



Course Specifications

Course Title:	DERIVATIVES & RISK MANAGEMENT
Course Code:	FIN1421
Program:	FINANCE AND BANKING
Department:	FINANCE AND BANKING
College:	College of Business Administration
Institution:	Dar Al Uloom University

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A. Course Identification

1. Credit hours:	
2. Course type	
a.	University <input type="checkbox"/> College <input type="checkbox"/> Department <input checked="" type="checkbox"/> Others <input type="checkbox"/>
b.	Required <input checked="" type="checkbox"/> Elective <input type="checkbox"/>
3. Level/year at which this course is offered: Eighth/ Fourth Year	
4. Pre-requisites for this course (if any): FIN1411	
5. Co-requisites for this course (if any): NIL	

6. Mode of Instruction (mark all that apply)

No	Mode of Instruction	Contact Hours	Percentage
1	Traditional classroom	45	100%
2	Blended		
3	E-learning		
4	Distance learning		
5	Other		

7. Contact Hours (based on academic semester)

No	Activity	Contact Hours
1	Lecture	45
2	Laboratory/Studio	
3	Tutorial	
4	Others (specify)	
	Total	45

B. Course Objectives and Learning Outcomes

1. Course Description

This course provides both introductory theory and a working knowledge of contemporary financial derivatives, with an emphasis on the use of derivatives in financial risk management. Topics include an overview of speculative markets, Option pricing models such as Binomial, Black-Scholes and their applications, financial derivatives products such as options, forwards, futures and swaps as well as other credit derivatives in risk management. The course focuses extensively on the analytical aspects of derivative products, derivatives valuation and their use in risk management.

2. Course Main Objective

The course focuses extensively on the analytical aspects of derivative products and the practical applications of risk management tools in various contexts.

3. Course Learning Outcomes

CLOs		Aligned PLOs
1	Knowledge and Understanding	
1.1	Describe the structure of derivative markets and the types of hedging instruments.	K3
1.2	State the pricing mechanisms of derivative products.	K4
1.3	Describe the risk management issues of multinational firms.	K3
1.4	List and explain the tools for measuring, controlling and hedging risk.	K3
2	Skills:	
2.1	Analyze and determine the value of derivative products.	S1
2.2	Evaluate the nature of risk and develop hedging strategies to resolve risk.	S2
3	Values:	
3.1	Practice high self-esteem, build constructive business relationship and exercise professional ethics.	V1
3.2	Show self-management ability, independent decision-making skills and adopt ethical	V2
3.3	Demonstrate numerical excellence in solving problems and in use of financial data sources and applications	V1
3.4	Demonstrate excellence in solving problems and in use of financial data	V3

C. Course Content

No	List of Topics	Contact Hours
1	Overview of derivatives markets and instruments	3
2	Derivative pricing	6
3	Basic Option strategies	6
4	Structure of forward and futures markets	6
5	Interest Rate Swaps	6
6	Applications of Financial Risk Management Techniques	9
7	Managing Risk in an organization	9
Total		45

D. Teaching and Assessment

1. Alignment of Course Learning Outcomes with Teaching Strategies and Assessment Methods

Code	Course Learning Outcomes	Teaching Strategies	Assessment Methods
1.0	Knowledge and Understanding		
1.1	Describe the structure of derivative markets and the types of hedging instruments.	Direct	Exams Quizzes Assignments
1.2	State the pricing mechanisms of derivative products.		
1.3	Describe the risk management issues of multinational firms.		
1.4	List and explain the tools for measuring, controlling and hedging risk.		
2.0	Skills		
2.1	Analyze and determine the value of derivative products.	Direct/Indirect	Exams Quizzes Assignment Project
2.2	Evaluate the nature of risk and develop hedging strategies to resolve risk.		
3.0	Values		

Code	Course Learning Outcomes	Teaching Strategies	Assessment Methods
3.1	High self-esteem, building constructive business relationship Illustrate team skills to work in groups for assigned tasks.	Interactive	Assignment Projects Simulation
3.2	Show self-management ability, independent decision-making skills and adopt ethical practices in completing the assigned tasks	Interactive	Projects
3.3	Demonstrate numerical excellence in solving problems and in use of financial data sources and applications	Interactive	Assignments Projects Simulation
3.4	Illustrate information technology skills in communication and in generating risk management reports.	Interactive	Assignments Projects Simulation

2. Assessment Tasks for Students

#	Assessment task*	Week Due	Percentage of Total Assessment Score
1	Quiz		10%
2	HomeWorks/Assessments/Projects		20%
3	Mid term		30%
4	Final Exam		40%

*Assessment task (i.e., written test, oral test, oral presentation, group project, essay, etc.)

E. Student Academic Counseling and Support

Arrangements for availability of faculty and teaching staff for individual student consultations and academic advice:

1. Eight Office hours weekly can be booked through the students' SIS account.
2. Online discussion through the LMS forums and instant messaging.
3. Instructor email available in the course syllabus.
4. Occasional mobile calls or SMS for urgent messages.

F. Learning Resources and Facilities

1. Learning Resources

Required Textbooks	Don Chance, Robert Brooks (2015). " <i>An Introduction to Derivatives & Risk Management</i> ", (8th Edition). Southwestern-Cengage.
Essential References Materials	Hull, John C. (2012): <i>Options, Futures, and other Derivatives</i> . 8th Edition (Global Edition). Prentice Hall
Electronic Materials	<ul style="list-style-type: none"> • Study materials are available through online resources • available from the publisher • Chicago Mercantile Exchange www.cmegroup.com/ .. • Derivatives and Risk Management Made Simple - JP Morgan • https://www.jpmorgan.com/jpmpdf/1320663533358.pdf... • OPEN UNIVERSITY www.open.edu/openlearn/ • MIT COURSE WARE https://ocw.mit.edu/courses/sloanschool-of-management/ • YAHOO FINANCE https://finance.yahoo.com/

	<ul style="list-style-type: none"> • MSN MONEY https://www.msn.com/en-sa/money • BLOOMBERG https://www.bloomberg.com/..
Other Learning Materials	MS office Tools

2. Facilities Required

Item	Resources
Accommodation (Classrooms, laboratories, demonstration rooms/labs, etc.)	Classroom.
Technology Resources (AV, data show, Smart Board, software, etc.)	Data show + smart boards.
Other Resources (Specify, e.g. if specific laboratory equipment is required, list requirements or attach a list)	Internet access point.

G. Course Quality Evaluation

Evaluation Areas/Issues	Evaluators	Evaluation Methods
End of semester Course Evaluation.	<ul style="list-style-type: none"> • Students 	<ul style="list-style-type: none"> • Indirect
Effectiveness of teaching and assessment.	<ul style="list-style-type: none"> • Peer reviewer 	<ul style="list-style-type: none"> • Indirect
Course learning outcomes assessment.	<ul style="list-style-type: none"> • Faculty members 	<ul style="list-style-type: none"> • Direct
Quality of learning resources	<ul style="list-style-type: none"> • Students 	<ul style="list-style-type: none"> • Indirect

Evaluation areas (e.g., Effectiveness of teaching and assessment, Extent of achievement of course learning outcomes, Quality of learning resources, etc.)

Evaluators (Students, Faculty, Program Leaders, Peer Reviewer, Others (specify))

Assessment Methods (Direct, Indirect)

H. Specification Approval Data

Council / Committee	Finance Department (Second semester 2021/2022)
Reference No.	Meeting number 3 Second semester
Date	17 March, 2022

