

# **A Study on Risk Management**

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**Abstract:** *Financial risk management is a critical aspect of modern financial systems. This abstract provides a concise overview of the topic, highlighting its significance, key components, and objectives. Financial risk management involves identifying, assessing, and mitigating potential risks that can adversely affect an organization's financial health. These risks can stem from various sources, including market fluctuations, credit exposures, liquidity challenges, and operational issues. The primary objectives of financial risk management are to minimize the impact of adverse events, protect assets, and ensure financial stability. To achieve these goals, organizations employ a range of strategies and tools, such as diversification, hedging, and risk modelling. Effective financial risk management is essential for maintaining the resilience and sustainability of businesses in an increasingly complex and volatile financial environment.*

**Keywords:** Risk, Assessment, Market, Liquidity, Value at Risk (VaR)