

Syllabus
educational component
(by the selection of applicants for education)

Economic risk management

Discipline name:	Economic risk management
Level of higher education:	first (bachelor's degree)
Course page in Moodle:	https://dl2022.khadi-kh.com/course/view.php?id=534
Scope of the educational component:	4 credits (120 hours)
Final control form:	credit
Consultations:	according to the schedule
Department name:	Department of Management
Language of teaching:	English
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Summary of the educational component:

The goal of teaching the academic discipline is: formation of a system of theoretical and applied knowledge about the essence of economic risk, methods of its identification and methods of measurement, quantitative and qualitative indicators, tools for its management and possible ways to overcome it in conditions of considerable instability of the economic situation.

Subject: methods and processes of economic risk management in the implementation of economic activity.

The main tasks of studying the academic discipline are:

- expansion and deepening of knowledge about the qualitative and quantitative properties of economic processes, taking into account risk as a characteristic factor of the modern economy;
- studying the basics of theory and practice of various types of risk;
- mastering the methodology and methods of building, analyzing and applying economic and mathematical models that take risk into account;
- studying a number of the most typical methods of modeling and measuring economic risk in the decision-making process, mastering the appropriate apparatus for the purpose of its practical application in solving various problems;
- mastering ways to reduce risk without reducing business opportunities..

Prerequisites for studying the educational component: the discipline is studied after studying the main disciplines of the economic direction, the basics of management, economic and mathematical methods.

Competences acquired by the student:

General competences:

1. Ability to abstract thinking, analysis, synthesis.
2. Ability to apply knowledge in practical situations.
3. Knowledge and understanding of the subject area and understanding of professional activity.
4. Skills in using information and communication technologies.
5. Ability to conduct research at the appropriate level.
6. Ability to adapt and act in a new situation.
7. Ability to generate new ideas (creativity).

Special (professional) competences:

1. The ability to analyze the results of the organization's activities, to compare them with factors influencing the external and internal environment.
2. The ability to determine the prospects of the organization's development.
3. The ability to determine the functional areas of the organization and the connections between them.
4. The ability to manage the organization and its divisions through the implementation of management functions.
5. Ability to choose and use modern management tools.
6. Ability to work in a team and establish interpersonal interaction when solving professional tasks.
7. The ability to analyze and structure the problems of the organization, to form reasonable solutions.

Program Learning Outcomes:

1. Demonstrate skills in identifying problems and justifying management decisions.
2. Demonstrate the skills of searching, collecting and analyzing information, calculating indicators to substantiate management decisions.
3. Apply management methods to ensure the effectiveness of the organization's activities.
4. Demonstrate the skills of situation analysis and communication in various areas of the organization.
5. Assess the legal, social and economic consequences of the organization's functioning.
6. Demonstrate the skills of independent work, flexible thinking, openness to new knowledge, be critical and self-critical.
7. Carry out research individually and/or in a group under the guidance of a leader.

Thematic plan

№ topic	Name of topics (L, LW, PW, IT, IW)	Number of hours
		full-time
1	L. The concept of risk. Classification of risks	4
	PW. Assessment of systematic risk	2
	IW. Classification of risks. Drawing up a risk map	4
2	L. Risk management process	2
	PW. Problems of risk assessment and accounting when making decisions	2
	IW. Risk management mechanism	4
3	L. Methods of risk identification	2
	PW. Risk modeling of the production system	2
	IW. Survey as a method of risk identification	6
4	L. Risk analysis	6
	PW. Decision-making in conditions of risk	4
	PW. Using a "decision tree" to choose the optimal strategy under risk conditions	2
	IW. Qualitative and quantitative methods of risk analysis	6
5	L. Risk financing	2
	PW. Cost sensitivity analysis	2
	IW. Methods of covering losses of the enterprise	6
6	L. Making optimal decisions taking into account uncertainty and risk	4
	PW. Making decisions in conditions of complete uncertainty of the environment	2
	PW. Making decisions in conditions of partial uncertainty of the environment	2
	IW. Conditions of complete and partial uncertainty of the environment	6
7	L. Methods of influence on risk	4
	PW. Method of sensitivity analysis (critical values)	2
	SR Reduction, preservation and transfer of risks	6
8	L. Program of risk management	2
	PW. Group decision-making under conditions of risk	2
	IW. The main functions of a risk manager	6
9	L. Modeling and optimization of risk when making decisions on real investments	4
	PW. Risk assessment of an investment project by the method of scenario analysis	4
	PW. Assessment of the risk of an investment project using a probabilistic method	2
	IW. Evaluation of the market value of the enterprise and risk	6
10	L. Peculiarities of economic risk management in various spheres of economic activity	2
	PW. Management of marketing risks	4
	IW. Management of industrial, financial, environmental risks	6
Total	L	32
	PW (LW, IT)	32
	IW	56

Individual educational and research task: not provided.

Methods of learning:

- 1) verbal:
 - 1.1 traditional: lectures, explanations, stories;
 - 1.2 interactive (non-traditional): problem lectures, discussions, etc.;
- 2) visual: the method of illustrations, the method of demonstrations;
- 3) practical:
 - 3.1 traditional: practical classes, seminars;
 - 3.2 interactive (non-traditional): business games, trainings, seminars-discussions, "round table", analysis of real problems, brainstorming method.

Evaluation system and requirements:

Current academic performance

1 The current success of applicants for the performance of educational types of work in training sessions and for the performance of independent work tasks is evaluated using a four-point rating scale with subsequent transfer to a 100-point scale. During the evaluation of the current academic performance, all types of work stipulated in the training program are taken into account.

1.1 Lecture classes are evaluated by determining the quality of performance of specified tasks.

1.2 Practical classes are evaluated by the quality of performance of a control or individual task, performance and design of practical work.

1.3 Seminar classes are evaluated by the quality of the performance of an individual task/abstract.

2 Evaluation of the current performance of higher education applicants is carried out at each practical session on a four-point scale ("5", "4", "3", "2") and entered in the log of academic performance:

– «excellent»: the applicant flawlessly mastered the theoretical material, demonstrates in-depth knowledge of the relevant topic or academic discipline, the main provisions;

– «good»: the applicant has mastered the theoretical material well, possesses the main aspects from primary sources and recommended literature, presents it in a reasoned manner; has practical skills, expresses his thoughts on certain problems, but certain inaccuracies and errors are assumed in the logic of the presentation of theoretical content or in the analysis of practical material;

– «satisfactory»: the applicant has mainly acquired theoretical knowledge of the educational topic or discipline, orients himself in primary sources and recommended literature, but answers unconvincingly, confuses concepts, answers additional questions uncertainly, does not have stable knowledge; when answering questions of a practical nature, reveals inaccuracy in knowledge, does not know how to evaluate facts and phenomena, connect them with the future profession;

– «unsatisfactory»: the applicant has not mastered the educational material of the topic (discipline), does not know scientific facts, definitions, hardly orients himself in primary sources and recommended literature, lacks scientific thinking, practical skills are not formed.

3 The final score for the current activity is recognized as the arithmetic mean sum of points for each lesson, for individual work, current control works according to the formula:

$$K^{current} = \frac{K_1 + K_2 + \dots + K_n}{n},$$

where $K^{current}$ – final evaluation of success based on the results of current control;
 K_1, K_2, \dots, K_n – evaluation of the success of the current control measure;
 n – number of measures of current control.

Grades are converted into points according to the calculation scale (table 1).

Table 1 – Recalculation of the average grade for the current activity into a multipoint scale

4- point scale	100- point scale	4- point scale	100- point scale	4- point scale	100- point scale	4- point scale	100- point scale
5	100	4,45	89	3,90	78	3,35	67
4,95	99	4,4	88	3,85	77	3,3	66
4,9	98	4,35	87	3,80	76	3,25	65
4,85	97	4,3	86	3,75	75	3,2	64
4,8	96	4,25	85	3,7	74	3,15	63
4,75	95	4,20	84	3,65	73	3,1	62
4,7	94	4,15	83	3,60	72	3,05	61
4,65	93	4,10	82	3,55	71	3	60
4,6	92	4,05	81	3,5	70	from 1.78 to 2,99	from 35 to 59
						re-compilation	
4,55	91	4,00	80	3,45	69	from 0 to 1,77	from 0 to 34
4,5	90	3,95	79	3,4	68	repeated study	

Table 2 – Distribution of discipline points on a 100-point scale

Types of work	<i>T1</i>	<i>T2</i>	<i>T3</i>	<i>T4</i>	<i>T5</i>	<i>T6</i>	<i>T7</i>	<i>T8</i>	<i>T9</i>	<i>T10</i>	Score in points
Speech, participation in discussion at lectures	4	4	4	4	4	4	4	4	4	4	40
Enrollment of practical works	3	3	3	6	3	6	3	3	6	4	40
Individual independent work (preparation of a presentation, essay, abstract)	10					10					20
<i>The sum of points for L, PW, IW</i>											<i>100</i>
<i>Control work 1</i>	100					-					100
<i>Control work 2</i>	-					100					100
Arithmetic average evaluation of the current control											100

Final evaluation

1 An applicant of higher education receives a credit in the last lesson in the discipline based on the results of the current evaluation. The average score for the current activity is converted into points on a 100-point scale, according to the conversion table (table 1).

Applicants of higher education who have an average current score in the discipline lower than "3" (60 points) can increase their current score in the last session by taking tests in the discipline.

Evaluation of knowledge of applicants by means of testing is carried out according to a scale:

- «Excellent»: not less than 90% of correct answers;
- «Very good»: from 82% to 89% of correct answers;
- «Good»: from 74% to 81% of correct answers;
- «Satisfactory»: from 67% to 73% of correct answers;
- «Satisfactory enough»: from 60% to 66% of correct answers;
- «Unsatisfactory»: less than 60% of correct answers.

2 The conditions for receiving a credit are:

- making up all missed lessons;
- average current grade in the discipline not lower than "3" (60 points).

3 For performing individual independent work and participating in scientific events, applicants are awarded additional points.

3.1 Additional points are added to the sum of points scored by the student of higher education for the current educational activity.

3.2 The number of additional points awarded for different types of individual tasks depends on their volume and importance:

- prize places in the discipline at the international / all-Ukrainian competition of scientific student works – 20 points;
- prize places in the discipline at the all-Ukrainian olympiads – 20 points;
- participation in the international / all-Ukrainian competition of scientific student works – 15 points;
- participation in international / all-Ukrainian scientific conferences of students and young scientists – 12 points;
- participation in all-Ukrainian olympiads in the discipline – 10 points;
- participation in olympiads and scientific conferences of the KhNAHU in the discipline – 5 points;
- performance of individual scientific and research (educational and research) tasks of increased complexity – 5 points.

3.3 The amount of additional points may not exceed 20 points.

4 The learning result is evaluated:

- on a two-point scale (passed/failed) according to Table 3;
- on a 100-point scale according to Table 4.

Table 3 – The scale for transferring points to the national evaluation system

100-point scale	National scale
from 60 points to 100 points	credited
less than 60 points	not credited

The final score, together with additional points, cannot exceed 100 points.

Table 4 – The scale for evaluating the knowledge of students based on the results of the final control of the academic discipline

Score in points	Evaluation on national scale credit ^a	Evaluation according to the ECTS scale	
		Evaluation	Criteria
90-100	Credited	A	The theoretical content of the course is fully mastered, without gaps, the necessary practical skills for working with the mastered material are formed, all educational tasks stipulated in the training program have been completed, the quality of their performance was evaluated with a number of points close to the maximum
80-89		B	The theoretical content of the course is fully mastered, without gaps, the necessary practical skills for working with the mastered material are mainly formed, all educational tasks stipulated in the training program have been completed, the quality of performance of most of them was evaluated with a number of points close to the maximum
75-79		C	The theoretical content of the course is fully mastered, without gaps, some practical skills of working with the mastered material are insufficiently formed, all educational tasks stipulated in the training program have been completed, the quality of performance of none of them has been evaluated with the minimum number of points, some types of tasks have been completed with errors
67-74		D	The theoretical content of the course is partially mastered, but the gaps are not of a significant nature, the necessary practical skills for working with the mastered material are basically formed, most of the educational tasks stipulated in the training program have been completed, some of the completed tasks may contain errors
60-66		E	The theoretical content of the course is partially mastered, some practical work skills have not been formed, many educational tasks stipulated in the training program have not been completed, or the quality of some of them has been evaluated with a number of points close to the minimum
35-59	Not credited	FX	The theoretical content of the course is partially mastered, the necessary practical work skills have not been formed, most of the educational tasks stipulated in the training program have not been completed, or the quality of their performance has been evaluated with a number of points close to the minimum; with additional independent work on the course material, it is possible to improve the quality of the performance of educational tasks (with the possibility of re-compilation)

Score in points	Evaluation on national scale credit	Evaluation according to the ECTS scale	
		Evaluation	Criteria
0–34		F	The theoretical content of the course has not been mastered, the necessary practical work skills have not been formed, all completed educational tasks contain gross errors, additional independent work on the course material will not lead to any significant improvement in the quality of the performance of educational tasks (with a mandatory repeat course)

Course policy:

- the course involves working in a team where the environment is friendly, creative, open to constructive criticism;
- mastering the discipline involves mandatory attendance at lectures and practical classes, as well as independent work;
- independent work involves the study of certain topics of the discipline that are made in accordance with the program for independent processing, or were considered briefly, providing answers to theoretical questions and test tasks;
- all the tasks stipulated in the training program must be completed in due time;
- if the student is absent from the classes for good reason, he or she presents the tasks completed during the independent preparation and consultation of the teacher;
- while studying the course, students must adhere to the rules of academic integrity set forth in the following documents: "Rules of academic integrity of participants in the educational process of the KhNAHU" (https://www.khadi.kharkov.ua/fileadmin/P_Standart/pologeniya/stvnz_67_01_dobroch_1.pdf), "Academic integrity. Checking the text of academic, scientific and qualification papers for plagiarism" (https://www.khadi.kharkov.ua/fileadmin/P_Standart/pologeniya/stvnz_85_1_01.pdf), "The moral and ethical code of participants of the educational process of the KhNAHU" (https://www.khadi.kharkov.ua/fileadmin/P_Standart/pologeniya/stvnz_67_01_MEK_1.pdf).
- in the case of detection of plagiarism, the applicant receives 0 points for the task and must re-perform the tasks provided for in the syllabus; – write-offs during control work are prohibited (including using mobile devices). Mobile devices are allowed to be used only during online testing.

Recommended literature:

1. Bessis J. Risk Management in Banking 4E (Wiley Finance). Paperback – Illustrated, 2015. 376 p.
2. Chapelle A. Operational risk management - Best practices in the financial services industry. JOHN WILEY & SONS INC; Illustrated edition, 2018. 520 p.
3. Coleman Thomas S. A Practical Guide to Risk Management. Research Foundation of CFA Institute, 2011. 228 p.
4. Crouhy M. Risk management / M. Crouhy, D. Galai, R. Mark. McGraw-Hill, 2011. 717 p.
5. Crouhy M., Galai D., Mark R. The Essentials of Risk Management. MCGRAW - HILL PROFESSIONAL, 2014. 672 p.
6. Hopkin P. Fundamentals of Risk Management: Understanding, Evaluating and Implementing Effective Risk Management. Hardcover, 2014.

7. Hull John C. Risk Management and Financial Institutions: United States Edition. Pearson, 2006. 528 p.
8. Jarrow R. The Economic Foundations of Risk Management: Theory, Practice, and Applications. World Scientific Publishing Co, 2017. 208 p.
9. Thompson C., Hopkin P. Fundamentals of Risk Management: Understanding, Evaluating and Implementing Effective Enterprise Risk Management. Kogan Page, 2021. 472 p.

Additional sources:

1. Distance course: <https://dl2022.khadi-kh.com/course/view.php?id=534>
2. National Library of Ukraine named after Vernadskyi. URL: <http://www.nbuv.gov.ua>
3. Osvita.ua. Management. URL: <https://osvita.ua/vnz/reports/management/>
4. Center for financial and economic scientific research. Library. URL: http://www.economics.in.ua/p/blog-page_45.html
5. Educational materials online. URL: <https://pidru4niki.com/menedzhment/>; <https://pidru4niki.com/marketing/>; <https://textbook.com.ua/marketing/>; <http://eclib.net/21/index.html>; <http://www.management.com.ua/marketing/mark165.html>
6. TRADING ECONOMICS. URL: <https://tradingeconomics.com>
7. Official website of the State Statistics Service of Ukraine [Electronic resource]. URL: <http://ukrstat.gov.ua>
8. Official website of the Department of Statistics of the United Nations [Electronic resource]. URL: <http://unstats.un.org/unsd/default.htm>
9. Official website of the Ministry of Economic Development and Trade of Ukraine. URL: <http://me.kmu.gov.ua>
10. Official website of the World Economic Forum. URL: <http://www.weforum.org>
11. Official website of the ModelRisk. URL: <https://www.vosesoftware.com/products/modelrisk/>
12. Official website of the Risk Simulator: вебсайт. URL: <https://www.realoptionsvaluation.com/risk-simulator>
13. Official website of the RiskyProject: вебсайт. URL: <https://intaver.com/>
14. Official website of the SIPmath: вебсайт. URL: <https://www.probabilitymanagement.org/sipmath-modeler-tools>

Developer of the syllabus
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