

**Session 1: Derivatives in risk management of financial statements** The session will start with the problems of asset-liability that a typical company faces. It will look at the problems of balance sheets and income statement which can be addressed through derivatives.

**Session 2: Understanding different kinds of derivatives**

This session will be an extension of the first one. Different kinds of instruments will be introduced like swaps, put, call etc. The pay-offs of various instruments will be explained. The benefits of derivatives will be explained, for e.g. hedge against interest rate, exchange rate etc. This session will prepare the participants for the game in the next session.

**Session 3: Game to understand risk management through derivatives**

A game will be played in this session to simulate the hedging in derivatives. Teams would be formed in groups of four or five and would take strategic decisions collectively about hedging their exposures.

**Session 4: Analysis of the game and key takeaways**

This session will be an extension of the last session. The session will be highly interactive like the previous one and the key takeaways from the game will be discussed. The participants would be made aware of the questions that they should ask before entering into any derivatives transaction. The risks involved in various instruments will be outlined with the help of just concluded game.

**Profiles of Facilitators**

**Mr. Pawan Prabhat** – He has worked as a risk management consultant in CRISIL and as an investment banker. He is an MBA from IIM Indore and a B. Tech. from IIT Bombay.

**Mr. Paramdeep Singh** – He has worked as a consultant with Accenture Business Consulting and IBM. He has also worked as an investment banker. He is an MBA from IIM Indore and a B. Tech. from IIT Delhi.