**Investment risk management**

Prof. Christos Alexakis

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

This course provides a general overview on the financial markets and investment risk management. It emphasizes the theoretical and practical understanding of the concepts of financial markets and will get the students acquainted with the tools associated to risk management.

By the end of the module, students will be able to: Analyze and discus the main concepts and tools of financial markets and risk management. Define what a financial asset is and the principal functions of financial assets. Determine the various ways to classify financial markets and describe the participants in financial markets. Have an overview about securities & derivatives market as well as the foreign exchange market.

Risk concepts will be approached according to the expected utility theory but also the behavioural finance angle. Students will have an overview on risk management and financial risk management tolls will be explained.

***Contribution to programme objectives:***

This course is designed in order to contribute to the programme by giving students an overview of the main aspects of financial markets and investment risks. The course reflects on the issues of ethics and responsibility in financial markets.

***COURSE CONTENTS***

The financial environment, stocks and bonds, derivatives, market efficiency, technical analysis, fundamental analysis, risk assessment, risk management, diversification, behavioural finance, options, investment companies, risk metrics, asset allocation, portfolio theory, equilibrium models in finance, international finance risks.

***READING LIST[[1]](#footnote-1)***

* Slides provided by the Instructor

# Investments Global Edition (2014), by Z. Bodie, A. Kane and A. Marcus, McGraw Hill [Acquista da VP](https://librerie.unicatt.it/scheda-libro/bodie/investments-9781260083392-670865.html)

* *Foundations of Financial Markets and Institutions* (2013), Fabozzi, F., Modigliani, F. and Jones, F., Harlow: Pearson Education
* *Financial Markets and Institutions* (2015), Mishkin, F. and Eakins, S.G., Harlow: Pearson Education [*Acquista da VP*](https://librerie.unicatt.it/scheda-libro/mishkin/financial-markets-and-institutions-9781292215006-709962.html)

***TEACHING METHOD***

- Lectures will be presented and explained to the students as in “Slides Presentation”.

- Class Discussion on: Case studies, Videos

- Class discussion on Real & Practical Examples

***ASSESSMENT METHOD AND CRITERIA***

The exam of the course will take place in two stages, both compulsory for all students:

1. a written exam (final exam) on the general part of the course which consists of five open questions.

2. an oral group presentation of an assignment.

In the written exam, students will have to demonstrate knowledge of the key concepts of the course. In the oral presentation, they will have to demonstrate an ability to apply theoretical knowledge in real life situations.

The five open questions in the written exam will be of equal weight, each accorded a mark from 0 (in case of no answer) to 20 (in case of an exemplary answer).

The final single mark is based on the mark attained for the written exam (70%) and that attained for the oral presentation (30%). In such a case a prerequisite is for students to pass the written exam.

***NOTES AND PREREQUISITES***

It is assumed that students should be familiar with introductory concepts of finance as well as basic elements of quantitative analysis.

1. I testi indicati nella bibliografia sono acquistabili presso le librerie di Ateneo; è possibile acquistarli anche presso altri rivenditori. [↑](#footnote-ref-1)