



**LUND**  
UNIVERSITY

School of Economics and Management

## **BUSO85, Business Administration: Corporate risk management, 5 credits**

*Företagsekonomi: Företagsriskhantering, 5 högskolepoäng*  
Second Cycle / Avancerad nivå

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### **Details of approval**

The syllabus was approved by The Board of the Department of Business Administration on 2018-05-21 and was last revised on 2018-05-21. The revised syllabus applies from 2018-05-21, autumn semester 2018.

### **General Information**

BUSO85 is a course on Business Administration at the advanced level.

*Language of instruction:* English

*Main field of studies*

Business Administration

*Depth of study relative to the degree requirements*

A1N, Second cycle, has only first-cycle course/s as entry requirements

### **Learning outcomes**

#### **Knowledge and understanding**

- have demonstrated knowledge of how to define and measure risk, as well as of theories of how risk management affects firm value.
- have demonstrated knowledge of corporate risk management, especially of the modelling of derivative strategies and their effects on financial statements.
- have demonstrated knowledge of the structure and elements of Enterprise Risk Management-programs and as well of its limitations and critiques.

#### **Competence and skills**

- have demonstrated ability to identify problems and situations where the theories learnt are applicable

- can communicate the results, and their analyses and conclusions, of an empirical investigation clearly and unambiguously

### **Judgement and approach**

- have demonstrated ability to use theories and concepts to design an effective risk management strategy
- have demonstrated ability to understand the role of risk management in the context of the firm's financial and strategic policies

### **Course content**

The main purpose of the course is to give the students a deep understanding of pros and cons of corporate risk management, as well as different strategies for value-creating risk management. It is a course in applied corporate finance that emphasizes practical applications of analytical models. The course is divided into two parts: Treasury Risk Management, and Enterprise Risk Management.

The first part of the course, Treasury Risk Management, deals with financial risk management from the perspective of a Chief Financial Officer. It includes methods for calculations of exposure to market risks, different financial instruments for risk management, as well as liquidity risk.

The second part of the course, Enterprise Risk Management, takes the perspective of senior management and the board of directors on risk management. Risk management is viewed as a part of the firm's overall financial policy, whose goal is to support strategic risk-taking (investment). Different ways to organize an enterprise-wide risk management function effectively are covered.

### **Course design**

The course is conducted in the form of lectures, exercises, and assignment work based on real companies. The course emphasizes applied learning, where participants learn to use the studied analysis techniques. To facilitate this, assignment work makes up an important part of the teaching and learning activities on the course. Lectures will cover parts of the course literature, with particular emphasis on the more challenging parts. This means that self-study of the course literature is essential and that the assigned readings are integral parts of the teaching and learning activities.

### **Assessment**

Assessment and grading are based on assignment work, exercises, and a written examination covering all teaching and learning activities and all assigned readings. Since the course emphasizes applied learning, important parts of the examination are focused on participants employing the studied analysis techniques.

The course progresses on other courses on the Accounting and Finance program, especially on corporate financing and corporate valuation and it enhances and evaluates this progression. This is reflected in the examination, which may require knowledge from other courses.

The examiner, in consultation with Disability Support Services, may deviate from the regular form of examination in order to provide a permanently disabled student with a form of examination equivalent to that of a student without a disability.

*Subcourses that are part of this course can be found in an appendix at the end of this document.*

## **Grades**

Marking scale: Fail, E, D, C, B, A.

## **Entry requirements**

Students admitted to a Master Programme where this course is either a compulsory or elective part, are qualified for the course.

For other students, at least 90 UCP or ECTS- cr in Business Administration is required. These must include a course in basic Business Administration (e.g. FEKA90 Business Administration: Introductory course in Business Administration). Students are also required to have successfully completed FEKH81 Corporate Finance or an equivalent advanced level undergraduate course in corporate finance, and must hold background knowledge of theories regarding how corporate risk management affects firm value equivalent to BUSO98 Theory of Corporate Finance.

## **Further information**

The course BUSO85 cannot be combined with the course BUSO86 in a degree.

In case of closure of the course: Within three semesters after the course closure there will be offered three additional occasions for examination of respective examination part of the course, for students with no successful result. Note that after this you can get a certificate only regarding completed examination parts.

## Subcourses in BUSO85, Business Administration: Corporate risk management

Applies from H18

1801 Group assignments, 2,5 hp

Grading scale: Fail, Pass

1802 Individual written exam, 2,5 hp

Grading scale: Fail, E, D, C, B, A

The course grade is determined by the sum of the scores of the two examination parts. The scale used is A-F.