

FM-301: RISK MANAGEMENT

Course Contents

UNIT-I

Introduction to Risk Management ; The meaning of Risk, Types of Risk, The cost of Risk. Risk Management, Derivatives: Definition ,Classification & Features, Forwards and Futures, Participants in Derivative Markets.

UNIT-II

Hedging through Derivatives, Interest Rate Futures, Index Futures, Currency Futures,. Commodity Futures ,Concept of Insurance.

UNIT-III

Options Concept, Types of Trading Strategies, Option Pricing Models: BS model & Binomial model ,Synthetic Options, Sensitivity of Financial Options Premium, Option Greeks.

UNIT-IV

Swap Concept: Currency Swaps, Interest Rate Swaps, Pricing of Swaps. Weather Derivatives, Values at Risk, Commodity Derivative Market.

UNIT-V

Regulatory Framework of Derivative Markets, Recent Developments in Risk Management, Exotic Options, CDS,CLBO,Risk Management Basics.

The list of cases and specific references including recent articles will be announced in the class at the time of launching of the course.