

**BGN 156 Course Outline as of Fall 2018****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:**

Upon completion of the course, students will 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:**

Upon completion, students will 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