



APPLIES TO ACADEMIC YEAR 2012/2013

SFU 1491 Credit Management

Programme

Bachelor in Banking and Finance (SF)

Responsible for the course

Emanuel Blattner

Department

Department of Accounting - Auditing and Law

Term

According to study plan

ECTS Credits

7,5

Language of instruction

Norwegian

Introduction

Learning outcome

Acquired knowledge

After taking the course, the students shall be able to explain key concepts and give an account of the tools used in credit policy, financial consequences of credit management, credit conditions and portfolio theory I credit management.

Examples of concepts that students shall be able to explain: cash flow, statement of income and profit, balance sheet, economic indicators in credit management, working capital management and its influence on cash flow, customer ratings and portfolio theory in credit management.

Acquired skills

After taking the course, the students shall be able to (a) apply knowledge (i.e. concepts and skills) in analyses and discussions on credit management problems, (b) distinguish between relevant and irrelevant information, and (c) give written answers to questions so that the readers understand the applied methods and conclusions.

Examples:

- Financial statement analyses
- Calculation of economic indicators
- Risk assessment analysis of companies
- Elaborate customer ratings
- Analyse the process of credit worthy
- Apply portfolio theory on credit management problems

Reflection

After taking the course, the students shall be able to ask critical questions and reflect on crucial assumptions and theories within the credit management field.

Prerequisites

The same as the program

Compulsory reading

Books:

Eklund, Trond, Knut Knudsen. 2011. Regnskapsanalyse : aktiv bruk av regnskap. 8. utg. Gyldendal akademisk

Recommended reading

Books:

Eklund, Trond og Knut Knudsen. 2011. Hjelper til Regnskapsanalyse med årsoppgjør. 5. utg. Gyldendal akademisk

Course outline

Financial consequences of credit management:

- Cash-flow and profit
- ROCE
- Targets for cash flow
- Working capital management
- Loss analysis

Credit policy and organization structure:

- Investment-policy in credit management
- Credit policy in accordance to credit management roles

Risk management:

- Credit risk portfolio management
- How to use credit ratings
- Data analysis of credit risk

Computer-based tools

Excel spread-sheets are used during the course. In addition computermodels for estimating risk are used.

Learning process and workload

The course will include lectures, case studies and home assignments.

The students are required to solve three mandatory home assignments during the course.

The home assignments must be solved by groups of three or less students and must be passed to obtain a final grade in the course.

Recommended use of hours:

Activity	Use of hours
Lectures	35
Assignments	65
Reading literature	97
Final exam	3
Total use of hours recommended	200

Exact deadlines for handout and delivery of home assignments will be given when the course starts.

Use of hours

35 hour - Lectures
 10 hours - Guidance for home assignments
 45 hours total

Examination

The grade is based on successful completion of the home assignments which are graded pass/fail, and a three hour individual exam.

Examination code(s)

- SFU 14912 Mandatory Home Assignment 1. Pass/fail.
- SFU 14913 Mandatory Home Assignment 2. Pass/fail.
- SFU 14914 Mandatory Home Assignment 3. Pass/fail.
- SFU 14911 Written exam, counts 100% to obtain final grade in SFU 1491, Credit Management, 7,5 credits.

Both home assignments and written exam must be passed to obtain final grade.

Examination support materials

Calculator TEXAS INSTRUMENTS BA II Plus™ only is allowed.
 Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary.
<http://www.bi.edu/studenthandbook/examaids>

Re-sit examination

Make up examinations are held in the next ordinary course.

Additional information

