

MODULE SPECIFICATION

1. **Title of the module**

Advanced Risk and Digital Decision Making

2. **School or partner institution which will be responsible for management of the module**

Pearson College London

3. **The level of the module (e.g. Level 4, Level 5, Level 6 or Level 7)**

Level 7

4. **The number of credits and the ECTS value which the module represents**

15 credits (7.5 ECTS)

5. **Which term(s) the module is to be taught in (or other teaching pattern)**

This module can be run in any term: Autumn or Spring or Summer

6. **Prerequisite and co-requisite modules**

None

7. **The programmes of study to which the module contributes**

- MSc Financial Leadership - option module

8. **The intended subject specific learning outcomes.**

On successfully completing the module students will be able to:

- 8.1 Demonstrate a systematic and comprehensive understanding of risk management, risk identification, measurement and management in the financial services sector, existing regulatory systems, modelling, and the role of a Chief Risk Officer.
- 8.2 *Critically* apply methods of risk measurement for the purpose of analysing risk management problems and developing risk management strategies.
- 8.3 Critically analyse both theory and research in the area of risk management in order to inform and improve professional practice, with reference to emerging risk technology.
- 8.4 Demonstrate a systematic and comprehensive knowledge and practical ability to address issues in financial risk management with regard to requirements of regulatory framework.
- 8.5 Demonstrate an ability to source relevant information and data in order to conduct risk modelling in professional practice.
- 8.6 Demonstrate the ability to learn independently and proactively as required for continuing professional development

9. **The intended generic learning outcomes.**

On successfully completing the module students will be able to:

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9.1 Apply critical analysis of information and data to complex business contexts, analyse opportunities and challenges, and propose courses of action including consideration of the wider impact of any actions and ethical issues.

9.2 critically evaluate current research and advanced scholarship in the discipline.

10. A synopsis of the curriculum

The emergence of the role of Chief Risk Officer in organisations is a consequence of the redefining of risk management in light of changes to regulation, recent financial disasters and technological developments.

PwC define the role of a CRO and their teams as “actively and intrusively managing risk within the organisation...a first line activity with full and specific responsibility for the specific management of overall risk and the associated adequacy of capital within the business.”

The mismanagement of financial risks can have serious adverse effects on business performance, demonstrated by financial disasters such as the collapse of Barings Bank, S&L crisis and the more recent credit crunch.

This module presents existing and emerging approaches, evaluating their usefulness and limitations. Attention is particularly paid to regulation, technology, accountability, ethics and professionalism.

Overview of curriculum:

- An overview of risk management in financial services
- An overview of frictions in the financial system
- The role of cognitive biases in financial risk management
- Risk technology tools including @risk
- Exploration of links between financial markets and economic performance: financial accelerator
- Regulatory issues and risk management
- Credit risk
- Modelling credit risk in practice: estimating credit scores
- Methods of risk measurement
- Implementing VAR and other models

11. Reading List (Indicative list, current at time of publication. Reading lists will be published annually)

Books and Texts

- Bluhm, C., Overbeck, L. & Wagner, C. (2003), An Introduction to Credit Risk Modelling, CPC Pres

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- Cooper, G. (2008) The Origin of Financial Crises: Central Banks, Credit Bubbles and the Efficient Market Fallacy, Harriman House
- Hull, J. (2010), Risk Management & Financial Institutions, Prentice Hall. [core text]
- Jorion, P. (2007) Value at Risk, McGraw-Hill.
- Loffler, G. & Posch, P.N. (2007) Credit Risk Modelling using Excel and VBA, John Wiley & Sons, Ltd.
- Partnoy, F. (2002) F.I.A.S.C.O.: Guns, booze, and bloodlust: The truth about high finance.

12. Learning and Teaching methods

Learning consists of 10 weekly 1 hour lectures, and 1 weekly 1.5 hour seminar incorporating exercises relevant to that week's presentation. Students will be expected to spend around 11 hours per week on independent learning and assessments. This equates to total study hours of 150 for this 15 credit module.

<i>Scheduled Hours:</i>	25
<i>Placement Hours:</i>	00
<i>Independent Study Hours:</i>	125
<i>Total Study Hours:</i>	150

13. Assessment methods.

This module will be summatively assessed as follows:

1. A 5,000 word written coursework assignment, which would typically consist of a consultancy project for an organisation (75% of grade)
2. A risk modelling exercise (25% of overall grade)

A student must pass both assessments in order to pass the module.

Other alternative forms of assessment may be developed for resits.

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14. Map of Module Learning Outcomes (sections 8 & 9) to Learning and Teaching Methods (section 12) and methods of Assessment (section 13)

Module learning outcome		8.1	8.2 2	8.3	8.4	8.5	8.6	9.1	9.2
Learning/teaching method	Hours allocated								
Private Study	110	X	X	X	X	X	X	X	X
Lecture	10	X	X	X			X		
Seminar	15		X	X	X	X	X		
Assessment method									
Risk modelling exercise		X				X	X		
Coursework assignment (5,000 words)		X	X	X	X			X	X

15. Pearson College London recognises and has embedded the expectations of current disability equality legislation, and supports students with a declared disability or special educational need in its teaching.

Within this module we will make reasonable adjustments wherever necessary, including additional or substitute materials, teaching modes or assessment methods for students who have declared and discussed their learning support needs. Arrangements for students with declared disabilities will be made on an individual basis, in consultation with the College's Registry which oversees disability/dyslexia student support, and specialist support will be provided where needed.

16. Campus(es) or Centre(s) where module will be delivered:

Pearson College London

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If the module is part of a programme in a Partner College or Validated Institution, please complete sections 17 and 18. If the module is not part of a programme in a Partner College or Validated Institution these sections can be deleted.

17. Partner College/Validated Institution:

Pearson College London

18. University School responsible for the programme:

Kent Business School

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FACULTIES SUPPORT OFFICE USE ONLY

Revision record – all revisions must be recorded in the grid and full details of the change retained in the appropriate committee records.

Date approved	Major/minor revision	Start date of the delivery of revised version	Section revised	Impacts PLOs (Q6&7 cover sheet)