

<b>Module title</b>		<b>Abbreviation</b>
Economic Principles of Risk Management		12-Risk-141-m01
<b>Module coordinator</b>		<b>Module offered by</b>
holder of the Chair of Economics, Information and Contract Economics		Faculty of Business Management and Economics
<b>ECTS</b>	<b>Method of grading</b>	<b>Only after succ. compl. of module(s)</b>
5	numerical grade	--
<b>Duration</b>	<b>Module level</b>	<b>Other prerequisites</b>
1 semester	graduate	--
<b>Contents</b>		
<p>Rational decisions under uncertainty</p> <ol style="list-style-type: none"> <li>1. Measures of risk aversion</li> <li>2. Mean preserving spread</li> <li>3. Axiomatic foundations of the expected utility hypothesis (Neumann/Morgenstern, Savage)</li> <li>4. Insurance contracts</li> <li>5. Optimal portfolios</li> <li>6. Adverse selection</li> <li>7. Moral Hazard</li> <li>8. Experimental evidence and alternative approaches</li> </ol>		
<b>Intended learning outcomes</b>		
<p>After completing the course students are able to</p> <ol style="list-style-type: none"> <li>1. explain the results of the economic theory of decisions under risk,</li> <li>2. apply the involved methods to given simple examples on their own,</li> <li>3. recognise, in which real life situations and how the results can be applied.</li> </ol>		
<b>Courses</b> (type, number of weekly contact hours, language – if other than German)		
V + Ü (no information on SWS (weekly contact hours) and course language available)		
<b>Method of assessment</b> (type, scope, language – if other than German, examination offered – if not every semester, information on whether module is creditable for bonus)		
<p>written examination (approx. 60 minutes)            Language of assessment: German, English            creditable for bonus</p>		
<b>Allocation of places</b>		
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<b>Additional information</b>		
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<b>Referred to in LPO I</b> (examination regulations for teaching-degree programmes)		
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<b>Module appears in</b>		
Master's degree (1 major) Business Management (2014)		