

Financial Risk Management (F710311)

Course size *(nominal values; actual values may depend on programme)*

Credits 3.0 **Study time 90 h**

Course offerings and teaching methods in academic year 2025-2026

A (semester 1) English Gent lecture

Lecturers in academic year 2025-2026

Lamers, Martien EB21 lecturer-in-charge
Simoens, Mathieu EB21 co-lecturer

Offered in the following programmes in 2025-2026

	crdts	offering
Master of Science in Teaching in Economics(main subject Business Administration)	3	A
Master of Science in Business Administration(main subject Finance and Risk Management)	3	A
Exchange programme in Economics and Business Administration	3	A

Teaching languages

English

Keywords

Financial risks, risk measurement, risk management, derivatives

Position of the course

This course aims at enabling students to identify, measure and manage financial risks. The main risks we will focus on are market risk, credit risk, and liquidity risk. We will discuss standard Value-at-Risk and Expected Shortfall risk measures for these risks, and focus on using derivatives (futures, forwards, swaps, and options) to mitigate/manage the risks.

Contents

- Identify financial risks
- Measuring financial risks using Value-at-Risk and Expected Shortfall
- Managing financial risks by using derivatives

Initial competences

Students should have followed the course Financial Management (F710235), or otherwise acquired the following competences:

- 1 preparing, reading, and interpreting balance sheets, profit and loss statements, and cash flow statements
- 2 valuing assets using the discounted cash flow method
- 3 basic understanding of regression models

Final competences

- 1 Identify the financial risks a company is exposed to and measure the size of the exposure
- 2 Understand how to correctly measure financial risk
- 3 Show how each type of financial risk can be optimally managed and explain which derivative can be used.
- 4 Calculate the market value of a specific derivative
- 5 Understand pitfalls and misuses of derivatives

Conditions for credit contract

Access to this course unit via a credit contract is determined after successful competences assessment

Conditions for exam contract

This course unit cannot be taken via an exam contract

Teaching methods

Lecture, Independent work

Extra information on the teaching methods

In the plenary exercise sessions, students have to make exercises before the class.
The solutions to the exercises will be discussed in group.

Study material

Type: Handbook

Name: Options, Futures, and Other Derivatives, Global Edition, 11th edition

Indicative price: € 73

Optional: no

Language : English

Author : John C. Hull

ISBN : 978-1-29241-065-4

Oldest Usable Edition : Options, Futures, and Other Derivatives, Global Edition, 9th edition

Available through Student Association : Yes

References

Course content-related study coaching

Questions (regarding theory or exercises) can be asked during the contact hours,
or during office hours.

Assessment moments

end-of-term assessment

Examination methods in case of periodic assessment during the first examination period

Written assessment

Examination methods in case of periodic assessment during the second examination period

Written assessment

Examination methods in case of permanent assessment

Possibilities of retake in case of permanent assessment

not applicable

Extra information on the examination methods

Written exam (100%) consisting of multiple choice and open question, both types
contain theoretical and practical questions.

Calculation of the examination mark

The final course grade is equal to the grade of the written exam.