

EMBA 515
Financial Risk Management
August 26 - November 3
College of Business & Entrepreneurship
Texas A&M University-Commerce

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Department: Economics & Finance

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REQUIRED BOOKS AND MATERIALS:

- *Mastering Corporate Finance Essentials*, Stuart A. McCrary, Publisher: Wiley, ISBN: 978-0-470-39333-8
- *Essentials of Risk Management in Finance*, Anthony Tarantino with Deborah Cernauskas, Publisher: Wiley, ISBN: 978-0-470-63528-5
- A financial calculator such as Texas Instruments BAI Plus, Hewlett Packard 10BII or anything you prefer as long as it is a financial calculator. A financial calculator will be advantageous to have not only when you take other business courses but also when making personal financial decisions.

COURSE DESCRIPTION: This course aims to engage students in an active discovery of the basic principles of corporate finance, investments and risk management. The student will gain an awareness of the challenges witnessed as well as tools and processes used by decision makers in these fields.

COURSE OBJECTIVES: Students are exposed to a variety of concepts, methods and theories in corporate finance and investment management from the perspectives of risk and uncertainty; and will learn how corporations add value to their shareholders and grow in a sustainable manner given the challenges and opportunities in a global setting. More specifically, upon completion of the course, students should be able to:

1. Understand the time value of money and its applications.
2. Understand how corporations deal with capital budgeting decisions including real options analysis.
3. Understand the significance of risk and uncertainty in portfolio management as well as statistical methodologies including Value-at-Risk and various performance measures.

COURSE OUTLINE

From: Mastering Corporate Finance Essentials - McCrary

Chapter 1: The Time Value of Money Toolbox

Chapter 4: Capital Budgeting Tools

Chapter 6: Real Options Analysis of Capital Investments (p. 99-108)

Chapter 2: Statistics for Finance

Chapter 3: Core Finance Theories and Cost of Capital

From: Essentials of Risk Management in Finance - Tarantino

Chapter 1: Introduction to Risk Management

Chapter 2: Risk Frameworks and Standards

Chapter 3: Conducting Your Own Risk Assessment and Alignment

Chapter 11: Market Risk - From Value at Risk to Black Swans

Chapter 12: Volatility, Risk Aversion, and Portfolio Management

Chapter 14: Corporate Governance and Compensation

EXAMS

Exam #1 (100 points)	September 19-22	Ch 1 and 4 (McCrary)
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Exam #2 (100 points)	October 17-20	Ch 6, 2 and 3 (McCrary)
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PowerPoint Project (100 points)

Pick any three of the six chapters listed from Tarantino, and prepare PowerPoint presentations with the following in mind (due on October 27).

Scope and Expectation: The PowerPoints are prepared to educate/brief executives of a company or board of directors on a topic related to risk management; they will be educational in nature, but should leave the audience with a practical sense of applying those in real life challenges faced by corporations. The content is already in the book, you have to creatively put the ideas together, and make sure they flow nicely!

In any presentation, you want to keep the audience intrigued! You may want to put pictures, graphs, and figures of your choice; after all, you are presenting the ideas

and concepts. Also do some additional research on the topic and include those in your presentation and make references at the end. This will support your arguments and show the listeners that you did your homework thoroughly.

By research I mean (at the very least) to google the more critical and value-added concepts in the presentation. Moreover, you should incorporate your own views, where necessary. They do not need to be comprehensive but I would like to hear you engage yourselves in the topic of interest. Maybe this is something they will ask you to do in a job interview! Something I have done in the past! Your grades are based on how much you impress me and how you line up vis a vis others in the class.

GRADING SCALE

Points	Grade
270 and above	A
240 to 269	B
210 to 239	C
180 to 209	D
Below 180	F

TECHNICAL PROBLEMS AND QUESTIONS

Personal computer problems do not excuse the requirement to complete all course work in a timely and satisfactory manner. Each student needs to have a backup method to deal with these inevitable problems. These methods might

include the availability of a backup PC at home or work, the temporary use of a computer at a friend's home, the local library, Office Services such as Kinko's, an Internet cafe, or a bookstore such as Barnes & Noble, etc.

Technical assistance is available 24 hours a day/ 7 days a week. If you have questions related to eCollege, Texas A&M - Commerce's online course management system, click on "TECHNICAL SUPPORT" on the left side of your course screen. An email box will appear. Fill out this technical support form, click submit, and your questions will be forwarded to the technical support staff. A resolution will be sent to you from the technical support staff via email. If at any time you experience technical problems (e.g., you cannot log in to the course, you do not have access to any course material), please contact the eCollege HelpDesk, available 24 hours a day, seven days a week.

HelpDesk can be reached by sending an email to helpdesk@online.tamuc.org or by calling (866) 656-5511. Additionally, you can click on the "Help" button located at the top of each page for more information. If you use an Internet Service Provider other than the university, please contact a company representative if you are having difficulty accessing the Internet.

Other support questions may be addressed to Computing, Telecommunications, and Information Systems (CTIS). CTIS help desk is staffed between Monday and Friday from 8AM to 5PM; and can be reached at (903) 468-6000. The after-hours and weekend emergency phone number is (877) 808-1607. When the after-hours support number is dialed, the answering service representative will ask for your name and phone number. The representative will then contact the on-call CTIS technician who should return your call within about 15 minutes.