

## **MSc in Financial Risk Management (full-time) For students entering in 2015/6**

Awarding Institution:	University of Reading
Teaching Institution:	University of Reading
Relevant QAA subject Benchmarking group(s):	
Faculty:	Henley Business School at Univ of Reading
Programme length:	10 months
Date of specification:	25/Aug/2015
Programme Director:	Dr Nadia Kappou
Programme Advisor:	
Board of Studies:	HBS Pre Exp BOS
Accreditation:	

### **Summary of programme aims**

The aim of the programme is to prepare graduates for a career in the financial risk management industry. The programme will provide participants with the opportunity to develop and demonstrate their understanding of both the theory and practical applications of modern finance to market, credit and operational risk management.

The MSc programme is offered on a full-time residential basis.

### **Transferable skills**

The quantitative skills developed, including the use of statistical and econometrics software, are much in demand in the financial sector, but are readily transferable to other business and organizational contexts. All other skills are transferable and therefore not specific to particular firms or industries. Students will have the opportunity to improve their communication skills both in the preparation of written assignments and during the interaction with their classmates in the online discussions that support their learning. The Quantitative Methods for Finance, Securities, Futures and Options and Fixed Income and Equity Investments modules will require them to organize and interpret data.

### **Programme content**

Code	Title	Credits	Level
ICM103	Quantitative Methods for Finance	20	7
ICM106	Financial Markets	20	7
ICM107	Securities, Futures and Options	20	7
ICM108	Fixed Income and Equity Investments	20	7
ICM207	Market Risk	20	7
ICM231	Financial Instruments	20	7
ICM239	Credit Risk	20	7

### **Option Modules**

Students must choose option modules to the value of 40 credits. A complete list of option modules is available from the Programme Director, and a list of current options can be found in the relevant Programme Handbook. There is no guarantee that in any one year all modules will be available. New option modules may also be added.

### **Part-time or modular arrangements**

N/A

### **Progression requirements**

N/A

### **Summary of Teaching and Assessment**

Teaching is organised in modules. The method of delivery varies among modules, especially in terms of the proportions of time allocated to lectures, seminars and dealing-room sessions. All modules are part-assessed via a multiple-choice test or coursework that can take a variety of forms. Final assessment normally involves a written examination, and also incorporates coursework marks.

The programme is taught over two 11-week terms. Part 1 begins at the beginning of Welcome Week in September of each year. Examinations for Part 1 modules are held in Week 1 of the following spring term. Part 2 occupies 9 weeks of the spring term and 2 weeks at the beginning of the summer term. Examinations for Part 2 are normally held in late May.

The University's taught postgraduate marks classification is as follows:

**Mark Interpretation**

70 - 100% Distinction

60 - 69% Merit

50 - 59% Good standard (Pass)

**Failing categories:**

40 - 49% Work below threshold standard

0 - 39% Unsatisfactory Work

**For Masters Degrees (180 credits)**

To pass the MSc students must gain an average mark of 50 or more overall. In addition the total credit value of all modules marked below 40 must not exceed 30 credits and for all modules marked below 50 must not exceed 55 credits.

Students who gain an average mark of 70 or more overall and have no mark below 40 will be eligible for a Distinction. Those gaining an average mark of 60 or more overall and have no mark below 40 will be eligible for a Merit.

**For PG Diplomas (120 credits)**

To pass the Postgraduate Diploma students must gain an average mark of 50 or more. In addition the total credit value of all modules marked below 40 must not exceed 30 credits and for all modules marked below 50 must not exceed 55 credits.

Students who gain an average mark of 70 or more and have no mark below 40 will be eligible for the award of a Distinction. Those gaining an average mark of 60 or more and have no mark below 40 will be awarded eligible for a Merit.

**For PG Certificate (60 credits)**

To pass the Postgraduate Certificate students must gain an average mark of 50 or more. In addition the total credit value of all modules marked below 40 must not exceed 10 credits.

**Admission requirements**

Entrants to this programme are required to have obtained a first degree the equivalent of a British upper second class honours degree or equivalent from an overseas institution. Degrees can be in any discipline but applicants must demonstrate a satisfactory level of numeracy and have basic knowledge of Mathematics, Statistics, Economics and Accounting.

For applicants whose first language is not English, proof of proficiency is required.

**GMAT**

Applicants are strongly recommended to submit a GMAT score with their application, particularly if they have been out of education for more than a few years. The ICMA Centre may ask an applicant to submit a GMAT if it is deemed appropriate.

**Admissions Tutor:** Dr Simone Varotto

**Support for students and their learning**

University support for students and their learning falls into two categories. Learning support is provided by a wide array of services across the University, including: the University Library, the Careers, Placement and Experience Centre (CPEC), In-session English Support Programme, the Study Advice and Mathematics Support Centre teams, IT Services and the Student Access to Independent Learning (S@il) computer-based teaching and learning facilities. There are language laboratory facilities both for those students studying on a

language degree and for those taking modules offered by the Institution-wide Language Programme. Student guidance and welfare support is provided by Personal Tutors, School Senior Tutors, the Students' Union, the Medical Practice and advisers in the Student Services Centre. The Student Services Centre is housed in the Carrington Building and offers advice on accommodation, careers, disability, finance, and wellbeing, academic issues (eg problems with module selection) and exam related queries. Students can get key information and guidance from the team of Helpdesk Advisers, or make an appointment with a specialist adviser; Student Services also offer drop-in sessions and runs workshops and seminars on a range of topics. For more information see [www.reading.ac.uk/student](http://www.reading.ac.uk/student)

### **Career prospects**

Graduates of the ICMA Centre have an enviable record of attainment when it comes to gaining employment in the financial services industry. The global investment banking and securities markets attract the very best applicants and competition for entry-level positions remains intense. Despite the volatile nature of the financial markets, demand for well-qualified recruits remains high.

Risk Management is a sector of the financial industry that has been growing very rapidly over the last few years. Demand for well-qualified graduates in this area greatly exceeds supply and there are strong reasons to suppose that this demand will continue to grow. Graduates of this MSc programme would thus have excellent career prospects.

ICMA Centre graduates from this programme will be equipped with knowledge and transferable skills that are also prized by employers outside of the risk management sectors. Many of our graduates are currently enjoying successful careers with government agencies specialist IT firms, multinational companies and global consulting organisations. However, increasingly, students join us to obtain specific skills: the Risk Management programme will enable them to join fund managers, banks, corporates, small financial boutiques, proprietary trading firms and hedge funds.

### **Opportunities for study abroad or for placements**

There are currently no opportunities to study abroad.

### **Programme Outcomes**

The programme provides opportunities for students to develop and demonstrate knowledge and understanding, skills, qualities and other attributes in the following areas:

#### **Knowledge and Understanding**

##### **A. Knowledge and understanding of:**

Fundamental theory of finance, including financial decision-making in an uncertain environment.  
Practical techniques for the valuation and the risk management of cash and derivative securities in equity, fixed income, commodity and foreign exchange markets.  
Analytical techniques used routinely in the valuation and the risk management of cash and derivative securities.  
Quantitative techniques including: Linear Algebra, Elementary Numerical Methods, Probability and Statistics (incl. Econometrics).

##### **Teaching/learning methods and strategies**

1. Formal lectures, practical (including dealing-room) sessions and conventional classes, supervisions supported by directed and assessed self-study. Feedback and guidance are an important part of the process.
2. This body of knowledge is communicated by detailed, paper-based lecture notes. These are supported by lectures or e-lectures and a Learning Management System (LMS). The LMS provides the students with the ability to participate in online discussion.

##### *Assessment*

Knowledge is tested via multiple-choice tests, tutor-marked assignments, tutor-moderated online discussion boards and unseen written examinations.

Courses are assessed through a combination of coursework and unseen examinations. Practical project work is also assessed and provides a source of feedback on performance to students

## Skills and other attributes

### B. Intellectual skills - *able to:*

1. Gather, analyse and interpret data.
2. Read, understand and discuss the relevant literature in refereed academic journals.
3. Think logically and apply analytical principles to a range of problems in finance.
4. Validate the pricing and hedging models used by derivative securities traders.

### Teaching/learning methods and strategies

- Substantive problems are illustrated in lectures and smaller group seminars. Essays, project work and problem sets provide related opportunities for problem solving. Lectures supported by essays and seminar discussions provide the basis of ensuring the growing knowledge base becomes comprehensible.
- These skills are developed by each of the core modules, which are supported by key milestones and submission of tutor-marked assignments. Students will be presented with financial datasets and required to analyse them and to draw appropriate inferences

### Assessment

Through tutor-marked assignments, project work, problem sets, and unseen written examinations.

### C. Practical skills - *able to:*

1. Use Information Technology effectively.
2. Utilise Value-at-Risk (VaR), statistical and econometric software to analyse financial data.
3. Communicate ideas online.
4. Utilise Thomson Reuters and Bloomberg business information and analytical tools.
5. Use spreadsheet software, and VaR models in particular, to assess risk capital (both regulatory and economic)
6. Operate effectively in a simulated middle office environment, including the ability to handle daily P&L and to validate quantitative trading models

### Teaching/learning methods and strategies

- Practical skills are introduced in lectures, developed in supporting tutorials, computer-based sessions and dealing-room sessions, and reinforced by problem sets and supervised project work.
- Teaching is supported by a LMS that allows students to participate in asynchronous online discussions.
- Risk Management software is included in the teaching of the Market and Credit Risk modules
- Quantitative Methods for Finance, Securities, Futures and Options and Fixed Income, Equity and Investments have practical exercises based on spreadsheets, dealing room, statistical and econometric software.

### Assessment

These are assessed through INVEST dealing-room sessions, computer-based sessions and tutorials. For distance learners, tutor-marked assignments using Excel spreadsheets and other software packages will be submitted electronically as part of the milestones built into the programme calendar.

### D. Transferable skills - *able to:*

1. Contribute to online group discussions.
2. Gather and interpret data, and present results.
3. Work in teams.
4. Demonstrate familiarity with the workings of the international financial markets.
5. Use IT, including word processing, data exchange, graphics, spreadsheet and econometrics software and directed website searches.

### Teaching/learning methods and strategies

- The use of IT is an integral part of the practical side of the course. It is encouraged through applications that require economic and financial analysis. These involve spreadsheet-modelling exercises, Monte-Carlo simulations, website searches, use of library resources, the presentation of word-processed documents including graphics displays. Communication skills are assessed at several points throughout

6. Communicate orally and in writing.
7. Use library and web-based resources.
8. Manage time to achieve goals.

the programme. Communication, presentation and team-working skills are specifically emphasised in CPD. Good time management is essential for organising a timetable to complete project work.

- Tutor-moderated online discussion groups (1) and (3). Assignments. Interviews with prominent guest speakers from the City of London (4).

#### *Assessment*

Assessment of transferable skills is incorporated at several points in the programme. (1) and (3) contribute towards assessed work in projects, problem sets and dealing-room sessions. These are also assessed by means of unseen written examinations, tutor-marked assignments and moderated online discussion.

**Please note - This specification provides a concise summary of the main features of the programme and the learning outcomes that a typical student might reasonably be expected to achieve and demonstrate if he/she takes full advantage of the learning opportunities that are provided. More detailed information on the learning outcomes, content and teaching, learning and assessment methods of each module can be found in the module description and in the programme handbook. The University reserves the right to modify this specification in unforeseen circumstances, or where the process of academic development and feedback from students, quality assurance process or external sources, such as professional bodies, requires a change to be made. In such circumstances, a revised specification will be issued.**