



School of Economics and Management

**BUSO86, Business Administration: Corporate Risk  
Management, 7.5 credits**  
*Företagsekonomi: Företagsriskhantering, 7,5 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 2017-12-04 to be valid from 2017-12-04, spring semester 2018.

### General Information

BUSO86 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

A passing grade on the course will be awarded to students who:

#### 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 three parts: Fundamentals of Risk Management, Treasury Risk Management, and Enterprise Risk Management.

The first part of the course, Fundamentals of Risk Management, looks at various definitions of risk as well as theories regarding how corporate risk management affects firm value.

The second 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 third 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 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.

Grade (Definition) Points or % out of maximum points. Characteristic.

**A** (Excellent) 85-100. A distinguished result that is excellent with regard to theoretical depth, practical relevance, analytical ability and independent thought.

**B** (Very good) 75-84. A very good result with regard to theoretical depth, practical relevance, analytical ability and independent thought.

**C** (Good) 65-74. The result is of a good standard with regard to theoretical depth, practical relevance, analytical ability and independent thought and lives up to expectations.

**D** (Satisfactory) 55-64. The result is of a satisfactory standard with regard to theoretical depth, practical relevance, analytical ability and independent thought.

**E** (Sufficient) 50-54. The result satisfies the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought, but not more.

**F** (U) (Fail) 0-49. The result does not meet the minimum requirements with regard to theoretical depth, practical relevance, analytical ability and independent thought.

Some occasional examination elements of the course may have the grading scale pass D / F (Pass/Fail).

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*Plagiarism is considered to be a very serious academic offence. The University will take disciplinary actions against any kind of attempted malpractice in examinations and assessments. The penalty that may be imposed for this, and other improper practices in examinations or assessments, includes suspension from the University for a specific period of time.*

## 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 60 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.

## Further information

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 BUSO86, Business Administration: Corporate Risk Management

Applies from V18

- 1701 Report, 5,0 hp  
Grading scale: Fail, E, D, C, B, A
- 1702 Individual exam, 2,5 hp  
Grading scale: Fail, E, D, C, B, A