

## RISK MANAGEMENT PRINCIPLES AND PRACTICES

BSMG6401

### Course Outline

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**Description:** This course explores the basic concepts and steps involved in the Risk Management process in a Canadian environment. Topics covered include: property, income and legal liability risks, risk management techniques and decision making and capital budgeting methods.

### Course Goals:

Provide students with an overview and broad understanding of risk management and the risk management process.

**Course Objectives:** At the completion of this course, the student will be able to:

- Systematically identify and analyze property, liability, net income, management/corporate governance, and personnel exposures to loss
- Assess loss exposures in terms of loss frequency, loss severity and their impact upon the organization
- Understand basic loss forecasting techniques, probability analysis, and standard deviation as they apply to loss forecasting
- Understand net present value concepts and net cash flow analysis necessary to analyze the costs and benefits accruing from alternative risk management options

### Evaluation:

Students are required to select one of the following options and submit it in writing or electronically to the instructor. Failure to submit an option by this date will automatically default to Option 1.

**OPTION 1** MIDTERM EXAMINATION (30 MARKS)  
FINAL EXAMINATION (70 MARKS)

**OPTION 2** CHAPTER PRESENTATION (20 MARKS)  
MIDTERM EXAMINATION (30 MARKS)  
FINAL EXAMINATION (50 MARKS)

## Notes on assignments (papers and reports):

- Must be academic in style and content
- Must have a clear focus
- Must present ideas in a logical and well thought-out flow
- Arguments, analysis and conclusions must be based on clearly identified research and sources
- Must cite all references from other sources
- Must be in paragraph format
- Must be double-spaced, and typewritten
- Must follow APA style

## Policy on Cheating and Academic Misconduct:

Academic honesty is a cornerstone of conduct at The University of Western Ontario. We cannot have freedom of expression without integrity. Students are responsible for understanding the nature of and avoiding the occurrence of plagiarism and other academic offences; please refer to the section on "Scholastic Offences" in the current University Academic Calendar, or on the web at <http://www.westerncalendar.uwo.ca>. Such offences include plagiarism, cheating on an examination, submitting false or fraudulent assignments or credentials, impersonating a candidate, or submitting for credit in any course any academic work for which credit has previously been obtained or is being sought in another course in this University or elsewhere (without the knowledge and approval of the instructor to whom the work is submitted). Students enrolled in non-degree courses are expected to abide by the University's code of conduct.

## Code of Student Conduct

The purpose of the Code of Student Conduct is to define the general standard of conduct expected of students registered at The University of Western Ontario, provide examples of behaviour that constitutes a breach of this standard of conduct, provide examples of sanctions that may be imposed, and set out the disciplinary procedures that the University will follow. For the complete Code of Student Conduct: <http://www.uwo.ca/univsec/pdf/board/code.pdf>.

## Plagiarism

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (<http://www.turnitin.com>).

## Course Schedule:

Week 1	CHAPTER 1 INTRODUCTION TO RISK MANAGEMENT
Week 2	CHAPTER 2 RISK MANAGEMENT STANDARDS AND GUIDELINES
Week 3	CHAPTER 3 HAZARD RISK
Week 4	CHAPTER 4 OPERATIONAL, FINANCIAL AND STRATEGIC RISK
Week 5	<b>NO CLASS...HAPPY THANKSGIVING!</b>
Week 6	CHAPTER 5 RISK MANAGEMENT FRAMEWORK AND PROCESS

# Western Continuing Studies

Week 7	CHAPTER 6 RISK IDENTIFICATION
Week 8	<b>MIDTERM EXAMINATION (CHAPTERS 1 – 6)...2 HOURS</b>
Week 9	CHAPTER 7 RISK ANALYSIS
Week 10	CHAPTER 8 RISK TREATMENT
Week 11	CHAPTER 9 FINANCIAL STATEMENT RISK ANALYSIS
Week 12	CHAPTER 10 CAPITAL INVESTMENT AND FINANCIAL RISK
Week 13	CHAPTER 11 MONITORING AND REPORTING ON RISK
Week 14	<b>FINAL EXAMINATION ON CHAPTERS (1 TO 11)... 3 HOURS</b>