



APPLIES TO ACADEMIC YEAR 2016/2017

ELE 3770 Credit Risk Assessments

Programme

Elective

Responsible for the course

Emanuel Blattner

Department

Department of Accounting - Auditing and Business Analytics

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

Books:

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 examination | 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 examinations 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

For electives re-sit is normally offered at the next scheduled course. If an elective is discontinued or is not initiated in the semester it is offered, re-sit will be offered in the electives ordinary semester.

Additional information