

***Revised Syllabus of Courses of B.Com. (Banking & Insurance)
Programme at Semester III
with Effect from the Academic Year 2017-2018***

1. Elective Courses (EC)

Risk Management

Modules at a Glance

| Sr. No. | Modules | No. of Lectures |
|--------------|--------------------------------|-----------------|
| 1 | Foundations of Risk Management | 15 |
| 2 | Capital Market Risk Management | 15 |
| 3 | Credit Market Risk Management | 15 |
| 4 | Risk Measurement | 15 |
| Total | | 60 |

| Sr. No. | Modules / Units |
|---------|---|
| 1. | Foundations of Risk Management |
| | <ul style="list-style-type: none"> • Basic risk types • The role of risk management • Enterprise Risk Management (ERM) • History of financial disasters and risk management failures • 2007 financial crisis |
| 2. | Capital Market Risk Management |
| | <ul style="list-style-type: none"> • Equity, currencies & commodities markets in India • Introduction to Derivatives • Forward, Future and option contracts • Hedging through Derivatives contract • Fixed-income securities • Fixed-income risk management through derivatives • Rating agencies |
| 3. | Credit Market Risk Management |
| | <ul style="list-style-type: none"> • Introduction, • Information required for evaluation of credit risk, • Procedure for Credit Risk Management, • Credit Lifecycle, • Loan Review Mechanism, • RBI guidelines on Credit Rating Framework in Banks, • Introduction of Basel Norms and calculation of capital adequacy ratio |
| 4. | Risk Measurement |
| | <ul style="list-style-type: none"> • Estimation of volatilities and correlations (application to volatility term structures) Monte Carlo simulations (application to interest rate forecasting) • Linear Value-at-Risk (application to market, credit and operational risk) • Option valuation • Risk-adjusted return on capital (RAROC) & beta calculation • Risk management of derivatives (application to convertible risk) • Interest rates and measures of interest rate sensitivity |