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| **Module code** | CIF7031 |
| **Module title** | Islamic Bank Risk Management  |
| **Module leader** | Dr Sabri Mohammed |
| **Module tutors** | Prof. Mohammed Abdul-Haq |
| **Module level** | HE7 |
| **Credit value** | 12 |
| **ECTS value** | 6 |
| **Module type** | Standard  |
| **Delivery Type** | This module requires you to attend particular classes or events at particular times and in particular locations |
| **Pre-requisite modules/learning** | N/A |
| **Co-requisite modules** | N/A |
| **Barred combinations** | N/A |
| **Module duration** | 1 semester |
| **Module outline****(200 words max)** | The main aim of this module is to help you to understand and to recognize the main types of risks that Islamic banks facing with. Also, you will be introduced with unique nature of Islamic banking risks that coming from special nature of Islamic financial products. Special focus will be on the management of credit risks, but also management of equity investment risk that is one of the most important risks that Islamic banks have to manage. Islamic market risks will be treated as special topic since Islamic banks have to manage such kinds of risks every day. *This module serves to develop employability skills with particular emphasis on the following: 1. Communication Skills (T,D,A.) 2. Teamwork (D) 3. Organisation and Planning (D,T,A.) 4. Self Awareness (D) 5. Initiative (D,T,A.) (Taught, Developed,* *Assessed)* |
| **Indicative content** | 1. Introduction to Risk Management
2. Unique nature of Islamic banking Risks
3. Islamic Financial Products and Risk
4. Management of Credit Risk
5. Management of Equity Investment Risk
6. Islamic Market Risk
7. Managing of Liquidity Risk
8. Rate of Return Risk
9. Basel I and Basel II - Capital Adequacy
10. New Basel Accord - Basel III
11. Managing of Operational Risk
12. *Shari'ah* Compliance Risk

Risk Management: Regulatory Perspectives |
| **Learning outcomes** | 1. Delevop an in-depth undrestanding of issues related to Islamic Risk
2. Critically assess the specific areas of Islamic risk management and regulation
3. Critique specific nature of risks that exist in operations of Islamic banks and other Islamic financial institutions.
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| **Learning and teaching strategy****(200 words max)** | The activities you undertake during formal lectures will be directed towards evaluating your understanding of risk related issues in Islamic Banking. This will be enabled by blended learning, utilising material available via the virtual Learning Environment, divided into groupings of material to enable you to prepare for the formal sessions. Additional resources such as links to relevant electronic publications and useful websites are also included. In addition, you are expected to undertake a great deal of guided independent study to ensure you are fully prepared for the formal sessions. |
| **Learning and teaching methods*****(any ‘scheduled’ categories, refers to class contact time – ensure this is realistic as audits for QAA will be tested)*** | **Method** | **KIS category** | **Hours per module** |
| Lectures  | Scheduled | 20 |
| Seminars  | Scheduled | 10 |
| Guided independent Learning | Independent  | 90 |
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| **Total** | 120 |
| **KIS summary****(learning and teaching)** |  | % |
| Scheduled | 17 |
| Independent | 83 |
| Placement |  |
| **Formative assessment strategy****(200 words max|)** | Formative assessment strategy for this module consists of various methods such as: Group Work: The use of seminar discussion sessions and case studies will consolidate and develop underpinning knowledge, providing opportunities for you to develop analytical and problem solving skills. Assessment preparation: Examination skills techniques will include working on practice examination questions for which feedback will be provided. |
| **Summative assessment strategy****(brief)** | Three methods of summative assessments have been designed for this module: Presentation, assignment and written exam. Presentation is on risk issues related to Islamic banking and assess your ability to apply Islamic financial principles to mitigate risk at certain business actives. The assignment will enable you to demonstrate your knowledge of regulations and risk management in Islamic banking environment. The closed book examination will enable you to demonstrate and review your knowledge and understanding of the associated risk in operations of Islamic banks and other Islamic financial institutions. |
| **Summative assessment** | **Item** | **Final item?****Y/N** | **Method** | **KIS category** | **Description** | **LO****number** | **Weighting****%** |
|  | N | Presentation  | Practical  |  | 1 | 20 |
|  | N  | Assignment  | Coursework  |  | 2 | 30 |
|  | Y | Exam  | Written exam  |  | 3 | 50 |
| **KIS Summary (assessment)** |  | % |
| Written Exam | 50 |
| Coursework | 30 |
| Practical | 20 |
| **Feedback on assessment** | ***Formative:*** At the end of the lecture where Formative Assessment is conducted, or a maximum of one week.***Summative***: Maximum of 3 weeks. |
| **Module pass mark** | 50% |
| **Indicative reading list and other learning resources** | 1. R.A.Salem (2013), Risk Management for Islamic Banks*,* Edingurg University Press.
2. A.M., El-Tiby (2011) Islamic Banking: How to Manage Risk and Improve Profitability, Wiley.
3. T.Khan, and H. Ahmed (2001), *Risk management: An Analysis of Issues in Islamic Financial Industries*, IDB, IRTI, Jeddah, S.A.
4. M. al-Amine, M. al-Bashir (2008), Risk Management in Islamic Finance, Brill, Boston.
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| **Module in use from** | Sep 2013 |