

Module code	FIN7F1	Level	7
Module title	Financial Risk Management	Credit value	20
Common/Core/Elective	Core	ECTS Credits	10
		Notional learning hours	200
Courses on which the module is taught	MSc Finance, Investment and Wealth Management	Teaching Period	Spring

1. Module description

The investment process is characterised by risk. The return to any investment is directly linked to risk which should be managed optimally. Thus risk should be identified, properly measured and kept in alignment with the goals of the business. A risk management process needs to be effective in identifying, assessing and controlling the various risk exposures thus maintaining a symmetry between expected returns and possibly negative outcomes associated with the risk undertaken. With the complex nature of investment management firms and investment portfolios, sophisticated risk management techniques have been developed to provide analysts with the necessary tools to properly measure and manage various risks. Within that context the financial risk manager should be able to identify, measure, and manage risk effectively. What information should be reported to investors and other stakeholders concerning the risk of an enterprise or a portfolio?

The module's aims are to:

- Enable you to have an insight into the techniques used in financial risk management and how you can be applied in real world situations.
- Broaden your thinking skills relating to the concepts of risk and how they are deployed to the management of investment decisions.
- Develop your analytical skills on the notions of value, risk, hedging, diversification, market risk, liquidity risk, credit risk, derivatives, and other related topics to risk management.
- Interpret and make financial decisions within a firm based upon an ethical informed, and critical approach.

2. Learning outcomes

Professional Development (LO3)

Articulate a plan which encompasses opportunities for your continuing professional development in risk management and finance

Digital Data and Tools (LO6)

Appraise and utilise digital tools and complex financial data in the context of financial risk management

Discipline Skills (LO8)

Combine and employ advanced financial knowledge, quantitative techniques for practical risk management

Human and Environmental Impact (LO10)

Evaluate the impact of human activity in the context of financial risk, on people and on the environment to offer sustainable solutions

3. Learning and teaching methods

The teaching / learning methods for this module has been designed to ensure that the programme level learning outcomes outlined above have been acquired. The delivery of this module will draw upon two main different learning approaches: seminars and workshops. The seminars will provide your with key opportunities to develop your critical thinking of financial risk management theory and themes. The workshops will take the form of discussions on finance articles that look at the practice of risk management, in addition of using quantitative skills in practical way that will train how to calculate various types of financial risks. Thus, the goal of the workshops is to put theory into practice.

The module follows student centred learning: you have ownership and responsibility, individually for your learning, planning and critical thinking of financial risk management theory and practice.

Learning hours	
Directed learning	48 hours
Workshops/ seminar classes	48
Guided/Self-guided learning	152 hours
Total	200

4. Assessment, formative feedback and relative weightings

Assessment 1 –Project,

Weight (%): 50%

Word Count or Equivalent: 2,500 words

You will be given a specific individual project where you will be required to assess the risk position of specific assets taking in consideration macro and micro variables and using real current financial data and relevant models. You will be assessed on problem solving skills related to risk management techniques and methodologies applicable to problem solving, evaluation and strategy formulation in a global financial and investment context. You will be required to reflect on how these applied risk management techniques will help your professional development as a financial risk manager.

Assessment 2 –Essay

Weight (%): 50%

Word Count or Equivalent: 2,500 words

You are required to submit a task-based essay where you will have to provide a solution for financial risk management problem and demonstrate your solving skills regarding complex trading and hedging strategies as well as the ability to think critically and analytically regarding different strategies. You will also need to address the human and environment implications of the problem and the solution suggested.

Each summative assessment will be preceded by an opportunity of formative assessment and followed by formative feedback for such opportunity.

Assessment tasks	MLO3	MLO6	MLO8	MLO10
Project,	X	X	X	
Essay		X	X	X

5. Indicative resources

Required Reading

Hull J., (2021), "Options, Futures, and Other Derivatives", 11th edition, Pearson.

Hopkin P., (2018), "Fundamentals of Risk Management: Understanding, Evaluating and Implementing Effective Risk Management", Kogan Page.

Pirie W., (2021), "Derivatives (CFA Institute Investment Series)", John Wiley & Sons

Thomson Reuters Eikon: <https://eikon.thomsonreuters.com/>

International Swaps and Derivatives Association: <https://www.isda.org/>

CME Group: Futures & Options Trading for Risk Management:
<https://www.cmegroup.com/>