



## Syllabus Course Program



# Financial risk management

### Specialty

072 – Finance, banking, insurance and stock market

### Educational program

Finance and banking,

### Level of education

Master's degree

### Semester

2

### Institute

Institute of Economics, management and international business

### Department

Accounting and finance (205)

### Course type

Profile training,

### Language of instruction

English, Ukrainian

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## Lecturers and course developers



### First name and surname

[olha.nasibova@kspi.edu.ua](mailto:olha.nasibova@kspi.edu.ua)

D.Sc. in Economics, Professor of Accounting and Finance Department

Author and co-author of more than 85 scientific and methodological publications. Courses: " Insurance and insurance business", " Financial markets", " Bank management", "Financial services industry", " Financial risk management".

[More about the lecturer on the department's website](#)

## General information

### Summary

The course "Financial risk management " develops the knowledge and skills necessary for effective financial risk management. In the course of training, students will learn the main methods, techniques and tools of financial risk management, ways and directions of their minimization

### Course objectives and goals

Acquisition of theoretical knowledge and practical skills in the field of financial risk management. Formation of practical skills of detection, identification, evaluation and neutralization of financial risks arising in the activities of economic entities.

### Format of classes

Lectures, practical work, independent work, consultations. The final control is an exam.

### Competencies

- GC1. Ability to abstract thinking, analysis and synthesis.
- GC3. Ability to conduct research at an appropriate level.
- GC4. Ability to identify, pose and solve problems.
- GC5. Ability to make a reasoned decision.

SC2. The ability to diagnose the financial state of corporate systems, form an effective portfolio of investments taking into account risks and further assess its state of change through internal financial control and audit based on modern scientific and practical methods.

### **Learning outcomes**

PL2. To have a methodical toolkit for diagnosing the state of corporate finances, to justify the choice and procedure for the formation of an investment portfolio on international markets, to carry out continuous control and audit of changes in its structure and riskiness, followed by the adoption of relevant effective management decisions.

### **Student workload**

The total volume of the course is 120 hours (4 ECTS credits): lectures - 32 hours, practical classes - 16 hours, self-study - 72 hours.

### **Course prerequisites**

To successfully complete the course, you must have knowledge and practical skills in the following disciplines: "Financial management", "International financial reporting standards", "Basics of scientific research", "Insurance management".

### **Features of the course, teaching and learning methods, and technologies**

Lectures are held remotely using interactive learning methods using multimedia technologies. Practical classes use a project-based approach to learning, focusing on the application of information technologies in financial risk management. Study materials are available to students through OneNote Class Notebook.

## **Program of the course**

### **Topics of the lectures**

Topic 1. Economic nature of financial risk

Prerequisites for updating financial risk management. Economic essence of financial risk. Types of financial risks, areas of their manifestation.

Topic 2. Theoretical principles of financial risk management

Basic approaches and principles of financial risk management. Subjects of financial risk management and their functions.

Topic 3. Fundamentals of financial risk assessment

General approaches to quantitative assessment of financial risks. Financial risk assessment indicators. Taking into account the degree of exposure to risk. Utility function.

Topic 4. Analysis and assessment of financial risks

Content of the process of analysis and assessment of the level of financial risks. Basic methods of analysis and assessment of the level of financial risks.

Topic 5. Credit risk management

The essence and types of credit risk. Methodical approaches to the assessment of the borrower's credit risk and its management. Evaluation and management of credit risk by non-financial corporations. The use of credit derivatives in the practice of credit risk management.

Topic 6. Currency risk management

Types of currency risk and factors of its determination. Methods of currency risk management. Methods of currency risk management based on hedging.

Topic 7. Interest rate risk management

The essence of interest rate risk and its determinants. Basic methods of interest rate risk management. Interest rate risk hedging instruments.

Topic 8. Risk hedging using derivative financial instruments

Economic essence of derivative financial instruments. Hedging using forward contracts. Hedging using futures contracts. Hedging risks using swaps. Hedging risks using options.

Topic 9. Neutralization of financial risks of insurance companies

Economic essence of financial risks of insurance companies. The role and place of financial risks in the activities of insurance companies. Financial risk management of insurance companies and its main stages.

Topic 10. Investment risk management through diversification

The main stages of the investment process. The role of the diversification mechanism in portfolio analysis. Stages of investment portfolio formation. The role and place of beta coefficients in the diversification of an investment portfolio.

Topic 11. Risk management of borrowing through the stock market

Risk management strategies when investing in stocks and bonds. Determining the profitability and riskiness of an investment portfolio according to Markovits. Use of statistical data to assess asset characteristics. Investment functions of the banking sector and types of risks in the investment activity of banks. Use of regression and correlation analysis in investment portfolio management.

Topic 12. Taxation risks when using derivatives and risk management

General principles and individual approach in taxation. Tax cost of transactions. Withholding taxes on interest income and dividends. Derivatives as simulated assets.

### **Topics of the workshops**

Topic 1. Theoretical and methodological foundations of financial risk management

Topic 2. Analysis and assessment of the level of financial risks

Topic 3. Credit risk management

Topic 4. Currency risk management

Topic 5. Management of interest rate risks

Topic 6. Neutralization of financial risks of insurance companies

Topic 7. Investment risk management through diversification

Topic 8. Risk management of borrowing through the stock market

### **Topics of the laboratory classes**

Laboratory work is not provided within the discipline.

### **Self-study**

The course involves the implementation of a course project. Additional materials (videos, articles) are recommended for students on each topic for independent study and analysis..

### **Course materials and recommended reading**

1. Zyanko V.V., Yepifanova I.Yu., Koval N.O., Tkachuk L.M. Bank management : study guide. Vinnytsia: VNTU, 2022. 170 p.
2. Levytskyi V. V. Bank management : lecture notes. Lutsk: Vezha-Druk, 2021. 102 p.
3. Melnyk L.V., Melnyk L.M. Bank management: a summary of lectures. Rivne: NUVHP, 2020. 47 p.
4. On banks and banking activities: Law of Ukraine dated December 7, 2000 No. 2121-III. URL: <https://zakon.rada.gov.ua/laws/show/1533-14#Text>
5. Fatyukha V.V. Bank management: study guide. Zaporizhzhia: ZNU, 2021. 154 p.
6. Vartsaba V. I., Zaslavska O. I. Modern banking: theory and practice: teaching. manual. Uzhhorod: Publishing House of UzhNU "Hoverla", 2018. 364 p.
7. Strategy for the development of the financial sector of Ukraine. Kyiv: Official Internet Representation of the National Bank of Ukraine, URL: [https://bank.gov.ua/admin\\_uploads/article/Strategy\\_finsector\\_NBU.pdf?v=7](https://bank.gov.ua/admin_uploads/article/Strategy_finsector_NBU.pdf?v=7)
8. Bereslavskaya O. I. International settlements and currency operations: teaching. manual Irpin: SFS University of Ukraine, 2019. 368 p.
9. Banking system: textbook; in general ed. Dr. Econ. Sciences, Prof. T.S. Smovzhenko. Lviv: "New World - 2000", 2020. 536 p.

## Assessment and grading

### Criteria for assessment of student performance, and the final score structure

100% of the final grade consists of assessment results in the form of an exam (40%) and current assessment (60%).  
Exam: written task (20 theory test tasks + problem solving)

### Grading scale

Total points	National	ECTS
90-100	Excellent	A
82-89	Good	B
75-81	Good	C
64-74	Satisfactory	D
60-63	Satisfactory	E
35-59	Unsatisfactory (requires additional learning)	FX
1-34	Unsatisfactory (requires repetition of the course)	F

## Norms of academic integrity and course policy

The student must adhere to the Code of Ethics of Academic Relations and Integrity of NTU "KhPI": to demonstrate discipline, good manners, kindness, honesty, and responsibility. Conflict situations should be openly discussed in academic groups with a lecturer, and if it is impossible to resolve the conflict, they should be brought to the attention of the Institute's management.

Regulatory and legal documents related to the implementation of the principles of academic integrity at NTU "KhPI" are available on the website: <http://blogs.kpi.kharkov.ua/v2/nv/akademichna-dobrochesnist/>

## Approval

Approved by

Date, signature

**Head of the department**  
Oleksandr MANOYLENKO

Date, signature

**Guarantor of the educational program**  
Tatiana NAZAROVA