### Module title
Economic Principles of Risk Management

| Abbreviation | Economic Principles of Risk Management | 12-Risk-152-m01 |

### Module coordinator
holder of the Chair of Economics, Information and Contract Economics

### Module offered by
Faculty of Business Management and Economics

### ECTS
5

### Method of grading
numerical grade

### Only after succ. compl. of module(s)
--

### Duration
1 semester

### Module level
graduate

### Other prerequisites
--

### Contents
Rational decisions under uncertainty
1. Measures of risk aversion
2. Mean preserving spread
3. Axiomatic foundations of the expected utility hypothesis (Neumann/Morgenstern, Savage)
4. Insurance contracts
5. Optimal portfolios
6. Adverse selection
7. Moral Hazard
8. Experimental evidence and alternative approaches

### Intended learning outcomes
After completing the course students are able to
1. explain the results of the economic theory of decisions under risk,
2. apply the involved methods to given simple examples on their own,
3. recognise, in which real life situations and how the results can be applied.

### Courses
(type, number of weekly contact hours, language — if other than German)
V (2) + Ü (2)

### Method of assessment
(type, scope, language — if other than German, examination offered — if not every semester, information on whether module is creditable for bonus)
written examination (approx. 60 minutes)
Language of assessment: German and/or English
creditable for bonus

### Allocation of places
--

### Additional information
--

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

### Module appears in
Bachelor’ degree (1 major) Business Management and Economics (2015)
Bachelor’ degree (1 major) Economathematics (2015)
Bachelor’ degree (1 major) Business Information Systems (2015)
Bachelor’s degree (1 major, 1 minor) Business Management and Economics (Minor, 2015)
Master’s degree (1 major) China Business and Economics (2016)
Bachelor’ degree (1 major) Business Information Systems (2016)
Bachelor’ degree (1 major) Economathematics (2017)
<table>
<thead>
<tr>
<th>Degree Level</th>
<th>Major/Minor Description</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Master's degree</td>
<td>China Business and Economics</td>
<td>2019</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>Business Information Systems</td>
<td>2019</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>Business Management and Economics</td>
<td>2019</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>(1 major) Business Management and Economics (Minor)</td>
<td>2019</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>Business Information Systems</td>
<td>2020</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>China Business and Economics</td>
<td>2021</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>Business Information Systems</td>
<td>2021</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>Economathematics</td>
<td>2021</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>Business Management and Economics</td>
<td>2021</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>(1 major) Business Management and Economics (Minor)</td>
<td>2021</td>
</tr>
</tbody>
</table>