

BGN 156 Course Outline as of Fall 2024**CATALOG INFORMATION**

Dept and Nbr: BGN 156 Title: CREDIT LENDING ANALYSIS

Full Title: Credit and Lending Analysis

Last Reviewed: 5/13/2024

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:

Students will study the fundamentals of principles and practices for credit and loan analysis, risk assessment, financial statement analysis, and cash flow analysis.

Prerequisites/Corequisites:**Recommended Preparation:**

Course Completion or Concurrent Enrollment in BAD 1 OR Course Completion or Concurrent Enrollment in BAD 1 OR Course Completion or Concurrent Enrollment in BMG 55 Course Completion or Concurrent Enrollment in BMG 55

Limits on Enrollment:**Schedule of Classes Information:**

Description: Students will study the fundamentals of principles and practices for credit and loan analysis, risk assessment, financial statement analysis, and cash flow analysis. (Grade Only)

Prerequisites/Corequisites:

Recommended: Course Completion or Concurrent Enrollment in BAD 1 OR Course Completion or Concurrent Enrollment in BAD 1 OR Course Completion or Concurrent Enrollment in BMG

55 Course Completion or Concurrent Enrollment in BMG 55

Limits on Enrollment:

Transfer Credit:

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

ARTICULATION, MAJOR, and CERTIFICATION INFORMATION:

AS Degree:	Area	Effective:	Inactive:
CSU GE:	Transfer Area	Effective:	Inactive:
IGETC:	Transfer Area	Effective:	Inactive:
CSU Transfer:		Effective:	Inactive:
UC Transfer:		Effective:	Inactive:

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. Explain the principles of credit and loan analysis.
2. Develop proficiency in financial statement analysis and credit risk assessment techniques.
3. Employ decision-making capabilities for lending.

Objectives:

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

1. Analyze and interpret financial statements for the purpose of extending credit.
2. Evaluate cash flow to determine ability to repay debt.
3. Appraise 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. Cash flow methods
 - B. Ratio analysis

C. Debt service ratio

D. Net operating income

VIII. The Process of Credit Analysis - Making Credit Decisions

IX. Sources of Information, Including FICO (Fair Isaac Corporation) Scores, Dun and Bradstreet Reports, MoneyLine Reports, and Tax Returns

Assignment:

1. Textbook readings
2. Written homework including case studies
3. Quizzes and exams
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:

Analyzing Financial Statements. 8th ed. American Bankers Institute. American Bankers Association. 2013. (classic).

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