

Title of the course	Risk Management
Responsible instructor	Prof. Dr. Hildegard Breig
Objectives of the course	<p>to develop skills to</p> <ul style="list-style-type: none"> - understand the relevance of risk and risk management - describe the range of risks in enterprises - demonstrate knowledge of concepts to measure risk - define risk attitudes with utility functions - identify insurable risks - analyse effects of imperfect information in the context of insurance contracts - discuss self-protection and self-insurance - explain principals of risk management in enterprises
Contents	<p>1. Introduction</p> <p>1.1 Reasons for Studying Risk Management</p> <p>1.2 Development of Risk Management</p> <p>2 Definitions and Classifications of Risk</p> <p>2.1 Risk and Uncertainty</p> <p>2.2 Risk Categories</p> <p>3. Risk Measurement</p> <p>3.1 Frequency and Probability</p> <p>3.2 Variance and Semi-Variance</p> <p>3.3 Standard Deviation and Coefficient of Variation</p> <p>3.4 Value at Risk and Maximum Probable Annual Loss</p> <p>3.5 Market-Related Risk</p> <p>4. Risk Attitudes</p> <p>4.1 Expected Monetary Value and Actuarially Fair Premium</p> <p>4.2 Utility Functions</p> <p>4.3 Expected Utility and Certainty Equivalent</p> <p>4.4 Risk Premiums and Insurance Premiums</p> <p>5. Role of Insurance</p> <p>5.1 Prerequisites for Insurability</p> <p>5.2 Imperfect Information and Insurance Contracts</p> <p>5.2.1 Pre-contract Asymmetric Information</p> <p>5.2.2 Post-contract Asymmetric Information</p> <p>5.3 Types of Insurance and Insurers</p> <p>5.4 Self-protection and Self-insurance</p> <p>6. Principles of Risk Management in Enterprises</p> <p>6.1 Process Orientation</p> <p>6.3 Allocation of Responsibilities</p> <p>6.4 Communication and Documentation</p> <p>6.5 Consideration of Standards</p> <p>6.6 Risk-aware Culture</p> <p>6.7 Example: Supply Chain Risk Management</p>
Teaching methods	<ul style="list-style-type: none"> - seminar-like lectures - discussions - exercises - self-study

Prerequisites	There are no formal requirements. Knowledge in the following courses is prerequisite: - Introduction to Economics and Business - Statistics
Suggested reading	Baranoff, E. Brockett, P.L., Kahane, Y., <i>Risk Management for Enterprises and Individuals</i> , Saylor Foundation 2009: Chapter 1 to Chapter 7, Chapter 9 and Chapter 10. Fabozzi, F.J. <i>Capital Markets – Institutions, Instrument, and Risk Management</i> , 5 th ed., The MIT Press, Cambridge/Mass. 2015: Chapter 2. Ivanov, D., Tsipoulanis, A., Schönberger, J., <i>Global Supply Chain and Operations Management</i> , Springer Texts in Business and Economics, Springer Nature Switzerland AG 2019: Chapter 15. Olson, D.L. and Wu, D.D., <i>Enterprise Risk Management Models</i> , Springer Texts in Business and Economics, Springer Verlag, Berlin, Heidelberg 2017: Chapter 1 and Chapter 2. Further references will be given in class.
Applicability	This module is closely linked to the following modules of the same study programme: 1.Introduction to Business and Economics, 2.Statistics. This module is also applicable to other study programmes in Economics and Business offered at University of Applied Sciences Schmalkalden.
Workload	Total workload: 150 hours, of these: 1) synchronic studies: 60 (lectures to be attended) 2) asynchronous studies: 90, of these: - preparation for classes (in particular studying the literature): 25 - follow up: 25 - exam preparation: 40
ECTS credit points and weighting factor	5 ECTS credit points; weighting: a) study programmes in Business and Economics and in International Business and Economics: 5/180 b) study programmes in Economics and in Business Administration: 5/210
Basis of student evaluation	written in-class examination, 60 minutes (100%)
Time	4 th to 6 th semester
Frequency	generally each academic year
Duration	one semester
Type	elective course
Remarks	The teaching and examination language is English.

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