Course program and reading list
Semester 6 Year 2023

School: Arison School of Business MA in Financial Economics

Risk Management in Financial Institutions

Lecturer:
Prof. Jacob Boudoukh jboudouk@runi.ac.il

Teaching Assistant:
Ms. Shachar Weidberg shahar.waidberg@post.runi.ac.il

Course No.: 29027  Course Type : Elective Weekly Hours : 4 Credit: 2

Course Requirements: Final Exam
Group Code : 236290272 Language: English

Course Description

Introduction to VaR
Statistical framework
Risk and diversification: some examples
Possible applications

The Stochastic Behavior of Asset Returns
Time variations in volatility
VaR: approaches and comparison
The Hybrid Approach to VaR

Beyond Volatility Forecasting
The VaR of derivatives and interest rate VaR
Structured Monte Carlo
Extreme events and correlation breakdown
Stress testing and scenario analysis
Course Goals

Develop an understanding of the issues, methods and difficulties in financial risk management.

Grading

Quiz exams and class participation

Lecturer Office Hours

by appointment

Reading List

Optional Textbook: Understanding Market, Credit, and Operational Risk: The Value at Risk Approach; Linda Allen, Jacob Boudoukh and Anthony Saunders, Blackwell

Course material: copies of slides will be appear on the Moodle of the course.