

Department	International College of Liberal Arts		
Semester	Fall 2025	Year Offered (Odd/Even/Every Year)	Every Year
Course Number	ECON/DATA331		
Course Title	Risk Management		
Prerequisites	ECON205 Financial Management OR ECON140 Financial Management, AND QREA/PSCI/ECON203 Statistics		
Course Instructor	SHENG Dachen	Year Available (Grade Level)	3
Subject Area	Global Business & Economics	Number of Credits	3
Class Style	Lecture	Language of instruction	English

(NOTE 1) Depending on the class size and the capacity of the facility, we may not be able to accommodate all students who wish to register for the course

Course Description	Financial Risk Management introduces the services and products rendered by the financial institution. It emphasizes how risk management is done in those financial institutions when they need to hold the financial position and bear the risk. The course covers the measurement of interest, credit, liquidity, foreign exchange, sovereign, market, off-balance sheet, technology, and other operational risks. Also, financial instruments that could alleviate or transfer the risks are introduced. The course is suitable for students who wish to understand financial institutions better or work in financial institutions in the future.
Class plan based on course evaluation from previous academic year	Students are more than welcome to provide feedback, particularly how they feel about how the course connects with other professional courses.
Course related to the instructor's practical experience (Summary of experience)	The instructor has worked as a qualified financial analyst and academic researcher interested in economics and finance for many years. He is a CFA Charter holder, FRM Charter holder, and CAIA Charter holder, and he possesses the Institute of Public Accountants and Institute of Financial Accountants Fellowship.
Learning Goals	After completing the course, students should be able to: 1. Know the role of different financial institutions and their major business and financial risks 2. Understand the major financial risks and their impact on the financial market, financial institutions and the transmitting mechanism of the financial risks 3. Demonstrate an understanding of the financial derivatives commonly used to treat different risks. 4. Identify other behaviours of financial institutions which may alleviate financial risks.

iCLA Diploma Policy	DP1/DP2/DP3
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## iCLA Diploma Policy

(DP1) To Value Knowledge – Having high oral and written communication skills to be able to both comprehend and transfer knowledge

(DP2) To Be Able to Adapt to a Changing World – Having critical, creative, problem-solving, intercultural skills, global and independent mindset to adopt to a changing world

(DP3) To Believe in Collaboration – Having a disposition to work effectively and inclusively in teams

(DP4) To Act from a Sense of Personal and Social Responsibility – Having good ethical and moral values to make positive impacts in the world

Active Learning Methods	Problem-Based Learning/Discussion, Debate/Group Work/Presentation/Others (Specify in the section below)				
More details/supplemental information on Active Learning Methods	Students are encouraged to integrate what has been delivered in class with different backgrounds. For example, compare the features in different financial markets. Reading academic papers could provide incentives to achieve such comparison. Students should understand there is no need to perfectly understand the mathematical background of the papers at this stage, a general understanding of the structure and ideas are more important.				
Use of ICT	Unipa is used for communication purposes. Excel and R are involved in projects and assignments when there is need to do financial or numerical analysis.				
Contents of class preparation and review	Students are required to follow the class schedules and, importantly, prepare for the examples given in the textbook. The students themselves should review after the class.	Hours expected to be spent preparing for class (hours per week)	3 hours	Hours expected to be spent on class review (hours per week)	2 hours
Feedback Methods	Instructor provides feedback to students after each quiz and assignments. If there is anything the student would like to discuss with the instructor, individual appointment can be arranged.				

Grading Criteria		
Grading Methods	Grading Weights	Grading Content
Class participation	30%	In class discussion
Quiz 1	10%	Question based
Quiz 2	10%	Question based
Assignment 1	10%	Case or comprehensive questions
Assignment 2	20%	Case or comprehensive questions
Group presentation	20%	Both group and individual performance are considered

Required Textbook(s)	Anthony Saunders, Marcia Millon Cornett, Financial Institutions Management: A Risk Management Approach, Ninth Edition
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Other Reading Materials/URL	John C. Hull, Options, Futures and Other Derivatives, Markets, 9TH Edition
Plagiarism Policy	Zero tolerance for any plagiarism. It is acceptable when students have demonstrated their effort but are not doing well, but not for any cheating behaviours.
Other Additional Notes (Outline crucial policies and info not mentioned above)	Students are encouraged to communicate with the instructor if problems occur during the semester.

(NOTE 2) Class schedule is subject to change

Class Schedule	
Class Number	Content
Class 1	Chapter 1 Why are Financial Institutions Special?
Class 2	Chapter 2 Financial Services: Depository Institutions
Class 3	Chapter 3 Financial Services: Financial Companies
Class 4	Chapter 4 Financial Services: Securities Firms and Investment Banks
Class 5	Chapter 5 Financial Services: Mutual Fund and Hedge Fund Companies
Class 6	Chapter 6 Financial Services: Insurance Companies

Class 7	Chapter 7 Risk of Financial Institutions
Class 8	Chapter 8 Interest Rate Risk I Quiz 1
Class 9	Chapter 9 Interest Rate Risk II
Class 10	Chapter 10 Credit Risk: Individual Loan Risk
Class 11	Chapter 11 Credit Risk: Loan Portfolio and Concentration Risk Assignment 1
Class 12	Chapter 12 Liquidity Risk
Class 13	Chapter 13 Foreign Exchange Risk
Class 14	Chapter 14 Sovereign Risk
Class 15	Chapter 15 Market Risk
Class 16	Chapter 16 Off-Balance Sheet Risk

Class 17	Chapter 17 Technology and Other Operational Risks Assignment 2
Class 18	Chapter 18 Liability and Liquidity Management
Class 19	Chapter 18 Liability and Liquidity Management
Class 20	Chapter 19 Deposit Insurance and Other Liability Guarantees
Class 21	Chapter 20 Capital Adequacy Quiz 2
Class 22	Chapter 21 Product and Geographic Expansion
Class 23	Chapter 22 Futures and Forwards
Class 24	Chapter 23 Options, CAPS, Floors, and Collars
Class 25	Chapter 23 Options, CAPS, Floors, and Collars
Class 26	Chapter 24 Swaps

Class 27	Chapter 24 Swaps
Class 28	Group Presentation
Class 29	Group presentation
Class 30	Group presentation