

Tamkang University Academic Year 108, 1st Semester Course Syllabus

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| Course Title | FINANCIAL RISK MANAGEMENT | Instructor | LIN, CHIEN-CHIN |
| Course Class | TLWXB4A BACHELOR'S PROGRAM IN GLOBAL FINANCIAL MANAGEMENT (ENGLISH-TAUGHT PROGRAM), 4A | Details | <ul style="list-style-type: none"> ◆ General Course ◆ Selective ◆ One Semester |
| Departmental Aim of Education | | | |
| <ul style="list-style-type: none"> I. Learning and instanding international financial theory. II. Learn to plan the future. III. Enhance the ability of practical analysis. IV. Increase the team research ability. V. Master the international financial pulsation. VI. Cultivate morality and global civilization. | | | |
| Subject Departmental core competences | | | |
| <ul style="list-style-type: none"> A. The student to have a basic knowledge of international financial management theory and practice.(ratio:40.00) B. To have a good grounding of relevant financial laws.(ratio:10.00) C. To understand the basic moral principles within the international financial industry. (ratio:20.00) D. To have a global perspective of the subject and a basic command of foreign language abilities.(ratio:10.00) E. To obtain international professional qualifications that will aid their future career. (ratio:20.00) | | | |
| Subject Schoolwide essential virtues | | | |
| <ul style="list-style-type: none"> 1. A global perspective. (ratio:10.00) 2. Information literacy. (ratio:10.00) 4. Moral integrity. (ratio:20.00) 5. Independent thinking. (ratio:50.00) 8. A sense of aesthetic appreciation. (ratio:10.00) | | | |

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| Course Introduction | <p>Class includes four parts: The foundations of risk management, market Risk, credit Risk and the regulation and prospection of risk measurement. In the part of the foundations of risk management, we will discuss the the meaning of risk management. In the part of market risk, we introduce the most important measurement for market risk—VaR. In the part of credit risk, we discuss the development of credit risk models. Finally, in the part of the regulation and prospection of risk measurement, Basel I & II are discussed.</p> |
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The correspondences between the course's instructional objectives and the cognitive, affective, and psychomotor objectives.

Differentiate the various objective methods among the cognitive, affective and psychomotor domains of the course's instructional objectives.

- I. Cognitive : Emphasis upon the study of various kinds of knowledge in the cognition of the course's veracity, conception, procedures, outcomes, etc.
- II. Affective : Emphasis upon the study of various kinds of knowledge in the course's appeal, morals, attitude, conviction, values, etc.
- III. Psychomotor: Emphasis upon the study of the course's physical activity and technical manipulation.

| No. | Teaching Objectives | objective methods |
|-----|---|-------------------|
| 1 | To understand the category, the meaning, the restriction and the goal of risk management. | Cognitive |
| 2 | To learn the classical technology for measuring risks, and the most important measurement for market risk—VaR | Cognitive |
| 3 | Study the measurement of credit risk, and develop credit model | Cognitive |

The correspondences of teaching objectives : core competences, essential virtues, teaching methods, and assessment

| No. | Core Competences | Essential Virtues | Teaching Methods | Assessment |
|-----|------------------|-------------------|------------------|----------------------------|
| 1 | ABCDE | 12458 | Lecture | Testing, Study Assignments |
| 2 | ABCDE | 12458 | Lecture | Testing, Study Assignments |
| 3 | ABCDE | 12458 | Lecture | Testing, Study Assignments |

| Course Schedule | | | |
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| Week | Date | Course Contents | Note |
| 1 | 108/09/09 ~ 108/09/15 | Introduction | |
| 2 | 108/09/16 ~ 108/09/22 | Mechanics of Interest Rate Swaps | |
| 3 | 108/09/23 ~ 108/09/29 | Valuation of Interest Rate Swaps | |
| 4 | 108/09/30 ~ 108/10/06 | Estimating Volatility from Historical Data | |
| 5 | 108/10/07 ~ 108/10/13 | Black-Scholes-Merton Model | |
| 6 | 108/10/14 ~ 108/10/20 | Delta Hedging | |
| 7 | 108/10/21 ~ 108/10/27 | Theta and Gamma | |
| 8 | 108/10/28 ~ 108/11/03 | Examples of the calculation of VaR | |
| 9 | 108/11/04 ~ 108/11/10 | Regulation, Basel II | |
| 10 | 108/11/11 ~ 108/11/17 | Midterm Exam Week | |
| 11 | 108/11/18 ~ 108/11/24 | VaR: Model-Building Approach | |
| 12 | 108/11/25 ~ 108/12/01 | VaR: Applications of Linear Model | |
| 13 | 108/12/02 ~ 108/12/08 | VaR: Linear Model and Options | |
| 14 | 108/12/09 ~ 108/12/15 | Credit ratings and Historical Default Probabilities | |
| 15 | 108/12/16 ~ 108/12/22 | Estimating Default Probabilities | |
| 16 | 108/12/23 ~ 108/12/29 | Credit VaR | |
| 17 | 108/12/30 ~ 109/01/05 | Liquidity Risk | |
| 18 | 109/01/06 ~ 109/01/12 | Final Exam Week (Date:109/1/3-109/1/9) | |
| Requirement | | | |
| Teaching Facility | | Projector | |
| Textbooks and Teaching Materials | | Risk Management and Financial Institutions-John C. Hull Fundamentals of Futures and Options Markets | |
| References | | | |
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| Number of Assignment(s) | 10 (Filled in by assignment instructor only) |
| Grading Policy | ◆ Attendance : % ◆ Mark of Usual : % ◆ Midterm Exam : 30.0 % ◆ Final Exam : 40.0 % ◆ Other (In class exercise) : 30.0 % |
| Note | This syllabus may be uploaded at the website of Course Syllabus Management System at http://info.ais.tku.edu.tw/csp or through the link of Course Syllabus Upload posted on the home page of TKU Office of Academic Affairs at http://www.acad.tku.edu.tw/CS/main.php . ※ Unauthorized photocopying is illegal. Using original textbooks is advised. It is a crime to improperly photocopy others' publications. |