

**Dr. Chiara Crovini**

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## **Risk Management (FIN6073)**

### **Syllabus**

**Winter Term 2018/2019**

**Weekly hours:** 2 (45 minutes)

**ECTS-Credits:** 3

**Workload:** 90 hours, 30 hours within class and 60 hours for self-study

**Time:** [LSF](#)

**Begin:** [LSF](#)

**Level:** Advanced

**Prerequisites:** It is based on a business undergraduate degree, primarily on the topics of business administration, accounting, control, math, statistics, investment and finance.

#### **Brief Description:**

The course Risk Management is a seminar and is part of the elective module (CON6070). This course provides an overview on Risk Management. Current topics of risk management are dealt with case studies and lectures.

#### **Learning Objectives:**

The elective module is intended to offer students the opportunity of individual, program-related focus in the areas of controlling, finance and accounting. The students can improve their knowledge on Risk Management by the preparation of a term paper and the presentation of it.

The students will:

- improve their knowledge on Risk Management;
- apply their theoretical knowledge independently to current issues;
- improve their ability to research, analyze, select and process relevant scientific literature;
- apply the techniques, methods and standards of scientific work;
- learn and improve the ability to present their results and to defend them in the discussion;
- learn to practice and use constructive criticism as potential for improvement of their skills.

The module aims to improve students' knowledge about this topic and enhance their instrumental and communicative skills.

**Course contributions to master programs' common learning goals:**

Program Goal/ Learning Outcome	Program Subgoal	Course Contribution
I. Knowledge dissemination and deepening in terms of theoretical concepts and practical applications in controlling, finance and accounting.		
	1. MACFA master graduates are familiar with models, concepts, standards and applications of controlling, finance and accounting beyond the acquired knowledge in their bachelor studies.	These can be improved by working on the seminar topic.
	2. They are able to identify, assess and critically examine the relevance of approaches to answer theoretical or practical questions and tasks in the fields of controlling, finance and accounting.	Students can develop and critically evaluate solutions to problems
	3. They can define theoretical/practical tasks/research questions in the aforementioned fields, formulate clear work objectives and structure the solution process to achieve the objectives.	Based on a given topic, the students can work out and define a task. The students will work through various steps to answer the given task in a structured manner.
II. Systemic, analytical and instrumental/conceptual skills for solving theoretical and/or practical tasks in controlling, finance and accounting.		
	1. MACFA – Master graduates are able to pervade the complexity of scientific and/or practical assignments in controlling, finance and accounting using relevant models and concepts in accordance with predetermined norms,	Research, analysis, selection and preparation of relevant scientific literature.
	2. ... analyze these by means of scientifically sound methods	Students apply their analytical skills to solve complex issues.
	3. ... and based on the analysis of the results, develop independent, creative, reflected recommendations/ results/ answers to specific research questions and complex practical tasks, which are justified through empirical and/or theoretical evidence.	The students can answer their task and, if necessary, make suggestions for further research and potential for improvement.
III. Communicative and social skills to persuade others of designed solution proposals.		
	1. MACFA master graduates are able to convey independently developed solutions to third parties in a clear, concise and stylistically appropriate manner	Students are able to impart and communicate their results via group discussions.
	2. ... take formal specifications for scientific solutions into account	Preparation of a term paper on issues regarding relevant aspects on Risk Management
	3. ... argue in a convincing manner, whereby they present their solutions in an understandable, differentiated and sufficiently documented manner.	The students should conform their proposals scientifically, present them in a convincing manner, represent them in discussions and formulate them in writing

## **Outline of the course**

As part of the seminar, the students will prepare a term paper on a topic in the field of risk management, present the results to their fellow students and discuss the results with them. Since the topics are relatively broad, I expect that after a brief introduction, they will focus on a specific issue that they have found interesting in the literature. In other words, finding a problem and structurally presenting their solution or several solutions from the literature are important and they will be evaluated. They should relate different sources of literature to each other, if necessary also rate them. Students are invited to present their position towards a particular topic.

The work of each individual should be 10-15 pages long text without references. An early coordination of the structure and the list of references with the seminar leader is recommended.

## **Teaching and Learning Approach:**

The course Risk Management belongs to the electives, which allows the students to focus on their own needs and interests.

During the seminar the students will get an introduction of the topic and of the Research Methodology. The introductory sessions follow a primarily lecture-style approach, combined with continuing active discussions in the class. The script and additional materials for the sessions will be given to the students prior to the course.

For the examination the students will have to work on a topic among a list that will be provided at the beginning of the seminar and decide which Research Method they want to imply in order to prepare their final research paper. Thereby, the students have to prepare, present and discuss the specific selected topic in a 10 - 15 pages research paper.

## **Important dates:**

- **20 November 2018:** final paper submission and presentations of the research papers;
- **27 November 2018:** presentations of the research papers (if necessary).

## **Grading:**

The grading is based upon the quality of the term paper. The term paper should have a clear structure and your topics should focus on the main issues.

The certificate of achievement consists of a term paper and a presentation. I use the following rating scheme: 'Very good' means outstanding performance far above average. 'Good' means good performance that is above average. 'Satisfying' means average performance, which has some shortcomings but basically complies with the requirements. 'Sufficient' means below average performance with conspicuous deficiencies. 'Poor' means unacceptable performance that no longer meets the requirements.

## **Course Material:**

- Aven, T. (2010) 'On how to define, understand and describe risk', *Reliability Engineering & System Safety*, 95(6), pp. 623–631. doi: 10.1016/j.ress.2010.01.011.
- Aven, T. (2012) 'The risk concept—historical and recent development trends', *Reliability Engineering and System Safety*, 99, pp. 33–44. doi: 10.1016/j.ress.2011.11.006.

- Aven, T. and Krohn, B. S. (2014) 'A new perspective on how to understand, assess and manage risk and the unforeseen', *Reliability Engineering and System Safety*. Elsevier, 121, pp. 1–10. doi: 10.1016/j.ress.2013.07.005.
- Becker, Wolfgang et al. (2007): Anforderungen mittelständischer Unternehmen an potentielle Bewerber aus den Bereichen Controlling, Finance & Accounting. Ergebnisbericht einer empirischen Untersuchung. In: Becker, Wolfgang (Hrsg.): *Bamberger Betriebswirtschaftliche Beiträge –Band 146*. Otto-Friedrich-Universität: Bamberg. URL: [https://www.uni-bamberg.de/fileadmin/uni/fakultaeten/sowi\\_lehrstuehle/unternehmensfuehrung/Download-Bereich/BBB\\_146\\_akademika\\_Aussteller\\_ungeschuetzt.pdf](https://www.uni-bamberg.de/fileadmin/uni/fakultaeten/sowi_lehrstuehle/unternehmensfuehrung/Download-Bereich/BBB_146_akademika_Aussteller_ungeschuetzt.pdf), abgerufen am 20.08.2018.
- Britzelmaier, B., Häberle, M. and Landwehr, M. (2015) 'Risk management in German small and medium-sized enterprises', *International Journal of Entrepreneurship and Small Business*, 24(4), pp. 548–571. doi: 10.1504/IJESB.2015.068642.
- COSO (2004) 'Enterprise Risk Management — Integrated Framework', New York
- Diederichs, Marc (2018): *Risikomanagement und Risikocontrolling*. 4. Aufl., München.
- Gleißner, Werner (2017): *Grundlagen des Risikomanagements*. Mit fundierten Informationen zu besseren Entscheidungen. 3. Aufl., München.
- Henschel, T. (2006) 'Risk management practices in German SMEs: an empirical investigation', *International Journal of Entrepreneurship and Small Business*, 3(5), pp. 554–571.
- Henschel, T. (2010) 'Typology of Risk Management Practices: An Empirical Investigation into German SMEs', *Journal of International Business and Economic Affairs*, 1(1), pp. 1–29. doi: 10.1504/IJESB.2010.031922.
- Henschel, T. and Durst, S. (2016) 'Risk management in Scottish, Chinese and German small and medium-sized enterprises : a country comparison', *International Journal of Entrepreneurship and Small Business*, 29(1), pp. 112–132. doi: 10.1504/IJESB.2016.078048.
- ISO (2015) ISO 31000 - Risk Management - A practical guide for SMEs. Available at: <https://www.iso.org/publication/PUB100367.html> (Accessed: 1 June 2017).
- Knight, F. (1921) *Risk, Uncertainty and Profit*. Economic C. New York: Sentry Press. doi: 10.1017/CBO9781107415324.004.
- Mikes, A. and Kaplan, R. R. S. (2015) 'When One Size Doesn't Fit All: Evolving Directions in the Research and Practice of Enterprise Risk Management', *Journal of Applied Corporate Finance*, 27(1), pp. 7–19. doi: 10.1111/jacf.12102.
- Mousavi, S. and Gigerenzer, G. (2014) 'Risk, uncertainty, and heuristics', *Journal of Business Research*. Elsevier Inc., 67(8), pp. 1671–1678. doi: 10.1016/j.jbusres.2014.02.013.
- Power, M. (2004) 'The risk management of everything', *The Journal of Risk Finance*, 5(3), pp. 58–65. doi: 10.1108/eb023001.
- Power, M. (2007) *Organized Uncertainty. Designing a World of Risk Management*. New York: Oxford University Press.
- Power, M. (2009) 'The risk management of nothing', *Accounting, Organizations and Society*. Elsevier Ltd, 34(6–7), pp. 849–855. doi: 10.1016/j.aos.2009.06.001.
- Romeike, Frank (2018): *Risikomanagement*. Wiesbaden.
- Scapens, R. W. (1990) 'Researching management accounting practice: The role of case study methods', *The British Accounting Review*. Academic Press, 22(3), pp.

259–281. doi: 10.1016/0890-8389(90)90008-6.

- Stulz, R. M. (1996) 'Rethinking Risk Management', *Journal of Applied Corporate Finance*, 9(3), pp. 8–25. doi: 10.1111/j.1745-6622.1996.tb00295.x.
- Wright, J. F. (2018) 'Risk management: a behavioural perspective', *Journal of Risk Research*. Routledge, 21(6), pp. 710–724. doi: 10.1080/13669877.2016.1235605.

### **Motivation for Studying Risk Management:**

The topic of risk management was first studied after World War II, in the period between 1955 and 1964. More recent developments have reflected a general propensity to acknowledge the significance of social and cultural factors more seriously in understanding risk. Interestingly, there is a shift toward constructivism and to a more social approach in some works. This new dimension opens up opportunities for cross-disciplinary research, combining the business administration and economic theories, with psychology and sociology.

The difficulty of this kind of studies lies in the methodological rigour and in the epistemological approach because it is fundamental to analyse the topic with a holistic perspective that implies systems-thinking.

I want to do my part to ensure that students achieve a successful learning progress and an understanding of the practical meaning of the learning content. Questions of understanding should be asked as soon as possible during the event. Likewise, comments, which serve the learning progress of all, are welcome. My goal is that students can successfully complete the seminar, but the essential part of the job is theirs. Their learning is important to me, and I want to support them. If students have any problem or questions, please do not hesitate to contact me directly.

### **Availability of the lecturer:**

Dr. Chiara Crovini

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I do care about your learning. Therefore, do not hesitate to contact me if you have any questions/problems with your learning or with the course. The longer you wait the fewer options I will have to help you.

### **About the Lecturer**

Chiara Crovini is a Research Fellow at the Department of Management, University of Torino, Italy, where she graduated and took her Ph.D. Her research area covers all the topics related to management accounting, internal control systems, risk management, internal auditing, statutory audit of SMEs, banks and credit institutions, and corporate governance. She is Chartered Accountant and Statutory Auditor, and she is a consultant in several companies.

She also teaches Business Administration and Financial Accounting in the Bachelor Degree at the University of Torino.

She is member of the European Risk Research Network (ERRN), of Business System Laboratory (B.S. Lab.), of the International Academy of Business and Economics (IABE), of Accademia Italiana di Economia Aziendale Giovani (AIDEA Giovani), of SIDREA (Società Italiana dei Docenti di Ragioneria e di Economia Aziendale).

She has published chapters in volumes, articles in national and international journals such as *Corporate Ownership and Control*, *Global Business and Economics Review*, *World Review of Entrepreneurship, Management and Sustainable Development*, *International Journal of*

Markets and Business Systems, International Journal of Business Behaviour and Review of Business Research.

She is reviewer of Management Decision (Emerald), Global Business and Economics Review and World Review of Entrepreneurship, Management and Sustainable Development (Inderscience).

She won two awards, Premio Migliori Laureati 2013/2014 and Premio ATLEC Alumni Studenti "Il Laureato dell'anno 2014", for her Ms.C. thesis entitled *The Statutory Audit in the SMEs, carried out by the Audit Committee*.

She won a research grant from SIDREA (Società Italiana dei Docenti di Ragioneria ed Economia Aziendale) for the research project entitled *When Risk becomes a chance: risk management as part of the decision-making process in SMEs*.