COURSE DESCRIPTION

This course provides an overview of financial risk management. Emphasis will be on modeling and quantitative techniques. Students will learn how risk management is carried out in today’s financial firms and about current challenges in financial risk management.

Course Schedule

1. Overview of Financial Risk Management
3. Market Risk: One security, Value at Risk
5. Quiz #1
6. Market Risk: Portfolios and Correlation
7. Market Risk: Portfolios: Beyond Correlation
8. Market Risk: Risk attribution
9. Credit risk
10. Quiz #2
11. Liquidity Risk & Performance analysis
12. Bayesian Analysis
13. Behavioral Finance & Operational Risk
14. Final

Core Reading:
- *Quantitative Financial Risk Management* (will be distributed in class)

Academic Integrity

All students are expected to know, understand, and live up to the standards of academic integrity explained in Rutgers’ Policy on Academic Integrity, [http://academicintegrity.rutgers.edu/academic-integrity-at-rutgers](http://academicintegrity.rutgers.edu/academic-integrity-at-rutgers). The minimum penalty for any cheating in an exam is immediate failure of the course.
Electronic Devices
Students are not allowed to use computers, cell phones, or other electronic devices to chat, send e-mails or surf the internet in class. Violators will be politely asked to leave the classroom. Students will not be allowed to have calculators or other electronic devices during exams and quizzes. Any use of prohibited devices during an exam will be considered cheating.

Grading

- Homework and participation: 10%
- Quizzes: 50%
- Final exam: 40%