

School of Economics and Finance

FINM 471
RISK MANAGEMENT AND INSURANCE

Trimester Two 2006

COURSE OUTLINE

Contact Details

Coordinator Dr Leigh Roberts Email: Leigh.Roberts@vuw.ac.nz
 RH323 Phone: 463-5937

Contact: Through email or through the tutorials

Administrator Suzanne Freear Email: Suzanne.Freear@vuw.ac.nz
 RH 327 Phone: 463-5380

Class Times and Room Numbers

Lectures 9.30 – 11.20am Monday RWW314

The final examination will take place between 19 October and 11 November, 2006.

Course 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.

Expected Workload

For students who have followed the normal prerequisites at VUW, 10-12 hours per week should be the weekly average workload, which includes class time but not consultation times at office hours.

Group Work

Group work is not allowed in this course. Students are encouraged to discuss course and assignment materials with classmates. This aspect needs to be clearly understood by students as this encouragement often results in the allegation of plagiarism. The required assessment components given below must be completed using students' own ideas.

Readings

Notes will be made available in blackboard, usually as *pdf* files. The basic readings are provided to the class in a booklet.

Assessment Requirements

30%	Two hour registry exam in October or November, 2006.
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 essays will be fixed in consultation with the class early in the course. They are typically around weeks 6 and 10 of the 13 week course, although due dates for the MMAF 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 471, 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/she 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 will be 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 a late essay. In other cases, the essay will be first graded on a b 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 students 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.**

Assignments

Two assignments will be set early in the course, within the first 3 or 4 weeks, on specified topics. These provide an opportunity to practice 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. This essay 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.

Penalties

Late submission of essays will incur a 5 per cent per day penalty for the each day or part-day. Extensions may be negotiated prior to the deadline with the lecturer concerned.

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 through the course web-page on BLACKBOARD. Additional information and course announcements will be conveyed via Blackboard. All information will otherwise be held by the Administrator, Suzanne Freear in RH Room 327.

Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office is available for the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- Forms for FCA Student and Academic Services (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar available in hard copy or under 'About Victoria' on the VUW home page at www.vuw.ac.nz.

Student 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 are to be taken if there is a complaint. For information about complaint procedures under the Statute on Student Conduct, contact the Facilitator and Disputes Advisor or refer to the statute on the VUW policy website at www.vuw.ac.nz/policy/studentconduct. The Policy on Staff Conduct can be found on the VUW website at 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; class representatives may be able to help you in this. If you are not satisfied with the result of that meeting, see the Head of School or the relevant Associate Dean; VUWSA Education Coordinators are available to assist in 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 at 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. The University defines plagiarism as follows:

The presentation of the work of another person or other persons as if it were one's own, whether intended or not. This includes published or unpublished work, material on the Internet and the work of other student or staff.

It is still plagiarism even if you re-structure the material or present it in your own style or words.

Note: It is however, perfectly acceptable to include the work of others as long as that is acknowledged by appropriate referencing.

Plagiarism is prohibited at Victoria and is not worth the risk. Any enrolled student found guilty of plagiarism will be subject to disciplinary procedures under the Statute on Student Conduct and may be penalised severely. Consequences of being found guilty of plagiarism can include:

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

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 Impairments

The University has a policy of reasonable accommodation of the needs of students with disabilities. The policy aims to give students with disabilities the same opportunity as 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, 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 (DSS) to discuss your individual needs and the available options and support on a confidential basis. DSS are located on Level 1, Robert Stout Building, telephone (04) 463 6070, email disability@vuw.ac.nz. The name of your School's Disability Liaison Person is in the relevant prospectus or can be obtained from the School Office or DSS.

Student Support

Staff at Victoria want students to have positive learning experiences at the University. Each Faculty has a designated staff member who can either help you directly if your academic progress is causing you concern, or quickly put you in contact with someone who can. Assistance for specific groups is also available from the Kaiwawao Māori, Manaaki Pihipihinga or Victoria International.

In addition, the Student Services Group (email student-services@vuw.ac.nz) is available to provide a variety of support and services. Find out more at www.vuw.ac.nz/st_services/.

VUWSA employs 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 (tel. (04) 463 6983 or (04) 463 6984, email education@vuwsa.org.nz) is located on the ground floor, Student Union Building.

Manaaki Pihipihinga - Māori and Pacific Mentoring Programme (Faculty of Commerce and Administration)

This is a mentoring service for Māori and Pacific students studying at all levels. Weekly one hour sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade, and Room 210 and 211, Level 2, Railway West Wing. Sessions cover drafting and discussing assignments, essay writing, and any questions that may arise from tutorials and/or lectures. A computer suite networked to Cyber Commons is available for student use.

To register with Manaaki Pihipihinga, please contact one of the following:

Puawai Wereta
Room 210, Level 2
Railway West Wing
Tel. (04) 463 8997
Email: Puawai.Wereta@vuw.ac.nz

Fa'afai Seiuli
Room 109 B
14 Kelburn Parade
Tel. (04) 463 5842
Email: Faafoi.Seiuli@vuw.ac.nz