

ECON 418a. Risk Management for Financial Institutions

Day / time: M/W 9:00 - 10:15 am

Course Type: Undergraduate

Course term: Fall

Not offered

Year: 2016

Visiting Instructor(s): Andrea Vedolin

Risk management has become progressively more important for corporations in the last few decades. Companies must take risks if they are to survive and prosper. Today's economic environment is characterized by rising volatility, regulatory concerns and oversight and prudent risk management increasingly requires understanding and measuring risk.

The purpose of this course is to provide students with an understanding of the different types of risks that companies are taking and how to measure them properly using state of the art methods with a focus on the new regulatory frameworks introduced after the financial crisis in 2008. The main topics covered are the nature of financial institutions and their regulation, market risk, credit risk and the lesson from the 2008 financial crisis. A substantial fraction of the course will also be dedicated to academic papers covering limits to arbitrage and behavioural finance. The main textbook for the course is: John Hull, *Risk Management and Financial Institutions*, Wiley, 2015, 4th edition.

Prerequisites: Econometrics (Econ 131 or equivalent) and Intermediate Microeconomics (Econ 121 or equivalent).

Semester offered: Not offered

Undergrad Course Category: Finance

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