

COURSE OUTLINES: BF3213 Enterprise Risk Management in Commodity Markets

Academic Year	22/23	Semester	1 and 2
Course Coordinator	Sean Mulhearn		
Course Code	BF3213		
Course Title	Enterprise Risk Management in Commodity Markets		
Pre-requisites	Nil		
No of AUs	2		
Contact Hours	26		
Date	25 November 2022		
A) Course Aims/Description			
<p>All organizations (especially commodities / energy trading organizations) face a wide range of enterprise risks. This course provides:</p> <ul style="list-style-type: none"> i) an overview on the range of key risks that continue to challenge these firms ii) how to assess and identify existing and emerging risks facing these firms iii) how to maintain an effective risk management framework to monitor and manage such risks iv) Overview and analysis of basic risk management techniques <p>Managing risk has never been so complex and regulated in a commodities / energy trading organization. Everyone in an organization (trading or non-trading, client facing traders/marketers or finance/IT teams) is expected to understand and manage risk across an organization.</p> <p>Anyone aspiring to have a career in trading, risk management or a job in a trading organization would find value in this course.</p>			

B) Intended Learning Outcomes (ILO)/Objectives

By the end of this course, you (as a student) would be able to:

LO1: Define and describe in detail the typical risks that exist in a commodity trading organization. LO2: Conduct a risk assessment exercise to identify existing and emerging risks in an organization and recommend appropriate solutions.

LO3: Design and develop an appropriate risk management framework to monitor and manage/mitigate risks for the organization.

LO4: Develop a communication plan in order to communicate effectively across multiple functions and across the organization to increase risk awareness and instill an appropriate risk/return culture for business decision making and people management.

LO5: Determine the pros and cons of various risk management techniques- e.g. futures, over the counter derivatives and physical transactions.

C) Course Content
<p>Session 1 Part I: Introduction to enterprise risk management framework and process (in a trading organisation)</p> <p>Session 2 : Strategic risk, business risk, Financial risk & liquidity risk</p> <p>Session 3: Operational Risk</p> <p>Session 4 Part I Regulatory risk, Political & Legal risk; Reputational risk</p> <p>Session 4 Part II Risk governance & Management</p> <p>Session 5 Part I Typical Risk Management Techniques</p> <p>Session 5 Part II Tools for Enterprise Risk Management – Q & A session with an industry panel</p> <p>Session 5 Part III Developing Risk Awareness Culture & Risk/Return mindset</p> <p>Session 6 Putting it all together (Team exercise to develop a risk matrix for a trading organisation)</p>

D) Assessment (includes both continuous and summative assessment)

Component	Course LO Tested	Learning Goals (Related Programme LO or Graduate Attributes)	Weightage	Team/ Individual	Assessment Rubrics (attach rubrics in Annex C)
1. Seminar participation	LO1,-LO5	Oral Communication	20%	Individual	Class Participation Rubric
2. * Case studies & presentation	LO1-LO5	Critical Thinking and Oral Communication	25% Indiv 10% Team % 15	Individual /Team	Critical thinking (Case Study) and Oral Communication (presentation)

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3. * Final Team assignment & presentation	LO1-LO5	Critical Thinking and Oral Communication	25% Indiv 10% Team 15%	Individual / Team	Critical Thinking (Team Assignment and Oral Communication (presentation))
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4. Quiz 1	LO1, LO2, ,LO4	Acquisition of Knowledge	15%	Individual	N.A	
5. Quiz 2	LO1-LO5	Acquisition of Knowledge	15%	Individual	N.A	
Total			100%			

Note *:

Individuals will be judged on several measures:

- Identification of risks
- Sensitivity analysis of risks- ie the impact of changing prices
- Analysis of various risk management alternatives
- Clarity ideas
- Presentation skills

While these are similar to the group ones there will be a greater emphasis on oral communication and presentation skills as much of the analysis will be performed by the group.

A group grade (weightage of 15%) and individual grades (weightage of 10%) for students within a group will be awarded based on each stated assessment.

Students will be expected to complete a compulsory peer evaluation. Group marks will be adjusted based on the feedback and rating provided by their peers.

E) Formative feedback

- You will be assessed through a quiz that consists of multiple choice AND short answer questions. Feedback will be given in terms of quiz scores. Instructors will go through the common mistakes made, provide answers to clarify the mistakes and provide you with guidance that strengthens your understanding of the complex concepts.
- This course would be an interactive course where you would be individually graded based on participation during the class (e.g. questions raised) and case studies (e.g. presentations on findings and feedback).
- The final team assignment would be another indicator of how each of you are progressing through the course. The team assignment and presentation would also allow me to provide feedbacks to you on your findings and ideas, and soft skills (e.g. negotiation abilities, presentation skills)

F) Learning and Teaching approach		
Approach	How does this approach support students in achieving the learning outcomes?	
Seminars	The interactive seminar session provides ample opportunities for open discussion on the conceptual questions raised in the class. It allows you to think critically and share your ideas and concept with the class. This also allows me to get the concepts clearly through the entire class by involving	

	each of you on the spot and ensure that the targeted learning outcomes are being achieved
Approach	How does this approach support students in achieving the learning outcomes?
In class activities - Case studies and presentation (Individual / Team)	Some learning outcomes for this course are skills which are practical in nature and cannot be achieved by reading and writing. The achievement of such learning outcomes requires hands-on experience, in-class activities such as case studies and presentation, provide such opportunities for you to apply what you have learned in class into practice through reviewing a real case study and presenting your findings and ideas.
Team assignment and presentation (Team)	The assignments require you to work as a team to discuss what you have learned in class and analyze and present your findings to a larger audience.
G) Reading and References	
<p>Materials for team exercise :</p> <ol style="list-style-type: none"> 1. Financial statements of a company 2. Business profile and background of the company 3. Annual Report of the company 	

H) Course Policies and Student Responsibilities

(1) General

You are expected to complete all assigned pre-class readings and activities, attend all seminar classes punctually and take all scheduled assignments and tests by due dates. You are expected to take responsibility to follow up with course notes, assignments and course related announcements for seminar sessions they have missed. You are expected to participate in all seminar discussions and activities. Punctuality will be appreciated. Walking in midway is disruptive. Questions and debate are encouraged.

(2) Absenteeism

Requires you to be in class to contribute to team work. In-class activities make up a significant portion of your course grade. Absence from class without a valid reason will affect your overall course grade. Valid reasons include falling sick supported by a medical certificate and participation in NTU's approved activities supported by an excuse letter from the relevant bodies. There will be no make-up opportunities for in-class activities.

If you miss a seminar session, you must inform your team members and me via email prior to the start of the class.

(3) Quiz and Assignments

You are required to submit any quizzes and assignments by the due dates.

I) Academic Integrity

Good academic work depends on honesty and ethical behaviour. The quality of your work as a student relies on adhering to the principles of academic integrity and to the NTU Honour Code, a set of values shared by the whole university community. Truth, Trust and Justice are at the core of NTU's shared values.

As a student, it is important that you recognize your responsibilities in understanding and applying the principles of academic integrity in all the work you do at NTU. Not knowing what is involved in maintaining academic integrity does not excuse academic dishonesty. You need to actively equip yourself with strategies to avoid all forms of academic dishonesty, including plagiarism, academic fraud, collusion and cheating. If you are uncertain of the definitions of any of these terms, you should go to the [academic integrity website](#) for more information. Consult your instructor(s) if you need any clarification about the requirements of academic integrity in the course.

J) Course Instructors

Instructor	Office Location	Phone	Email
Sean Mulhearn		+61 414876646 +65 90237146	sean@jacarandacp.com

K) Planned Weekly Schedule

Week	Topic	Course LO	Readings/ Activities
1	Introduction to Enterprise Risk Management	LO1, LO4	Handouts
1	Supply Chain Risk <ul style="list-style-type: none"> Strategic Risk & Business Risk Case Study 1 	LO1, LO2, LO4	Handouts and Case study1 materials
1	Financial Market Risk <ul style="list-style-type: none"> FX Interest Rate Commodity Funding & Liquidity Risk Credit	LO1, LO2, LO4, LO5	Handouts
4	Traditional Risk Techniques <ul style="list-style-type: none"> Physical Futures OTC 	LO1, LO2, LO4, LO5	Handouts

	4	Operational Risk <ul style="list-style-type: none">• Case Study Task	LO1, LO2, LO4	Handouts	
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			Case study 1 Task
5	Risk Governance & Management Case Study 1 Presentations Quiz 1	LO1, LO2,LO3, LO4	Handouts Case study Quiz 1
	Recess Week		
8	Operational Risk Regulatory Political & Legal risk; Reputational Risk	LO1, LO2, LO4, LO5	Handouts
8	Tools for Enterprise Risk Management - Q & A session with an industry panel	LO1, LO2,LO3, LO4, LO5	Handouts
8	Developing Risk Awareness Culture & Risk/Return Mindset	LO1, LO2,LO3, LO4, LO5	Handouts
13	Case Study 2 Presentations Team exercise to develop a risk framework for a trading organisation)	LO1, LO2,LO3, LO4, LO5	Team presentations
13	Quiz 2 Putting it all together Revision	LO1, LO2,LO3, LO4, LO5	Quiz 2

Annex B**List of NBS Learning Goals**

LEARNING GOAL	LEARNING OBJECTIVE	CHECK
TASK SKILLS		
Acquisition of Knowledge	<i>Instructors, please define.</i>	<input type="checkbox"/>
Ethical Reasoning	The ability to recognize and understand ethical issues, and apply sound ethical reasoning.	<input type="checkbox"/>
Critical Thinking & Creative Thinking	The ability to define, examine, evaluate, analyze and synthesize various arguments and knowledge to form independent judgment.	<input checked="" type="checkbox"/>
	The ability to provide insight in an innovative way characterized by high degree of adaptiveness.	<input checked="" type="checkbox"/>
Problem Solving & Decision Making	The ability to identify problem, generate a plan to solve problem, implement and evaluate the plan and make sound business decision.	<input checked="" type="checkbox"/>
Planning & Execution	The ability to set clear priorities and plans of action for the task and define task objectives to fulfill goals within a planned schedule for execution.	<input checked="" type="checkbox"/>
PEOPLE SKILLS		
Oral Communication & Written Communication	The ability to communicate well with others verbally so that it clearly expresses the intended message and is understandable and useful to the receiving party.	<input checked="" type="checkbox"/>
	The ability to communicate well with others in writing so that it clearly expresses the intended message and is understandable and useful to the receiving party.	<input type="checkbox"/>
Negotiation	The ability to systematically plan and prepare for negotiation and apply negotiation skills in personal and professional practice.	<input type="checkbox"/>
Cultural Intelligence	The ability to function effectively in situations characterized by cultural diversity.	<input type="checkbox"/>
Teamwork & Interpersonal Skills	The ability to work effectively with others in a group setting.	<input checked="" type="checkbox"/>
Motivation & Development of Self & Others	The ability to develop a better understanding of one's strengths and weaknesses, and learn to view others and mistakes positively as sources of personal and professional development.	<input type="checkbox"/>

Please write to NBS Accreditation office (nbsaccro@ntu.edu.sg) for sample rubrics.

Annex C**Class Participation Rubric (Assessed by Seminar Participation)**

Traits	Performance		
	1	2	3
Attendance	Missed more than 2 classes without valid reason	Missed 1 class without valid reason	Full attendance in class
Punctuality	Was late for class on more than 2 occasions	Was late for class on 1 occasion	Always on time for class
Engagement	Hardly focuses in class (e.g. using mobile phone, unnecessary chatting)	Occasionally engages in distracting activities (e.g. using mobile phone, unnecessary chatting) in class.	Engages fully in class
Contribution frequency	Does not speak up/contribute in class	Occasionally speaks up/contributes in class	Speaks up/contributes in all classes

Critical Thinking Rubric (Assessed by Case Study and Final Team Assignment)

Traits	Performance									
Identifies and summarizes the issue at hand.	Not Yet Does not identify and summarize the issue, is confused or represents the issue inaccurately.					Substantially Developed Identifies the main issue and its implicit aspects, addresses their relationships to each other and recognizes nuances of the issue.				
	Evaluation: Not Yet 1 2 3 4 5 6 7 8 9 10 Substantially Developed									
Identifies and considers other theoretical perspectives that are important to the analysis of the issue	Not Yet Deals only with a single perspective and fails to discuss other possible perspectives, especially those salient to the issue. Fails to identify or hastily dismisses strong, relevant counter-arguments.					Substantially Developed Addresses perspectives noted previously, and additional diverse perspectives drawn from outside information. Identifies the salient arguments (reasons and claims) pro and con.				
	Evaluation: Not Yet 1 2 3 4 5 6 7 8 9 10 Substantially Developed									
<u>Identifies and assesses the quality of supporting data/evidence and provides additional data/evidence related to the issue.</u>	Not Yet Merely repeats information provided, taking it as truth, or denies evidence without adequate justification. Confuses associations and correlations with cause and effect.					Substantially Developed <u>Examines the evidence and source of evidence; questions its accuracy, precision, relevance, and completeness. Observes cause and effect and addresses existing or potential consequences.</u>				
	Evaluation: Not Yet 1 2 3 4 5 6 7 8 9 10 Substantially Developed									
Identifies and considers key assumptions and the influence of the context on the issue.	Not Yet Does not surface the assumptions of the author and does not examine the contexts, e.g., cultural, and political.					Substantially Developed Identifies and questions the validity of the assumptions and analyzes the issue with a clear sense of scope and context.				
	Evaluation: Not Yet 1 2 3 4 5 6 7 8 9 10 Substantially Developed									
Identifies and assesses conclusions, implications and consequences	Not Yet Fails to identify conclusions, implications, and consequences of the issue or the key relationships among the various elements such as context, evidence or assumptions. Regardless of the evidence or reasons, maintains or defends views based on self-interest or preconceptions.					Substantially Developed Identifies and discusses conclusions, implications, and consequences, considering context, assumptions, data, and evidence. Objectively reflects upon own assertions. Draws warranted, judicious, non-fallacious conclusions.				
	Evaluation: Not Yet 1 2 3 4 5 6 7 8 9 10 Substantially Developed									

References:

- Critical Thinking Rubric by Washington State University <http://wsuctproject.cltl.wsu.edu/rf.htm>
- Facione, Noreen C. Facione (1994). *Holistic Critical Thinking Scoring Rubric*. California Academic Press

Communication Rubric (Oral) – Assessed by Case Study and Final Team Presentation

Traits		Performance	
Communication Outcome	<ul style="list-style-type: none"> Has a clear message for audience Maximizes likelihood of audience accepting the message 	Not Yet Central message is not explicitly stated in the presentation. Main points are not clearly identified, audience unsure of the direction of the message.	Substantially Developed Central message is precisely stated; main points are clearly identified.
		Evaluation: Not Yet <u>1</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> <u>9</u> <u>10</u> Substantially Developed _____ <u>2</u>	
Situational Factors	<ul style="list-style-type: none"> Addresses audience needs Builds rapport with audience 	Not Yet Topic is irrelevant to audience needs and interest. No attempt made to connect topic to audience.	Substantially Developed Connection of topic to audience needs and interest is stated with sophistication. Identifies and expresses a deep understanding of the target audience.
		Evaluation: Not Yet <u>1</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> <u>9</u> <u>10</u> Substantially Developed _____	
Design Factors	Content <ul style="list-style-type: none"> Presents relevant information Supports main points with strong evidence 	Not Yet Content is erroneous or irrelevant; references and supporting materials are absent. Lacks of depth in content and little insights are exhibited. Presentation falls outside set time parameters.	Substantially Developed Content is accurate, thorough, and directly on point; strong support and references are provided. Exhibits depth and insight in content. Effective use of time and stays within time parameters.
	Evaluation: Not Yet <u>1</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> <u>9</u> <u>10</u> Substantially Developed _____		
	Structure <ul style="list-style-type: none"> Organises content coherently Signals transitions between points 	Not Yet Organizational pattern (specific introduction and conclusion, sequenced materials within the body, and transitions) is not observable.	Substantially Developed Organizational pattern is clearly and consistently observable and makes the content of the presentation cohesive.
Evaluation: Not Yet <u>1</u> <u>3</u> <u>4</u> <u>5</u> <u>6</u> <u>7</u> <u>8</u> <u>9</u> <u>10</u> Substantially Developed _____			
Verbal <ul style="list-style-type: none"> Speaks at appropriate speed and volume Uses correct grammar 	Not Yet Grammar, pronunciation and word choice are deficient. Vocal delivery is too soft or too fast to understand; gap-fillers interfere with expression.	Substantially Developed Free of errors in grammar and pronunciation; good choices of word enhance clarity of expression. Vocal delivery is varied and dynamic. Speech rate, volume, and tone facilitate audience comprehension. Minimal gap fillers.	

	and pronunciation	Evaluation: Not Yet <u>1</u> <u>3</u> 4 5 6 7 8 9 10 Substantially Developed <u>2</u>	
	Non-Verbal • Establishes eye contact • Uses gestures and movement to convey energy and confidence	Not Yet Eye contact, posture, gestures, movement and facial expressions are inappropriate and significantly distracting.	Substantially Developed Eye contact, posture, gestures, movement and facial expressions make the presentation compelling, and speaker appears polished and confident.
		Evaluation: Not Yet <u>1</u> <u>3</u> 4 5 6 7 8 9 10 Substantially Developed <u>2</u>	

References:

- ② Garnett, J.L (1992). "Applying a Strategic Model to Government Communication." *Communicating for Results in Government*. San Francisco, CA: Jossey-Bass.
- ② Munter, M. (2009). *Guide to Managerial Communication*. Upper Saddle River, NJ: Prentice Hall.
- ② Roger, P.S. & Hildebrandt, H.W. "Competing Values Instruments for Analyzing Written and Spoken Management Messages", *Human Resource Management*; 1993; 32, 1.
- ② Trevino, L.K., Daft, R.L. & Lengel, R.H. (1990). "Understanding Managers' Media Choices: A Symbolic Interactionist Perspective". *Organizations and Communication Technology*. (eds. Fulk, J. & C. Steinfield). Sage Publications.
- ② *Oral Communication Rubrics - Mississippi Gulf Coast Community College*. Retrieved from http://www.mgccc.edu/instruction/rubrics/MGCCC_oral_communication_rubric.pdf
- ② *Oral Communication Value Rubric - Association of American Colleges and Universities*. Retrieved from <http://www.aacu.org/value/rubrics/pdf/OralCommunication.pdf>
- ② *Rubric for the Assessment of Oral Communication – Valencia College*. Retrieved from <http://valenciacollege.edu/learningevidence/documents/rubrics.pdf>

CONFIDENTIAL PEER EVALUATION FORM FOR TEAM PROJECT

Member's name: _____

Seminar group and team number: _____

Please use the attached Peer Evaluation Rubric to evaluate yourself and your team members on each of the 5 stated attributes (on a scale of 1 to 7). State your ratings for yourself and each of your team members in the table below. For your self-assessment, insert "(Self)" after your name in the table below.

Index #	Name of team members	1 - RR	2 - CM	3 - CR	4 - CT	5 - RS	Average Rating
1							
2							
3							
4							
5							
6							

If any of your ratings above is < 4, please provide a brief explanation to justify the ratings.

Index #	Brief explanation to justify a rating of < 4

You may attach supporting documents (like emails and screen shots), if any, to support your explanations above.

Teamwork & Interpersonal Skills (Peer Evaluation) Rubric**Learning Objective: The ability to work effectively with others in a group setting.**

Traits	Performance	
<p><u>1. Roles and Responsibility (RR)</u></p> <p>Behaves professionally by upholding responsibility and assuming accountability for self and others in progressing towards the team's goal.</p>	<p>Scant</p> <p>Unclear about his/her own role; refuses to take a role in the group; insists to work individually and has limited coordination or communication with others.</p>	<p>Substantially Developed</p> <p>Always fulfills responsibilities; performs his/her role within the group with enthusiasm and demonstrates willingness to work collaboratively.</p>
<p>Evaluation: Scant <u>1 2 3 4 5 6 7</u> Substantially Developed</p>		
<p><u>2. Communication (CM)</u></p> <p>Identifies appropriate mechanisms to coordinate and correspond with team members.</p>	<p>Scant</p> <p>Modes of communication are not appropriate, causing confusion and miscommunication among team members.</p>	<p>Substantially Developed</p> <p>Modes of communication are appropriate, and maintaining timely communication and correspondence with team members.</p>
<p>Evaluation: Scant <u>1 2 3 4 5 6 7</u> Substantially Developed</p>		
<p><u>3. Conflict Resolution (CR)</u></p> <p>Resolves conflicts using a variety of approaches.</p>	<p>Scant</p> <p>Does not recognize conflicts or is unwilling to resolve conflicts.</p>	<p>Substantially Developed</p> <p>Consistently resolves conflicts through facilitating open discussion and compromise.</p>
<p>Evaluation: Scant <u>1 2 3 4 5 6 7</u> Substantially Developed</p>		
<p><u>4. Contributions (CT)</u></p> <p>Contributes positive input for the team; effectively utilizes one's knowledge and expertise.</p>	<p>Scant</p> <p>Largely disinterested in working in a group and refuses to participate; observes passively or is unwilling to share information with other team members.</p>	<p>Substantially Developed</p> <p><u>Actively attends and participates in all activities and provides meaningful contribution in articulating ideas and opinions.</u></p>
<p>Evaluation: Scant <u>1 2 3 4 5 6 7</u> Substantially Developed</p>		
<p><u>5. Relationship (RS)</u></p> <p>Maintains cooperative interaction with other team members regardless of individual /cultural differences and respects diverse perspectives.</p>	<p>Scant</p> <p>Rarely listens to others and does not acknowledge the opinions that differ from his/her own.</p>	<p>Substantially Developed</p> <p>Engages in respectful relationships with all other members in the team. Embraces and accepts diverse points of view without prejudice.</p>
<p>Evaluation: Scant <u>1 2 3 4 5 6 7</u> Substantially Developed</p>		

References:

Teamwork Value Rubric - Association of American Colleges and Universities.

Retrieved from <http://www.aacu.org/value/rubrics/pdf/teamwork.pdf>