

# FINANCIAL RISK MANAGEMENT, CERTIFICATE

Requirements for an undergraduate certificate may be completed at any campus location offering the specified courses for the certificate.

## Program Description

This certificate program is designed to prepare students for a career in risk management; and, for those interested, to gain exposure to topic that constitute the first part of the Financial Risk Manager (FRM) exam, sponsored by the Global Association of Risk Professionals (GARP). The FRM exam is the primary industry designation with over 20,000 candidates taking the exam twice a year. Students completing the certificate are prepared to pass the first part of this two-part exam. The certificate requires a total of 21 credit hours and can be completed concurrently with a Penn State Behrend degree or via continuing education. More information can be found on the Penn State Behrend website (<https://behrend.psu.edu/school-of-business/academic-programs/certificate-programs/financial-risk-management>).

## What is Financial Risk Management?

Financial risk management is the practice of managing exposure to potential economic losses. Penn State Behrend's certificate in Financial Risk Management includes preparation for the first part of the Financial Risk Manager certification exam sponsored by the Global Association of Risk Professionals.

## You Might Like This Program If...

You are an Accounting or Finance major who aspires to a career in financial risk management.

## Program Requirements

To earn an undergraduate certificate in Financial Risk Management, a minimum of 22 credits is required.

Code	Title	Credits
<b>Prescribed Courses</b>		
FIN 301	Corporation Finance	3
FIN 420	Investment and Portfolio Analysis	3
FIN 427	Derivative Securities	3
FIN 461	Portfolio Management and Analysis	3
STAT 200	Elementary Statistics	4
or SCM 200	Introduction to Statistics for Business	
STAT 301		3
STAT 462	Applied Regression Analysis	3
or ECON 485	Econometric Techniques	

Prerequisites Required.

## Certificate Learning Objectives

- **Statistical Methods:** Understand the importance of linear and multiple regression in many business applications. Coverage includes the understanding of the dependent variable in terms of actual, predicted, and average values. MS Excel is used to develop the regression model after basic understanding of the formulas is covered. Significant time is spent interpreting the significance of

the global model and each independent variable. Model building is introduced.

- **Assess Market Risk for Investors:** Have a clear understanding and appreciation of a wide variety of risk types including market (systematic) risk, security (diversifiable) risk, psychological risks for investors, and several unique risks for different securities such as fixed-income securities. This class measures risk in terms of standard deviation (and variance) and in terms of beta. The classes explore a few common risk management techniques including diversification and beta-specific strategies.
- **Quantify Risk Management Measures:** Understand and quantify the role of risk management in two key ways. First, students will explore a variety of securities that would allow an investor or firm to hedge different risks and create value with risk management. Second, applied risk management projects ask students to identify firms that could benefit from management strategies.
- **Understand Derivative Instruments:** Understand the entire spectrum of derivatives including those based on fixed-income securities, interest rates, foreign exchange, and equities. Master the basic techniques for the valuation of forwards, futures, swaps, and vanilla options (calls and puts).
- **Value-at-Risk (VaR) Model:** Understand and apply the Value-at-Risk (VaR) model and how it applies to scenarios and real market historical value.

## Academic Advising

The objectives of the university's academic advising program are to help advisees identify and achieve their academic goals, to promote their intellectual discovery, and to encourage students to take advantage of both in-and out-of class educational opportunities in order that they become self-directed learners and decision makers.

Both advisers and advisees share responsibility for making the advising relationship succeed. By encouraging their advisees to become engaged in their education, to meet their educational goals, and to develop the habit of learning, advisers assume a significant educational role. The advisee's unit of enrollment will provide each advisee with a primary academic adviser, the information needed to plan the chosen program of study, and referrals to other specialized resources.

READ SENATE POLICY 32-00: ADVISING POLICY (<https://senate.psu.edu/students/policies-and-rules-for-undergraduate-students/32-00-advising-policy/>)

## Erie

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## Career Paths

The certificate in Financial Risk Management can be pursued by students in most Black School of Business undergraduate degree programs or as a stand-alone credential for nondegree students. Penn State Behrend has a comprehensive support system to help you identify and achieve your goals for college and beyond. Meet with your academic adviser often and take advantage of the services offered by the Academic and Career Planning Center beginning in your first semester.

## Careers

The Global Association of Risk Professionals notes that as the financial industry becomes increasingly competitive and concerned about managing risk, it is important to distinguish yourself and your ability to add value to an organization. Earning a certificate in Financial Risk Management can do just that.

MORE INFORMATION ABOUT POTENTIAL CAREER OPTIONS FOR GRADUATES WITH A CERTIFICATE IN FINANCIAL RISK MANAGEMENT (<https://behrend.psu.edu/school-of-business/academic-programs/certificate-programs/financial-risk-management>)

## Opportunities for Graduate Studies

Adding a certificate to your major degree program demonstrates to graduate school admissions committees your commitment to interdisciplinary thinking.

MORE INFORMATION ABOUT OPPORTUNITIES FOR GRADUATE STUDIES (<https://behrend.psu.edu/school-of-business/academic-programs/certificate-programs/financial-risk-management>)

## Professional Resources

- AACSB International (<https://www.aacsb.edu/>)
- Global Association of Risk Professionals (<https://www.garp.org/#!/home>)

## Contact

### Erie

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