ELE 3770 Credit Risk Assessments

Programme
Elective

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

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.

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
BØK 3411 Finance and Managerial Accounting I or equivalent.

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

Recommended reading

Other:
Eklund Trond og Knut Knutsen. 2011. Hjelperen til regnskapsanalyse. 5. utgave. Gyldendal akademisk

Course outline
- 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 specified computer-based tools are required.

Learning process and workload

The course is conducted with 36 hours of lectures and 9 hours of exercises. Extensive exercises are of great importance and part of lectures will be used to review assignments. Students are expected to be prepared for the lectures through literature and assignments.

During the semester students will be offered a written assignment, on which they will an individual feedback.

Recommended use of hours:

Activity	Hours
Lectures	36
Lecture supported exercises	9
Preparations for the lectures	65
Test exam	10
Preparations for the examiniation	80
Total recommended use of hours	**200**

Use of hours
36 hours of lectures
9 hours of exercises
45 hours altogether

Examination
A four hour individual written exam concludes the course.

Examination code(s)
ELE 37701 Written examination, counts 100 % towards the final grade in ELE 3770 Credit Risk Assessments, 7,5 credits.

Examination support materials
All support materials are allowed.
Examination support materials at written examiniations are explained under examination information in the student portal @BI. Please note use of calculator and dictionary. https://at.bi.no/EN/Pages/Exa_Hjelpemidler-til-eksamen.aspx

Re-sit examination
A re-sit esaminiation is offered the next time the course is offered.

Additional information