[BUSINESS RISK MANAGEMENT]

1. GENERAL

SCHOOL	Business Administration		
ACADEMIC UNIT	Business Administration		
LEVEL OF STUDIES	Postgraduate		
COURSE CODE	**DEO375**	**SEMESTER**	**A' & B'**
COURSE TITLE	**BUSINESS RISK MANAGEMENT**		
INDEPENDENT TEACHING ACTIVITIES		**WEEKLY TEACHING HOURS**	**CREDITS**
Lectures, Essay, Presentation		**3**	**6**
COURSE TYPE	Special background		
PREREQUISITE COURSES:	Not required		
LANGUAGE OF INSTRUCTION and EXAMINATIONS:	Greek		
IS THE COURSE OFFERED TO ERASMUS STUDENTS	No		
COURSE WEBSITE (URL)			

2. LEARNING OUTCOMES

Learning outcomes

Individual Skills:

Upon completion of this course, students will be able to:

- Explain the basic concepts, principles and practices related to the formulation and implementation of Risk Management strategies.
- Integrate and apply the knowledge gained in relation to the formulation and implementation of a risk management strategy.
- Analyze and evaluate real situations related to Risk Management
- Use scientific sources, gather and analyze data on the analysis of case studies related to Risk Management.
- Design, manage and implement strategies related to Risk Management.
- They shall take decisions on the assessment and management of interest rate risk, market risk, credit risk, operational risk and liquidity risk.
- Take responsibility for developing financial risk management strategies.

General Competences

The course aims to develop the following general skills:

- Search for, analysis and synthesis of data and information, with the use of the necessary technology
- Adapting to new situations
- Decision-making
- Working independently
- Team work
- Working in an interdisciplinary environment
- Production of free, creative and inductive thinking

3. SYLLABUS

	Lecture Title	Content
1	Introduction to Business Risk Analysis.	Risk Identification and Assessment. Distinguish between Uncertainty and Risk. Risk Categories.
2	Strategic and Operational Risks (Part I).	Business Risk. Industrial Hazard. Legal Risk. Personnel Risk-Accidents. Accounting Risk – Case Study: Enron Corporation. Risk of Fraud. Information Systems Risk.
3	Strategic and Operational Risks (Part II).	Environmental Risk – Environmental Management Systems – Case Study: Exxon Valdez, BP Gold Stream. Climate Change Risks. Social and Political Risks. Reputational Risk. Country Risk, Sovereign Risk.
4	Financial Risks (Part I).	Liquidity Risk. Market liquidity risk. Liquidity Risk Management. Collateralized Debt Obligation (CDO). Credit Default Swaps (CDS). Financial liquidity risk measurement. Simulation of liquidity crisis.
5	Financial Risks (Part II).	Market Risk. The concept of Value at Risk. The VaR Method. Historical simulation. Method of variance – covariance. Monte Carlo simulation.
6	Financial Risks (Part III).	Credit Risk. Case Study: Washington Mutual. Credit risk modeling. Expected and Unexpected losses. Credit Risk Models. Discriminant analysis model. Rating of Borrowers. Loan Evaluation.
7	Financial Risks (Part IV).	Interest Rate Risk. Interest Rate Risk Management Strategies: Interest Rate Swap (IRS), Forward Rate Agreement (FRA), Floor Transactions, Cap Transactions, Interest Rate Collar.
8	Financial Risks (Part V).	Exchange Risk: Accounting Exposure, Transaction Exposure, Operational Exposure. Accounting Management Strategies: Current/Non-Current Assets Method, Monetary/Non-Monetary Method, Current Rate Method. Trading Exposure Management Strategies
9	Hedging Risk through Derivatives (Part I).	Options. Factors determining option prices. Basic Options Positions. Hedging with Stock Options.
10	Hedging Risk through Derivatives (Part II).	Bull Strategies (Bull Call Spread, Collar Strategy, Call Backspread, Covered Straddle). Bear strategies (Bear Put Spread, Put Backspread). Neutrality Strategies (Interest Rate Spread, Long Straddle - Short Straddle, Long Strangle - Short Strangle, Butterfly Spread, Condor Strategy).
11	Operational Risks in the Banking Sector	Basic Pillars of Basel II. Methods of calculating Bank Capital Adequacy Operational Risk: Collection of Events and Losses. Risk and Control Assessment Methods, Scenario Analysis, Key Risk Indicators
12	Measuring Political Risk and Country Risk	Political Risk and Country Risk Measurement Models. Rating agencies. Country Evaluation Systems. Political Risk Case Study: The UK's Exit from the EU
13	Risk Identification and Assessment Tools	What – if techniques, Reliability Diagrams (Serial and Parallel Systems), Checklists, Failure Studies, Hazard Analysis (HAZOP), Fault Trees, Event Trees, Quantitative Risk Assessment.

4. TEACHING and LEARNING METHODS - EVALUATION

DELIVERY	Face-to-face, Distance learning
USE OF INFORMATION AND COMMUNICATIONS TECHNOLOGY	PowerPoint presentations and e-class platform
TEACHING METHODS	see table below
STUDENT PERFORMANCE EVALUATION	**Final examination which may include:** • multiple-choice questions, • short answer questions, • Problem solving • Written assignment

Activity	*Semester workload*
Lectures	39 hours
Interactive teaching	20 hours
Essay writing	40 hours
Essay prresentation	10 hours
Study	51 hours
Course total	***160***

5. ATTACHED BIBLIOGRAPHY

- Suggested bibliography:

1. Ross A. Stephen, Westerfield W. Randolph, Jaffe Jeffrey. Corporate Finance. Broken Hill Publishers Ltd, 2017.
2. Soubeniotis, D. & Tabakoudis, I. (2017). Modern Financial Analysis and Investments. NAMATA Publications.
3. Alan C. Shapiro. (2014). Multinational Financial Management, 10th Edition. JohnWiley& Sons, Inc
4. Brealey, R. A., Myers, S. C., Allen, F., & Mohanty, P. (2012). *Principles of corporate finance*. Tata McGraw-Hill Education.
5. Deventer, Donald R. Van, Imai, Kenji, and Mesler, Mark. Advanced Financial Risk Management : Tools and Techniques for Integrated Credit Risk and Interest Rate Risk Management (2nd Edition). Somerset, NJ, USA: John Wiley & Sons, 2013.
6. Fraser, John, Simkins, Betty, and Narvaez, Kristina. Robert W. Kolb Series : Implementing Enterprise Risk Management : Case Studies and Best Practices (1). Somerset, US: Wiley, 2014.
7. Merna, Tony, and Al-Thani, Faisal F.. Corporate Risk Management (2nd Edition). Hoboken, NJ, USA: John Wiley & Sons, 2008.
8. Hull, J. C. Options, futures, and other derivatives. Pearson Education India, 2006.
9. Approaches to Enterprise Risk Management. Huntingdon, GBR: Bloomsbury Information Ltd, 2010.
10. Girling, Philippa. Wiley Finance : Operational Risk Management : A Complete Guide to a Successful Operational Risk Framework. Somerset, NJ, USA: John Wiley & Sons, 2013.
11. Allen, Steve L.. Wiley Finance : Financial Risk Management : A Practitioner's Guide to Managing Market and Credit Risk (2nd Edition). Somerset, NJ, USA: John Wiley & Sons, 2013.
12. *Investment Analysis and Portfolio Management, D. Vassiliou, N. Iriotis, Rosili, 2009*
13. *Country Risk* Analysis And Assesment*: Theoretical Aand Empirical Approach, Michalis Doumpos, Kiriaki Kosmidou, Konstantinos Zopounidis, Despina Giannakaki, KLEIDARITHMOS PUBLICATIONS ΕΠΕ, 2004*

- Related academic journals:

1. *Journal of Risk Research*
2. *Risk Management*
3. *Journal of Risk and Uncertainty*