PerixAnalytic

ADVANCED PROGRAMS IN

FINANCE • ECONOMICS • DATA • AI • DECISION-MAKING

Where Questions Cross Disciplines:

PerixAnalytic explores questions that cross disciplinary boundaries. The objective is not simply to acquire another technique. It is to understand why the technique exists, what it can reveal, where its assumptions begin to matter, and where its explanatory power ends.

Course 07

WHEN THE MODEL BREAKS

Stress Testing, Model Risk & Decisions Under Extreme Conditions

Models simplify reality. That is precisely why they are useful. It is also why they can fail. When interest rates shift, liquidity disappears, correlations change, or historical relationships cease to hold, a model may continue producing precise numbers while becoming less representative of the system it was designed to describe.

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Perspectives

- Model Risk
- Extreme Events
- Stress Testing
- Sensitivity Analysis
- Risk Propagation
- Resilience
- Model Uncertainty

Stress Laboratory

Participants deliberately attempt to break the model.

They investigate:

- **Which assumption fails first?**
- **Which variable matters most?**
- **Where does the shock propagate?**
- **Which relationships remain stable?**
- **What survives the stress?**

Central Question

How robust is a decision when the world stops behaving normally?

Format: Risk Laboratory
Level: Advanced
Audience: Risk managers, CFOs, analysts, investors, decision-makers

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