

## MODULE DESCRIPTOR

<b>MODULE TITLE</b>	Risk and Capital Markets		
<b>MODULE CODE</b>	AC3650 (L6)	<b>CREDIT VALUE</b>	20 CREDITS/ 10 ECTS
<b>SCHOOL</b>	SCHOOL OF BUSINESS AND MANAGEMENT		

### MODULE AIMS

The module aims to develop the students' understanding of the mechanisms of insurance and its role within the UK economy. It also aims to develop an understanding of the operation and importance of the major capital markets and of the major institutions operating in those markets. It seeks to enable students to critically appraise the adequacy and effectiveness of the capital markets in their use for risk management, and to develop the ability to critically evaluate the functions and developments of those markets in current economic conditions.

### MODULE CONTENT

Indicative syllabus would include:

- The nature and characteristics of financial instruments and the key features of their markets.
- Examination of the major capital markets including the equity, foreign exchange, bond, euro-bond and derivatives markets.
- The role of the institutional investors within the different market places with particular emphasis on pension funds and pension providers. The development of investment vehicles such as Hedge Funds.
- Further evaluation of the regulation within the UK capital markets and those of the US and Japan. A review of the adequacy and effectiveness of the capital markets.
- The background and development of insurance markets. The regulation of insurance markets within the UK compared with the US model. The creation of a single market for insurance within the EC.
- The regulations covering the reporting of results by insurance companies and the role of the actuary. Lloyds as a separate market and the problems of its own internal regulation.
- Risk and insurance developed. The nature of risk and uncertainty, available risk assessment techniques; the measurement of risk and the markets for risk; reinsurance and retrocession of pure risk.

### INTENDED LEARNING OUTCOMES

On successful completion of this module a student will be able to:

1. Critically appraise the operations of the major capital markets (including bond, euro-bond and derivatives markets) and the role of the institutional investors within the different market places.
2. Critically evaluate the adequacy and effectiveness of the capital markets.
3. Perform a comparative evaluation of the regulation within the UK capital markets and those of the US and Japan.
4. Explain and evaluate the nature of risk and insurance.

## **TEACHING METHODS**

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Class contact time will be one lecture per week, and one group session each week. Work by students should include guided reading and problem solving. Several textbooks are recommended as is additional reading.

Lectures will be used to introduce the subject areas, identify potential problem areas, and to highlight possible future developments. Directed reading will be given at the start of the course and during each main topic areas.

Seminars will focus on applying the lecture material to practical problems with an emphasis being put on current developments and recently published financial information.

Students will be encouraged to identify relevant topics as they appear in the business news and to be prepared to discuss the implications of these in seminars.

Students will draw on and enhance graduate attributes of planning, communication, literacy and analysis and develop confidence and expand their intellectual ability through constructing argument and exploring perspectives. This will aid employability with the accounting profession and careers in general business management.

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## **ASSESSMENT METHODS**

This module is assessed through an essay (50%) and a test (50%).