

FIN 355 – Financial Risk Analysis

Course Description

This course provides sufficient institutional detail of the primary risks faced by the major types of financial firms and the applicability of these risks for the financial manager. Topics covered include asset valuation, the economic role of money markets and how this role relates to security valuation and risk analysis, risk measurement, options pricing, derivative risk management, measuring and comparing risk exposures across financial markets, risks and rewards of international financial markets, and recent developments in the practice of risk management. Cases and industry applications are used.

Instructional Materials

Blackwell, D. W., Griffiths, M. D., & Winters, D. B. (2007). *Modern financial markets: Prices, yields, and risk analysis*. Hoboken, NJ: John Wiley and Sons.

Course Learning Outcomes

1. Define risk, return, and the three aspects of market efficiency.
2. Evaluate the impact of risks faced by financial institutions.
3. Identify the economic role of the money markets.
4. Describe market fundamentals such as interest rates, inflation, and money supply.
5. Examine the basics of bond and mortgage valuations.
6. Analyze stock prices and valuations.
7. Describe the factors that determine exchange rates.
8. Demonstrate how to use derivatives to limit risk.
9. Explain commonly practiced risk management techniques.
10. Evaluate risk management techniques that apply to all fixed income markets.
11. Use technology and information resources to research issues in financial risk analysis.
12. Write clearly and concisely about financial risk analysis using proper writing mechanics.