

COURSE OUTLINE

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| FINM 470 | Introduction to Risk Management and Insurance | 15 points |
| MMAF 522 | Risk and Insurance | 20 points |
| School of Economics and Finance | | 1/3 2006 |

Staff Dr Leigh Roberts, RH323, phone 463-5937 (coordinator/lecturer)
email: leigh.roberts@vuw.ac.nz FAX: 463 5014

Lectures Friday 9.30 - 11.20 RWW315

Objectives

To gain an idea of the extent and scope of risk management, and of its manifold interpretations.

To establish a clear framework and methodology for dealing with risk; and to apply the principles of risk management to problems arising in the real world.

To gain an appreciation of insurance theory and practice, and in particular the use of insurance, both as a means of transferring risk, and more generally as providing a framework for the consideration of risk.

To explore recent developments in risk management, in particular credit risk; the use of the capital markets; and the blurring of boundaries in the financial sector.

To realise the potential of, as well as the limitations of, quantitative models and methodologies in dealing with risk.

Course content

The course is divided into 3 parts, viz.:

1. Generic risk management (2 weeks);
2. Financial risk management (6 weeks); and
3. Insurance (4 weeks)

There is substantial overlap between the three parts, which need not be taught in the sequence shown. The timing shown is only approximate.

A few parts of this paper will involve a limited amount of basic mathematics and statistics. Students lacking a background in those areas will not be unduly disadvantaged. In particular, the assignments are designed to allow as far as possible for differing levels of mathematical background of students, and the remaining areas of assessment may be chosen to be free of any mathematical knowledge.

Readings

Notes will be made available in Blackboard; and basic readings are provided to the class in a booklet.

Assessment

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| 30% | Two hour registry exam in June |
| 60% | Two essays, each worth 30% |
| 10% | Average mark for either 2 or 3 assignments |

The topics for the essays may be chosen freely, provided that they are broadly consonant with the course objectives, and are subject to the approval of the course coordinator (by email to the student). Due dates for the essays will be fixed in consultation with the class early in the course. They are typically around weeks 6 and 10 of the 12 week course, although due dates for MAF students will depend on the timing of block release courses.

The length of each essay should normally be between 3,500 and 4,500 words for those students taking FINM 470, and 5,000 to 6,000 words for MMAF 522 students. If the essay looks like exceeding the maximum length, you should discuss the matter with the coordinator well before the due date for submission.

Students need to think out what they expect to achieve in essays, and the sources which they intend to use. All sources must be listed at the end of the essay, and normally all of those sources listed should be available to the marker should he ask for them. It is further expected that all readings listed in the references be cited in the essay; otherwise a note should be made. If the computer gives the number of words, it should be given at the beginning of the essay; and page numbers should be printed. Further information about the requirements for essays is given out in class.

Provided the student has good reason (for instance a medical certificate), and obtains permission *before* the due date from the course coordinator, there will be no penalty for handing in an essay late. In other cases the essay will first be graded on a basis comparable with those essays handed in on time, and then have 5% of the mark subtracted for each day or part-day for which the essay is late.

The essay is expected to be written *entirely* by the student. In cases where there is any doubt in the marker's mind as to whether the essay is entirely the student's own work, the coordinator reserves the right to withhold the mark until the situation has been clarified. Any evidence of copying any part of an essay, even just a few words, will result in a lowering of the grade awarded: see the note on plagiarism below.

Two assignments will be set early in the course, within the first 3 or 4 weeks, on specified topics. These provide an opportunity to practise English writing skills, with detailed comments by the coordinator. A further assignment may be set later in the course.

Written report

Towards the end of a lecture early in the course (usually the first lecture), students will be requested to write a short report on a topic to be announced at that time, to be written individually and submitted to the lecturer before leaving the class room. The length of the report is expected to be between 100 and 200 words.

Those students not in the class room when the report is asked for will be asked to submit such a report on a later occasion, with a different topic being announced just prior to the report being written. Such a report must be written in the coordinator's presence.

This report is to indicate to the coordinator which students need help with their English expression, and will not be used for assessment; nor will the reports be shown to anyone other than the coordinator. Should the standard of English in this report differ markedly

from that in work handed in for assessment, the coordinator will discuss the matter with the student before a mark is given.

Mandatory course requirements

It is compulsory to submit both essays and obtain at least 40% in the 2 hour registry examination.

Communication of additional information

Course notices will generally be relayed in class, via email, and put into Blackboard. Other information will be held by Sue Freear, in RH327.

email: suzanne.freear@vuw.ac.nz telephone: 463 5380

General University policies and statutes

Students should familiarise themselves with the University's policies and statutes, particularly those regarding assessment and course of study requirements, and formal academic grievance procedures.

Student Conduct and Staff Conduct

The Statute on Student Conduct together with the Policy on Staff Conduct ensure that members of the University community are able to work, learn, study and participate in the academic and social aspects of the University's life in an atmosphere of safety and respect. The Statute on Student Conduct contains information on what conduct is prohibited and what steps can be taken if there is a complaint. For queries about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor. This Statute is available in the Faculty Student Administration Office or on the website at:

<http://www.vuw.ac.nz/policy/StudentConduct>.

The policy on Staff Conduct can be found on the VUW website at:

<http://www.vuw.ac.nz/policy/StaffConduct>.

Academic Grievances

If you have any academic problems with your course you should talk to the tutor or lecturer concerned or, if you are not satisfied with the result of that meeting, see the Head of School or the Associate Dean (Students) of your Faculty. Class representatives are available to assist you with this process. If, after trying the above channels, you are still unsatisfied, formal grievance procedures can be invoked. These are set out in the Academic Grievances Policy which is published on the VUW website:

<http://www.vuw.ac.nz/policy/AcademicGrievances>.

Academic integrity and plagiarism

Academic integrity is about honesty - put simply it means **no cheating**. All members of the University community are responsible for upholding academic integrity, which means staff and students are expected to behave honestly, fairly and with respect for others at all times.

Plagiarism is a form of cheating which undermines academic integrity. Plagiarism is **prohibited** at Victoria.

The University defines plagiarism as follows: Plagiarism is presenting someone else's work as if it were your own, whether you mean to or not.

'Someone else's work' means anything that is not your own idea, even if it is presented in your own style. It includes material from books, journals or any other printed source, the work of other students or staff, information from the Internet, software programmes and other electronic material, designs and ideas. It also includes the organization or structuring of any such material.

Plagiarism is not worth the risk.

Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct (www.vuw.ac.nz/policy/studentconduct) and may be penalized severely. Consequences of being found guilty of plagiarism can include:

- an oral or written warning
- suspension from class or university
- cancellation of your mark for an assessment or a fail grade for the course

Find out more about plagiarism and how to avoid it, on the University's website at: www.vuw.ac.nz/home/studying/plagiarism.html.

Students with Disabilities

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities an equal opportunity with all other students to demonstrate their abilities. If you have a disability, impairment or chronic medical condition (temporary, permanent or recurring) that may impact on your ability to participate, learn and/or achieve in lectures and tutorials or in meeting the course requirements, then please contact the Course Coordinator as early in the course as possible. Alternatively you may wish to approach a Student Adviser from Disability Support Services to confidentially discuss your individual needs and the options and support that are available. Disability Support Services are located on Level 1, Robert Stout Building, or phoning 463-6070, email: disability@vuw.ac.nz. The name of your School's Disability Liaison Person can be obtained from the Administrative Assistant or the School Prospectus.

Student Support

Staff at Victoria want students' learning experiences at the University to be positive. If your academic progress is causing you concern, please contact the relevant Course Coordinator, or Associate Dean who will either help you directly or put you in contact with someone who can.

The Student Services Group is also available to provide a variety of support and services. Find out more at http://www.vuw.ac.nz/st_services/ or email student-services@vuw.ac.nz.

VUWSA employs two Education Coordinators who deal with academic problems and provide support, advice and advocacy services, as well as organising class representatives and faculty delegates. The Education Office is located on the ground floor, Student Union Building, phone 463 6983 or 463 6984, email education@vuwsa.org.nz.