

## FINANCIAL RISK MANAGEMENT - 2024/5

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Module code: MAN3242

### Module Overview

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Financial risk management focuses on the types of risk that arise for a business including; market risk, credit risk and interest risk. This module considers financial risk management strategies; how risk is evaluated; the methods that are available to hedge against risk and the strategies that are employed to mitigate risk. This is complemented by consideration of key risk management issues for financial institutions including regulatory issues such as Basel III. Risk Management is a key element in an Accounting and Finance programme.

#### Module provider

Surrey Business School

#### Module Leader

HAN Liang (SII DUFE)

Number of Credits: 15

ECTS Credits: 7.5

Framework: FHEQ Level 6

Module cap (Maximum number of students): N/A

### Overall student workload

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Workshop Hours: 11

Independent Learning Hours: 117

Seminar Hours: 22

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### Module Availability

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Semester 1

### Prerequisites / Co-requisites

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N/A

## Module content

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Indicative content includes:

- Introduction to Financial Risk Management
- The 2007-2008 Financial Crisis
- Interest Rate Risk
- Credit Risk
- Liquidity Risk
- Hedging Strategies with Derivatives
- Derivative trading strategies
- Option pricing models and the use of options in finance

## Assessment pattern

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Assessment type	Unit of assessment	Weighting
School-timetabled exam/test	Class Test Set Time and Date (60 mins)	30
Examination	Exam Set Time and Date (2 hours)	70

## Alternative Assessment

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Not applicable

## Assessment Strategy

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The assessment strategy is designed to provide students with the opportunity to demonstrate

- Their understanding of relevant theory and recent developments in financial risk management

- Their ability to develop solutions and strategies that can be employed to manage financial risk

The summative assessment for this module consists of

- A midterm test that addresses learning outcomes 1, 2 and 3
- A final term examination covering all learning outcomes.

Formative assessment and feedback

- Formative assessments such as a sample class test and exam paper will be available to support students in preparation for summative assessments and to provide ongoing feedback. Such feedback will help students identify their strengths and weaknesses and help develop revision plans for the summative assessments.
- Students are also expected to engage with other feedback provided during seminars and feedback and advice hours throughout the semester.

## Module aims

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- Develop awareness of the risks faced by financial and non-financial businesses in terms of the financial transactions they undertake.
- Explore the key methods businesses use to evaluate and manage financial risk.
- Explore the reasons for undertaking financial risk management and the strategies that can be employed to reduce risk where necessary.

## Learning outcomes

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		Attributes Developed
001	Identify and critically appraise potential financial risks in terms of market risk, credit risk, liquidity risk and interest rate risk.	KC
002	Evaluate their role in risk management and their impact on management decisions	KC
003	Analyse and select the appropriate risk management or hedging instrument to mitigate this risk if necessary.	KPT
004	Recognise the market conventions which apply to risk management instruments.	K

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005 Critically analyse the cost and risk of using financial instruments in order to make sound analytical recommendations or judgements.

CPT

### Attributes Developed

C - Cognitive/analytical

K - Subject knowledge

T - Transferable skills

P - Professional/Practical skills

## Methods of Teaching / Learning

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The learning and teaching strategy is designed to:

- Provide students with the opportunity to identify sources of financial risk for financial and non-financial institutions
- Enable students to employ various strategies to evaluate and manage financial risk in a real-world context

The learning and teaching methods include:

- Elements of lectures, seminars, and guided reading including illustrative practice exercises

Indicated Lecture Hours (which may also include seminars, tutorials, workshops and other contact time) are approximate and may include in-class tests where one or more of these are an assessment on the module. In-class tests are scheduled/organised separately to taught content and will be published on to student personal timetables, where they apply to taken modules, as soon as they are finalised by central administration. This will usually be after the initial publication of the teaching timetable for the relevant semester.

## Reading list

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<https://readinglists.surrey.ac.uk>

Upon accessing the reading list, please search for the module using the module code: **MAN3242**

## Other information

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Global and Cultural Capabilities:

This module provides students with a variety of real-life examples across the globe and different perspectives on financial risk management. Students will develop their ability to work in groups effectively with other students with diverse backgrounds to broaden their world view, own perspectives, and reinterpreting issues against a broader spectrum of ideas and representations.

#### Digital Capabilities:

Throughout the module, students learn to navigate and utilise the Virtual Learning Environment and other digital resources to aid their learning. Students are encouraged to use current media and cloud/file sharing for communication and teamwork. Students will develop proficiency in these aspects of digital engagement.

#### Employability:

The module provides knowledge and skills to prepare students to successfully pursue a career in the financial sector. Students are encouraged to critically evaluate problems, analyse solutions, and apply knowledge into practice. Students will develop and enhance the interpersonal and professional skills.

#### Resourcefulness & Resilience:

Students in this final year module will further develop their confidence, adaptability, problem solving and decision-making skills in a variety of fields in finance. Feedback sessions are designed to provide students with the opportunity to ask questions and deepen their understanding of finance.

#### Sustainability:

Teaching materials and readings cover topics in sustainable and green finance. In addition, this module teaches adaption to changing contexts in terms of technology, institutions, and markets. Students will develop the ability to solve sustainability challenges.

## Programmes this module appears in

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Programme	Semester	Classification	Qualifying conditions
<a href="#">Accounting and Finance (SII DUFE) BSc (Hons)(DUFE)</a>	1	Compulsory	A weighted aggregate mark of 40% is required to pass the module

Please note that the information detailed within this record is accurate at the time of publishing and may be subject to change. This record contains information for the most up to date version of the programme / module for the 2024/5 academic year.