

# Risk Management of Financial Markets and Institutions

Single subject and programme course

7.5 credits

Risk Management of Financial Markets and  
Institutions

730G97

Valid from:

**Determined by**  
The Quality Board at the Faculty of Arts  
and Sciences

**Date determined**  
2015-10-16

**Revision date**  
2016-05-11

## Main field of study

Economics

## Course level

First cycle

## Advancement level

G1X

## Course offered for

- Business and Economics Programme - International - French
- Business and Economics Programme - International - Spanish
- Business and Economics Programme - International - German
- Bachelor's Programme in Political science and economics

## Entry requirements

Completed Economics, basic course comprising 30 credits with at least 15 credits approved, or the equivalent. Documented knowledge of English equivalent to Engelska B/Engelska 6.

## Intended learning outcomes

After completion of the course the students should be able to:

- explain how financial institutions and markets work, their role in an economy, and why they are considered to require special regulations
- explain different types of risk faced by financial institutions
- identify, measure and manage market and interest rate risks in financial institutions
- from an historical perspective discuss how crises in financial markets are created, and the problems of measuring systematic crises
- explain how regulations of financial markets are constructed and how they have evolved over time as consequences of crises and the development of new financial instruments
- discuss the use of different methods for managing risks in the financial system and within individual financial institutions.

## Course content

This course deals with the management and regulations of financial markets and financial institutions. The course combines a historical and institutional perspective on financial crises, with practical risk management for financial institutions. The course has both a contemporary financial institutions management perspective and an historical perspective that helps to understand the challenges in the management and regulation of financial intermediaries and financial markets. The course explains why financial intermediaries exist in the first place, what interest rates, yields and why fluctuations in interest rates are so critical for risk management; why financial firms and the financial sector are seen as special compared to other firms and sectors in the economy. The course provides a deep understanding of financial crises in a historical perspective; how to identify, measure and manage risks in financial institutions. In particular interest rate risk, credit risk, foreign exchange and liquidity risks. The course gives a good understanding of how to run financial institutions such as banks and treasuries. In addition, why countries end up in a debt crisis and how countries can solve their debt crisis.

## Teaching and working methods

The course aim is fulfilled through: lectures, seminars, group work, assignments, report writing and presentations, discussion and assessments. Homework and independent study are a necessary complement to the course.

Language of instruction: English

## Examination

The course is examined through group assignments and a written exam. Detailed information about the examination can be found in the course's study guide.

## Grades

Three-grade scale, U, G, VG

## Other information

Planning and implementation of a course must take its starting point in the wording of the syllabus. The course evaluation included in each course must therefore take up the question how well the course agrees with the syllabus. The course is carried out in such a way that both men's and women's experience and knowledge is made visible and developed.

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## Department

Institutionen för ekonomisk och industriell utveckling