

The course is divided into the following seven chapters:

Chapter 1. Risk management and firm value.

- This chapter analyses the concept of risk, the process of risk management, the mechanisms of value creation and diversification effects.

Chapter 2. Risk management with Forwards and Swaps.

- This chapter analyses hedging strategies for currency and interest rate risk using natural hedging and financial hedging with forwards and swaps.

Chapter 3. Risk management with Futures and Options.

- This chapter analyses hedging strategies for commodities and financial assets risk using financial futures and options.

Chapter 4. Hedging options: the Greeks.

- This chapter analyses simple and complex hedging strategies for written options.

Chapter 5. Market risk.

- Main features. How to measure the market risk of a stock portfolio. The Value-at-Risk as proxy of market risk.

Chapter 6. Credit risk measurement.

- This chapter presents the main approaches for assessing credit risk. It also presents the standard modeling proposals in the credit literature.

Chapter 7. Credit derivatives.

- This chapter introduces the main features of derivatives designed for hedging against default risk.