

Semester: VIII	
Course : Bachelor of Commerce	
Paper Title: Risk Management	
Paper code: C4BC230861T	Credits: 4
Category: Major (Core)	
Theory / Practical / Composite : Theory	
<p>Course Overview: The course on Risk Management provides students with a comprehensive understanding of the nature, types, and significance of risks in modern business and financial environments. It introduces fundamental concepts such as risk identification, measurement, and mitigation, with a focus on both financial and operational aspects. Students will gain exposure to Enterprise Risk Management (ERM) frameworks, tools like Value at Risk (VaR), stress testing, and scenario analysis, and the use of derivatives for hedging risks. The course also examines sector-specific applications of risk management in banking, insurance, and international business, along with emerging concerns like ESG (Environmental, Social, and Governance) risks and sustainability. By integrating theory with practical applications and case studies, the course equips learners with decision-making skills, analytical tools, and an awareness of global risk governance practices, enabling them to evaluate and implement effective risk management strategies in dynamic business contexts.</p>	
<p>Course Outcome:</p> <ol style="list-style-type: none"> 1. To develop a clear understanding of the nature, types, and significance of risks in a business context. 2. To equip students with analytical tools and techniques for identifying, assessing, and mitigating various types of financial and operational risks. 3. To build decision-making capabilities by applying modern risk management frameworks and strategies. 4. To familiarize students with regulatory frameworks and risk governance practices in financial institutions and corporate entities. 	
<p>Prerequisites: <i>Basic knowledge about any prior course: Students should have an idea about: Financial Institutions and Markets</i></p>	

SYLLABUS				
Units	Topics	Number of Lectures	CO Mapping	Cognitive Level
UNIT I: Introduction to Risk Management	<ul style="list-style-type: none"> • Definition and Nature of Risk • Understanding Risk Universe (Types of Risk) • Objectives of RM • Importance and Benefits of Risk Management • Concept of Enterprise Risk Management (ERM) • Principles of Risk Management 	12 Lectures	CO1	Remember (K1), Understand (K2)
Unit II: Risk Identification and Measurement	<ul style="list-style-type: none"> • Techniques of Risk Identification • Techniques of Risk Assessment (Risk quantification and rating) • Tools for Risk Measurement: Value at Risk (VaR), Decision Tree Analysis, Risk Mitigation Planning and Implementation • Foreign Exchange Risk Management 	20 Lectures	CO 1; CO 2	Understand (K2), Apply (K3)
Unit III: Risk Analysis in Banks	<ul style="list-style-type: none"> • Basel Norms • Strategic Risk & Operational Risk (Global risk, country specific risk, industry specific) • Aspects of Marketing Risk • Risk Based Supervision in Banks and Financial Institutions • Credit Default Swap 	16 Lectures	CO 3; CO 4	Understand (K2), Apply (K3), Analyse (K4), Evaluate (K5)
Unit IV: Risk Analysis in Other Financial Institutions	<ul style="list-style-type: none"> • Risk management in Insurance Business • Risk management in Non-Banking Financial Institutions (NBFCs) • Risk in International Business and Crisis Management (Case Studies: Role of Central Banks in Crisis Management) 	12 Lectures	CO 3; CO 4	Analyse (K4), Create (K6)

Text Books
1. Jorion, Philippe, Value at Risk: The New Benchmark for Managing Financial Risk, McGraw Hill.
2. Varma, Derivatives and Risk Management, McGraw Hill.
3. Hull J.C., Risk Management and Financial Institutions, Wiley Finance
Suggested readings
1. Indian Institute of Banking & Finance, Theory & Practice of Treasury & Risk Management in Banks, Taxmann Publications Pvt. Ltd
2. Rejda, George E., Principles of Risk Management and Insurance, Pearson.
3. Bhattacharya H., Banking Strategy, Credit Appraisal, and Lending Decisions: A Risk-Return Framework, Oxford University Press, India
Web Resources
1. Fundamentals of Risk Analysis and Risk Management by Vlasta Molak
2. Sustainability and Climate Risk: Global Association of Risk Professionals – Risk Management Fundamentals
3. MIT OpenCourseWare: Value at Risk Models
4. www.ift.world

Course outcomes (COs) and Cognitive Level Mapping

COs	CO Description	Cognitive levels
CO1	To develop a clear understanding of the nature, types, and significance of risks in a business context.	Define and Identify
CO2	To equip students with analytical tools and techniques for identifying, assessing, and mitigating various types of financial and operational risks.	Implement and Demonstrate
CO3	To build decision-making capabilities by applying modern risk management frameworks and strategies.	Define and Identify
CO4	To familiarize students with regulatory frameworks and risk governance practices in financial institutions and corporate entities.	Appraise and Apply