

Course Introduction

This course is designed to understand the fundamental concepts in credit management and analysis. The course is divided into 2 sessions. In the first session participants will understand the meaning and fundamental structure of the credit management. Thereafter, the participants will learn to apply practical credit evaluation techniques in business operations.

As the focus is on decision making process, participants would not be required to understand the bookkeeping process and the preparation of financial statements. Instead, after the completion of the course, they are required to know how to apply various analytical techniques to evaluate the credit position of the business operation. Published accounts of public listed companies and corporate development, both local and overseas, will be used to provide “real life” examples.

Learning Outcome

As the focus is on decision making process, participants would not be required to understand the bookkeeping process and the preparation of financial statements. Instead, after the completion of the course, they are required to know how to apply various analytical techniques to evaluate the credit position of the business operation. Published accounts of public-listed companies and corporate development, both local and overseas, will be used to provide “real-life” examples.

Who Should Attend

Entrepreneurs, Directors, Managers and Executives who participate in the credit management decision making process in the company.

Course Outlines

Topic 1. WHAT IS CREDIT ANALYSIS?

Overview. Risk identification. Comparative analysis.

Topic 2. UNDERSTANDING CORPORATE STRUCTURE AND FINANCIAL CONDITION

Subsidiaries and associate companies. Sources of financing. Why companies borrow money. Asset quality. Cash Conversion Cycle. Liabilities.

Topic 3. EXAMINING THE EVIDENCE

Understanding financial statements. Implications of Auditors' reports. Why profits are not reliable. Dealing with unaudited financial statements.

Topic 4. CASH FLOW ANALYSIS

Net working assets. Operating, financing, and investing activities. Non operating items. Financial risk assessments. Methods of cash flow preparation.

Topic 5. USING FINANCIAL RATIOS

Profitability ratios. Solvency ratios. Liquidity ratios. Asset management ratios. Using ratios to assess a company's financial position.

Topic 6. UNDERSTANDING BUSINESS FAILURES

Indications of risk that continuance as a going concern may be questionable Financial, operating, and other indications.

Topic 7. DEVELOP SOUND CREDIT PRINCIPLES

Steps and procedures to develop effective credit principles for business.

Topic 8. LEGAL ASPECTS OF CREDIT CONTROL AND MANAGEMENT

Civil proceedings, establishment of claims and process.