

## Corporate Risk Management

UGRA\_014609

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Departments	Department of Economics, Finance & Accounting
Teaching Languages	English
ECTS	4
Teacher responsible	Ros Frizón Lydia - lydia.ros@esade.edu

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### Course Goals

Have you listen people saying that **derivatives are the most difficult instruments in finance?**

**Let me demonstrate they are wrong!!!!**

To do so, **I will be your boss in a consultancy firm solving our customer challenges.**

You will play the role of a junior consultant working in the most efficient way, to solve the market risks your new customer is in front of.

We will be **learning by doing** the basics about financial derivatives and how to hedge or, sometimes, speculate with them.

Participants will:

- Realize that derivatives could be easily explained and
- Understand the advantages and disadvantages of the principal ones to hedge market risks
- Discover how to work as a "junior consultant" on a real agency.

### Previous knowledge

Introductory and compulsory courses in

- Accounting and Financial Analysis, Financial Economics,
- Microeconomics and Macroeconomics.

### Prerequisites

Introductory and compulsory courses in

- Accounting and Financial Analysis, Financial Economics,
- Microeconomics and Macroeconomics.

### Teaching methodology

We will cut the problem of our customers in pieces, prepare each one of them and present, first, to your boss, finally to our customer:

- Company analysis & Project Analysis,
- Challenges,
- Alternative hedging
- Key factors
- The best advice

## Description

### Course contribution to program

Participants will discover the principal financial derivatives and how to take advantage to use the to hedge market risks

### Short description

Derivatives in the real world (as an user, not a financial analyst)

## Activities

#### In-class discussions and debates

Class participation

#### Role-play exercises and simulations

Participants will play the role of Junior consultants of a real Consultancy firm and present their findings to its customer

#### Group presentations

Additional but non compulsory performance's mentoring to improve presentations in front of customers

#### Project development and presentation

As junior consultants, participants will give reports to their "boss"

#### Case study analyses

Participants will analyze a real project to manage the market risk a company is in front of

## Content

#	Topic
1	The International Financial Markets: FOREX Market
2	Forecasting Theories
3	Company Analysis: Checking the situation and challenges of a real company
4	Hedging Exchange Rate Risk 1: Forward hedge The simple and easier to use
5	Hedging Exchange Rate Risks 2: Money Market Hedge & Netting Available to 99% of the companies
6	Hedging Exchange Rate risks 3: Currency options When are they adequate?
7	Hedging Interest Rate Risks 1: FRA's A taylor made suit!
8	Interest Rate Risks: Financial Futures A prêt à porter!
9	The moment of truth! Helping a CFO to hedge To hedge or not to hedge....that is the question :-)

## Assessment

Tool	Assessment tool	Category	Weight %
Group project	Presentation of project in front of the company	Retake and ordinary round	65.00%
Written and/or oral exams	Final Exam	Retake and ordinary round	35.00%

## PROGRAMS

B13-Exchange Program Bachelor of Business Administration (BBA) (Undergraduates: Business)  
B13 Year 1 (Optative)

B13S-Exchange Program Bachelor of Business Administration (BBA) (Undergraduates: Business)  
B13S Year 1 (Optative)

BBA20-Bachelor of Business Administration (BBA) (Undergraduates: Business)  
BBA20 Year 3 (Optative)  
BBA20 Year 4 (Optative)

BBE20-Bachelor of Business Administration (BBA) (Undergraduates: Business)  
BBE20 Year 4 (Optative)  
BBE20 Year 3 (Optative)

DBAI21-Double Degree in Business Administration and Artificial Intelligence for Business (Undergraduates: Business)  
DBAI21 Year 3 (Optative)

N90-BI Norwegian Business School (Summer School: Business)  
N90 Year 1 (Optative)