

1. BASIC INFORMATION

Course	Module VII. Risk Analysis and Control Tools
Degree program	Master's Degree in Financial Management
School	Faculty of Economics, Business, and Communication
Year	1
ECTS	6
Credit type	Obligatory
Language(s)	English
Delivery mode	Campus-based
Semester	Second
Academic year	2024-2025
Coordinating professor	Dr. Hubert Augusto Joo Kitano

2. PRESENTATION

Managing risk is part of any financial decision; in this sense, the *Risk Analysis and Control Tools* module is one of the modules in the Master's in Financial Management, valued at 6 ECTS like the other modules in the program.

This module will cover mergers and acquisitions, their risks, and how to generate value. We will also examine two riskiest investment activities: Venture Capital and Private Equity, where controlling risk is crucial.

The course will also review the identification of various types of risks: strategic, operational, and market risk, as well as their measurement (VAR). Derivatives and insurance will be analyzed as risk mitigators. Finally, the analysis of credit operations will be addressed.

3. LEARNING OUTCOMES

Knowledge

CON3. Identify inorganic growth/business restructuring strategies based on identifying risk and fiscal optimization strategies.

CON4. Identify the key technological, IT, and financial tools (fintech) currently available in the financial sphere.

- Understand the methods used to calculate the value of a company in the context of a merger and acquisition process.
- Determine the risks faced by a company.
- Identify the procedures and mechanisms used by credit institutions in company financing.

- Examine financing options for high-risk projects.

Skills

HAB3. Use financial strategies to improve a company's results.

- Estimate market risk for decision-making purposes.
- Formulate the financial risk hedging strategy for the company for specific financial products.

Competences

COMP13. Analyse and interpret processes of inorganic growth in companies through mergers and acquisitions (M&A) and corporate restructuring processes (venture capital, private equity).

COMP14. Manage different types of risk, applying hedging strategies and derivatives (futures, options, SWAPs, FRAs, foreign exchange insurance).

4. CONTENT

- M&A processes: criteria, planning, valuation.
- Private equity and venture capital: venture capital, shareholding.
- Identification, analysis, control, and management of the different types of business risk.
- Financial market risk and VaR methodologies.
- Credit risk, scoring, and rating agencies.
- Hedging strategies and financial products for risk hedging: futures, options, swaps, FRAs, foreign exchange insurance, etc.

5. TEACHING-LEARNING METHODOLOGIES

The types of teaching-learning methodologies used are indicated below:

- Lectures
- Case studies
- Collaborative learning
- Problem-based learning

6. LEARNING ACTIVITIES

Listed below are the types of learning activities and the number of hours the student will spend on each one:

Campus-based mode:

Learning activity	Number of hours
Lectures	12
Practical application seminars	18
Independent study	50
Synchronous online academic tutorials	18
Debates and colloquiums	8
In-person evaluation tests	2
Solving case studies	10
Problem-solving	22
Drawing up reports and written work	10
Total	150

7. ASSESSMENT

Listed below are the assessment systems used and the weight each one carries towards the final course grade:

Campus-based mode:

Assessment system	Weight
In-person evaluation tests	60%
Reports and written documents	15%
Case/problem	25%

When you access the course on the *Campus Virtual*, you'll find a description of the assessment activities you have to complete, as well as the delivery deadline and assessment procedure for each one.

7.1. Ordinary exam call

To pass the subject in the ordinary exam call, you must obtain a grade greater than or equal to 5.0 out of 10.0 in the subject's final grade (weighted average).

In any case, you must obtain a grade greater than or equal to 5.0 on the final test so that it can be averaged with the rest of the activities.

7.2. Extraordinary exam call

To pass the subject in the extraordinary exam call, you must obtain a grade greater than or equal to 5.0 out of 10.0 in the subject's final grade (weighted average).

In any case, it will be necessary for you to obtain a grade greater than or equal to 5.0 in the final test so that it can be averaged with the rest of the activities.

The activities not passed or submitted in the ordinary call must be submitted after the instructor has provided the corresponding corrections and feedback.

8. SCHEDULE

This table shows the delivery deadline for each assessable activity in the course:

Campus-based mode:

Assessable activities	Deadline
Private Equity and Venture Capital Case	Week 28
Practical Case on Identification, Analysis, Control, and Management of Different Types of Business Risk	Week 30
Case on Financial Market Risk and VaR Methodologies	Week 33
Credit Risk Case, Scoring, and Rating Agencies	Week 35
In-person evaluation tests	Week 38

This schedule may be subject to changes for logistical reasons relating to the activities. The student will be notified of any change as and when appropriate.

9. BIBLIOGRAPHY

The main reference work for this subject is:

- Damodaran, A. (2008). *Strategic risk taking: A framework for risk management* (1st edition). Wharton School Pub.
- Demaria, C. (2010). *An Introduction to Private Equity*. Wiley.
- Garcia, Francisco Javier Poblacion. (2017). *Financial Risk Management*. Springer International Publishing AG.
- Koller, T., Goedhart, M., & Wessels, D. (2005). *Valuation: Measuring and Managing the Value of Companies* (4th edition). John Wiley & Sons.

The recommended Bibliography is:

- Alexander, C. (2005). *The present and future of financial risk management*. Journal of Financial Econometrics, 3(1), 3-25.
- Bottazzi, L., Da Rin, M., & Hellmann, T. (2008). *Who are the active investors? Evidence from venture capital*. Journal of Financial Economics, 89(3), 488–512.
- Frykman, D., & Tollerud, J. (2003). *Corporate Valuation: An Easy Guide to Measuring Value*. Prentice Hall.
- Gompers, P. A., & Lerner, J. (1999). *The Venture Capital Cycle*. MIT Press.
- Vaughan, E. J. (1997). *Risk Management*. John Wiley & Sons.

10. EDUCATIONAL GUIDANCE, DIVERSITY AND INCLUSION UNIT

From the Educational Guidance, Diversity and Inclusion Unit we offer support to our students throughout their university life to help them reach their academic achievements. Other main actions are the students inclusions with specific educational needs, universal accessibility on the different campuses of the university and equal opportunities.

From this unit we offer to our students:

1. Accompaniment and follow-up by means of counselling and personalized plans for students who need to improve their academic performance.
2. In terms of attention to diversity, non-significant curricular adjustments are made in terms of methodology and assessment for those students with specific educational needs, pursuing an equal opportunities for all students.
3. We offer students different extracurricular resources to develop different competences that will encourage their personal and professional development.
4. Vocational guidance through the provision of tools and counselling to students with vocational doubts or who believe they have made a mistake in their choice of degree.

Students in need of educational support can write to us at:

orientacioneducativa@universidadeuropea.es

11. ONLINE SURVEYS

Your opinion matters!

The Universidad Europea encourages you to participate in several surveys which help identify the strengths and areas we need to improve regarding professors, degree programs and the teaching-learning process.

The surveys will be made available in the “surveys” section in virtual campus or via e-mail.

Your assessment is necessary for us to improve.

Thank you very much for your participation.