TE WHARE WĀNANGA O TE ŪPOKO O TE IKA A MĀUI

VICTORIA
UNIVERSITY OF WELLINGTON

School of Economics and Finance

MMAF 522   INTRODUCTION TO RISK MANAGEMENT AND INSURANCE

Trimester One, 2009

COURSE OUTLINE

Coordinator/Lecturer   Leigh Roberts, RH 323, phone 463-5937
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Administrator   Anna Potts, RH 307, phone 463-6148
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Lecture times   Wednesday 9.30 - 11.20 am, RWW 129

Dates

Trimester 1 starts on Monday 2 March 2009, and the exam period finishes on 1 July 2009.

Withdrawal from the course

Information on withdrawal from the course can be found at
http://www.victoria.ac.nz/home/admisenrol/payments/withdrawlsrefunds.aspx

Course Content

The course is divided into 3 parts, viz.:

- Generic risk management (2-3 weeks);
- Financial risk management (6-7 weeks); and
- Insurance (3-4 weeks)

There is subantial overlap between the three parts. The teaching sequence does not necessarily follow this order; and the timing shown is only approximate.

Course Learning Objectives

To explain the extent and scope of risk management, and 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 investigate insurance theory and practice; and in particular to explore the use of insurance, both as a means of transferring risk, and more generally as providing a framework for the consideration of risk.

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

To summarise elementary aspects of theories of risk and uncertainty, with special emphasis on risk management in the finance sector.

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

Expected Workload

It is expected that the course will require approximately 200 hours of work, including class time.

Readings

Notes and readings will be made available, generally on Blackboard although sometimes in class.

It is *not* recommended that you purchase any text books for this course. Books which may be useful for parts of the course, however, include:

- C. L. Culp (2002), *The ART of Risk Management*. Wiley.
- J. C. Hull (2007), *Risk Management and Financial Institutions*. Pearson.
- J. Lam (2003), *Enterprise Risk Management*. Wiley.
- P. J. Schönbucher (2003), *Credit derivatives pricing models*. Wiley.

You can find Blackboard at http://www.blackboard.vuw.ac.nz/

The VUW library has a web page that contains detailed information about available library resources and has links to several other sites. Its URL is
http://www.vuw.ac.nz/library

Assessment

- 30%   Two hour final examination, in the examination period 12 June - 1 July 2008
- 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 prior approval of the course coordinator *before* work is started on the essay. Topics must be approved by email no later than the end of week 7 (Friday 1 May 2009) for the first essay, and no later than the end of week 9 (Friday 15 May 2009) for the second essay. Due dates for the essays are the end of week 8 (Friday 8 May 2009) and the end of week 11 (Friday 29 May 2009) of the 12 week course. Essays are to be submitted electronically, by email (*not* via blackboard). Hard copies of essays will not normally be acceptable.

The length of each essay should normally be between 4,000 and 5,000 words. It is a good idea to let the course coordinator know as soon as possible if the length of your essay seems likely to differ significantly from that suggested.

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 given. Further information about the requirements for essays is given on blackboard.

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 that grade 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. In particular the coordinator reserves the right to submit an essay to software designed to detect copying from sources such as the internet: see the note on Turnitin below.

Two assignments will be set early in the course, within the first 2 or 3 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. Due dates for assignments are normally two weeks after being set. Assignments are expected to be submitted electronically by email (again, *not* via blackboard).

Examinations

Students who enrol in courses with examinations are obliged to attend an examination at the university at the required time during the formal examination period.

Examination dates for trimester 1 are from Friday 12 June to Wednesday 1 July 2009 inclusive.

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.

A student who has not submitted such a report may not be allowed to hand in assessable course work.

Mandatory course requirements

In order to pass the course, it is compulsory to submit both essays and obtain at least 40% in the two hour final examination.

Communication

Additional information or information on changes will be posted on Blackboard. Some information may be emailed to you via your SCS address, so check this regularly.

SUPPLEMENTARY INFORMATION

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 on the ground floor (EA 005). This counter is the first point of contact for:

- 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 or go to http://www.vuw.ac.nz/policy.

For information on the following topics, go to the Faculty's website http://www.vuw.ac.nz/fca

- Academic Grievances
- Student and Staff Conduct
- Meeting the Needs of Students with Impairments
- Student Support

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:
http://www.vuw.ac.nz/home/studying/plagiarism.html.

Notice of Turnitin Use

Student work provided for assessment in this course may be checked for academic integrity by the electronic search engine http://www.turnitin.com. Turnitin is an on-line plagiarism prevention tool which identifies material that may have been copied from other sources including the Internet, books, journals, periodicals or the work of other students. Turnitin is used to assist academic staff in detecting misreferencing, misquotation, and the inclusion of unattributed material, which may be forms of cheating or plagiarism. At the discretion of the Head of School, handwritten work may be copy typed by the School and subject to checking by Turnitin. You are strongly advised to check with your tutor or the course coordinator if you are uncertain about how to use and cite material from other sources.

Manaaki Pihipihinga Programme

Manaaki Pihipihinga is an academic mentoring programme for undergraduate Māori and Pacific students in the Faculties of Commerce and Administration, and Humanities and Social Sciences. Sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade (back courtyard), Room 109D, and Room 210, Level 2, Railway West Wing. There is also a Pacific Support Coordinator who assists Pacific students by linking them to the services and support they need while studying at Victoria. Another feature of the programme is a support network for Postgraduate students with links to Postgraduate workshops and activities around Campus.

For further information, or to register with the programme, email manaaki-pihipihinga-programme@vuw.ac.nz or phone (04) 4636015. To contact the Pacific Support Coordinator, email pacific-support-coord@vuw.ac.nz or phone (04) 463 5842.