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**ASIA PACIFIC COLLEGE**

**School of Accountancy and Business**

Graduate Program

**Master in Management**

**with specialization in Business Analytics**

**COURSE SYLLABUS**

**Code**

Mmrisma

**Title**

Financial Risk Management

**Credit Units**

3.0

**Description**

Risk Management is a risk-based approach to managing an institution by integrating financial concepts of internal control and strategic planning to manage risks and seize opportunities related to the achievement of the organization’s objectives. This course provides a framework for risk management for effective decision making. This typically involves identifying particular events or circumstances relevant to the organization's objectives (risks and opportunities), assessing them in terms of likelihood and magnitude of impact, determining a response strategy, and monitoring progress to protect and create value for their stakeholders, including owners, employees, customers, regulators, and the society.

**Objective**

At the end of the course, the student must have practiced creating economic value in a [firm](http://en.wikipedia.org/wiki/Business) by using [financial instruments](http://en.wikipedia.org/wiki/Financial_instruments) to manage exposure to [risk](http://en.wikipedia.org/wiki/Risk), particularly [credit risk](http://en.wikipedia.org/wiki/Credit_risk) and [market risk](http://en.wikipedia.org/wiki/Market_risk), as well as other types that include foreign exchange, shape, volatility, sector, liquidity, and inflation risks. Similar to general [risk management](http://en.wikipedia.org/wiki/Risk_management), financial risk management requires identifying its sources, measuring it, and planning to address it. Financial risk management can be qualitative and quantitative. A project related to the student’s organizational affiliation shall be presented at the end of the course with actual and proposed applications of the models used in class.

**OUTLINE**

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| **Session** | **Topic/s** | **Activities/Assignments** |
| 1 | Supply Chains and Working Capital ManagementMultinational Financial Management | Build a Model Rusty’s RenovationsBuild a Model Mark Collins |
| 2 | Public and Private Financing Initial Offerings, Seasoned Offerings | Build a Model Lingadalli Corporation (LC)Build a Model Schumann Shoe Manufacturer |
| 3 | Lease Financing | Build a Model Western Fabrics |
| 4 | Hybrid Financing Preferred Stock, Warrants, and Convertibles | Build a Model Maggie's Magazines (MM) |
| 5 | Dynamic Capital Structures and Corporate Valuation | Build a Model Kasperov Corporation |
| 6 | Mergers and Corporate Control | Build a Model Wansley Portal Inc. |
| 7 | Enterprise Risk ManagementBankruptcy, Reorganization, and Liquidation | Build a Model F. Pierce Products Inc.Build a Model Duchon Industries |
| 8 | Portfolio Theory and Asset Pricing Models | Build a Model Portfolio and Asset Problem |
| 9 | Real Options | Build a Model Bradford Services Inc. (BSI) |
| 10 | Providing and Obtaining Credit | Build a Model Stewart Manufacturing |
| 11 | Advanced Issues in Cash Management and Inventory Control | Build a Model Alder Corporation |
| 12 | Pension Plan ManagementFinancial Management in Not-for-Profit Businesses |  |
| 13 | Project Presentation | Defense |
| 14 | Paper Submission | Consultation |

**REFERENCES**

|  |  |  |
| --- | --- | --- |
| **Title** | **Author/s** | **Year** |
| Financial Management: Theory & Practice, 15th Edition | Eugene F. Brigham; Michael C. Ehrhardt | Cengage Learning 2017 |
| Fundamentals of Financial Management, 14/E | J. Van Horne, Stanford UniversityJohn M Wachowicz, The University of Tennessee | Prentice Hall 2013 |
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| Primer on Risk Analysis: Decision Making Under Uncertainty, 2/E |
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|  |

 | Yoe, Charles | Prentice Hall 2013 |
| The Failure of Risk Management: Why It's Broken and How to Fix it, 3/E | Hubbard, Douglas W. | Prentice Hall 2013 |
| COSO Enterprise Risk Management Framework: An Analysis, 2/E | Lamparter, Gunther | Prentice Hall 2013 |

**INSTRUCTIONAL TOOLS**

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| --- | --- | --- |
| **System** | **Function** | **URL** |
| Microsoft Excel | Data Analysis ToolPak for complex statistical or engineering analyses  | http://office.microsoft.com/en-us/excel-help/about-statistical-analysis-tools.aspx |
| Edu2.0 | Free cloud-hosted LMS+ with nothing to download or install | http://apc.edu20.org/ Registration code for students: apcstudentSubject password: (c/o instructor) |
| Cengage Learning | Student Companion Site | http://www.cengage.com/cgi-wadsworth/ |

**ASSESSMENT**

|  |  |
| --- | --- |
| **Factor** | **Weight** |
| Cases* Accuracy and analyses
 | 50% |
| Applications* Activities and exercises
 | 30% |
| Project * Proposal and presentation
 | 20% |
| **Total** | **100%** |

**GRADING SYSTEM**

|  |  |  |  |
| --- | --- | --- | --- |
| **Grade Point** | **Description** | **Letter Rating** | **Percentage Grade** |
| 4.0 | Excellent | A | 95-100 |
| 3.5 | Superior | B+ | 91-94 |
| 3.0 | Very Good | B | 87-90 |
| 2.5 | Good | B- | 83-86 |
| 2.0 | Satisfactory | C+ | 79-82 |
| 1.5 | Fair | C | 75-78 |
| 1.0 | Pass | D | 70-74 |
| R | Repeat |  | <70 |
| 0.0 | Fail | F |  |