

OBE based Teaching Lesson Plan 2019-20 (Even Semester)

Program: B.COM/BBA

Course Name: RISK MANAGEMENT

Course Code: EL 15 BK 605

Semester: VI

Lecture hours: 60

Faculty in-charge: Ms. Veda

| Course Outcome No. | Course Outcomes | T level Indicator |
|---------------------------|--|--------------------------|
| CO 1 | Describe the types of risk in the context of Risk management, Opportunity management and uncertainty management of Insurance and Banking. | T2 |
| CO 2 | Evaluate critically Bank risk from the perspective of shareholder, regulators and Debt providers in the wake of Subprime crisis and other recent risk management failures. | T5 |
| CO 3 | Evaluate the credit risk management process in the context of Basel 1, Basel 2 and Basel 3. | T5 |
| CO 4 | Examine the Methods and an Approach for the mitigation of Interest rate Risk by using derivatives and Liquidity Risk. | T3 |
| CO 5 | Construct active Bank investment portfolio strategies in minimization of Interest rate Risk and Credit Risks. | T6 |
| CO6 | Create a model of Risk management process in order to overcome personal risk and Risk financing. | T6 |

| Module No. Topics Covered | Course Outcome No. | No. of Lecture Hours | Pre- Class Activity | Instructional techniques | Assessment | T level |
|--|-------------------------------|-------------------------------------|------------------------------------|---|----------------------------------|--------------------|
| Unit 1 – Introduction Definition of risk – Threat – Opportunity – Uncertainty distinguished – Relationship with performance objectives – Implications for uncertainty management – risk management – Opportunity management and uncertainty management compared – Types of risk. | CO1 | 08 | Videos, FLIP class, | Lecturing, PPT, Observation , P2P Teaching, | Online Exam, Q&A, Group activity | T4 |
| Unit 2 – Analytical Overview of Bank Risk Why is risk critical to banks – Value drivers and business model of a bank – Understanding differing perspectives – shareholders, regulators and debt providers – major risk groups – Credit, market , | CO2 | 10 | Videos, FLIP class, | Lecturing, PPT, Interactive Teaching, Guided Discovery approach | Online Exam, Q&A, Group activity | T5 |

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| liquidity, operational - management objectives - risk versus return - Lessons learned from recent risk management failures - Sub- prime, CLO's, leveraged loans, Trading Losses and etc - Capital allocation: Types of capital- Shareholder, regulatory and economic capital - Economic capital. | | | | | | |
| Unit 3 - Managing Credit Risk Defining Credit risk, The Basel Committee's Principles of Credit risk Management Regulatory capital Basel 1 versus Basel 2 - Managing capital structures - Comparisons between banks - Basel 3 (Overview and changes compared to Basel 2) - Measuring Credit risk, Credit rating framework - Managing credit risk - Limits and | CO3 | 12 | Videos, FLIP class, | Lecturing, PPT, Fish bone approach, | Online Exam, Q&A, Quiz | T4 |

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| safeguards - Policy process and procedures. | | | | | | |
| Unit 4 - Interest Rate and Liquidity Risk Introduction, Asset- Liability Management, Managing and Measuring Interest rate risk, Methods to reduce Interest rate risk, Managing Interest rate with Interest rate derivatives, Liquidity risk- Sources, Approaches, Measuring Liquidity risk | CO4 | 10 | Videos, FLIP class, | Lecturing, PPT, Building model approach | Online Exam, Q&A, Quiz | T5 |
| Unit 5 - Managing Market Risk - Banks Investment Portfolio Basic concepts, The Treasury functions, Risks and Returns of Investment securities, Measuring Interest rate risk with VAR, Approaches to VAR Computation, The Interplay between Market and Credit risk | CO5 | 10 | Videos, FLIP class, | Lecturing, PPT, Building model approach | Online Exam, Q&A, Quiz | T3 |
| Unit 6 - Risk Management in Insurance | CO6 | 10 | | | | T6 |

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| <p>Companies Risk Management in Insurance Companies Risk Management :Meaning and objectives, Basic categories risk, Methods of managing risk/ Risk mitigation, Enterprise risk management, Risk management process, Different scenarios and Risk management strategies, Personal risk management, Risk control and Risk financing, Insurance market dynamics, Loss Forecasting.</p> | | | Videos, FLIP class, | Lecturing, PPT, Building model approach | Online Exam, Q&A, Quiz | |
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Continuous Internal Assessment

The tentative date to complete the CIA is 15th January, 2020. The evaluation scheme is based on the comprehensive and analytical skills of students for the below criteria.

1. Group activity
2. Situational Games
3. Crisis Analysis
4. Research Assignments
5. Online Exam

Books for Reference:

- Joetta Colquitt (2007)., Credit Risk Management, McGraw Hill, New Jersey (Text Book)
- Michel Crouhy, Dan Galai and Robert Mark(2000), Risk Management, McGraw Hill, NJ
- Alan Waring and A.Ian Glendon (1988): Managing Risk, Critical Issues for survival and Success into the 21st century, International Thomson Business Press. New York.

- Arnaud de Servigny, Olivier Renault (2004), Measuring and Managing Credit Risk”, McGraw Hill, NJ
- Robin Kendall (1988): Risk Management for Executives, A practical Approach to Controlling Business Risks, FT Pitman Publishers, London.
- William H Beaver and George Parker (ed) (1995): Risk Management, Problems and Solutions, McGraw Hill. NJ
- Vijaya Bhaskar P and Mahapatra.B (2006): Derivatives simplified
- An Introduction to Risk Management, Response Books, Sage publications, New Delhi

Approved by