Peter Skerritt & Associates
Derivatives Specialists

The Professional Risk Manager Distance Learning Programme

"If you think risk management is expensive – try an accident"

- Stelios Haji-loannou, founder of Easyjet.

The Qualification

The Professional Risk Manager Certificate is a globally endorsed certification programme for financial risk managers. Candidates who successfully complete the examinations set by the Professional Risk Manager International Association ('PRMIA') are permitted to use the designation PRM™.

The syllabus of the Certificate covers the following four modules: -

- Finance Theory, Financial Instruments and Markets
- Mathematical Foundations of Risk Measurement
- Risk Management Practices
- Case studies, PRMIA Standards of Best Practice, Conduct and Ethics, Bylaws

Please refer to Appendix 1 for more details.

Peter Skerritt & Associates

Peter Skerritt & Associates is a Johannesburg-based financial markets training and consultancy company specializing in derivatives and financial risk management. All of our principals and associates have extensive practical experience of the local and international financial markets.

In presenting this distance learning programme for the PRM™ Certificate, we are proud to be working in conjunction with Dr. Graeme West of Financial Modelling Agency - please see www.finmod.co.za. A well-known figure in the world of quantitative finance, Graeme has recently been awarded the PRM™ Award of Merit for outstanding results achieved in the examinations.

Our training programme has been satisfactorily reviewed by the PRMIA Education Committee - www.prmia.org

The PRM™ Exam

The PRM™ exam comprises four separate papers, reflecting the four modules of the syllabus. The exams are in a multiple choice format, and can be taken on weekdays at a number of testing centres in most major cities in Africa; exam bookings can normally be scheduled with 72 hours notice.

Please note that all four exams have to be passed within a 2-year period in order for candidates to achieve the PRM™ designation.

Eligibility Criteria

It is a requirement that candidates are members of PRMIA. Membership is free, and registration details can be found at www.prmia.org

While there are no formal entry requirements for this programme, candidates who have no prior knowledge of tertiary level mathematics will need to devote extra time to study Exam II.

Cross –Over Requirements

PRMIA recognizes the achievements of certain other professional designations, and gives partial credit towards completion of the requirements of the PRM™ designation.

Cross-over candidates must complete the following exam papers: -

CFA	Exams III, IV
CIIA, CEFA	Exams III, IV
Actuarial Fellow	Exams III, IV
CQF	Exams III, IV
Actuarial Associate	Exams I, III, IV
CSI Financial Risk Manager	Exams II, III, IV
CAIA	Exams II, III, IV

The Programme

This distance-learning programme is available on a continuous basis, and is scheduled to run over a fourteen month period from time of commencement. Candidates are welcome from any geographical location.

The programme will comprise the following important features: -

PRM Handbook

Candidates will be required to work through designated sections of the PRM Handbook as provided by PRMIA, according to a set timetable. Where necessary, candidates will be supplied with additional learning materials throughout the programme.

Study Guide

Candidates will be supplied with a detailed Study Guide that will explain the mechanics of the programme and the timetable, as well as other important information.

Assessment Tests

Candidates will be required to complete regular assessment tests for review by our faculty members. These assessments will comprise a number of multiple choice questions based on the format and level of complexity of the real exam. The tests are completed online with immediate detailed feedback.

On average, candidates should complete an assessment test every two weeks. Feedback will comprise model answers for each of the questions.

E-Mail Help Facility

Candidates can contact our faculty at any time via e-mail with queries related to the syllabus or assessments.

Mock Exams

Candidates will complete two mock exams prior to taking each of the real exams. These exams will reflect the precise duration and level of difficulty of the real exams, and candidates will receive detailed feedback concerning their performance.

Exam Registration and Scheduling

Our administration team will advise on the registration and scheduling of all exams for candidates.

Fees

The cost of the programme is USD 1,350 per candidate. VAT at 14% will be levied on this fee for South African candidates, as required by law.

Organisations registering two or more candidates at the same time will receive a 10% discount per candidate. Candidates who meet any of the cross-over requirements discussed above will receive a USD 250 discount for every exam for which they are exempt.

N.B. Please note that this fee does not include the cost of the PRM Handbook and exam fees. The Handbook should be ordered directly from PRMIA.

Contact

To register a candidate on this programme, please contact Sanchia on: -

Tel. + 27 11 884 9910, Fax + 27 11 884 4824,
E-mail: sanchia@skerritt.co.za

Appendix 1 - Syllabus

The major subjects of each of the PRM exams are listed below. Please note that the sequence of the distance learning programme differs from this in some key respects; in particular, Exam II is covered first, and then Exams I, III, and IV respectively.

Exam I - Finance Theory, Financial Instruments and Markets

Risk and Risk Aversion
Portfolio Mathematics
Capital Allocation
The CAPM and Multifactor Models
Basics of Capital Structure
The Term Structure of Interest rates
Valuing Forward Contracts
Basic Principles of Option Pricing
General Characteristics of Bonds
The Analysis of Bonds
Future and forwards
Swaps
Vanilla Options
Credit Derivatives
Caps, Floors and Swaptions
Convertible Bonds
Simple Exotics
The Structure of Financial Markets
The Money Market
The Bond Market
The Foreign Exchange Market
The Stock Market
The Futures Market
The Structure of Commodities Markets
The Energy Markets

Exam II - Mathematical Foundations of Risk Measurement

Foundations
Descriptive Statistics
Calculus
Linear Algebra
Probability Theory in Finance
Regression
Numerical Methods

Exam III - Risk Management Practices

Capital Allocation and Risk Adjusted Performance
Market Risk Management
Introduction to Value at Risk Models
Advanced Value at Risk Models
Stress Testing
Credit Risk Management
Foundations of Credit Risk Modelling
Credit Exposure
Default and Credit Migration
Portfolio Models of Credit Loss
Credit Risk Capital Calculation
The Operational Risk Management Framework
Operational Risk Process models
Operational Value at Risk

Exam IV - Case studies, PRMIA Standards of Best Practice, Conduct and Ethics, Bylaws

14 Case Studies e.g. LTCM, Metallgesellschaft
PRMIA Governance Principles
PRMIA Standards of Best Practice, Conduct, and Ethics
Group of Thirty Derivatives Best Practices