

RMIN 4600 Risk Management Fall 2018

Course Administration

Professor: Dr. Yu-Luen Ma
Class Periods: Tuesday 6:30pm-9:20pm BLB 255 & online via Canvas (<https://unt.instructure.com/>)
Office: BLB 378A
Telephone: 940-565-2299
E-mail: Yu-Luen.Ma@unt.edu
Office Hours: Tuesday 2:00-4:00pm and by appointment

Please keep in mind that I am here to help you achieve success and I am working to create a learning environment that helps you learn more efficiently. I encourage you ask questions and/or for help both in and out of class. Please do not hesitate to stop by during my office hours or contact me via e-mail whenever you have any concerns, questions or suggestions for the class.

Textbooks and Materials

1. Risk Management, 2nd Edition (ISBN 9780894639555), custom textbook from the Institute.
2. Video lectures are available via Canvas (<https://unt.instructure.com/>)
3. Course packet, which includes PowerPoint slides, practice problems, and additional reading materials.

Canvas

This is a blended course, which means there are online learning components as well as face-to-face class meetings. The course is designed to take advantage of the best features of both face-to-face and online learning. You are expected to view lecture videos on Canvas BEFORE coming to each meeting so we can focus on reinforcing lecture concepts and applications of course materials during our class time (a detailed course calendar for the semester can be found on Canvas “Syllabus” section). To view lecture videos, you will need access to the Internet. If you are having difficulty with getting your computer set up correctly, you can contact UIT Help Desk 940-565-2324 or helpdesk@unt.edu.

In addition to lecture video clips, you can obtain course syllabus, PowerPoint slides, homework assignments, additional practice problems and review notes, as well as taking quizzes via Canvas. To log into the course, go to the Canvas main page (<https://unt.instructure.com/>) via Firefox web browser. Please try to log onto the Canvas pages as soon as you have officially enrolled in the course. If you have trouble accessing the pages please let me know as soon as possible.

Attendance

Regular class attendance of all students is expected during our face-to-face meetings. Students who miss a significant number of classes may be withdrawn from the class at the discretion of the instructor. Students who choose not to attend a class are solely responsible for missing any announcements for homework, exams, etc. I encourage you to get to know other students in this class so you can help each other learn and make up missed materials, if any. Study groups are highly recommended. You are expected to be ON TIME for every meeting and you are REQUIRED to attend the class when guest speakers visit our class.

Course Description

This course is an advanced study of risks faced by firms; various methods used to measure and manage risks; and the process of making risk management decisions. By the end of the semester it is anticipated that the students will have enhanced and further developed specific skills necessary for success in future endeavors. These skills and abilities include critical thinking, teamwork, communication, and spreadsheet and modeling capabilities. Upon completion of the course requirements, students should be able to:

- Identify possible risks in corporate undertaking.
- Define and describe the risk management process.
- Perform risk assessment including loss triangles, loss distributions, regression analysis and net present value analysis.
- Identify and explain major risk control and risk financing techniques.
- Describe risk financing solutions that utilize capital market.
- Work in a team to perform risk management evaluation for a real business.
- Provide risk management solutions for a real business.
- Enhance their written and verbal communication skills, as well as time management skills.

Grading

The student's grade in this course will be determined using the following system:

Exam 1	80 points
Exam 2	80 points
Online quizzes	48 points
Risk Management Group Project	80 points
Homework assignments	80 points
Participation	20 points
Total points	388 points

Exam dates can be found on page 4 of the syllabus. **You are required to inform me of any schedule conflict at least two weeks in advance.** A student who misses any of the exams without an excused absence prior to an exam will receive a score of zero for that exam. Same rules apply to assignments. You can expect to receive exam results back during the next meeting immediately following the exam. We will use part of that class period to discuss exam results. The final grades will be based on the total points from all graded material using the following scale:

349 - 388 = A	310 - 348.9 = B	272 - 309.9 = C
233 - 271.9 = D	below 233 = F	

Academic Integrity

All students enrolled in class are expected to maintain high standards of ethical conduct within the classroom and when completing assignments, projects, and/or exams. Plagiarism and other forms of academic dishonesty such as cheating will not be tolerated. Students are expected to provide appropriate citations for non-original writing even if the original work is paraphrased. Penalties for plagiarism and other forms of academic dishonesty may be severe. Any violation of academic integrity will be handled in accordance with the University policy and procedures (<http://vpaa.unt.edu/fs/resources/academic/integrity>).

Quizzes

To facilitate class discussion and allow us time to work on application questions during class, students are expected to watch the video lecture, finish reading assignments and take the online quiz prior to each discussion session. There are a total of 8 quizzes: one quiz per lecture. Each quiz contains 3 questions. The quizzes are timed (with a time limit of 5-9 minutes, depending on the quiz) and only one attempt is allowed for each quiz. Quiz questions are directly related to the materials contained in the corresponding video lecture. Note that each quiz is available on a limited time basis and every student is required to take the quiz before the deadline. To provide you with the greatest flexibility, all quizzes are open now and will be **due by 6:00pm of the day of our discussion session** for the corresponding topic. You are encouraged to take the quiz whenever you have finished reviewing the materials and not to wait until close to the deadline to take the quiz. Please note that technical issues (e.g. computer breakdown, internet connection issues, etc.) will NOT be acceptable reasons for not being able to finish quizzes before the deadline. If you know of a valid conflict for these scheduled quizzes, you should let me know **at least two days** before the quiz due date. No make-up quiz will be given if you miss the deadline without following prior communication as noted above.

Homework

During the course of the semester homework assignments will be given. **All assignments are due by 6:20pm on the due date.** You are required to type your answers and submit your completed assignments via Canvas before the deadline. Late submission *may* be accepted with a minimum of 25% penalty assessed. Penalties begin immediately after the deadline has passed and will increase by 25% each subsequent day. Late submission will not be accepted once solution has been posted. You should have plentiful amount of time for each assignment and thus I expect you to have all questions addressed **BEFORE** the assignment is due. No questions will be answered after 6:00pm prior to the due date of assignments or exams for the corresponding materials.

Participation

A portion of your grade will be related to class discussion participation. Participation includes attendance and participation in the class discussion, and asking questions of the professor and guest speakers. Keep in mind that class attendance \neq discussion participation. You are strongly encouraged to speak up when you have questions. When assigning your participation grade, I will place heavy emphasis on your active participation in the discussion. Thus, it is crucial that you finish the reading assignments, which include the video lecture and textbook chapters before coming to the class. The following system is used to evaluate student participation:

- Lower than 8 out of 20: student misses several classes
- 8.1-12.0 out of 20: student attends class regularly but rarely participates in discussion
- 12.1-16.0 out of 20: student attends class regularly and participates occasionally
- 16.1-20.0 out of 20: student attends class regularly, frequently participates and asks insightful questions

Accommodation for Students with Disabilities

Students in need of special accommodation should contact the staff in the Office of Disability Accommodation. Information regarding policies for obtaining academic accommodations can be found at <http://www.unt.edu/oda/apply/index.html>

Extra Credit

Occasionally extra credit opportunities may be offered to the entire class. This usually relates to your attendance at events where guest speakers are on campus, Gamma Iota Sigma (GIS) meetings and your other involvement in risk and insurance related activities. You are strongly encouraged to become a GIS member and participate in GIS sponsored events. For each qualified event that you participate, you earn 2 extra points. A maximum of 20 points may be earned. I will announce either **in class** and/or via e-mail ahead of time of each opportunity.

Course Schedule

You are required to watch the video lecture, take online quiz as well as finishing the reading materials **BEFORE** coming to each discussion session.

Date	Class plan and readings		Quiz / Assignments
8/28	Course overview	Video lecture 1.1: Cost of Risk Video lecture 1.2: Utility Reading: Chapter 1 + article	
9/4	Discussion 1	Video lecture 2: Risk Management Process Reading: Chapters 1 & 2	Quiz 1 due at 6:00pm
9/11	Discussion 2	Video lecture 3: Risk Measurement (part 1) Reading: Chapter 3	Quiz 2 due at 6:00pm Assignment 1 due at 6:20pm
9/18	Discussion 3	Video lecture 4: Risk Measurement (part 2) Reading: Chapters 3 & 4	Quiz 3 due at 6:00pm Assignment 2 due at 6:20pm
9/25	Discussion 4	Project Research	Quiz 4 due at 6:00pm Assignment 3 due at 6:20pm
10/2	Risk management industry speaker	Review	Assignment 4 due at 6:20pm
10/9	Exam 1	Video lecture 5: Regression Reading: Chapter 4	
10/16	Discussion 5	Video lecture 6: Risk Control Reading: Chapters 5 & 6	Quiz 5 due at 6:00pm
10/23	Discussion 6	Video lecture 7: Risk Financing Reading: Chapter 7	Quiz 6 due at 6:00pm Assignment 5 due at 6:20pm
10/30	Discussion 7	Video lecture 8: Alternative Risk Transfer	Quiz 7 due at 6:00pm
11/6	Discussion 8	NPV Analysis (Assignment 6 due in class)	Quiz 8 due at 6:00pm Assignment 7 due at 6:20pm
11/13	Risk management industry speaker	Review	Assignment 8 due at 6:20pm
11/20	Exam 2	Project Research	
11/27	Project Presentation Prep and Research		
12/4	Project Presentations		

Risk Management Group Project

You should work on this project in teams of four to five students. Your task is to conduct a risk management analysis on a company of your choice. The purpose of this project is for you to apply the material learned from this subject to an existing organization. Each group is required to present the completed project to the class during the last week of the semester. The due date for the completed written project is **December 4, beginning of the class**. In preparing for the project, you should assume the role of independent risk management consultants hired by the organization you are reviewing (you should reflect this on your writing style). The project should contain the following sections:

1. Cover page
2. Table of contents
3. Executive summary
4. Introduction
 - a) Company overview
 - b) Mission statement
 - c) Risk management structure (e.g. do they have a risk management department? Include an organizational chart that shows the reporting relationship)
5. Identification and evaluation of risks
 - a) Risk assessment: Assess the major risks that the firm is faced with and discuss the probability and impact of each risk using a risk map
 - b) Current strategies: Discuss the current risk management strategies for each risk (e.g. what is the company doing now to prevent this risk or reduce its impact? Are the current strategies effective in preventing this risk or reducing its impact to an acceptable level?)
 - c) Recommendations: Make comments or suggestions for improvements and support your suggestion with reasons (e.g. what else can the company do to prevent the identified risk or reduce its impact?)
 - d) Risk register: Create a risk register for identified risks
6. Retention capacity analysis
7. Conclusion
8. The reference section should list *all* the sources (including directories of web links) you've used in preparing your project. Resources for documenting sources are available at <http://writing.colostate.edu/guides/index.cfm?categoryid=11&title=2>

Please be precise and clear in your writing. Your analysis should be specific to this organization. **DO NOT** repeat the text or lecture notes. Cite references appropriately in the main content whenever applicable. I expect the written project to be done in a professional manner. There is no minimum requirement as to the length of the project. However, I would expect no more than 30 pages (double-spaced).

In order to make sure you are making reasonable progress in your assignment, there are a couple of deadlines you have to keep in mind.

- You should form your group by **September 4**. The completed project is worth about 20% of your final grade. You will want to select your group members carefully. Part of successfully completing this project is learning to work effectively within a group of people. To help ensure the success of your group, you must first outline the expectations of your group members. As a group, send me an e-mail before **11:59pm on September 4** (and copy this e-mail to everyone in the group) with the subject line "RMIN 4600: Group Expectations". The e-mail should contain the following information:
 - ✓ Names, e-mail addresses, and telephone numbers of all group members

- ✓ A designated contact person for the group. (i.e. One person I can contact if I need to deliver a message to your group. That person will be responsible for relaying the message to the rest of the group.)
- ✓ A list of expectations for the group members. Examples of issues to consider include meeting times, meeting frequency and initial responsibilities/division of labor of your group members. Feel free to add other issues.
- By **11:59pm on September 21**, you should have decided which organization on which you want to perform the analysis. The submission (via e-mail) should include the company name and identify the resources (i.e. contact person at this company) and/or the methods information/data have already been identified for this company. In the subject line of your e-mail submission, enter “RMIN 4600: *Company Name*”. Access to company information should be an important factor in your choice of companies. I’ll deduct 5% of your project grade (the written component) if you change your targeted company at later date *so make sure you have done some research on this company before making your decision*. You are strongly encouraged to see me as a group and take a look at sample projects before you determine your targeted firm.
- Prepare a progress report of your project and send it to me via e-mail by **11:59pm on October 12**. This report should describe what has been done and what remains to be completed. The report should mention the contribution by each group member thus far as well as each individual’s responsibility for the rest of the project. By this time you should have already conducted your first interview (or at the very least have made an appointment for an interview). In the subject line of your e-mail submission, enter “RMIN 4600: *Company Name*: Progress Report 1”.
- A second progress report is due by **11:59pm on November 2**. In the subject line of your e-mail submission, enter “RMIN 4600: *Company Name*: Progress Report 2”. The content will be similar to the previous progress report, and the purpose is to update your progress. By this time you should have finished risk identification and evaluation, and started your research on risk management strategies. Include the complete list of risks you have identified, among other things, in your submission.
- A third progress report is due by **11:59pm on November 16**. In the subject line of your e-mail submission, enter “RMIN 4600: *Company Name*: Progress Report 3”. You should update your progress and outline your initial findings. I expect to see a draft of your project that includes an outline of the actual paper with headings of different sections, and at least some bullet points under each section, etc. This report should also contain what you have done in your previous progress report.
- The completed project is due at **6:30pm on December 4**. You are required to submit the completed project in electronic format AND in hard copy. In your e-mail submission enter “RMIN 4600: *Company Name*: completed project” in the subject line.
- As an individual, everyone is required to evaluate the contribution of each group member in your group. Assign the percentage of contribution toward the finished project by each group member and submit the evaluation form before **4:00pm on December 5** (the peer evaluation form can be found on Canvas). You can either bring a hard copy of the completed form to class or submit it to me electronically via e-mail. Adjustments may be made to an individual's grade based, in part, on this evaluation.

All e-mail sent to me should also be copied to everyone in the group. I will respond to your progress reports with comments and suggestions. **Failure to meet any of the above deadlines or requirements will result in a reduced grade.**