B.E. International Program

Faculty of Economics, Thammasat University

Course Outline

FN 323 Credit Analysis

Semester 1/2012 (August 14 – December 1, 2012)

Number of credits: 3 credits

Lecture Time: Tuesdays, 14.00 – 17.00 hrs

Lecture Venue: Room 206, Faculty of Economics

Instructor: Dr. Worapong Janyangyuen

Office: -
E-mail: entfinance@yahoo.com
Mobile Phone Number: 081-875-5641
Office hours: by appointment

Course Objectives and Course Description:

Throughout the course, you will learn to understand the business risk, financial statement risk, credit risk, credit risk modeling, credit risk instrument and credit derivatives, credit policy and evaluation. We add a bit ingredient on how the bank manages the credit risk through an introduction of credit risk model and credit risk instrument. The analysis of credit risk will be based on bank side and customer side using various credit risk model. We also address the latest issue on BASEL III.

On the business side, credit management is a passive and reactive discipline. This results in significant receivables assets weighing heavily on balance sheets, dragging down cash flow and inhibiting growth. That's why the receivables need careful attention. Through proper credit management, managers protect companies from the bad debt danger that lurks in the value chain. The course aims to help you to harness the power of credit to effectively manage the company's receivables.

Prerequisites: FN 201 Business Finance

Textbook:

- Course pack (Required)
- Wells Ron, Global Credit Management, Wiley 2003. (Supplement)
- Brigham, Intermediate Financial Management, Thomson Learning, 2006. (Supplement)
- Jorion, Philip, Financial Risk Manager (Supplement)

Teaching Plan:

Class Schedule

Session	Topics
1	Bank Credit facilities for customers
2	Banking products and Bank Risk Management
3	Bank Risk Management
4	Bank Risk Management
5	Credit Risk Model (Individual loan)
6	Credit Risk Model (Individual loan)
7	Credit Risk Model (Loan Portfolio)
	Midterm Examination **(Tuesday, October 2, 2012, 14.00 – 15.30 hrs)**
8	Credit Derivatives
9	Credit Derivatives
10	BASEL II and BASEL III
11	Credit Power and Business Development Why grant credit? Customer risk Country risk

	Financial statement risk
Session	**Topics**
12	Credit policy and terms of payment
13	International terms of payment
14	International terms of payment
15	Presentation
	Final Examination **(Tuesday, December 18, 2012, 9.00 – 12.00 hrs)**

The schedule can be altered as appropriate and will be notified in advance.

Pedagogy:

The course consists of a blend between lecture, case studies, project and presentation

Mark Allocations:

Case studies	20	Percent	
Project Presentation	10	Percent	
Midterm Exam	**35**	**Percent**	**(Tuesday, October 2, 2012, 14.00 – 15.30 hrs)**
Final Exam	**35**	**Percent**	**(Tuesday, October 18, 2012, 9.00 – 12.00 hrs)**

Important Dates:

Classes Begins	August 14, 2012
Adding and Dropping Courses	August 14 – 28, 2012
Midterm Exam Period	October 1 – 6, 2012 (No Lectures)
Course Withdrawal with “W”	October 17 – 22, 2012
Class Ends	December 1, 2012