FINN 6213 Risk Management and Financial Institutions  
FALL 2021

Instructor: Ping Hu  
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Office Hours: by appointment  
Classroom: Center City 905, 5:30pm-8:15pm (T)

Course Description
This course focuses on the financial risk management and regulation of financial institutions, with its primary focus on market and credit risk management in commercial banks. This is not a pure quant course. To manage risk effectively, we need to understand economics and intuition driving business decisions and economic and regulatory environments banks live in. Overall, you should expect a mix of about 1/3 quant and 2/3 non-quant materials.

Course Objectives
• To develop an understanding of financial risk management and regulatory issues in bank supervision.
• Detailed analyses of major risks faced by banks and how to identify, measure, model, manage and mitigate them.

Required and Supplementary Readings
There are no required textbooks for this course. No textbook available covers the topics in this course in sufficient detail. Required and supplementary reading material will be provided as needed.

Mask Policy
It is the current policy of UNC Charlotte that as a condition of on-campus enrollment, all students are required to engage in safe behaviors to avoid the spread of COVID-19 in the 49er community. Such behaviors specifically include the requirement that all students properly wear CDC-compliant face coverings in all indoor spaces on campus, including classrooms and labs, regardless of vaccination status. Failure to comply with this policy in the classroom or lab may result in dismissal from the current class session. If the student refuses to leave the classroom or lab after being dismissed, the student may be referred to the Office of Student Conduct and Academic Integrity for charges under the Code of Student Responsibility. Because refusal to wear a mask threatens the health of other students, I may additionally adjourn class temporarily or for the remainder of the class period to ensure a safe learning environment.

Statement on Academic Integrity
All students are required to read and abide by the Code of Student Academic Integrity. Violations of the Code of Student Academic Integrity, including plagiarism, will result in disciplinary action as provided in the Code. Definitions and examples of plagiarism are set forth in the Code. The Code is available from the Dean of Students Office or online at: http://www.legal.uncc.edu/policies/ps-105.html
Statement on Diversity
The Belk College of Business strives to create an inclusive academic climate in which the
dignity of all individuals is respected and maintained. Therefore, we celebrate diversity
that includes, but is not limited to ability/disability, age, culture, ethnicity, gender,
language, race, religion, sexual orientation, and socio-economic status.

University's Statement on Disability Accommodations
UNC Charlotte is committed to access to education. If you have a disability and need
academic accommodations, please provide a letter of accommodation from Disability
Services early in the semester. For more information on accommodations, contact the
Office of Disability Services at 704-687-0040 or visit their office in Fretwell 230.

Assignments, Exams, and Grading
There will be 2 graded assignments, 1 midterm exam, and a final exam. The graded
assignments will be somewhat involved, and you are encouraged to work in groups of 2 -
4. The exams will be closed book, but you will be allowed to bring in a “cheat sheet”, filled
with whatever formulas you wish. The final exam is comprehensive (covers whole
semester) of the course material. The midterm exam lasts 90 minutes. Your final course
grade breakdown is as follows, 20% for each of the assignments, 30% for the midterm
exam, and 30% for the final exam.

Both the midterm and the final exams will be administered in class. Please let me know
beforehand if you will miss an exam. Alternative arrangements can only be made under
very exceptional circumstances and are subject to my discretion.

Important Dates
First Day of Class: 8/24
First Assignment Due: 10/12
Midterm: 10/26
Second Assignment Due: 11/30
Last Day of Class: 12/7
Final Exam: 12/14

Course Outline (tentative)
1. Introduction
2. The U.S. Banking System and Financial Regulatory Structure
3. The Great Financial Crisis
4. Post Crisis Financial Regulatory Reforms
5. Market Risk
6. Credit Risk
7. Stress Testing and Scenario Analysis