

RISK2001

Fundamentals of Risk and Risk Management

Course Outline

Semester 2, 2017

Course-Specific Information

The Business School expects that you are familiar with the contents of this course outline. You must also be familiar with the Course Outlines Policies webpage which contains key information on:

- Program Learning Goals and Outcomes
- Academic Integrity and Plagiarism
- Student Responsibilities and Conduct
- Special Consideration
- Student Support and Resources

This webpage can be found on the Business School website:

<https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>

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COURSE-SPECIFIC INFORMATION

1 STAFF CONTACT DETAILS

Lecturer-in-charge: Dr Kevin Liu

Room: UNSW Business School 655

Phone: 9385 7119

Email: kevin.liu@unsw.edu.au

Consultation Times: Friday 3pm-4pm

2 COURSE DETAILS

2.1 Teaching Times and Locations

	Day	Time	Location
Lecture	Friday	1pm – 3pm	Chemical Sc M18

Lectures start in Week 1 and continue to Week 12. Tutorials start in Week 2 and continue to Week 13.

The tutorial program will be circulated as a separate document on the course website.

2.2 Units of Credit

The course is worth 6 units of credit.

2.3 Summary of Course

This course aims to introduce students to the complex and diverse range of risks that organizations must manage in today's fast-changing global environment, as well as the fundamental principles, frameworks and practices of risk management. The course discusses the complex nature of the words 'uncertainty' and 'risk', and how their many definitions and interpretations impact risk management. The course covers aspects of risk management including why organizations must manage risks; the identification, classification and measurement of risks; the fundamental principles and frameworks for risk management; the tools and techniques used in the risk management process; the important role of risk culture and communication in managing enterprise risks; and current issues in risk management.

2.4 Course Aims and Relationship to Other Courses

This course aims to introduce students to the complex and diverse range of risks that organizations must manage in today's fast-changing global environment, as well as the fundamental principles, frameworks and practices of risk management.

RISK2001 is a compulsory course of the Actuarial Risk Management and Analytics major. The major helps students develop a broad perspective on risks, including modelling, data analysis, and management. It is designed for actuarial students interested in further extending their knowledge of actuarial analysis and management of risks, and aims to extend students' knowledge on the use of risk analysis and decision tools and their applications in practice.

The prerequisite for RISK2001 is ACTL1101 and ACCT1501 and (MATH1241 or MATH1251).

2.5 Student Learning Outcomes

The Course Learning Outcomes are what you should be able to DO by the end of this course if you participate fully in learning activities and successfully complete the assessment items. By the end of this course, you should be able to:

1.	Describe and analyse the risks facing financial institutions.
2.	Explain and evaluate how these risks affect financial institutions, and the main approaches to measure and manage these risks.
3.	Explain and assess the basic principles and frameworks of risk management and the role of insurance industry.
4.	Use and critically assess the standard approaches to enterprise risk management.

The Learning Outcomes in this course also help you to achieve some of the overall Program Learning Goals and Outcomes for all undergraduate students in the Business School. Program Learning Goals are what we want you to BE or HAVE by the time you successfully complete your degree (e.g. 'be an effective team player'). You demonstrate this by achieving specific Program Learning Outcomes - what you are able to DO by the end of your degree (e.g. 'participate collaboratively and responsibly in teams').

For more information on Program Learning Goals and Outcomes, see the School's Course Outlines Policies webpage available at <https://www.business.unsw.edu.au/degrees-courses/course-outlines/policies>.

The following table shows how your Course Learning Outcomes relate to the overall Program Learning Goals and Outcomes, and indicates where these are assessed (they may also be developed in tutorials and other activities):

Program Learning Goals and Outcomes		Course Learning Outcomes	Course Assessment Item
<i>This course helps you to achieve the following learning goals for all Business undergraduate students:</i>		<i>On successful completion of the course, you should be able to:</i>	<i>This learning outcome will be assessed in the following items:</i>
1	Knowledge	Describe and analyse the risks facing financial institutions. Explain how these risks affect financial institutions, and the main approaches to measure and manage these risks.	<ul style="list-style-type: none"> • Mid-session Exam • Final Exam
2	Critical thinking and problem solving	Evaluate how these risks affect financial institutions, and use the appropriate approaches to measure and manage these risks. Explain and assess the basic principles and frameworks of risk management and the role of insurance industry. Use and critically assess the standard approaches to enterprise risk management.	<ul style="list-style-type: none"> • Tutorial Participation and Discussion • Assignment • Mid-session Exam • Final Exam
3a	Written communication	Produce written work which is logically and professionally presented.	<ul style="list-style-type: none"> • Assignment
3b	Oral communication	Not specifically addressed in this course.	
4	Teamwork	Not specifically addressed in this course.	
5a.	Ethical, social and environmental responsibility	Not specifically addressed in this course.	
5b.	Social and cultural awareness	Not specifically addressed in this course.	

3 LEARNING AND TEACHING ACTIVITIES

3.1 Approach to Learning and Teaching in the Course

The philosophy underpinning this course and its Teaching and Learning Strategies are based on 'Guidelines on Learning that Inform Teaching at UNSW'. These guidelines may be viewed at: <https://teaching.unsw.edu.au/guidelines>. Specifically, the lectures, tutorials and assessments have been designed to appropriately challenge students and support the achievement of the desired learning outcomes.

The broad approach to learning and teaching in the course is to combine institutional knowledge, theoretical analysis and practical examples. With appropriate guidance, students are encouraged to take responsibility for their own learning.

3.2 Learning Activities and Teaching Strategies

Lectures

The purpose of **lectures** is to provide a logical structure of the topics that make up the course and to emphasise the important or difficult concepts and methods of each topic. Not all examinable material can be covered in lectures. Lectures commence in Week 1.

The material introduced in lectures is supplemented by **designated readings** and the **tutorial program**.

Tutorials

Tutorials begin in Week 2 and are an integral part of the course. The tutorial questions and exercises provide a vehicle for discussion of applications and case studies of the concepts and theories introduced in lectures. **Students are required to be well prepared to participate in the tutorial discussions by reading the designated readings and attempting the questions and exercises before the tutorial.**

4 ASSESSMENT

4.1 Formal Requirements

In order to pass this course, you must:

- achieve a composite mark of at least 50; and
- make a satisfactory attempt at all assessment tasks (see below).

4.2 Assessment Details

The examinable content of this course is defined by the content of the lectures, the designated readings and the exercises and questions discussed in tutorials.

To encourage you to follow a path of active and regular learning, the assessment in the course will consist of:

Assessment Task	Weighting	Length	Due Date
Tutorial Participation and Discussion	5%		Ongoing (Week 2-13)
Assignment	20%		As advised on Moodle
Mid-session Exam	15%	1 hour	Week 6
Final Exam	60%	2 hours	University Exam Period
Total	100%		

Tutorial Participation and Discussion – 5%

The purpose of the tutorial is to reinforce and clarify the concepts and issues covered in the lectures, and to provide a forum for further analysis and discussion of these issues.

5% of the course marks are reserved for tutorial participation and discussion. Up to 3 of the 5 marks will be awarded for attendance. However, in order to obtain the remaining marks, you must participate in a *relevant and constructive* way in tutorial activities and discussions. Your tutor is the final judge of the quality of your participation.

A record of attendance at tutorials will be kept.

Assignment – 20%

The information about the assignment and the Submission Procedure will be circulated as a separate document on the course website.

Mid-Session Exam – 15%

The purpose of the Mid-Session Exam is to test your understanding of all material introduced in the first four weeks of the course, including lectures and the exercises and questions covered in tutorials.

The Mid-Session Exam will be of 1 hour in duration. It will be held in the first hour of the Week 6 lecture.

Final Exam – 60%

The purpose of the Final Exam is to assess understanding of all material presented in the course, including lectures and the exercises and questions covered in tutorials.

The Final Exam will be held in the University examination period and will be 2 hours in length. The Final Exam will cover the entire course.

4.3 Assessment Format

As advised on Moodle.

4.4 Assignment Submission Procedure

An electronic copy of your assignment must be submitted through the Turnitin submission box on the course website. A cover sheet, which must be attached to the written answer, is available on the course website. Turnitin reports on any similarities between your own cohort's assignments, as well any other sources (such as the internet or all assignments submitted all around the world via Turnitin). More information is available at: <https://student.unsw.edu.au/turnitin-support>. Please read this page, as we will assume that its content is familiar to you. You will be able to make multiple submissions, but won't have access to the originality reports.

You need to check your document once it is submitted (check it on-screen). Students are reminded of the risk that technical issues may delay or even prevent their submission (such as internet connection and/or computer breakdowns).

Students should make sure they understand what plagiarism is (see the discussion of plagiarism in Course outline 'Part B: Key Policies, Student Responsibilities and Support' on the course website, and do the quiz): cases of plagiarism have a very high probability of being discovered.

4.5 Special Consideration, Late Submission and Penalties

For information on Special Consideration please refer to the Business School's [Course Outlines Policies webpage](#).

Special consideration and assessments other than the Final Exam in undergraduate courses:

For courses offered by the School of Risk and Actuarial Studies, the weight of the assessment items for which special consideration is granted is re-allocated to the Final Exam. Alternatively, in exceptional cases and only for assessment items with a submission deadline, a delayed deadline may be granted. This may be no more than 5 business days after the initial deadline, and must be before feedback is provided to students.

Special consideration **does not** entitle students to a supplementary opportunity to complete the assessment item.

Late submission of assessment items

When an assessment item had to be submitted by a pre-specified submission date and time and was submitted late, the School of Risk and Actuarial Studies will apply the following policy.

A penalty of 25% of the mark the student would otherwise have obtained, for each full (or part) day of lateness (e.g., 0 day 1 minute = 25% penalty, 2 days 21 hours = 75% penalty). Students who are late must submit their assessment item to the LIC via e-mail. The LIC will then upload documents to the relevant submission boxes. The date and time of reception of the e-mail determines the submission time for the purposes of calculating the penalty.

4.6 Protocol for viewing final exam scripts

The UNSW Business School has set a protocol under which students may view their final exam script. Please check the protocol [here](#).

Individual Schools within the Faculty may set up a local process providing it is in keeping with the Faculty protocol. The School of Risk and Actuarial Studies implements the abovementioned faculty guidelines in the following way:

1. There will be only one viewing.
2. Students must register (that is, lodge a request to view their final exam script) to rasadmin@unsw.edu.au after results are released, but no later than COB on Wednesday 6 December 2017.
3. The viewing will take place on Monday 11 December 2017, at a time and location to be announced to registered students by COB on Friday 8 December 2017. Student **MUST** remain available for the **WHOLE** of 11 December 2017 until the time of their viewing is communicated.

Note that students must make a separate, subsequent appointment with the LIC, should they wish to lodge a formal application for re-assessment.

Quality Assurance

The Business School is actively monitoring student learning and quality of the student experience in all its programs. A random selection of completed assessment tasks may be used for quality assurance, such as to determine the extent to which program learning goals are being achieved. The information is required for accreditation purposes, and aggregated findings will be used to inform changes aimed at improving the quality of Business School programs. All material used for such processes will be treated as confidential.

5 COURSE RESOURCES

The website for this course is on Moodle at: <http://moodle.telt.unsw.edu.au>. The website includes: all course handouts; lecture slides; designated readings; the tutorial program and readings for Review Essays. To access the course website online support site for students, follow the links from that website to UNSW Moodle Support/Support for Students. Additional technical support can be obtained from itservicecentre@unsw.edu.au (02 9385 1333).

It is important that you visit the course website regularly to see any notices and documents posted there, as it will be assumed that they are known to you within a reasonable time.

Textbook and Readings

The textbook is: *Fundamentals of Risk and Insurance*, 11th edition, Emmett J. Vaughan, Therese M. Vaughan, October 2013, ©2014, Wiley, Paperback ISBN : 978-1-118-53400-7, E-Text ISBN : 978-1-118-80558-9.

Additional materials (e.g. required and recommended readings) are provided on the course website via Moodle.

6 COURSE EVALUATION AND DEVELOPMENT

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW's **myExperience** survey is one of the ways in which student evaluative feedback is gathered. In this course, we will seek your feedback through end of semester **myExperience** responses. You are strongly encouraged to take part in the feedback process.

We take student feedback and evaluations very seriously and respond to comments and suggestions made by students in future course design and assessments.

7 COURSE SCHEDULE

Lecture Schedule

Lectures start in Week 1 and finish in Week 12.

LECTURE SCHEDULE			
Week	Week Starting	Topic	References
1	24 July	Introduction to Risk and Risk Management	Textbook Chs. 1, 2
2	31 July	Insurance and Risk	Textbook Chs. 3, 4
3	7 August	The Private Insurance Industry and Government Regulation of Insurance	Textbook Chs. 5 – 9 (selected pages)
4	14 August	Personal Risks, Social Insurance and Life Insurance	Textbook Chs. 10 - 12
5	21 August	Actuarial Basis of Life Insurance	Textbook Chs. 13, 14
6	28 August	MID-SESSION EXAM	
7	4 September	Retirement Risk Management	Readings posted on Moodle
8	11 September	Credit Risk Management	Readings posted on Moodle
9	18 September	Market Risk Management	Readings posted on Moodle
Mid-semester break: 23 September – 2 October inclusive (2 Oct = Labour Day Public Holiday)			
10	2 October	Operational Risk Management	Readings posted on Moodle
11	9 October	Bank Capital Adequacy and Other Risks	Readings posted on Moodle
12	16 October	Revision	
13	23 October	NO LECTURES	

Tutorial Schedule

Tutorial start in Week 2 and finish in Week 13.

TUTORIAL SCHEDULE			
Week	Week Starting	Topic	References
1	24 July	NO TUTORIALS	
2	31 July	Introduction to Risk and Risk Management	Textbook Chs. 1, 2
3	7 August	Insurance and Risk	Textbook Chs. 3, 4
4	14 August	The Private Insurance Industry and Government Regulation of Insurance	Textbook Chs. 5 – 9 (selected pages)
5	21 August	Personal Risks, Social Insurance and Life Insurance	Textbook Chs. 10 - 12
6	28 August	MID-SESSION EXAM (NO TUTORIALS)	
7	4 September	Actuarial Basis of Life Insurance	Textbook Chs. 13, 14
8	11 September	Retirement Risk Management	Readings posted on Moodle
9	18 September	Credit Risk Management	Readings posted on Moodle
Mid-semester break: 23 September – 2 October inclusive (2 Oct = Labour Day Public Holiday)			
10	2 October	Market Risk Management	Readings posted on Moodle
11	9 October	Operational Risk Management	Readings posted on Moodle
12	16 October	Bank Capital Adequacy and Other Risks	Readings posted on Moodle
13	23 October	NO TUTORIALS	

The course schedule is, however, subject to change.