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The tutorial (course of lectures) is developed in accordance with the state standard of higher professional education. This tutorial provides a description of the concept and classification of risks, definition and meaning of risk management, its objectives and the principles, place of risk management in a management's system of the corporation, the risk manager's job, the main steps in the risk management process, approach to risk assessment and handling of risk.

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This textbook is intended for master's students in training 38.04.08 – Finance and credit.

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## PREFACE

The increasing pace of change, customer demands and market globalization all put risk management high on the agenda for forward-thinking companies. It is necessary to have a comprehensive risk management strategy to survive in today's market place. In addition, having a process in place to identify major business risks as one of the key procedures of an effective control system is paramount.

The management of risk is one of the most important issues facing organizations today.

Organizations which do not fully understand the risks of implementing their strategies are likely to decline.

Considering that each vulnerability instance has the potential to disrupt or bring a company's business to a complete halt, organizations must take risk assessment seriously and determine how each risk will be handled.

The discipline of «Risk management in corporate business» is the discipline for master's choice of the variable part of the professional cycle. It is studying in the 2nd term.

The purpose of teaching discipline is the forming a set of professional competencies (PC-6, PC-7) of the future master to direction of training 38.04.08 «Finance and credit».

Tasks of teaching discipline are: the formation of notion about the system of risk management and its impact on results of economic activities of economic entities; the acquisition of knowledge of theoretical and methodological foundations of risk's assessment and management of the companies of various legal forms; the acquisition of practical skills of analysis and evaluation of risks and risk situations in the activities of market agents; the acquisition of practical skills of quantitative risk assessment in corporate business and development on its basis of management decisions.

This tutorial (course of lectures) is composed in accordance with the program of discipline and the requirements of Federal state educational standard.

Successful studying of discipline «Risk management in corporate business» is based on studying of the following disciplines and their main parts

1. Insurance and risk management.
2. Investments and investment decisions.

Successful studying of discipline «Risk management in corporate business» provides timely and quality preparation for the study of the following disciplines, including their major sections:

1. Valuation of the business.
2. Assessment of financial assets of corporations.
3. Short-term and long-term strategy of the firm.

Professional competence of masters, formed as a result of studying of discipline:

**PC-6:** ability to justify on the basis of the analysis of economic and financial risks the behavior strategy of economic agents in various segments of the financial market, planning of product's sales and technologies of their implementation, manage the value of the business subject to socio-economic efficiency;

**PC-7:** ability to manage the activities of financial services and departments of organizations of various organizational-legal forms, including financial and credit, public authorities and local governments, non-governmental and international organizations, temporary-mi creative teams created to development of the financial aspects of the new design decisions from the point of view of their optimal composition and structure.