

COURSE OF STUDY Economics and Business Administration

ACADEMIC YEAR 2023-2024

ACADEMIC SUBJECT Financial risk management-6 CFU

General information	
Year of the course	<i>1 Year</i>
Academic calendar (starting and ending date)	Second semester – From 19 February 2024 to 31 May 2024
Credits (CFU/ETCS):	6 CFU
SSD	Economics of Financial Intermediaries – Secs-P/11
Language	<i>Italian</i>
Mode of attendance	Attendance of the course is optional but recommended

Professor/ Lecturer	
Name and Surname	<i>Caterina Di Tommaso</i>
E-mail	<i>caterina.ditommaso@uniba.it</i>
Telephone	<i>+39 099.7720650</i>
Department and address	Sede di Economia - Via Lago Maggiore, Taranto
Virtual room	Microsoft Team of Financial risk management MT Code: c47bjh1
Office Hours (and modalities: e.g., by appointment, on line, etc.)	The office hour can be both in person at the office of Professor Di Tommaso (via Lago Maggiore in Taranto) and online through the Microsoft Teams page (MT Code: c47bjh1). Students should write an e-mail to the Professor to take an appointment. During the teaching period, office hour is also fixed on Tuesdays and Wednesdays at 11.00 in the Professor's office.

Work schedule			
Hours			
Total	Lectures	Hands-on (laboratory, workshops, working groups, seminars, field trips)	Out-of-class study hours/ Self-study hours
<i>150</i>	<i>48</i>		<i>102</i>
CFU/ETCS			
<i>6</i>	<i>6</i>		

Learning Objectives	The Financial Risk Management course intends to provide knowledge useful for understanding the nature of risks in the financial sector and their management models. The course will explore credit, market, and operational risks and the methodologies for managing and measuring these risks encountered by financial intermediation firms, through both a theoretical and empirical approach.
Course prerequisites	Basic knowledge of financial intermediaries, financial markets and the concept of risk.

Teaching strategies	
Expected learning outcomes in terms of	

Knowledge and understanding on:	The course aims to provide the basis for understanding risk and management in financial intermediaries. At the end of the course, the student must have acquired: a) adequate command of economic, and financial; b) understanding and critical assessment skills of the main models to manage the risk; c) ability to autonomously pursue any specialist studies regarding insurance companies.
Applying knowledge and understanding on:	The course of Financial risk management aims to illustrate the fundamentals of risks and their management models. The student must be able to apply the concepts necessary for a critical interpretation of the management dynamics typical of financial intermediaries and an understanding of the problems and risks that characterize the performance of this activity.
Soft skills	<ul style="list-style-type: none"> • Making informed judgments and choices The student will be able to improve their critical ability through the analysis of case studies. The aim of the course is to provide the necessary knowledge to be able to reflect on the financial phenomena affecting financial markets and intermediaries. • Communicating knowledge and understanding The course is designed for those approaching the study of risk for the first time and aims to make the student acquire a terminology commonly used in the financial markets and intermediaries. At the end of the course, the student will have to demonstrate that they can apply the terminology in an appropriate and relevant way. • Capacities to continue learning At the end of the course, the student will be able to understand, identify and quantify the banking risks.
Syllabus	
Content knowledge	<p>PART I</p> <p><i>Repricing gap model</i></p> <p><i><u>Duration gap model</u></i></p> <p><i><u>Cash-flow mapping models</u></i></p> <p><i><u>Liquidity risk</u></i></p> <p>PART II</p> <p><i>Market risk</i></p> <p><i>Credit risk</i></p> <p><i>Operating risk</i></p>
Texts and readings	<p>- A. Resti, A. Sironi, <i>Rischio e valore nelle banche. Misura, regolamentazione, gestione</i>, EGEA, 2008. (Chapter 1, Chapter 2, Chapter 3, Chapter 5, Chapter 6 [6.1, 6.2, 6.4, 6.5], Chapter 7, Chapter 8 [8.1, 8.2., 8.2.1, 8.2.4, 8.3, 8.3.1, 8.3. 3], Chapter 11 [excluding 11.4], Chapter 12 [12.2, 12.3], Chapter 14, Chapter 18)</p> <p>- Any additional materials will be indicated during the course.</p>
Notes, additional materials	<i>The complete preparation of the course program requires the joint study of the indicated chapters of the two reference texts.</i>
Repository	The teaching material will be uploaded to the MT platform on the page dedicated to the Course. The teaching material will also be available on the dedicated page on Course Teams for three years after the end of the Course and, for the same period of time, at the request of individual students, it will be made available by the Professor.

Assessment	
Assessment methods	<p>The verification of learning takes place through an oral exam on the various contents developed during the Course described above. In the oral examination, the Professor evaluates the knowledge acquired through open questions or exercises appropriately developed during the Course. During the exam, the teacher will evaluate the expected and analytically detailed learning outcomes in the "Teaching contents" section of this syllabus.</p> <p>The evaluation of the student's preparation takes place in conditions that guarantee its in-depth study, objectivity, and fairness.</p> <p>The assessment aims to evaluate the knowledge and ability to understand and critically analyze the topics covered by the teaching, the methodology used to study the subject, the specific language of the Course, as well as the ability to understand the interconnections between different teaching topics.</p>
Assessment criteria	<ul style="list-style-type: none"> • <i>Knowledge and understanding</i> <i>The student must be able to illustrate and understand the risk of financial intermediaries using appropriate language. The student will be able to understand all the dynamics of risks and their management.</i> • <i>Applying knowledge and understanding</i> <i>The student must be able to: a) apply the basic notions to concrete contexts and specific cases; b) understand, identify, and quantify the banking risks.</i> • <i>Autonomy of judgment</i> <i>The aim of the course is to provide the necessary knowledge to be able to reflect on risks and their management.</i> • <i>Communicating knowledge and understanding</i> <i>The student will have to demonstrate that they can apply the terminology in an appropriate and relevant way.</i> • <i>Communication skills</i> <i>The student will have to demonstrate that they can apply the terminology in an appropriate and relevant way.</i> • <i>Capacities to continue learning</i> <i>At the end of the course, the student will have to possess the learning skills necessary to aspire to obtain an employment opportunity in the context of risk management or to continue and deepen studies in this area with a high degree of autonomy.</i>
Final exam and grading criteria	<p>The final mark is given out of thirty. The exam is considered passed when the mark is greater than or equal to 18. "Lode" is recognized if the student has acquired a deep knowledge of the subject, demonstrates to know the specific language of the Course, as well as the ability to understand the interconnections between the different topics of teaching.</p>
Further information	
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