Course Outline 2018
FINANCE 762: RISK MANAGEMENT (15 POINTS)

Semester 1 (1183)

Course Prescription
The theory and practice of financial risk management with an emphasis on defining and measuring market risk. This course also examines the topic of real options and builds on material covered in FINANCE 362.

Goals of the Course
The MCom and BCom (Hons) programmes are both research degrees. Thus, an objective of this course is to help equip you with the basics to read and conduct research in risk management. We will however cover only a small portion of the important topics in risk management.

Learning Outcomes
By the end of this course it is expected that the student will be able to:

1. Apply a range of quantitative and qualitative techniques to risk management problems;
2. Evaluate alternative risk management strategies; and
3. Communicate complex concepts orally and in writing.

Content Outline
- Option pricing
- Theories on corporate risk management
- Real options
- Credit derivatives

Learning and Teaching
This course is taught in the city campus. To achieve the outline above a variety of teaching approaches will be utilized including lectures, seminars, class discussions, written assignments and presentations. The class typically meets for three hours a week. Active participation is essential, and students will be expected to master material assigned in readings, presented in class lectures, discussions, and presentations. The seminars cover materials from both the academic and practitioner literature. Responsibility for presentation of assigned materials will be rotated among groups. ALL students should read each of the papers assigned before the seminar.
**Learning Resources**

The recommended text for this course is “Options, Futures and Other Derivatives”, by John Hull, Prentice-Hall, 2012 (8th edition or 9th edition).

Readings will be allocated to students prior to each session. Students are required to complete the prescribed readings and be fully prepared to contribute to an in-depth discussion.

**Teaching Staff**

**Dr John Lee**  
Room 5105 Owen G Glenn Building (ext 85171)  
Email: byong.lee@auckland.ac.nz

**Assoc. Professor Alastair Marsden**  
Room 5107 Owen G Glenn Building (ext 88564)  
Email: a.marsden@auckland.ac.nz

**Assessment**

| Individual Assignments and/or Group Project | 15% | Cover specific topics |
| Seminar presentation | 15% | Presentation |
| Participation | 10% | Active participation in seminars |
| Final examination (2 hours) | 60% | Covers entire course |

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**Inclusive Learning**

Students are urged to discuss privately any impairment-related requirements face-to-face and/or in written form with the course convenor/lecturer and/or tutor.

**Student Feedback**

Student feedback on course content and process is welcomed. We use this information to continuously identify ways to improve the value students receive from the course. We may ask students to provide formative mid-course evaluations/fast feedback (timing to be confirmed).
Cheating and Plagiarism

The University of Auckland regards cheating as a serious academic offence.

Plagiarism is a form of cheating. In coursework assignments submitted for marking, plagiarism can occur if you use the work and ideas of others without explicit acknowledgment. Work can be plagiарised from many sources, including books, journal articles, the internet, and other students’ assignments. A student’s assessed work may be reviewed against electronic source material using computerised detection mechanisms. Upon reasonable request, students may be required to provide an electronic version of their work for computerised review.

The way of avoiding plagiarism is to reference your work properly. If you are in doubt about how to reference properly, ask someone – your lecturers, tutors and the Student Learning Centre are good places to start. Please refer to the following website for further information about academic referencing: www.cite.auckland.ac.nz/

The document Guidelines: Conduct of Coursework provides further advice on how to avoid plagiarism. It can be found at: www.business.auckland.ac.nz/conductcoursework

The penalties for plagiarism can be severe, including losing some or all of the marks for the assignment. Major offences can be sent to the University’s Discipline Committee, where further penalties can be imposed.

Third Party Assistance with Coursework

While you are encouraged to improve your coursework writing skills and are permitted to seek assistance from third parties you are advised that there are important limits on the amount and type of assistance that can be given to you in completing your assignments, including group work. Third parties include fellow students, reading groups, friends, parents, SLC tutors, and paid-for professional editing services.

There is a set of guidelines which clearly indicates the type of advice and assistance that can be given. If you are seeking the assistance of any third party you are required to give a copy of the guidelines to the person prior to them helping or assisting you.

You are also required to only seek and accept help using a printed version of your work, not an electronic version. You must keep a copy of this printed version and produce it if required.

A copy of the guidelines is available at: www.business.auckland.ac.nz/thirdpartyassistance

Help with Academic Referencing

Acknowledgement of sources is an important aspect of academic writing. The University’s Referencite website www.cite.auckland.ac.nz provides students with a one-stop online resource for academic referencing needs. Referencite explains the essentials of referencing and how to avoid plagiarism. It also includes practical tools to help students reference correctly, use references effectively in writing, and gives fast access to some major reference formats with examples.