APPLIES TO ACADEMIC YEAR 2014/2015

SFU 2987 Loan Risk Management I

Programme
Bachelor of Management, Banking and Insurance

Responsible for the course
Emanuel Blattner

Department
Department of Accounting - Auditing and Law

Term
According to study plan

ECTS Credits
15

Language of instruction
Norwegian

Introduction

The course covers issues related to credit risk assessments of private businesses. The focus of the course is the ability to serve debt by analyzing future net cash flows and capital requirements. Moreover best practices will be addressed.

This course in combination with SFU 2990 Credit and Safe Deposit Law are approved as bachelor programs in the Bachelor of Management degree.

Learning outcome

Acquired knowledge
Students must be able to understand important concepts within the credit risks analysis discipline:

- Have a good understanding of the concept credit risk analysis and risks related to private business exposures.
- Understand the basic requirements for a private business to survive.
- Understand how to use information from financial statements in a credit risk analysis.

Acquired skills
Students must be able to evaluate the credit risk by the use of relevant models and tools.

- Be able to correct and group financial information to be used in a credit risk analysis.
- Be able to practice models to prepare a basis for decisions.
- Analyze the credit risk and present it for the decision maker.

Reflections
Students must be capable of demonstrating an ability to critically reflect upon their own role and work.

- Understand the importance of analyzing the credit risk.
- Understand the role of a credit risk analyst.
- Basic knowledge of best practices.

Prerequisites

Prerequisites are knowledge of financial accounting and basic financial statement analysis.

Compulsory reading

Books:

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

Eklund, Trond og Knut Knutsen. 2011. Regnskapsanalyse : aktiv bruk av regnskapet. 8. utg. Gyldendal akademisk

Johnson, Gerry ... [et al.]. 2014. Exploring strategy. 10th ed. Pearson Education. Tidligere utg. med tittel: Exploring corporate strategy

Recommended reading

Course outline

The following main topics will be covered:

- Correcting and assessing financial data and other information prior to analyzing

- Ratio analysis
- Cash flow analysis
- Future capital requirement
- Required future net internally generated cash flow
- Risk classification and models for predicting bankruptcy
- Credit risk and portfolio analysis
- Loan review
- Best practices

Computer-based tools
No particular computer-based tools are required.

Learning process and workload
The course duration is one semester part-time study. Two study sessions of three days each will be offered during the course. These study sessions will cover the most essential parts of the curriculum through lectures and teamwork.

The students shall hand in five mandatory papers from central aspects of the curriculum. The papers will be corrected and evaulated with written feedback.

Recommended workload including all activities:

Activity	**Hours**
Attendance at lectures	45
Preparation for class	155
Hand-in papers	96
Self-tuition and study groups	145
Exam	5
Total recommended workload	**400**

Examination
A five-hour individual written exam concludes the course.

Examination code(s)
SFU 29871 - written exam which accounts for 100% of the grade in the course SFU 2987, 15 ECTS.

Examination support materials
All aids are allowed at the exam.

Re-sit examination
A re-sit is held in connectoin with the next regular exam in the course

Additional information