**Course Description**

Business Finance 4290, *Risk Management 1*, extends the skills developed in Corporate Finance and Investments to the role of risk management within the firm. Increasingly, managers are required to understand the many risks facing their organizations, undertaking those risks which represent value-enhancing opportunities, while mitigating unwanted risks. Students will learn how to evaluate and manage risks with the goal of balancing risks to create value.

At the end of the course, students will be able to demonstrate they understand:

- The concepts of risk and enterprise risk management
- The main features of a value-enhancing risk management function
- The concepts of risk appetite and risk tolerance
- How to identify, assess (quantitatively and qualitatively) and manage the major risks impacting the firm
- The roles of governance, culture and communication in a value-enhancing risk management function

**Course Resources:**

1. *Course lecture notes* are posted on the course website. Please bring your notes to class each day so that you can effectively participate in the class discussion.

2. *Course packet with HBS notes and cases* will be available through Harvard Business Publishing. The link and information to access the material is posted on the content section of the course website.

3. *Required readings* are posted on the class website and listed in the *Course Schedule* section of the syllabus (page 3). Additional readings related to current events may be added to the course website and/or distributed in class. These additions will be announced in class.

**Course Requirements:**

1. *Assignments:* The assignments, unless otherwise noted, are group work, with each group working independently of all other groups. Groups can have no more than three (3) members. These assignments will consist of a mix of exam-style problems, Excel-based exercises, and case-type discussion questions. All assignments are due at the beginning of class on the date indicated in the assignment. No late assignment will be accepted. Some assignments will be part of in-class exercises that will be completed by students outside of class. Please note, these types of assignments are not listed on the syllabus. (30% of total grade).

2. *Exam on March 1, 2016* (40% of total grade)

3. *Course Paper:* In this assignment, each group will assess the drivers of value for a US publicly-traded firm, the associated risks, and the ways that company currently balances these risks to create value. Additionally, each group will make recommendations regarding the various aspects of the firm’s risk
management function and risk management strategies. This is a group assignment. **You will not be permitted to work alone under any circumstances, so please plan accordingly.** (20% of total grade). The course paper is due **February, 18, 2016**.

4. **Quizzes.** There will be periodic quizzes covering required readings and class material. The date of each quiz will be announced in class on the class website at least one week to prior to the quiz. Each quiz will take place at the start of class and last about 15 minutes. Information about what will be covered on each quiz will be given in class. The lowest quiz grade will be dropped. (10% of total grade)

5. **Class participation:** Class participation is an important part of this class. Be prepared for class. I will often ask questions during class that I expect to be answered. I will keep track of participation, and expect each of you to participate regularly during the course. I consider such things as asking thoughtful questions, attendance, respecting your fellow classmates’ views on particular issues, contributing to a positive atmosphere in the class, and preparation for the scheduled lecture topic as class participation. I will use your class participation in evaluating your final grade.

**Exam Policy:**
Everyone will take the exam on **March 1, 2016**. There is no make-up exam.

**Quiz Policy:**
Everyone will take the quizzes. The lowest quiz grade will be dropped. **There are no make-up quizzes.**

**Extra Credit/Grade Change Policy:**
Extra credit will not be offered unless it is available to the entire class. For example, if a student wishes to improve his or her grade at the end of the course, extra credit will not be available for this purpose, as it unfairly penalizes students who have consistently worked hard throughout the course. This policy is strictly enforced.

**Office hours and reviews:**
Unless announced otherwise, I am available to meet with students on an individual basis during office hours or by appointment. Please speak to me before class or email me to make an appointment for an office visit. Please give me a general idea of the topic you’d like to discuss so that I can be as prepared as possible for your visit.

**Course website:**
I will maintain a website through Carmen. The URL is [https://carmen.osu.edu](https://carmen.osu.edu). I will use the website to post course slides, readings, and assignments. Please check it on a regular basis.

**Communication:**
The quickest way to contact me is by email at minton.15@fisher.osu.edu. I will usually respond within a few hours.

In accordance with **University Faculty Rule 3333-5-487**, all instances of alleged academic misconduct will be reported to the Committee on Academic Misconduct, which recommends appropriate sanctions to the Office of Academic Affairs. There will be no exception to this rule. Case reports must be the own original work of your group. You may not use solutions prepared by current or former students. If you use information from outside sources in your case report, you must properly cite those sources.

**Students with Disabilities**
Any student who feels he or she may need an accommodation based on the impact of a disability should contract me privately to discuss your specific needs.
### Course Schedule

<table>
<thead>
<tr>
<th>Class(es)</th>
<th>Date(s)</th>
<th>Topic</th>
<th>Reading</th>
<th>Assignments</th>
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</thead>
</table>
| 1 and 2   | 1/12/16 and 1/14/16 | Course Introduction  
What is risk? Risk management?  
Enterprise risk management?  
Lam, 2009, What is Wrong with Risk Management, AFP Exchange.  
| 3         | 1/19/16 | Theories of Risk Management  
Wittenberg and Pellerin, 2012, Defining your Risk Appetite: The Importance of Taking a Quantitative and Qualitative Approach |                                   |
| 5 and 6   | 1/26/16 and 1/28/16 | Risk Assessment:  
Measuring Risk Quantitatively and Qualitatively | Roggi, Garvey, and Damodaran, 2012 (RGD) Risk Taking, A Corporate Governance Perspective, (RGD)¹.  
Section V through the end of Step 2 and Section VI.  
| 7         | 2/2/16 12:45 – 1:45² | Guest Speaker (TBA) | Assignment due |                                   |
RGD, Section V Step 3 and Section VII |                                   |
| 10        | 2/11/16 | Risk Reporting and Communication | Nottingham, 2013, Risk Communication and Aligning the Board and the C-suite.  
| 11        | 2/16/16 | Role of Corporate Governance in IRM | RGD, Section VIII (re-read) Lam, 2009, What is Wrong with Risk Management. |                                   |
| 12        | 2/18/16 | Guest speaker, TBA | Course Paper due |                                   |
| 14        | 2/25/16 | Course Conclusion | Recap and Review for Final Exam |                                   |
| 3/1/16    |           | Final Exam | |                                   |

¹ Note: The RGD article (about 64 pages) will be used throughout the course.
² Class will end at 1:45 so that students can attend the Fisher Spring Internship & Job Fair (2:00 – 6:00PM, Student Union)