



BUSINESS RISK MANAGEMENT

Basic data of the subject			
Academic Unit:	Faculty of Life and Environmental Sciences		
Course title:	Business risk management		
Study program:	Agribusiness Management		
Level:	Master (MSc)		
Course status:	Obligatory (O)		
Study year:	2 year / 3 semester		
Number of hours per week:	3 + 2		
Credit value – ECTS:	6 ECTS		
Time / location:	To be announced		
Lecturer:	Prof. Ass. Dr. Gentjan Çera		
Contact details:	gcera@ubt.edu.al		
Course description:	In this course, students will find the necessary information for a number of problems related to: uncertainty and risk; constituent elements of risky decisions in agricultural businesses; steps and criteria for making risky decisions in agricultural businesses. Production risk management tools and instruments, development of market risk management instruments Recognition of the role and importance of insurance of an important risk transfer strategy; reverse selection and insurance.		
Course objectives:	The course focuses on deepening knowledge about risk and its management. The goal is to provide students with advanced knowledge in risk management in business. The teaching objectives are the acquisition of risk management concepts in five main areas, such as: market risk, production risk, financial risk, legal risk and human resource risk. At the end of the course the student must possess advanced skills in business risk management.		
Learning outcomes:	Upon completion of the course, students will be able to: ▪ Understand the steps and criteria for making risky decisions in agricultural businesses, ▪ Implement the steps and criteria for making risky decisions in agricultural businesses, ▪ Analyze the unique characteristics of agricultural production, ▪ Demonstrate the use the tools and instruments of production risk management, ▪ Recognize and apply alternatives to control and reduce market risk, ▪ Apply key tools and instruments of production risk management, ▪ Demonstrate the role and importance of insurance as an important risk transfer strategy, ▪ Understand and evaluate constituent elements of financial risk		
Contribution on student load (must correspond with learning outcomes)			
Activity	Hours	Days/week	Total



Lectures	3	15	45
Exercise theoretical/laboratory	2	15	30
Practice work	/	/	/
Contact with lecturer/consultations	1	15	15
Field exercises	/	/	/
Mid-terms, seminars	3	1	3
Homework	1	13	13
Individual time spent studying (at the library or home)	2	13	26
Final preparation for the exam	1	13	13
Time spent in evaluation (tests, quiz, final exam)	3	1	3
Projects, presentations, etc.	2	1	2
Total			150 hours (6 ECTS)
Teaching methods:	Lectures, exercises, discussions, consultations, course projects, homework, final exam.		
Evaluation methods:	Regular and active attendance: 10%, Course project: 30%, Final exam: 60%.		
Literature			
Basic Literature:	Murrja, A., Meço, M. & Mehmeti, G. (2017). Menaxhim risku. UBT, Tirana. Lam, J. (2017). Implementing enterprise risk management: From methods to applications. John Wiley & Sons.		
Additional Literature:	Chapman, R. J. (2011). Simple tools and techniques for enterprise risk management. Wiley& Sons. Pritchard, C. L. and PMP, P. R. (2014). Risk management: Concepts and guidance. CRC Press. Turay, A.M. (2015). Agribusiness Risk & Risk Management: Taking Care of Business. Behzadi, G., O’Sullivan, M. J., Olsen, T. L., & Zhang, A. (2018). Agribusiness supply chain risk management: A review of quantitative decision models. Omega, 79, 21-42.		

Designed study plan:



Week	Lectures	Exercises
<i>First week:</i>	Uncertainty and Risk. Measuring the business skills to accept (bear risk) and its qualitative evaluation. Function of benefit from wealth and individual behavior towards risk. Economic anomalies.	Explaining the module program. Provide basic concepts.
<i>Second week:</i>	Levels of uncertainty and types of risk Linking security with insecurity. The role of information, information asymmetry and monitoring in minimizing uncertainty.	Assign topics for the group works/assignments.
<i>Third week:</i>	Risk in agricultural businesses. Agriculture as part of life sciences. Alternatives of risk minimization in agricultural business.	Training related to work/assignment preparation.
<i>Fourth week:</i>	Risk management process. Identification, assessment, control and monitoring of risks. Risk control techniques	Assignments and case studies related to the topic of the third week lecture.
<i>Fifth week:</i>	Risk as a chance to win or lose! What is the reward of risk? Risk measures (probability, interaction, variance, standard deviation, weighted average, beta coefficient, regression equation, determination coefficient and correlation coefficient). Received profit rate (forecast profit).	Assignments and case studies related to the topic of the fourth week lecture.
<i>Sixth week:</i>	Decision making process and risk. Decision-making steps. Decision-making criteria.	Assignments and case studies related to the topic of the fifth week lecture.
<i>Seventh week:</i>	Unique risks in the production of delicate goods (agricultural products). The role of government policies in production risk.	Assignments and case studies related to the topic of the sixth week lecture.
<i>Eighth week:</i>	Supply instability in the production of delicate goods (agricultural products). Natural factors. Diseases and pests.	Assignments and case studies related to the topic of the seventh week lecture.
<i>Ninth week:</i>	Risk management of agricultural production. Diversification and flexibility of production.	Assignments and case studies related to the topic of the eighth week lecture.
<i>Tenth week:</i>	Market risk management. Changes in marketing practices of delicate goods (agricultural products). Market protection strategies.	Assignments and case studies related to the topic of the ninth week lecture.



<i>Eleventh week:</i>	Debt business financing risk management. Risk of financing with bonds. Risk of financing with preferred shares	Assignments and case studies related to the topic of the tenth week lecture.
<i>Twelfth week:</i>	Risk management in capital budgeting. Repayment risk Net present value risk. Internal profit rate risk	Assignments and case studies related to the topic of the eleventh week lecture.
<i>Thirteenth week:</i>	Risk of keeping accounting. Risk measurement through financial reports (liquidity, activity, productivity and debt). Risk of inventory methods.	Assignments and case studies related to the topic of the twelfth week lecture.
<i>Fourteenth week:</i>	Management of legal risks in business. Definition of law, direction and ethics. Legal provisions of business organization, taxes, organic agriculture, etc.	Assignments and case studies related to the topic of the thirteenth week lecture.
<i>Fifteenth week:</i>	Human resource risk management. Emergency plan and maintenance plan. Strategies to minimize risks coming from human resources	Presentation of the course projects.
Academic policies and rules of conduct:		
▪ Students should be aware of and respect the institution and Code of ethics. ▪ Students should respect the schedule of lectures, and exercises and be attentive. ▪ It is mandatory to possess and presents a student ID card in the mid-terms and exam, ▪ During the compilation of course projects, students must adhere to the instructions given by the professor. ▪ During the exam is forbidden the use of mobile phones.		