

Federal State Educational Budgetary
institution of higher education
"FINANCIAL UNIVERSITY UNDER THE GOVERNMENT
RUSSIAN FEDERATION"
(Financial University)
Department of World Economy and World Finance

SYLLABUS

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RISK MANAGEMENT IN INTERNATIONAL ECONOMIC ACTIVITY

Level of study: master's degree

Field of Study: for students studying in the direction 38.04.01 "Economics"

Study Program: "International Economics and Business Engineering"
(with partial implementation in English)

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Syllabus

1. Name of a subject **RISK MANAGEMENT IN INTERNATIONAL ECONOMIC ACTIVITY**

2. Mapping of learning outcomes (list of competences), with the relevant indicators described and subject learning outcomes indicated

Table 1

Competence code	Competence	Competence development indicators ¹	² Learning outcomes (skills , and knowledge) and indicators that show competence development
DKN-4	Ability to assess risks and to make risk management decisions in operations on international financial market	<p>1. Forms and applies the risk-oriented management decisions in operations on international and Russian financial markets</p> <p>2. Uses methods of risk assessment in operations on international and Russian financial market operations</p>	<p>Knowledge of basics how international economic activity is arranged and the reasons for its change nowadays.</p> <p>Ability to identify risks arising in international economic activity and to determine the directions of management of such risks</p> <p>Knowledge of risk-oriented management decisions in operations on international and Russian financial markets</p> <p>Ability to assess possible damage from risks arising from operations on the international and the Russian financial markets</p>
PKN-4	Ability to develop methods and to evaluate effectiveness of economic projects taking into account risk factors in face of uncertainty	<p>1. Forms and applies the methods of assessment of effectiveness of economic projects in face of uncertainty</p> <p>2. Shows the skills of formulating of conclusions on the basis of study fulfilled for making managerial decisions on implementation of economic projects in the form of methodologies and analytical data</p>	<p>Knowledge of risks specifics associated with international economic activity.</p> <p>Ability to integrate risk management programs into the development strategy of international economic relations.</p> <p>Knowledge of likelihood of occurrence of risks in view of implementation of international economic projects</p>

			Ability to formulate conclusions based on analysis of risks arising in view of implementation of economic projects
PKN-5	Ability to manage economic risks, investments, financial flows based on the integration of knowledge from related fields, to bear responsibility for organizational and management decisions made.	<ol style="list-style-type: none"> 1. Applies theoretical knowledge and economic laws to develop algorithms of managing of economic risks, investment projects, financial flows 2. Shows knowledge of content of the basic schemes of investment projects financial support and its features 3. Justify decisions on managing of investment projects and financial flows based on integration of knowledge from various fields. 	<p>Knowledge of basic concepts of social, environmental, political, technological, project, trade and currency risks in international economic activity.</p> <p>Ability to freely perceive, to analyze and to critically assess the risks and understand how they affect finances of international economic projects</p> <p>Knowledge of the basic schemes of financial support of investment projects and its features</p> <p>Ability to adapt financial schemes of investment projects to specifics of a particular project</p> <p>Knowledge of risks associated with international investment projects that are not directly related to the financial component of the project</p> <p>Ability to assess the impact of indirect risks on the project economy</p>
UK-1	Ability to abstract thinking, critical analysis of problem situations based on a systematic approach, elaboration of action strategy	<ol style="list-style-type: none"> 1. Uses methods of abstract thinking, data analysis and synthesis of problem situations, formalized models of processes and facts in professional activities 2. Shows ways of understanding and critical analysis of problem situations. 3. Offers a non-standard problem solution, new original attitudes, develops an 	<p>Knowledge of scientific basics of risk analysis inherent to modern international economic activities.</p> <p>Ability to effectively apply and to adapt modern methods of analysis of processes and facts related to international economic activity.</p> <p>Knowledge of assessment criteria and risk management mechanisms in the</p>

		action strategy based on a systematic approach	international economic activities. Ability to develop programs of management of risk arising in international economic activities Knowledge of systematic approach methods to problem solving Ability to effectively apply and to adapt foreign experience in risk management in international economic activity
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3. Place of the subject in the curriculum

The discipline "Risk management in international economic activity" is the discipline of the orientation module of the master's program "International Economics and Business Engineering" (with partial implementation in English).

The discipline is based on the knowledge gained in the study of the disciplines of "Banking", "Actual problems of the organization and reform of the modern global financial market."

To master the discipline "Risk management in international economic activity, a student should:

Know:

- sources of information necessary for calculating economic and socio-economic indicators characterizing activities of business entities, as well as methods for compiling information reviews and analytical reports;

Be able to:

- analyze the original source data necessary for calculation economic and socio-economic indicators characterizing the activities of business entities, as well as to prepare informational reviews and analytical reports;

Own:

- skills of comparative analysis of Russian and foreign approaches to interpretation of the information necessary for calculation of economic and socio-economic indicators, characterizing the activities of business entities.

4. Workload in credits and academic hours, with class work (lectures and seminars) and self-study indicated

The total labor input of the discipline is 3 credits (108 hours). The discipline stipulates a homework in 6th module. Type of intermediate certification - exam.

Table 2

Type of study	Hours	5th module.
Total labor input of the discipline	3 credits (108 hours)	108
<i>Auditory sessions</i>	40	40
Lectures	10	10
Seminar classes	30	30
<i>Independent work</i>	68	68
Type of current control		Homework
Type of intermediate certification		<i>Exam</i>

5. Subject content (with the thematic components indicated).

5.1. Discipline's content

Theme 1. The nature of risk, the causes of its occurrence, modern global risks

The factors of human behavior that determine economic risks. The global trends in economics, politics, social life, the environment, technologies that determine the risks that companies face in international economic activity.

Theme 2. Social responsibility of a foreign company in the country of doing business

A code of ethical conduct for companies regarding raw materials purchased, manufacturing conditions, staffing, human rights, and the lives of those working outside the company. The total unacceptability of corruption as a method of doing business abroad.

Relations with local civil society organizations and their impact on the atmosphere of doing business in the context of local culture, customs and rules of life of the local population.

The impact of the risks of non-compliance with social responsibility on the economy of foreign business projects.

Theme 3. Business transformation in the context of climate change.

Increasing the level of state control / licensing for the use of natural resources, environmental pollution in the country of doing business.

Complicating supply chains in terms of natural disasters.

Prohibitions / rejection by the local population of "non-environmentally friendly" industries and goods. The stimulating effect of the "green policy" on the creation

of technologies and productions without a "carbon footprint", on the recycling of waste.

Theme 4. Increasing the political risks of doing business with foreign partners.

The influence of politics on the prevailing world division of labor. Change of regulatory conditions for doing business in the country of residence. Increasing risks of expropriation / forced sale of assets. The role of economic sanctions / restrictions imposed for political reasons on foreign business. Increased risk of hostilities, border closures.

Theme 5. Opportunities and threats of international economic operations.

The need for a thorough study of foreign markets and partners, determining your place on a new market. The role of local intermediaries in conducting international operations. Cooperation with banks in international economic transactions. The strategies of entering foreign markets taking into account local specifics: export, transfer of production, international production center or import, partnership with a foreign manufacturer, full integration into its own internal corporate value chain.

Risks of international mergers and acquisitions.

Outsourcing of local companies: requirements for reliability, quality, stability.

Global competition and adaptation to local conditions. The role of marketing on local market to increase the profitability of operations.

Risk management strategy of international value creation chain.

Protection of foreign investment.

Theme 6. Commodity and currency risks

Non-delivery of goods, low-quality goods, non-payment of goods, use of foreign law in an agreement with a foreign counterparty. Reliability of a foreign counterparty, hedging of commodity and currency risks.

Theme 7. Risk management of international operations

Insurance in the country of origin of goods, insurance in international organizations. Risk diversification, risk sharing with local partners, risk aversion. Company internal measures to prevent the occurrence of risk.

International risk reduction systems in international economic relations: WTO, IMF, World Bank and Basel Accords.

National Risk Management Principles.

5.2. Educational - thematic plan

Table 3.

##	Name of themes (sections) of the discipline	Labor input in hours						Forms of current performance monitoring
		Total	Auditory sessions				Independent work	
			Total, including:	Lectures	Workshops, practical	Classes in interactive forms		
1.	The nature of risk, the causes of its occurrence, modern global risks	22	8	2	5	1	14	Poll, discussion
2.	Social responsibility of a foreign company in the country of doing business	11	4	1	2	1	7	Poll, problem solving and case studies
3	Business transformation in the context of climate change	11	4	1	2	1	7	Poll, problem solving and case studies
4	Increasing the political risks of doing business with foreign partners.	11	4	1	2	1	7	Poll and case studies
5	Opportunities and threats of international economic operations	32	12	3	7	2	20	Poll and case studies
6	Commodity and currency risks	10	4	1	2	1	6	Poll and case studies
7	Risk management of international operations	11	4	1	2	1	7	Poll and case studies
	Total in discipline:	108	40	10	22	8/ 27%	68	According to the curriculum · Homework

5.3. The content of seminars, practical classes

Table 4

Name of themes (sections) of the discipline	The list of issues for discussion at seminars, workshops, recommended sources from sections 8.9 (section and serial number of the source are indicated)	Forms of conducting classes
The nature of risk, the causes of its occurrence, modern global risks	<ol style="list-style-type: none"> 1. The factors of human behavior that determine economic risks. 2. The global trends in economics, politics, social life, the environment, technologies that determine the risks that companies face in international economic activity. <p>Sources: 8.1, 8.2.,8.3,9.</p>	Discussion, case study
Social responsibility of a foreign company in the country of doing business	<ol style="list-style-type: none"> 1. A code of ethical conduct for companies regarding raw materials purchased, manufacturing conditions, staffing, human rights, and the lives of those working outside the company. 2. The total unacceptability of corruption as a method of doing business abroad. 3. Relations with local civil society organizations and their impact on the atmosphere of doing business in the context of local culture, customs and rules of life of the local population. 4. The impact of the risks of non-compliance with social responsibility on the economy of foreign business projects <p>Sources: 8.1, 8.2.,8.3,9.</p>	Discussion, case study
Business transformation in the context of climate change.	<ol style="list-style-type: none"> 1. Increasing the level of state control / licensing for the use of natural resources, environmental pollution in the country of doing business. 2. Complicating supply chains in terms of natural disasters. 3. Prohibitions / rejection by the local population of "non-environmentally friendly" industries and goods. 4. The stimulating effect of the "green policy" on the creation of technologies and productions without a "carbon footprint", on the recycling of waste. <p>Sources: 8.1, 8.2.,8.3,9.</p>	Discussion, case study
Increasing the political risks of doing business with foreign partners.	<ol style="list-style-type: none"> 1. The influence of politics on the prevailing world division of labor. 2. Change of regulatory conditions for doing business in the country of residence. Increasing risks of expropriation / forced sale of assets. 3. The role of economic sanctions / restrictions imposed for political reasons on foreign business. 	Discussion, case study

	<p>4. Increased risk of hostilities, border closures.</p> <p>Sources: 8.1, 8.2.,8.3,9.</p>	
<p>Opportunities and threats of international economic operations</p>	<ol style="list-style-type: none"> 1. The need for a thorough study of foreign markets and partners, determining your place on a new market. 2. The role of local intermediaries in conducting international operations. Cooperation with banks in international economic transactions. 3. The strategies of entering foreign markets taking into account local specifics: export, transfer of production, international production center or import, partnership with a foreign manufacturer, full integration into its own internal corporate value chain. 4. Risks of international mergers and acquisitions. 5. Outsourcing of local companies: requirements for reliability, quality, stability. 6. Global competition and adaptation to local conditions. 7. The role of marketing on local market to increase the profitability of operations. 8. Risk management strategy of international value creation chain. 9. Protection of foreign investment. <p>Sources: 8.1, 8.2.,8.3,9.</p>	<p>Discussion, case study</p>
<p>Commodity and currency risks</p>	<ol style="list-style-type: none"> 1. Non-delivery of goods, low-quality goods, non-payment of goods, use of foreign law in an agreement with a foreign counterparty. 2. Reliability of a foreign counterparty, hedging of commodity and currency risks <p>Sources: 8.1, 8.2.,8.3,9.</p>	<p>Discussion, case study</p>
<p>Risk management of international operations</p>	<ol style="list-style-type: none"> 1. Insurance in the country of origin of goods, insurance in international organizations. 2. Risk diversification, risk sharing with local partners, risk aversion. 3. Company internal measures to prevent the occurrence of risk. 4. International risk reduction systems in international economic relations: WTO, IMF, World Bank and Basel Accords. 5. National Risk Management Principles. <p>Sources: 8.1, 8.2.,8.3,9.</p>	<p>Discussion, case study</p>

6. List of teaching and methodological materials needed for the students self-study

6.1. List of questions for student self-study and types of out-of-class activities

The main forms of non-auditory independent work are the study of recommended textbooks, studies, the search for relevant information on the Internet, in particular the publications of international economic organizations and statistical agencies.

Table 5

Name of themes (sections) of the discipline	List of questions assigned to independent development	Forms of extracurricular independent work
The nature of risk, the causes of its occurrence, modern global risks	The ratio of rational and irrational in the behavior of people in a market economy.	Studying recommended textbooks and materials, searching for relevant information on the Internet
Social responsibility of a foreign company in the country of doing business	Social responsibility: benefits and costs associated with its compliance	Studying recommended textbooks and materials, searching for relevant information on the Internet
Business transformation in the context of climate change	Is there any positive for business in the desire of society to improve the environment?	Studying recommended textbooks and materials, searching for relevant information on the Internet
Increasing the political risks of doing business with foreign partners.	Protectionism and prospects for the further development of the international division of labor	Studying recommended textbooks and materials, searching for relevant information on the Internet
Opportunities and threats of international economic operations	Are there any disadvantages for consumers in the global expansion of business companies?	Studying recommended textbooks and materials, searching for relevant information on the Internet
Commodity and currency risks	Barter and offset transactions in the period of increasing political risks	Studying recommended textbooks and materials, searching for relevant information on the Internet
Risk management of international operations	Are there any chances to avoid risks when conducting international operations?	Studying recommended textbooks and materials, searching for relevant information on the Internet

6.2. List of questions/assignments/topics for students' preparation to formative assessment

Sample topics of reports and homework assignments

1. The influence of irrational human behavior in market realities on the financial result.
2. Non-economic factors affecting the effectiveness of foreign business projects
3. What non-economic factors do influence the decision of foreign companies to make direct investments in the Russian Federation?
4. Optimization of the balance of profits and losses for protection against risks when doing business abroad.

7. Mandatory and optional reading list

7.1. Regulations:

1. Federal Law dated 08.23.1996 N 127-Φ3 (as amended on 12.22.2014, with rev. from 04/20/2015) "On science and the state scientific and technical politics"
2. Decree of the President of the Russian Federation dated 18.06.2012 N 878 (as amended on 08.04.2015) "On Presidential Council for Economic Modernization and innovative development of Russia" (together with the "Regulations on the Council under President of the Russian Federation for the modernization of the economy and innovative development of Russia").
3. The order of the Government of the Russian Federation dated 08.12.2011 N 2227-r "On approval of the Innovation Development Strategy of the Russian Federation at period until 2020. "
4. The order of the Government of the Russian Federation dated 06.03.2015 N 373-r "On approval of the implementation plan for the 2015-2016 Strategy innovative development of the Russian Federation for the period until 2020."

7.2. Main literature

1. Innovation management: textbook / ed. V.Ya. Gorfinkel, T.G. Parrot. - Moscow: University textbook, 2011, 2013, 2014. -- 381 p. - Also [Electronic resource]. - 2018. - Master. - Access mode: <http://znanium.com/catalog/product/972441>
2. An innovative type of economic development: A Textbook for students. universities, training economical specialists and e.g. / ed. A.N. Folomyeva - M.: Economics, 2013 -562 p.

3. International Business Competing in the global marketplace. University of Washington USA. Charles W. L. Hill - Published by McGraw-Hill / Irwin, a business unit of The McGraw-Hill Companies, Inc. Copyright © 2013
4. Cambridge International AS and A Level Business Coursebook. Third edition. Cambridge University. Peter Stimpson and Alastair Farquharson - © Cambridge University Press 2015

7.3. Additional literature

1. Overview of the main aspects of risk management. Dmitry Martsinkovsky - https://www.cfin.ru/finanalysis/risk/main_meths.shtml
2. Managing international business risk Lloyds of London -<http://college.cengage.com/school/ebooks/053849106X/chapter21.pdf>
3. Global-risk-management-survey-10th-ed Deloitte 2017 - <https://www2.deloitte.com/us/en/insights/topics/risk-management/global-risk-management-survey.html>
4. Global_Risks_Report_World Economic Forum 2019 - http://www3.weforum.org/docs/WEF_Global_Risks_Report_2019.pdf
5. Global supply chain risk management strategies - <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.453.5961&rep=rep1&type=pdf>
6. accenture-managing-political-risk - https://www.accenture.com/t20150715t045906_w_/th-en/acnmedia/accenture/conversion-assets/dotcom/documents/global/pdf/industries_13/accenture-managing-political-risk-controlling-loss-finding-opportunity.pdf
7. The next environmental issue for business: McKinsey Global Survey results <https://www.mckinsey.com/business-functions/sustainability/our-insights/the-next-environmental-issue-for-business-mckinsey-global-survey-results#>

8. List of IT resources, incl. the list of software, information and reference systems (as appropriate).

8. 1. Software:

1. www.imf.org
2. www.oecd.org
3. www.un.org
4. www.unctad.org

5. www.undp.org

6. www.worldbank.org

7. www.wto.org

8. Digital library of the Financial University (EB)

<http://elib.fa.ru/>

9. Scientific electronic library eLibrary.ru <http://elibrary.ru>

10. Znanium Electronic Library System <http://www.znanium.com>

8.2. Databases and information and reference systems

8.3. Certified software/hardware used for information protection

If no such software/hardware is used, there is a special mark.

E.g.

1. Garant information and reference system;

2. Consultant Plus legal information system;

3. <http://ru.wikipedia.org/wiki/Wiki> e-encyclopedia; 4. <http://www.skrin.ru/> database; etc.