

Name	Risk management and derivatives instruments
Component modules	
Scientific-disciplinary sector	ECON-09/A
Year of course and semester of provision	2 nd year, 2 nd semester
Teaching language	English
Didactic load in university formative credits	8
Number of hours of total assisted teaching activities divided between DD and ID	Delivered Didactic: 48 Interactive Didactic: 8
Lecturer	Course Coordinator: Francesco D'Ercole Lecturers: Domenico Frascati (the part of the course on derivative financial instruments, with a focus on futures, forwards and swaps; options theory; pricing and valuation of derivative instruments; hedging, speculative and arbitrage strategies). Francesco D'Ercole (the part of the course on the definition of risk, financial risks and new emerging risks financial risk management with a focus on interest rate, exchange rate and commodity pricing risks management of geopolitical risks and cybersecurity).
Specific learning outcomes	The course aims to provide students with knowledge concerning the correct identification of financial risks and new emerging risks. In particular, students will acquire knowledge and understanding of the main techniques and instruments for risk management, ranging from more traditional risks to those linked to geopolitical tensions, climate change, and digitalisation. Specifically, the main derivative contracts, their construction, and their functioning will be examined in depth. In this way, students will acquire the ability to understand the benefits arising from sound active risk management within the context of key corporate decisions. Upon completion of the course, students will be able to apply the knowledge acquired to the specific situations under analysis and to formulate qualitative and quantitative judgements regarding risk governance. They will also be able to express, in an effective manner, with clarity of presentation and appropriate language, the knowledge acquired in relation to the governance and structuring of derivative contracts for the sound management of key risks.
Program	The structure of the Course is divided into several parts: 1) Definition of Risk: a. Financial risks; b. New emerging risks; 2) Financial risk management: a. interest rate risk, b. exchange rate risk, c. commodity pricing risk, d. geopolitical risks, e. cybersecurity, 3) Derivative financial instruments: a. Futures, b. Forwards, c. Swaps 4) Options theory 5) Main techniques for pricing and valuing the principal derivative instruments 6) Hedging strategies, 7) Speculative or arbitrage strategies.
Types of didactic activities and relative methods of carrying them out	The course is structured around lectures delivered according to the academic calendar. Each session includes a first part dedicated to theory and a second part devoted to the analysis of case studies, in order to enable the active learning of concepts, methodologies, and tools. Interactive teaching includes case study discussions and practical exercises primarily through Excel Modeling. Sessions featuring guest speakers might also be scheduled in accordance with the key topics of the program.
Learning evaluation	The exam is conducted in oral form, consists of at least 3 questions, and lasts approximately 20 to 30 minutes.

methods and criteria	Taken as a whole, the questions are designed to assess: students' acquisition of knowledge relating to the identification and management of corporate risks; their ability to analyse and identify the most appropriate techniques for managing financial and emerging risks; and their ability to communicate the knowledge acquired with accuracy and clarity, and to argue independently in relation to it.
Criteria for measuring learning and assigning the final grade	Learning is assessed through a grade expressed out of thirty (/30). To pass the exam with a sufficient grade, students must demonstrate that they possess the fundamental knowledge of the subject, including in particular the basic knowledge relating to the identification and active management of financial and emerging risks. To achieve a score equal to or higher than 27/30, students must instead demonstrate that they have acquired in-depth knowledge of all the topics covered during the course, being able to connect them in a logical and coherent manner.
Prerequisites	The course assumes a good knowledge of the disciplines relating to Corporate Finance and Corporate Valuation.
Didactic material used and recommended didactic material	Teaching materials provided by the lecturers. Damodaran A., Roggi O., Elementi di finanza aziendale e risk management.