

CATALOG INFORMATION

Dept and Nbr: BGN 156

Title: CREDIT LENDING ANALYSIS

Full Title: Credit and Lending Analysis

Last Reviewed: 1/22/2018

Units		Course Hours per Week		Nbr of Weeks	Course Hours Total	
Maximum	3.00	Lecture Scheduled	3.00	17.5	Lecture Scheduled	52.50
Minimum	3.00	Lab Scheduled	0	6	Lab Scheduled	0
		Contact DHR	0		Contact DHR	0
		Contact Total	3.00		Contact Total	52.50
		Non-contact DHR	0		Non-contact DHR	0

Total Out of Class Hours: 105.00

Total Student Learning Hours: 157.50

Title 5 Category: AA Degree Applicable

Grading: Grade Only

Repeatability: 00 - Two Repeats if Grade was D, F, NC, or NP

Also Listed As:

Formerly:

Catalog Description:

Fundamentals of credit and loan analysis; overview of financial statements; nature of credit and debt; credit and borrower risk analysis; cash flow analysis.

Prerequisites/Corequisites:

Recommended Preparation:

Eligibility for ENGL 100 or ESL 100

Limits on Enrollment:

Schedule of Classes Information:

Description: Fundamentals of credit and loan analysis; overview of financial statements; nature of credit and debt; credit and borrower risk analysis; cash flow analysis. (Grade Only)

Prerequisites/Corequisites:

Recommended: Eligibility for ENGL 100 or ESL 100

Limits on Enrollment:

Transfer Credit:

Repeatability: Two Repeats if Grade was D, F, NC, or NP

## **ARTICULATION, MAJOR, and CERTIFICATION INFORMATION:**

<b>AS Degree:</b>	<b>Area</b>	<b>Effective:</b>	<b>Inactive:</b>
<b>CSU GE:</b>	<b>Transfer Area</b>	<b>Effective:</b>	<b>Inactive:</b>
<b>IGETC:</b>	<b>Transfer Area</b>	<b>Effective:</b>	<b>Inactive:</b>
<b>CSU Transfer:</b>		<b>Effective:</b>	<b>Inactive:</b>
<b>UC Transfer:</b>		<b>Effective:</b>	<b>Inactive:</b>

**CID:**

**Certificate/Major Applicable:**

Certificate Applicable Course

## **COURSE CONTENT**

### **Student Learning Outcomes:**

At the conclusion of this course, the student should be able to:

1. Understand and explain the nature of credit and debt
2. Explain what comprises a set of financial statements
3. Evaluate the risks in granting credit

### **Objectives:**

At the conclusion of this course, the student should be able to:

1. Interpret financial statements for the purpose of extending credit
2. Evaluate cash flow to determine ability to repay debt
3. Evaluate a borrower's credit history
4. Analyze the risk potential of borrowers

### **Topics and Scope:**

- I. Overview of Financial Statements
- II. The Goals and Nature of Credit Analysis
- III. Capital Structure and Debt Capacity
- IV. Fundamentals of Financial Analysis
- V. Credit, Risk, Cash Flow, and Capital Structure
- VI. Principles of Extending Borrower Credit
  - A. Consumer Credit
  - B. Corporate Credit
  - C. Financial Institution Credit
  - D. Credit History
- VII. Cash Flow Analysis and Forecasting
  - A. Debt Service Ratio
  - B. Net Operating Income
- VIII. The Process of Credit Analysis - Making Credit Decisions
- IX. Sources of Information, including FICO (Fair Isaac Corporation) Scores and Tax Returns

**Assignment:**

1. Textbook readings of 25-45 pages weekly
2. Written homework including case studies
3. Quizzes and exams (2 -15)
4. Homework problems including computational problems

### Methods of Evaluation/Basis of Grade:

**Writing:** Assessment tools that demonstrate writing skills and/or require students to select, organize and explain ideas in writing.

Written homework, case studies

Writing  
30 - 40%

**Problem Solving:** Assessment tools, other than exams, that demonstrate competence in computational or non-computational problem solving skills.

Homework problems

Problem solving  
20 - 30%

**Skill Demonstrations:** All skill-based and physical demonstrations used for assessment purposes including skill performance exams.

None

Skill Demonstrations  
0 - 0%

**Exams:** All forms of formal testing, other than skill performance exams.

Quizzes and exams

Exams  
30 - 50%

**Other:** Includes any assessment tools that do not logically fit into the above categories.

None

Other Category  
0 - 0%

### Representative Textbooks and Materials:

Fundamentals of Credit and Credit Analysis. Ziegel, Arnold. CreateSpace Independent Publishing Platform. 2015