

Lending to business customers is a core lending institution function. This subject provides the necessary background, skill set and analytical approach required for those involved in the provision of credit to business customers.

Learning outcomes

At the completion of this subject students should be able to:

- Describe the finance markets and products available to businesses.
- Assess the lending and legal considerations applying to different business structures.
- Discuss the lending process and the commercial credit cycle.
- Apply the key requirements of loan structuring, documentation and collateral.
- Apply the different procedures for analysing a business to assess credit worthiness.
- Discuss the procedures for structuring a credit facility.
- Discuss portfolio and account management, provisioning and management of defaults.

Subject content

- Business finance markets and products
- Credit policy and portfolio management
- Technical and practical aspects of business finance
- Business analysis steps 1 to 5
- Business analysis steps 6 to 8
- Business analysis steps 9 to 12
- Credit facility structuring
- Account management
- Impaired loan management

Assessment

Assessment Type	Assessed	Weighting
Examination	Week 6	30%
Assignment (available from your Subject Room in week 6)	Week 12	70%

Delivery method

Kaplan's delivery is primarily through distance education, supported by comprehensive print and online resources. Students will have access to subject notes, pre-recorded lectures, an online subject room, practitioner led Discussion Forums, online exercises, library and further resources.

Pre-requisites

Students enrolling in a Masters level elective subject are assumed to have the pre-requisite knowledge in the four core subjects ([FIN111](#), [FIN112](#), [FIN113](#) and [FIN114](#)). This requirement can be waived where students are studying one or more core subjects concurrently with an elective, or they are studying single subjects and are not enrolled for the Masters, Graduate Diploma or Graduate Certificate courses. Students enrolling into an elective subject without having completed all core subjects should ensure that they have, or have access to, the pre-requisite or assumed knowledge required for successful completion of the elective subject. For further information on pre-requisite study contact a student adviser.

Workload

This subject requires approximately 120 hours of student effort (11-12 hours per week). This includes time spent on activities such as: Reading and review of course notes and other reading material, attending to or listening to live or pre-recorded lectures, participating in e-learning activities, and assessment preparation and review.

Reading list

The following list of references provides the student with key and additional reading material.

Prescribed text

There are no prescribed texts for this subject.

Additional readings:

Caouette, JB, Altman, E & Narayanan 2008, *Managing credit risk: the next great financial challenge*, 2nd ed., John Wiley. ISBN 9780470118726

Sathye, M 2003, *Credit analysis and lending management*, John Wiley. ISBN 9780470800416