

RISK MANAGEMENT (RM)

RM 875: Risk Management and Compliance

2-3 Credits

Risk management and compliance (RMC) is a process that organizations can use to limit excessive risk taking and unlawful corporate behavior. This class covers the losses resulting from ineffective risk management and compliance, such as business interruption, class action lawsuits, product recalls, reputational harm, and increased regulation. A variety of risk handling techniques are introduced, with an emphasis on how risk management can increase firm value. Using lectures and cases, the class examines how firms can implement risk management and compliance systems to better monitor and control corporate risk-taking behavior. Throughout the class, the legal, financial, and regulatory incentives to engage in corporate risk-taking are examined across a variety of corporate stakeholders, including managers, senior executives, corporate directors, customers, shareholders, institutional investors, and regulators.

Recommended Preparation: Students should have completed previous coursework in statistics, corporate finance, and microeconomics. However, the material in the class can be easily adjusted to accommodate students without this background.