

Frequently Asked Questions about Risk Management of Financial Markets at UCT

What is risk management in the context of financial markets?

Financial risk management is about identifying, quantifying and addressing the various uncertainties inherent in the financial markets. Businesses, especially financial businesses, need to understand and respond to the risks they face. They also need to ensure they do not fall foul of risk-management regulations. Risk management is about both the theoretical soundness and the practical implementation of the relevant techniques.

Why would I do a degree in risk management?

The financial sector has become an increasingly important aspect of the economy, and risk management skills are increasingly relevant and in demand. A role in risk management can be a rewarding way to apply your quantitative and problem-solving skills — such roles are usually stimulating and challenging, often lucrative, and provide an opportunity to have an impact on society. Training in quantitative risk management equips you for many different roles in the finance industry and also provides general, transferrable skills that enhance many different types of careers. Risk management graduates find employment in all sectors of the financial services industry: retail and investment banking, asset management, insurance, corporate treasury management, and the regulatory field.

What is the MCom in Risk Management of Financial Markets?

The MCom in Risk Management of Financial Markets at UCT is convened by the [African Institute of Financial Markets and Risk Management](#) (AIFMRM) in the Faculty of Commerce. It is a one-year, full-time, professional Master's degree designed to equip students with the necessary methodological, practical and research skills for financial risk management. The coursework, which constitutes two-thirds of the degree, develops the relevant mathematical, statistical, econometric and computing skills and applies these to the modelling of complex financial and economic concepts. These are again applied in the research component of the degree, which adds important complementary skills to the graduates. A complete breakdown of the degree structure can be found on the [MCom webpage](#), as well as in the [Faculty of Commerce Postgraduate Studies Handbook](#).

What are the entrance requirements for the MCom?

The MCom has been designed to accommodate a wide range of students. Any Honours degree involving first-year mathematics, statistics and economics, or alternatively any degree in engineering, qualifies you to apply for the MCom. Note that applications are due by 30 September for the following academic year.

What if I have no computing skills or knowledge of finance?

Although prior experience is helpful, the necessary finance and computing skills can be fully acquired during the degree. Students without these skills, such as engineers, face an extra challenge in the early part of the degree (which past students have found manageable). Note that the MCom emphasises practical implementation — a significant portion of time is spent in front of a computer, writing and executing computer-based calculations, and working with financial data.

Is the MCom industry relevant?

Yes, the MCom's curriculum has been designed in consultation with AIFMRM's industry partners, ensuring the relevance of the degree's content. AIFMRM is continually engaged with the financial industry, and students are exposed to developments in the field (through, for example, weekly seminars with industry practitioners). Also, a part of the research component of the degree is specified and supervised by a financial services company – this enables students to work on a problem that is relevant to industry and also gain some exposure to the part of industry that's the genesis of the research problem.

Does the MCom focus more on theory or application?

In the first semester, there is a focus on building fundamental computing and mathematical skills and a foundation in finance theory. The remainder of the degree then focuses on application: the foundational skills are used to implement risk-management techniques that are relevant to practical situations, often working with real-world data.

How does the MCom experience differ from a typical honours or undergraduate experience?

The degree is more intensive. MCom students have a busy schedule and have to manage several challenging courses, some of which depend heavily on each other. The students learn quickly to develop the maturity and professionalism needed to remain in control of their work. Importantly, learning support is available — the degree is taught by experienced and dedicated lecturers, who are available to assist outside of usual classes, and there are dedicated tutors.

How is the MCom examined/assessed?

Formal exams are the central method of assessing the coursework component of the MCom. However, a large emphasis is also placed on practical tutorials and assignments. These are often done in groups — learning to work effectively within a team is an important aspect of the MCom and a critical skill for a successful career within the financial services industry.

How employable are MCom graduates?

AIFMRM's reputation ensures that its graduates are sought after. Prospective employers are often in direct communication with the MCom class. Representatives from major banks and insurers, for example, visit the Institute and present details about their graduate programmes to the MCom students, often followed by an evening event where more informal discussion can take place. The externally supervised research component and other industry-related activities give the students exposure to networking opportunities with practitioners, furthering their chances of securing employment in an area of their choice.

Is there funding available for MCom students?

Unfortunately, we cannot guarantee funding for the degree. However, AIFMRM is financially supported by Nedbank, Old Mutual, ABSA, FirstRand, Standard Bank, Sanlam and Rand Merchant Bank. Some of the funding is used to buy in the teaching skills and knowledge of practitioners and to enhance the students' experience. A number of company bursaries or scholarships are exclusively available to students doing the MCom. Application for these is made after acceptance into the programme. In addition, funding is available from UCT, with many students receiving scholarships based on need or merit.

In recent years we have been successful in receiving dedicated scholarships for South African students with no-strings-attached from BankSETA. We will make application for these every year that they remain available.

If you have any questions relating to the degree,
please contact the convenor:

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