

<b>Subject Code</b>	AF5333
<b>Subject Title</b>	Risk Management for Corporations
<b>Credit Value</b>	3
<b>Level</b>	5
<b>Normal Duration</b>	One Semester
<b>Pre-requisite / Co-requisite/ Exclusion</b>	Pre-requisite: Financial Management for Executives (AF5367) OR Finance for Executives (AF5327) OR Financial Management (AF5318)
<b>Role and Purpose</b>	This subject contributes to the achievement of the MBA Programme Outcomes by: developing students' ability to <u>think critically</u> in risk identification, risk measurement, and risk control, and to apply their <u>understanding of</u> crisis management and financial risk management decisions.
<b>Intended Learning Outcomes</b>	Upon completion of the subject, students will be able to: <ul style="list-style-type: none"> <li>a) understand the principles risk management in relation to Economics, corporate Finance, investment, and corporate governance</li> <li>b) conduct risk assessment for corporate projects</li> <li>c) understand the risk of structured products</li> <li>d) exercise risk control for projects and firms</li> <li>e) apply structured products to manage financial risk</li> <li>f) understand crisis management</li> </ul>
<b>Subject Synopsis/ Indicative Syllabus</b>	Introduction Contemporary Risk Management Basic Concepts of Risk Management Risk Identification Risk Measurement Risk Control Applications of Risk Management Conclusion
<b>Teaching/Learning Methodology</b>	Lectures will be used to explain the concepts. Numerical examples and real life cases will be used to enhance the understanding of the academic knowledge. In addition, the students are divided into groups for discussions of applications and cases. Individual assignment and group research projects are required. At the end of the semester, presentations are required as part of the research project so that students' communication skills are evaluated.

**Assessment Methods in Alignment with Intended Learning Outcomes**

Specific assessment methods/tasks	% weighting	Intended subject learning outcomes to be assessed (Please tick as appropriate)					
		a	b	c	d	e	f
1. Individual Essay	10						√
2. Group Project	30					√	
3. Exam	50	√	√	√	√	√	√
4. Participation*	10						
Total	100 %						

*\* Participation includes 5% attendance and 5% classroom participation. These marks enhance overall learning participation and in-class interaction. This item does not focus on any particular learning outcome so no tick is given in this table.*

Explanation of the appropriateness of the assessment methods in assessing the intended learning outcomes:

Assignment

This is an individual assignment. The final report is worth a maximum of 10% of the final grade. Students are required to follow the lecture notes in Crisis Management and write a report concerning a real-life crisis happened in a) Hong Kong, b) a company, or c) an overseas institution related to the financial services industry. Exceptional cases may be approved at the discretion of the instructor.

Research Project

This research is a group project. Each group should consist of 5 members. The group is required to give a presentation. The final report is expected about 1-week before the presentation and is worth a maximum of 30% of the final grade.

Students will be required to construct basic financial statements from information provided, and to report on the worth of companies as revealed in their published accounting information. They will also be required to evaluate the extent to which the information conveyed by accounting data truly represents a company's underlying financial strength. The assessment tasks, including an individual written assignment and a group project, will require them to demonstrate the application of Risk Management concepts.

The ability to demonstrate critical thinking (Outcome 1) will be assessed using rubrics developed for the purpose.

<b>Student Study Effort Expected</b>	Class contact:	
	▪ Lecture	39 Hrs.
	Other student study effort:	
	▪ Self-study	78 Hrs.
	Total student study effort	117 Hrs.
<b>Reading List and References</b>	<p>Williams, Smith &amp; Young, <i>Risk Management and Insurance</i>, 8th ed., Irwin McGraw-Hill 1998</p> <p>鄭子云, 司徒永富著, 企業風險管理, 商務印書館(香港)有限公司 2001</p> <p>Jorinon, Phhilippe, <i>Value at Risk: the new benchmark for controlling market risk</i>, Irwin Professional Pub 1997</p> <p>Harrington Niehaus, <i>Risk Management &amp; Insurance</i>, 2<sup>nd</sup> ed., Irwin McGraw-Hill 2004</p> <p>Smithson &amp; Smith with Wilford, <i>Managing Financial Risk-A Guide To Derivative Products, Financial Engineering and Value Maximization</i>, Irwin 1995</p> <p>Skipper, Harold D., <i>International Risk and Insurance: An Environmental - Managerial Approach</i>, Irwin/McGraw-Hill 1998</p> <p>Fink, Steven, <i>Crisis Management, Planning for the Inevitable</i>, American Management Association, 1986.</p> <p>Coombs, Timothy, <i>Ongoing Crisis Communication</i>, SAGE Publications, 1995.</p>	