B40.3112
Risk Management in Financial Institutions
Summer 2009 -DRAFT OUTLINE - NONBINDING
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Objective of the Class
The course will focus on modern, quantitative methods to measure and manage the risks faced by financial institutions.

Recommended Text

Grading
You will have one final exam, and maybe a project (a bank analysis?). The breakdown will be approximately:
• Project 20-30% (If I decide to assign a project.)
• Final: 70-80%. (100% if I decide not to assign a project).
• The exam is closed-book but I will give you a formula-sheet.

Description
There will be a packet of slides and extra materials on the following topics:
• interest rate risk
• market risk
• credit risk
• capital adequacy (Basel II will also be covered)
• securitization

Prerequisites
You need a financial calculator (the basic ones are just fine, no need to spend much money on this). You should be familiar with the CAPM, the main properties of the yield curve, and the basics of asset pricing.