EF5343: CORPORATE RISK MANAGEMENT POLICIES

Effective Term
Semester B 2024/25

Part I Course Overview

Course Title
Corporate Risk Management Policies

Subject Code
EF - Economics and Finance

Course Number
5343

Academic Unit
Economics and Finance (EF)

College/School
College of Business (CB)

Course Duration
One Semester

Credit Units
3

Level
P5, P6 - Postgraduate Degree

Medium of Instruction
English

Medium of Assessment
English

Prerequisites
Nil

Precursors
Nil

Equivalent Courses
Nil

Exclusive Courses
Nil

Part II Course Details

Abstract

This course introduces the economic rationales of corporate risk management, examines the choice of appropriate risk management strategies, and discusses how to handle various risks facing a business. The course provides a basic framework for increasingly important integrated/holistic risk management. Commercial insurance solutions to property, liability, and employee related risks are emphasized. The course also aims to enable students to apply financial and insurance principles and theories to understanding issues and solving problems in real-world settings independently.

Course Intended Learning Outcomes (CILOs)

	CILOs	Weighting (if app.)	DEC-A1	DEC-A2	DEC-A3
1	Describe the key factors affecting corporate hedging and explain how risk management can add value for shareholders.	15	x		
2	Identify and compare the spectrum of key risks facing an organization and illustrate the importance of holistic risk management.	15	x	x	
3	Evaluate insurance as a risk management tool and define its main principles.	20	x	x	
4	Select appropriate and innovative financial and insurance solutions to handle property, liability, and employee related business risks.	30	x	x	x
5	Define and evaluate various tools of risk management and design an integrated approach to dealing with real-world risk management problems for corporations.	20	x	x	x

A1: Attitude
Develop an attitude of discovery/innovation/creativity, as demonstrated by students possessing a strong sense of curiosity, asking questions actively, challenging assumptions or engaging in inquiry together with teachers.

A2: Ability
Develop the ability/skill needed to discover/innovate/create, as demonstrated by students possessing critical thinking skills to assess ideas, acquiring research skills, synthesizing knowledge across disciplines or applying academic knowledge to real-life problems.

A3: Accomplishments
Demonstrate accomplishment of discovery/innovation/creativity through producing /constructing creative works/new artefacts, effective solutions to real-life problems or new processes.

Learning and Teaching Activities (LTAs)

	LTAs	Brief Description	CILO No.	Hours/week (if applicable)
1	Lectures	To provide basic concepts and structure of corporate risk management theories, and review the current risk management issues in corporations. This provides a basis for students to discover risk management issues in corporations of their interests.	1, 2, 3	-

2	In-class exercise, homework or project	This will provide students experience with applications of concepts. Students are encouraged to apply concepts learned in class to solve real world problems. It helps develop students' attitudes to innovate and apply.	1, 2, 3	-
3	Examination	To assess the students' understanding of concepts of corporate risk management, and the ability to apply them and make innovations.	1, 2, 3	-

Assessment Tasks / Activities (ATs)

	ATs	CILO No.	Weighting (%)	Remarks (e.g. Parameter for GenAI use)
1	Coursework	1, 2, 3, 4, 5	50	-

Continuous Assessment (%)

50

Examination (%)

50

Examination Duration (Hours)

2

Assessment Rubrics (AR)

Assessment Task

Coursework (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion

Demonstrate having good understanding of the course materials by completing some problem-solving questions or exercises as assigned by the lecturer.

Excellent

(A+, A, A-) High

Good

(B+, B, B-) Significant

Fair

(C+, C, C-) Moderate

Marginal

(D) Basic

Failure

(F) Not even reaching marginal levels

Assessment Task
Examination (for students admitted before Semester A 2022/23 and in Semester A 2024/25 & thereafter)

Criterion
Demonstrate having good understanding of corporate risk management and related theories.

Excellent
(A+, A, A-) High

Good
(B+, B, B-) Significant

Fair
(C+, C, C-) Moderate

Marginal
(D) Basic

Failure
(F) Not even reaching marginal levels

Assessment Task
Coursework (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion
Demonstrate having good understanding of the course materials by completing some problem-solving questions or exercises as assigned by the lecturer.

Excellent
(A+, A, A-) High

Good
(B+, B) Significant

Marginal
(B-, C+, C) Basic

Failure
(F) Not even reaching marginal levels

Assessment Task
Examination (for students admitted from Semester A 2022/23 to Summer Term 2024)

Criterion
Demonstrate having good understanding of corporate risk management and related theories.

Excellent
(A+, A, A-) High

Good

(B+, B) Significant

Marginal
(B-, C+, C) Basic

Failure
(F) Not even reaching marginal levels

Part III Other Information

Keyword Syllabus

a. Risk Identification and Classifications
b. Economic Rationales of Corporate Risk Management and Determinants of Corporate Hedging
c. Overview of Integrated Risk Management
d. Economics and Principles of Insurance
e. Insurance Tools to Manage Property, Liability and Personal Risks of a Business
f. Alternative Risk Transfer and Other Risk Management Tools

Reading List

Compulsory Readings

	Title
1	Nil

Additional Readings

	Title
1	Nil