

Module Code	ECS3110
Module Title	Financial Risk Management in Banking
Level	6
Credit	30
Owning Subject	Economics
Level Restrictions	

Aims

This module aims to allow students to develop an understanding of the process of financial risk management in banking, including financial markets and instruments, derivatives, various bank risks and their management, financial crisis and securitization, regulations, and the effect of accounting standards. This module provides students the opportunity to develop risk modelling skills, analytical and numerical skills in banking risk management practice.

Learning Outcomes

Knowledge

On completion of this module the successful student will be able to:

1. explain the role and importance of risks and risk management;
2. define and explain financial products and derivatives;
3. discuss various risks faced by banks, such as credit risk, interest rate risk;
4. measure and manage major risks faced by banks using appropriate modelling skills;
5. discuss the impacts of regulations and accounting standards on banking risk management;

Skills

This module will call for the successful student to:

6. make coherent written presentations on the basis of analysis, evaluation and synthesis of information;
7. learn independently by reflection, self study and preparation for seminar exercises.

Syllabus

- Financial markets and instruments
- Financial derivatives
- Risks and returns in banking
- Credit risk and its management, loan portfolio and concentration risk
- Market risk and its management: VaR approach
- Interest rate risk and its management using advanced techniques
- Liquidity risk and its management, including securitization and contagion effect
- Solvency risk and its management
- Foreign exchange risk and its management

- Operational risk and its management
- Regulations and accounting standards

Learning, Teaching and Assessment Strategy

Teaching and learning strategy consists of lectures and seminars. There will be a full two-hour lecture and a one-hour seminar every week. Lectures are used to convey issues and build up students' knowledge. Seminars will be used to reinforce the lecture contents and to develop students' communication and analytical skills. In seminars, students will be asked to bring completed work in the form of answered questions, undertaken problems or completed short essays.

Assessment Scheme

Formative Assessment

Formative assessment addresses learning outcome 7 (carrying zero weight to the final grade, with feedback available).

1. Students should complete questions set for each seminar.
2. Students should also complete some technical exercises during each reading week.

Summative Assessment

1. In-class test, worth 30%, to take place in week 11, assessing Learning Outcomes 1, 2, 3, and 4. This test is of 60 minutes duration and consists of a mix of MCQs and short answer questions.
2. A two-hour unseen exam, worth 70%, will include essay style and calculation questions. The will address Learning Outcomes 1 to 6.
An overall grade of 16 or better is required to pass the module.

Assessment Weighting

In-class Test: 30% Unseen Examination: 70%

Exam Duration

Examination, 2 hours

Learning Materials

Your online reading lists can be accessed from the My Study area of UniHub. They highlight essential and recommended reading for all modules you are registered on.

MODULE RUNS

Module Leader	Future Academic Year	Term	Campus	Part of Term	Start/End Dates	Max Nr of Students
	2017/ 2018	Autumn	HEN- Hendon Campus	AY- Academic Year	02-OCT- 17 / 13- APR-18	199
	2016/ 2017	Autumn	HEN- Hendon Campus	AY- Academic Year	03-OCT- 16 / 07- APR-17	24
Chunxia Jiang	2018/ 2019	Autumn	HEN- Hendon Campus	AY- Academic Year	12-OCT- 18 / 03- MAY-19	199
Chunxia Jiang	2020/ 2021	Autumn	HEN- Hendon Campus	AY- Academic Year	05-OCT- 20 / 09- APR-21	199
Chunxia Jiang	2021/ 2022	Autumn	HEN- Hendon Campus	AY- Academic Year	05-OCT- 21 / 09- APR-22	199
Chunxia Jiang	2022/ 2023	Autumn	HEN- Hendon Campus	AY- Academic Year	03-OCT- 22 / 10- APR-23	199
Chunxia Jiang	2019/ 2020	Autumn	HEN- Hendon Campus	AY- Academic Year	07-OCT- 19 / 11- APR-20	199