

## 27328 - Financial Risk Management

### Syllabus Information

**Academic year:** 2023/24

**Subject:** 27328 - Financial Risk Management

**Faculty / School:** 109 - Facultad de Economía y Empresa

228 - Facultad de Empresa y Gestión Pública

301 - Facultad de Ciencias Sociales y Humanas

**Degree:** 448 - Degree in Business Administration and Management

454 - Degree in Business Administration and Management

458 - Degree in Business Administration and Management

**ECTS:** 6.0

**Year:** 3

**Semester:** Second semester

**Subject type:** Compulsory

**Module:**

### 1. General information

The main learning goals of the course are:

- To understand the concept of risk and to identify the factors that cause it, including financial risk factors, market factors and financial risk situations.
- To quantify the impact of risk factors in the company results, as well as to analyse the sensitivity of company results, or the value of the company with variations of the risk factors studied.
- To characterize and understand the main financial instruments for financial risk management.
- To manage the different financial risks.

These approaches and objectives are aligned with the Sustainable Development Goals (SDGs) of the UN 2030 Agenda (<https://www.un.org/sustainabledevelopment/>), specifically, the activities of the course will contribute to achieve the target 8.1 of SDG 8, Decent work and economic growth; target 13.1 of SDG 13: Climate Action; target 16.6 of SDG 16 Peace, Justice and strong institutions.

### 2. Learning results

The student that passes the course will be capable of using tools to identify, measure and manage the diverse financial risks to which businesses are exposed and to be aware of the conceptual and theoretical framework to properly assess market and credit risks. Specifically, the student is able to:

- Identify, define and classify different types of financial risks and their positions.
- Quantify the results of using different financial instruments in risk management and their limitations.
- Select and interpret information to manage the interest rate risk by analyzing expectations and assessing the exposure level.
- Identify, at a basic level, useful information for decision-making in currency risk management, performing basic operations for its management.
- Quantify the credit risk effect on an operation's value and return and interpret information used by members of financial markets.
- Identify models and tools in integrated risk management.

### 3. Syllabus

UNIT 1. RISK FACTORS AT THE COMPANY

UNIT 2. INTEREST RATE RISK.

UNIT 3. INTEREST RATE RISK MEASUREMENT.

UNIT 4. FINANCIAL INSTRUMENTS FOR RISK MANAGEMENT

UNIT 5. CURRENCY RISK MANAGEMENT.

UNIT 6. CREDIT RISK

UNIT 7. CREDIT RISK MANAGEMENT.

UNIT 8. VALUE AT RISK MODELS.

### 4. Academic activities

The course is based on lectures and practice sessions and the sessions will be participatory. Individual and group offices hours allow to personally guide the students to achieve the learning goals. Given the operational nature of the subject, lectures will also include practical examples, discussion of news related to the course or debates on these issues. The practice sessions will consist of practical cases that the students will study and solve with the supervision of the teacher.

Complementary activities will consist of voluntary group works that the teacher will indicate the specific content. The development, presentation and/or debate of the results of the group work with the teacher will be held in practical sessions, within the schedule of the course.

Lectures: 30 hours

Practice sessions: 30 hours

Personal study: 88 hours  
Assessment tests: 2 hours  
6 ECTS = 150 hours

At first, the teaching methodology and the assessment is expected to be face-to-face classes. However, if it is required by the circumstances, these could be online.

## 5. Assessment system

The assessment course is the GLOBAL assessment system in the two exam-sittings with the following activities.

One exam consisting of theoretical and practical questions to be held on the date and time established in the official sittings. It will include the solving of practical questions about the course, and theoretical questions and theoretical-practical questions that may be open or multiple choice.

One group work that represents 30% of the final assessment grade. It will consist of solving problems and practical situations that are close to reality. The teacher will propose the cases and the students will present their suggestions for the solution in one session, within the schedule of the course. The grade of the group work will be kept for the two official sittings.

To pass the course, the student must obtain a grade equal to or greater than 5 points out of 10. The final grade will be obtained as the highest grade between these two alternatives: a)  $0.3 \times \text{group-work grade} + 0.7 \times \text{exam grade}$ , b) exam grade. In a) case, a minimum grade of 3 points out of 10 is required in the exam. In case that the student does not reach the minimum grade, the final grade will be the grade obtained in the written exam.