Information</b>	
<b>Sustainable Development Goals (SDGs)</b>	Quality education, Responsible consumption and production, Industry, innovation and infrastructure, Decent work and economic growth