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| 1. Course code: | FIN 331 | | | 1. Course title: | | | | | | Financial Analysis and Credit Evaluation | | | | | | | | | | | |
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| 1. Department: Economics and Finance | | | | | | | | | | | | | | | | | | | | | |
| 1. Program: B.Sc. in Banking and Finance | | | | | | | | | | | | | | | | | | | | | |
| 1. Course credits: 3-credit hour | | | | | | | | | | | | | | | | | | | | | |
| 1. Course NQF Level: 6-7-8 | | | | | | | | | | | | | | | | | | | | | |
| 1. NQF Credits: TBA | | | | | | | | | | | | | | | | | | | | | |
| 1. Prerequisite: FIN 320 | | | | | | | | | | | | | | | | | | | | | |
| 1. Lectures Timing & Location: Online via Blackboard Ultra | | | | | | | | | | | | | | | | | | | | | |
| 1. Course web page: | | | | | | | | | | | | | | | | | | | | | |
| 1. Course Instructor: Dr. Ali Murad Syed ([amsyed@uob.edu.bh](mailto:amsyed@uob.edu.bh)) | | | | | | | | | | | | | | | | | | | | | |
| 1. Office Hours and Location: online | | | | | | | | | | | | | | | | | | | | | |
| 1. Course coordinator: Dr. Ali Murad Syed ([amsyed@uob.edu.bh](mailto:amsyed@uob.edu.bh)) | | | | | | | | | | | | | | | | | | | | | |
| 1. Academic year: 2020-2021 | | | | | | | | | | | | | | | | | | | | | |
| 1. Semester: | |  | First | | | | | X | | | Second | | | |  | | Summer | | | | |
| 1. Textbook: Hong Kong Institute of Bankers (2012). Bank Lending, John Wiley and Sons Pvt. Ltd | | | | | | | | | | | | | | | | | | | | | |
| 1. References from the Library (http://www.ac-knowledge.net/uobv3/1)   Bank Management by Timothy Whit, 6th Edition,  Essentials of Managerial Finance, by B. Brigham, 14th Edition  Bank Management & financial Services by Peter S. Rose, Sylvia C. Hudgins, 9th Edition  Financial Analysis & Lending Management by Milind Sathye, James Bartle and Raymond Boffey, 3rd Edition, Tilde University Press. | | | | | | | | | | | | | | | | | | | | | |
| 1. Other learning resources used (e.g., e-Learning, field visits, periodicals, software, etc.):   Students are strongly encouraged to read the financial press such as The Wall Street Journal (www.wsj.com), Financial Times (www.ft.com) and business section of local/regional newspapers. Additional learning resources are industry reports produced by international rating agencies Standard and Poors, Moody’s Investor Services, Fitch Rating Services or reputed investment houses; journals such as Arabian Business, MEED, Economist are also recommended. | | | | | | | | | | | | | | | | | | | | | |
| 1. Course description (as per the published): This course explores financial analyses techniques and attempts to make assessments of the impacts of management decisions on a firms' quality of earnings. The analysis will cover a variety of areas that include cash flows, liquidity, credit, growth rate, etc. It will also discuss the methods of how repayments, problems loans, and the ways of monitoring bank loans.   . | | | | | | | | | | | | | | | | | | | | | |
| 1. Course Intended Learning Outcomes (CILOs): | | | | | | | | | | | | | | | | | | | | | |
| CILOs | | | | | *Mapping to PILOs* | | | | | | | | | | | | | | | | |
| Learning goals | | | | | a. Knowledge | | b. Globalization | | | | | c. Skills | | d. Communication | | | | e. Competencies | | f.  Values | |
|  | | | | | a1: General Knowledge | a2: Specific knowledge | b1: International cross-cultural | | b2: Global Perspective | | | c1: Thinking skills | c2: Analytical skills | d1: Communication (Writing) | | d2: Communication (Oral) | | e1: Leadership skills | e2: Teamwork | f1: Ethics | f2: Social responsibility |
| 1. Analyze principles governing bank lending. | | | | | ✓ | ✓ |  | |  | | |  |  |  | |  | |  |  |  |  |
| 2. Evaluate discrepancies on reported financial statements and analyze various approaches to credit risk analysis. | | | | | ✓ | ✓ |  | |  | | | ✓ | ✓ | ✓ | | ✓ | |  |  |  |  |
| 3. Discuss the importance of financial information and assess loan applications | | | | | ✓ | ✓ |  | |  | | | ✓ | ✓ | ✓ | | ✓ | |  |  |  |  |
| 4. Evaluate principles of international lending and the  process of country risk analysis. | | | | | ✓ | ✓ |  | |  | | | ✓ | ✓ |  | |  | |  |  |  |  |
| 5. Show competence, autonomy and responsibility in carrying out defined tasks in familiar and unfamiliar contexts. | | | | |  |  |  | |  | | | ✓ | ✓ | ✓ | | ✓ | |  |  | ✓ | ✓ |

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| 1. Course assessment: | | | | |
| *Assessment Type* | *Details/ Explanation of Assessment in relation to CILOs* | *Number* | *Weight* | *Date (s)* |
| Continuous Assessment (2-hour) | 1,2,3 | 1 | 15 % | TBA |
| Engagement Activities (1-hour) | 1,2 | 2 | 15 % | TBA |
| Examination/ project/assignment/other | 1,2,3,5 | 2 | 20 % | 16 May 2020 |
| Case Study | 1,2,3 | 1 | 10% | 21 March 2021 |
| Final Examination  (Respondus) | 2,3,4,5 | 1 | 40% | June 2021 |
| Total |  |  | 100% |  |

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| 1. Description of Topics Covered | |
| *Topic Title*  *(e.g., chapter/experiment title)* | *Description* |
| Chapter 1 | Overview of Bank Lending: introduction to principles of good lending, role of credit analysis, framework for credit and lending decisions, importance of the credit process, structuring advances and credit culture. |
| Chapter 2 | Lending to Personal Customers: process of lending to personal customers, the types of loans that banks typically make available to understand which portions of the financial statements are particularly important to the bank lender and evaluate reliability and accuracy of the financial statements. |
| Chapter 3 | Financial Ratios and Operating Risks: Derive and use financial ratios as indicators of a company’s performance and as a guide to lending decisions, analyze operating risks, and understand frameworks such as PEST, SWOT, Porter’s Five Forces. |
| Chapter 4 | Credit Assessment: Understand the use of the decision tree for credit assessment, Explain the basic elements of opportunity assessment, preliminary analysis, repayment source analysis and facility arrangement and loan management, how credit scoring work, summarize the credit process from analysis to decision. |
| Chapter 5 | Explain the importance of security in the structuring of loan facilities and differentiate the various types of security; Evaluate the conditions and covenants as well as risk factors of facility structures; Understand how loan facilities are priced, the reasons behind such as pricing, and the issues of overpricing and underpricing |
| Chapter 6 | Meeting Business Needs: Types of credit that can be offered to businesses, trade finance cycle and the various modes of payment available for cross-border transactions, risk factors in structuring trade finance facilities for a business, how to calculate and manage  the working capital requirements of a business, Define the business phenomenon of overtrading and assess its impact on a company. |
| Chapter 7 | Credit Control and Problem Loans: Understand the credit management structure of a bank, know why corporations fail at various stages of their growth, recognize the signs of impending  corporate failure, learn what steps to take when a company fails. |

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| 1. Weekly Schedule | | | | | |
| *Week* | *Date* | *Topics covered* | *CILOs* | *Teaching Method* | *Assessment* |
| *1* | 07 Feb 2021 | Introduction | 1, 3 | *2-hour lecture:* | Assignment |
| *1-hour lecture* |
| *2* | 14 Feb 2021 | Chapter 1: Lending to  Personal Customers | 1, 2, 3 | *2-hour lecture:* | Assignment |
| *1-hour lecture* |
| *3* | 21 Feb 2021 | Chapter 2: Lending to Corporate Customers | 1, 2, 3 | *2-hour lecture:* | Case Study & Final  Case Study  & Final |
| *1-hour lecture* |
| *4* | 28 Feb 2021 | Chapter 3: Financial Ratios  and Operating Risks | 1, 2, 3 | *2-hour lecture:* | Case Study & Final  Quiz & Final |
| *1-hour lecture* |
| *5* | 07 March 2021 | Chapter 3: Continuation, Practice Questions & Case Study | 1, 2, 3  , 5 | *2-hour lecture:* | Quiz & Final  Case Study & Final |
| *1-hour lecture* |
| *6* | 14 March 2021 | Chapter 4: Credit Assessment | 1, 2, 3  , 5 | *2-hour lecture:* | Case Study  & Final |
| *1-hour lecture* |
| *7* | 21 March 2021 | Chapter 4: Continuation, Practice Questions &  Assignment | 2, 3, 5 | *2-hour lecture:* | Quiz & Final |
| *1-hour lecture* |
| *8* | 28 March 2021 | Chapter 5: Structuring a Loan Facility | 3, 4, 5 | *2-hour lecture:* | Quiz & Final |
| *1-hour lecture* |
| *9* | 04 April 2021 | Mid Semester Break |  | *2-hour lecture:* |  |
| *1-hour lecture* |
| *10* | 11 April 2021 | Chapter 6: Meeting  Business Needs | 3, 4, 5 | *2-hour lecture:* | Project &  Final |
| *1-hour lecture* |
| *11* | 18 April 2021 | Chapter 6: Continuation, Practice Questions & Quiz | 3, 4, 5 | *2-hour lecture:* | Project &  Final |
| *1-hour lecture* |
| *12* | 25 April 2021 | Chapter 7: Credit Control &  Problem Loans | 3, 4, 5 | *2-hour lecture:* | Project &  Final |
| *1-hour lecture* |
| *13* | |  | | --- | | 02 May 2021 | | Chapter 7: Continuation, Practice Questions & Case  Study/Problem Solving | 3, 4, 5 | *2-hour lecture:* | Project &  Final |
| *1-hour lecture* |
| *14* | |  | | --- | | 09 May 2021 | | Project Presentations | 5 | *2-hour lecture:* | Project |
| *1-hour lecture* |
| *15* | 16 May 20201 | Project Presentations | 5 | *2-hour lecture:* | Project |
| *1-hour lecture* |
| *16* | 21 | Final Exam |  |  |  |