



Market Risk Advanced- Online

This course explains in detail the various advanced VaR models and the concepts of volatility, Advanced Scenario Analysis, Stress Tests and Risk Adjusted Performance Measurement.

This is an online self study course that can be globally accessed from any internet enabled computer. Access is for 91 days. Certificates with earned credits will be awarded upon successful completion.

Targeted Audience

Risk managers and assistants, trading assistants, finance professionals, auditors and controllers.

Advance Preparation

No advance preparation required.

Prerequisites

Market Risk Basics and Intermediate - Online or equivalent level of knowledge

Level: Advanced

icb Credits: 5

icpas Credits: 3

Detailed Outline

Description of Advanced VaR Models

This module explains in details the various

Advanced Measuring Volatility and Correlation

advanced VaR models. It helps the user understand:

- . The various emerging forms of VaR viz., Component VaR and Del VaR
- . The impact of individual trades on Total VaR
- . The advancements in Monte Carlo Simulation
- . The variance reduction techniques employed for Monte Carlo Simulation

Duration: 1 hour

This module explains in details the concept of volatility. It helps the user understand:

- . The concept of volatility and volatility clustering
- . The conditional volatility models viz., Exponential Moving Average approach and GARCH
- . The importance of time errors and the impact of crashes on correlation and its effect on VaR calculation

Duration: 1 hour

Advanced Scenario Analysis and Stress Tests

This module deals with the concept of Advanced Scenario Analysis and Stress Tests. It helps the user understand:

- . The application of stress testing to a group of reporting firms through aggregation
- . The various techniques like Maximum Loss and Extreme Value Theory
- . How systematic stress testing is used with the help of stress test matrices

Duration: 1 hour

Risk-adjusted Performance Measurement

This module deals with the concepts of Risk Adjusted Performance Measurement. It helps the user understand:

- . The concept and need for risk adjusted performance measurement
- . Risk capital and the measures of risk capital viz., revenue (or earnings) volatility, Earnings at Risk (EaR), and asset volatility Value at Risk (VaR)
- . The importance of capital allocation in risk adjusted performance measurement and the factors that affect them

Duration: 1 hour

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