

KAIST Graduate School of Finance
FE528 Financial Market Risk Management
Fall, 2013, 2nd Half

Professor: Miae Kim (miae.kim@gmail.com)

Textbook

- Lecture Note
- Value at Risk: The New Benchmark for Controlling Market Risk by Philippe Jorion, Irwin Professional Publishing

Course Requirements

- One final exam (60%)
- Assignment (30%)
- Presentation/Participation (10%)

Course Outline

- Introduction and Overview ~~~~~ weeks 1~2
- Risk Management/Hedging ~~~~~ weeks 3~4
 - Risk Exposure
 - Hedging Exposures with Derivatives (Forward, Futures, Options, Swap)
- Market Risk Measurement & Management ~~~~~ weeks 5~6
 - Value at Risk (Stressed VaR, Expected Shortfall)
 - Risk Analysis for Basic Instrument and Structured Securities
 - Market Liquidity Risk (Liquidity-adjusted VaR)
 - Simulation Methods
- Recent Regulation and Market Trend ~~~~~ weeks 7~8
 - Counterparty Risk
 - Value Adjustment Issues (CVA, DVA, FVA, TVA)
 - CCP, Non-CCP, Multiple Curves