

Module title		Abbreviation
Introduction to Risk Management		12-ERM-262-m01
Module coordinator		Module offered by
holder of the Chair of Business Management and Corporate Finance		Faculty of Management and Economics
ECTS	Method of grading	Only after succ. compl. of module(s)
5	numerical grade	--
Duration	Module level	Other prerequisites
1 semester	undergraduate	--
Contents		
<p>This module provides an overview of the form and approach of the systematic risk management process in a business context. This risk management process consists of the process steps of risk identification, risk assessment and aggregation, risk management and risk control.</p> <p>This course is based on this process structure and is structured accordingly:</p> <p>Legal and business motivation for risk management. Risk identification Risk assessment and aggregation Risk control Risk control and reporting Risk management information systems (RMIS) M1 Legal and business motivation for risk management</p> <p>In Germany, outside the banking sector, there have been legal regulations for setting up corporate risk management since the KonTraG came into force in 1998. In addition to the legal obligation to set up a risk management system, the systematic handling of risks is also of interest from a business management point of view, as the conscious acceptance of risks has a significant positive influence on the company's ability to plan and control.</p> <p>M2 Risk identification</p> <p>Risk identification involves systematically recording all of a company's major risks. The earlier risks are identified, the more comprehensively appropriate countermeasures can be taken. Risk identification is a fundamental task of risk management, as it provides the information basis for all further process steps, because only identified risks can be assessed, aggregated and controlled. Various methods can be used to identify risks.</p> <p>M3 Risk assessment and aggregation</p> <p>Once risks have been identified, they must be assessed. Both qualitative and quantitative methods are available for this purpose. The objective of risk assessment is to describe the risk in terms of appropriate statistical distribution functions. Once the relevant risks have been described by distribution functions, the next task is to determine the company's overall risk position by means of a so-called risk aggregation.</p> <p>M4 Risk management</p> <p>This module deals with the options for risk control. Risk management is strongly linked to a company's strategy, as this is also where the company's attitude towards risk is anchored (risk appetite). In addition, the risk coverage potential (=available equity capital) is of decisive and existential importance. Various strategies can be used to manage risks.</p> <p>M5 Risk control and reporting</p> <p>With the help of early warning indicators (so-called key risk indicators, KRI), (negative) changes in the scope or probability of risk occurrence can be monitored and identified in good time. However, risk control does not only</p>		

monitor KRI, it is also used to control measures implemented as part of risk management and to evaluate them for efficiency and success.

As part of risk reporting, all findings from the individual risk management process phases are transferred to a risk report. The addressees of the risk report are risk officers, department heads, the Board of Management, the Supervisory Board or external parties such as auditors, shareholders or rating agencies. The scope and level of detail of the risk report depend on the recipient of the report.

M6 | Risk management information systems (RMIS)

A prerequisite for the company-wide and sustainable establishment of a risk management system is the software support provided by risk management information systems. Although known risks can be recorded and processed using standard tools such as Excel spreadsheets, they quickly reach their limits. As soon as additional users are to be integrated, an integrated software approach is required, as risk management information systems entail.

Intended learning outcomes

Students are taught the fundamentals of risk management. The students are able to identify, record and evaluate risks in a structured manner and furthermore express the scope of risk on a mathematical basis. The students are able to derive suitable risk measures and know how risks can be monitored.

Courses (type, number of weekly contact hours, language — if other than German)

V (2) + Ü (2)

Module taught in: German and/or English

Course type: online course Virtuelle Hochschule Bayern (vhb)

Method of assessment (type, scope, language — if other than German, examination offered — if not every semester, information on whether module is creditable for bonus)

a) written examination (approx. 60 to 120 minutes) or

b) portfolio (approx. 50 hours total)

Language of assessment: German and/or English

creditable for bonus

Allocation of places

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Additional information

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Workload

150 h

Teaching cycle

Teaching cycle: each semester

Referred to in LPO I (examination regulations for teaching-degree programmes)

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Module appears in

keinem Studiengang zugeordnet