

FINANCIAL RISK MANAGEMENT

Credit points	5 CP		
Duration of the course	7 sem.		
Study course annotation	The course allows to learn and understand the nature and types of financial risks, principles, strategies and methods for financial risk management, to learn skills in the application of analysis methods and financial risk management methods to achieve the organization's goals.		
Aim of the study course	Acquisition of theoretical knowledge and practical skills in managing the main financial risks.		
Study course results	Knowledge	Skills	Competences
	<ul style="list-style-type: none"> • knows the content and nature of financial risks; • the main types of financial risks; • AML/CFT risk; • financial risk management organizational system, management stages, strategies and methods; • methods of measuring the size of financial risks; • the history, development, factors and trends of financial risks and their measurement methods during the stages of the so-called economic crisis 	<ul style="list-style-type: none"> • analyzes and evaluates the main types of financial risks; • develops financial risk management policy, regulations, procedures, strategy according to the goals set by the owners; • learns methods of assessing the size of financial risks; • uses the basic methods of financial risk management; • must be able to develop financial risk management measures. 	<ul style="list-style-type: none"> • apply financial risk analysis methods; • knows how to assess the development trends of financial risks in the stages of the so-called economic crisis; • able to develop the organizational system of financial risks; • manages financial risks in accordance with the goals set by the owners; • manages aggregated financial risks on the basis of capital adequacy.
Study course content	Subject		
	1	Types of financial risks and evaluation methods	
	2	Organization of financial risks and management methods	
	3	Credit risk management	
	4	Liquidity risk management	
	5	Interest rate risk management	
	6	Currency risk management	
	7	Managing the overall financial risks of the investment portfolio	
Form of assessment:	Exam		
Obligatory literature:	<ul style="list-style-type: none"> • Vaughan, EJ Essentials of Risk Management and Insurance / Emmett J. Vaughan, Therese M. Vaughan. – 2nd ed.- John Wiley & Sons, Inc., 2001. 		
Additional reading:	<ul style="list-style-type: none"> • Timothy W. Koch, S. Scott MacDonald. Bank Management 7– edit. 2010. p. 872. • Kudinska Marina. Risks and capital adequacy of commercial banks. Monograph. Riga: Computer Science Center, 2005. • Rejda, GE, Principles of Risk Management and Insurance / George E. Rejda. - 2013. -721 p. • Saunders, Anthony Financial Institutions Management. A Risk Management Approach / Anthony Saunders, Marcia Millon Cornett. - 5th ed. - McGraw-Hill Companies, 2006. 		



Other sources of information:

- Daily business newspaper.
- FKTK website - www.fktk.lv;
- <http://www.search.ebskostat.com> (EBSCO database)
- <http://www.scopus.com> (SCOPUS database)

Changes and additions to the program and literature list are possible during the study process