



1. General Information

Course Subject	FINA
Course Number	3340
Course Title	Risk Management
Academic Years	2024-2025
Grading Method	Letter

2. Instructors

Professor CHAN, Wing Ho Alex
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Subclasses: 1A

4. Course Description

Course Description	<p>This course aims to provide students with the advanced knowledge about risk management techniques in the financial market, including (i) risk management for equity portfolios, (ii) risk management for fixed income securities portfolios, (iii) risk management for derivative securities portfolios, (iv) risk management for financial institutions, (v) Riskmetrics, (vi) credit risk management, and (vii) the recent development of risk management tools and techniques in financial markets.</p> <p>On the theoretical side, this course covers various risk measurement techniques and theoretical hedging models for different types of risk exposure. The theoretical models provide foundation knowledge for any professional career about risk management. On the practical side, this course covers recent topics that are related to the risk management in both Hong Kong and the United States. Projects about risk management are specially designed to let students apply the theoretical knowledge into real life situations.</p>
Prerequisites	FINA2322: Derivatives or STAT3905 Introduction to financial derivatives or STAT3910 Financial economics I or MATH3906 Financial calculus, and FINA2320: Investments and Portfolio Analysis or STAT3609 The statistics of investment risk
Free Elective	Yes

5. Course Objectives

1. To understand the risk management for equity portfolios
2. To understand the risk management for fixed income securities portfolios
3. To understand the risk management for derivative securities portfolios
4. To understand the risk management for financial institutions
5. To understand the Riskmetrics
6. To understand the credit risk management

5. Course Objectives

7. To understand the recent development of risk management tools and techniques in financial markets

6. Faculty Learning Goals

Goal 1: Acquisition and internalization of knowledge of the programme discipline

Goal 2: Application and integration of knowledge

Goal 3: Inculcating professionalism

Goal 4: Developing global outlook

Goal 5: Mastering communication skills

Goal 6: Cultivating leadership

7. Course Learning Outcomes

Course Teaching and Learning Activities	Aligned Faculty Learning Goals					
	1	2	3	4	5	6
CLO1. Understand the fundamental knowledge for the most common and important risk management tools in financial market	✓	✓	✓			✓
CLO2. Understand the financial derivative trading strategies used to manage risk or make speculation	✓	✓	✓			✓
CLO3. Understand the recent development of risk management tools and techniques in financial markets	✓	✓	✓	✓		✓
CLO4. Understand how to apply the theoretical knowledge to real life practical situations through project works	✓	✓	✓	✓	✓	✓

8. Course Teaching and Learning Activities

Course Teaching and Learning Activities #	Expected Study Hours	Study Load (% of study)
T&L1. Lecture	36	30
T&L2. Tutorial	12	10
T&L3. Self study	72	60
	Total: 120	Total: 100

9. Assessment Methods

Assessment Methods	Description	Weight %	Aligned Course Learning Outcomes
A1. Projects		45%	1,2,3,4
A2. Tests/Exams		50%	1,2,3
A3. Class/Discussion Participation		5%	1,2,3

10. Course Grade Descriptors	
A+,A,A-	Students demonstrate very good to excellent performance in the defined assessment criteria.
B+,B,B-	Students demonstrate good to very good performance in the defined assessment criteria.
C+,C,C-	Students demonstrate fair to good performance in the defined assessment criteria.
D+,D	Students demonstrate fair performance in the defined assessment criteria.
F	Students fail to show understanding of core materials in this course.

12. Required/Recommended Readings & Online Materials	
Reading	Other recommended readings: <u>Risk Management & Insurance</u> , Twelfth Edition, James S. Trieschmann, Robert Hoyt, and David Sommer, South-Western, 2004 <u>Options, Futures and Other Derivatives</u> , Ninth Edition, John Hull, Prentice Hall Inc, 2014. <u>The Essentials of Risk Management</u> , Second Edition, Michel Crouhy, Dan Galai, and Robert Mark, McGraw-Hill, 2014. <u>Mathematical Techniques in Finance</u> , First Edition, Aleš Černý, Princeton University Press, 2004. <u>Financial Risk Manager Handbook: FRM Part I / Part II</u> ,
Textbook	<u>Risk Management and Financial Institutions</u> , Fifth Edition, Hull, J. C., Wiley, 2018.

13. Means / Processes for Student feedback on Course	
	Conducting mid-term survey in addition to SETL around the end of the semester
	Online response via Moodle site
✓	Others
	Course Evaluation at the end of the course

14. Course Policy	
The University Regulations on academic dishonesty will be strictly enforced! Please check the University Statement on plagiarism on the web: http://www.hku.hk/plagiarism/	