

THE HONG KONG UNIVERSITY OF SCIENCE AND TECHNOLOGY

Approval of Undergraduate Course

Section 1: Academic Administration ⁽¹⁾

1.1 Catalog

- a) Course to be effective from: Academic Year 2021-22 Term Fall
- b) Department Code⁽³⁾: FINA Subject Area⁽³⁾: FINA Course Number ⁽⁴⁾: 4513
- Previous Course Code⁽⁵⁾: _____
- c) Full Title⁽⁶⁾ (max. 100 characters): Risk Management
- d) Abbreviated Title⁽⁷⁾ (max. 30 characters): _____
- e) Course Credits⁽⁸⁾: ☒ Fixed: 3 ☐ Range: From _____ To _____

- f) Catalog Description⁽⁹⁾ (word limit = 150):

This course covers the role of risk management in supporting companies as they strive to balance the internal and external risk factors surrounding the operation of their business model against their various stakeholder obligations. Topics include a review of basic hedging strategies (knowledge of futures and options is pre-requisite), the theory and evidence on the value of corporate risk management, review of the major surveys of risk management practices, business-case studies highlighting advanced derivatives and risk-management strategies, an illustrative model of integrated enterprise risk-management (featuring Monte-Carlo simulation), and student-led risk-management audits.

- g) Grading Type⁽¹⁰⁾: ☒ Letter Grades ☐ Distinction/Credit/Pass/Fail ☐ Pass/ Fail
☐ Distinction/Pass/Fail ☐ Others (please specify): _____

- h) ☒ Prerequisites⁽¹¹⁾:

Course Code / Public Exam	Course Title / Exam Subject and Level / Grade attained
FINA 3103	Intermediate Investments
FINA 3203	Derivative Securities

- i) ☐ Corequisites⁽¹²⁾:

Course Code	Course Title

- j) ☐ Exclusions⁽¹³⁾:

Course Code / Public Exam	Course Title / Exam Subject and Level / Grade attained

- k) ☐ Co-listing⁽¹⁴⁾: ☐ Multi-coding⁽¹⁴⁾:

Course Code	Course Title

- l) Other Enrollment Restrictions⁽¹⁵⁾ ☒ No ☐ Yes

☐ Instructor's approval required

☐ Restricted to specified student group(s)
 (please specify, e.g. year and program of study): _____

☐ Others (please specify): _____

m) Medium of Instruction/Materials⁽¹⁶⁾: ☒ English ☐ Others, (Pls specify and provide a justification in Section 1.3): _____

n) Allow course repetition for credit⁽¹⁷⁾: ☒ No ☐ Yes

1.2 Contribution of course to Programs of Study [Check all appropriate boxes below]

☒ Major

Program of Study	As		
BBA in Finance	<input type="checkbox"/> Required Course	<input checked="" type="checkbox"/> Elective	<input type="checkbox"/> Prerequisite

☐ Minor

Program of Study	As		
	<input type="checkbox"/> Required Course	<input type="checkbox"/> Elective	<input type="checkbox"/> Prerequisite

☐ Common Core

☒ Others (pls specify):

Program of Study	As		
BSc in Sustainable and Green Finance	<input checked="" type="checkbox"/> Required Course	<input type="checkbox"/> Elective	<input type="checkbox"/> Prerequisite

1.3 Rationale for Introducing this course and other relevant information⁽¹⁸⁾

This course dovetails with proposed course FINA 4703 ESG Investing. Whereas ESG Investing mainly focuses on the security-investing (*aka* asset-pricing) side of things, educating students in their role of delegated portfolio managers, socially-responsible investors, and stewards of the funds under their charge, this course on risk management takes the standpoint of corporate managers, such the CEO, CFO, or CRO, who take the signals conveyed to them *via* these ESG-savvy capital markets as guideposts channelling their quest for profit maximization, and who should optimally internalize the demands of an increasingly ESG-sensible stakeholder audience.

Newly-priced risk factors canvased in the ESG Investing course, such as climate risk, find their counterparts in this corporate risk-management course, where the resulting premia enter the cost of capital and advanced securities such as weather derivatives enter optimal hedging strategies. These contemporary risks gain prominence alongside traditional risk factors such as foreign exchange, interest rates (green-bond premia affecting credit spreads), and commodities (renewal and non-renewable). These new considerations and sophisticated finance tools need to be integrated into managerial thinking and the calculus of shareholder-value maximization. This course invites students to gain the insights and skills needed to do so.

Section 2A: Learning Outcomes and Alignment (for courses not proposed to be Common Core Courses)

2.1 Key Course Intended Learning Outcomes (Should not normally exceed six or eight outcomes)

Upon completion of this course, students are expected to be able to do the following:

	Course ILOs	Nature of the learning outcomes (A - Knowledge/Content Related; B - Academic Skills/Competencies; C - Others)
1	Situate risk-management in an organization's value-adding chain.	A
2	Compare and contrast traditional and contemporary price-risk factors.	A
3	Tailor advanced derivatives and hedging strategies to preserve and add value.	A, B
4	Model causes and effects of risk factors using enterprise risk-management.	B
5	Conduct a structured and principled corporate risk-management audit.	B

2.2 Contribution of Learning Outcomes to Programs of Study identified in Section 1.2

(Please also complete Section 4.1)

	Program of study 1: BBA in Finance Program ILOs	To be achieved through these course ILOs (Write CILO-1, CILO-2, etc.)
1	Graduates will be critical and creative thinkers who make effective decisions supported by analytical and quantitative techniques	CILO-1, 2, 3, 4, 5
2	Graduates will be effective communicators in oral and written English for general business applications.	CILO-5
3	Graduates will have broad understanding of the core business functions and integrate these functions to solve business problems	CILO-1, 2, 3, 4, 5
4	Graduates will have in-depth grasp of their area of business concentration or major.	CILO-1, 2, 3
5	Graduates will be effective team members and leaders	CILO-5
6	Graduates will be effective in multi-cultural and international settings	
7	Graduates will be effective users of information technology and sources of information in business applications.	CILO-3, 4
8	Graduates will understand their professional and ethical responsibility.	CILO-1, 2, 4, 5

	Program of study 2: BSC in Sustainable and Green Finance Program ILOs	To be achieved through these course ILOs (Write CILO-1, CILO-2, etc.)
1	have a broad understanding of Sustainable and green business functions and integrate these functions to adopt an inter-disciplinary approach and formulate effective and innovative solutions to tackle complex real-world problems.	CILO-4, 5
2	have in-depth grasp of Sustainable and green finance knowledge and skills, and transfer acquired knowledge and skills to meet changes and challenges in different fields.	CILO-1, 2, 3, 4, 5
3	engage in activities that lead to impact of societal improvement	CILO-4, 5
4	make effective ESG finance decisions supported by analytical and quantitative techniques.	CILO-3, 4, 5
5	have the ability to create and innovate with divergent thinking.	CILO-3, 4
6	communicate effectively with people of different levels and work areas.	CILO-1, 2, 5
7	work independently, collaborate effectively in teams, and lead a team to success.	CILO-5
8	demonstrate a global outlook and function effectively in multi-cultural and international settings.	
9	effectively use information technology and sources of information in work applications.	CILO-3, 4
10	understand professional and ethical responsibility, and recognize the importance of a sustainable and green living society.	CILO-1, 2, 4, 5

Section 2B: Additional Information⁽²⁾ (for courses not proposed to be Common Core Courses)

2.3 Planned Teaching & Learning Arrangement

Teaching & Learning Arrangement		Weekly Scheduled Hours/ Estimated Weekly Learning Hours	Indicate which course ILOs this activity serves to achieve (Write CILO-1, CILO-2, etc.)	Additional Information (optional)
Face-to-face activities	<input checked="" type="checkbox"/> Lecture*	3	CILO-1, 2, 3, 4, 5	
	<input type="checkbox"/> Tutorial*			
	<input type="checkbox"/> Seminar/Small-class*			
	<input type="checkbox"/> Laboratory*			
	*Does the above scheduled component(s) involve structured active learning activities? ⁽¹⁹⁾ <input checked="" type="radio"/> No <input type="radio"/> Yes If yes, please specify for each scheduled component, the percentage and the type of active learning involved in the "Additional Information" column.			
	<input type="checkbox"/> Others (e.g. fieldtrip, visit, etc.), pls specify: _____			
Online activities	<input type="checkbox"/> Online lecture videos			
	<input type="checkbox"/> Other online learning tasks, pls specify: _____			
The total learning hours of the course [#] is equivalent to <u>120 hours</u> ⁽⁸⁾ [#] including both scheduled instructional hours and hours for self-study activities & assessment				

• For course adopting a pedagogic approach other than lecture, tutorial and laboratory, please indicate the pedagogy used:

- ☐ Blended learning ⁽²⁰⁾
☐ Pure online delivery ⁽²¹⁾
☐ Experiential learning ⁽²²⁾
☐ Others, pls specify: _____

2.4 Planned Assessment Weightings

Assessment Task	Proportion of Final Grade (%)	Indicate which course ILOs this task is to assess (Write CILO-1, CILO-2, etc.)	Additional Information (optional)
<input checked="" type="checkbox"/> In-class test	10	CILO-1, 2, 3, 4, 5	
<input checked="" type="checkbox"/> Mid-term test	20	CILO-1, 2, 3, 4, 5	
<input checked="" type="checkbox"/> Final exam	30	CILO-1, 2, 3, 4, 5	
<input checked="" type="checkbox"/> Written assignment	15	CILO-1, 2, 3, 4, 5	
<input checked="" type="checkbox"/> Project report	10	CILO-1, 2, 3, 4, 5	
<input checked="" type="checkbox"/> Presentation	5	CILO-1, 2, 3, 4, 5	
<input type="checkbox"/> Learning portfolio			
<input checked="" type="checkbox"/> Course participation	5	CILO-1, 2, 3, 4, 5	
<input checked="" type="checkbox"/> Peer evaluation	5	CILO-1, 2, 3, 4, 5	
<input type="checkbox"/> Others (e.g. proctored online exam, etc.), pls specify: _____			

2.5 Course Duration

☒ 1 term ☐ 2 terms ☐ Others, pls specify: _____

2.6 Planned Frequency of Offerings [Check all appropriate boxes]:

- | | |
|--|---------------------------------------|
| <input type="checkbox"/> Every Fall | <input type="checkbox"/> Every Winter |
| <input type="checkbox"/> Every Spring | <input type="checkbox"/> Every Summer |
| <input checked="" type="checkbox"/> No fixed pattern | |
| <input type="checkbox"/> Other (pls specify): _____ | |

2.7 Course outline attached

☒ No ☐ Yes

• **Internationalization:**

Internationalization in a course refers to course content and/or pedagogic approaches which incorporate an intercultural and international perspective. Examples may include:

- *Collaboration with overseas institutions to develop and adopt international course content, or to arrange international field trip*
- *Insertion of international theme as part of the course*
- *Integrating the course content with international material as examples or case studies*
- *Elements to provide global diversified perspectives and/or practices around the world*

Please briefly list or summarize any component(s) in the course that contributes to internationalizing the curriculum:

2.8 Resources

Request extra resources for teaching this course?

☐ No ☒ Yes

BBA FINA Program ILOs (22 June 2018)

- (1) **Goal:** Graduates will be critical and creative thinkers who make effective decisions supported by appropriate analytical techniques.

Objectives: Graduates will:

- Analyze the core issues and weigh the significance of key assumptions used in business decision-making scenarios.
- Solve business problems using appropriate analytical techniques.

- (2) **Goal:** Graduates will be effective communicators in oral and written English for general business applications.

Objectives: Graduates will:

- Produce professional quality business documents in English.
- Deliver professional quality presentations in English.

- (3) **Goal:** Graduates will have broad understanding of the core business functions and integrate these functions to solve business problems.

Objectives: Graduates will:

- Identify the key functional areas that are involved in specific business problems and articulate contributions made by these functional areas to the overall well-being of an organization.
- Connect different functional areas to formulate integrated solutions.

- (4) **Goal:** Graduates will have in-depth grasp of financial knowledge and applications.

Objectives: Graduates will:

- Demonstrate substantial knowledge in finance.
- Apply financial skills and techniques to solve financial problems.

- (5) **Goal:** Graduates will be effective team leaders and members.

Objectives: Graduates will:

- Demonstrate an understanding of the various roles played within the team.
- Collaborate and lead positively by actively seeking and engaging in discussion of the views of others while showing sensitivity to opposing views.

- (6) **Goal:** Graduates will be effective in multi-cultural and international settings.

Objectives: Graduates will:

- Demonstrate a global outlook and an understanding of cultural diversity.
- Apply business concepts and theories to make proper business decisions in international settings.

(7) Goal: Graduates will be effective users of information technology and sources of information in business applications.

Objectives: Graduates will:

- Demonstrate proficiency in using IT applications in business and management.
- Locate, gather, organize and evaluate information using appropriate information technology and systems.

(8) Goal: Graduates will understand their professional and ethical responsibility

Objectives: Graduates will:

- Demonstrate an understanding of the role played by managers in ensuring the integrity of the firm and maintaining appropriate levels of social responsibility.
- Identify the activities/issues in their chosen profession that may present ethical challenges, and articulate the consequences associated with unethical behavior.

Section 4: Development, Concurrence and Approval

4.1 Contribution to the Program Learning Outcomes

The course is confirmed by the following Major/Minor program department(s)/unit(s) as indicated in Section 1.2 that it would contribute appropriately to overall program learning outcomes.

<i>Department/Program unit</i>	<i>Position</i>	<i>Name</i>	<i>Date</i>
Dept of Finance	Head of Dept	Prof Chu ZHANG	23-Feb-21

4.2 Approvals

Recommendation from offering department(s) and School(s)/IPO

Offering Department/Program Unit	Position	Name	Date
Dept of Finance	Head of Dept	Prof Chu ZHANG	23-Feb-21

<i>Recommending School/IPO</i>	<i>Position</i>	<i>Name</i>	<i>Date</i>
School of Business and Management	Associate Dean	Prof Allen HUANG	23-Feb-21

Concurrence from other Schools or departments/units

[illegible]