



Al-al Bayt University
Faculty of Finance and Business Administration
Department of Finance and Banking
Credit Management (0503414)

Credit Management

Aim

The unit provides an understanding of the concepts, processes and techniques that underpin best practice across a range of credit environments. This course aims to study and understand the operations of bank financing, credit analysis tools, credit management in light of the scarcity of foreign exchange, trade finance, operations, management of liquidity and cash flows, assessing the status of customer credit, and the foundations of debt analysis, and management of distressed debts.

Syllabus topics

1. Value of credit

- Definition of credit
- Cost of credit

2. Organisation of the credit function

- The credit department
- Credit policy

3. Credit customers and arrangements

- Customers
- Credit agreements
- Documents

4. Credit risk control

- Risk assessment and control
- Information sources and their value
- Scoring
- Insurance

5. Credit documents and systems

- Customer master file
- Sales ledger system
- Computerised systems

6. Collections methods and legal action

- Targets and use of resources
- Methods
- Dealing with problems
- Legal procedures and use of third parties

Essential library resources:

1. Credit risk management : how to avoid lending disasters and maximize earnings / JoEtta Colquitt, 2007

Assessment for this unit will be based on the following components

- First session examination out of 20%
- Second session examination out of 20%
- Positive participation out of 10%
- Final examination out of 50%