
BACHELOR PROGRAM

MAJOR: FINANCE – BANKING

CONCENTRATION: BANKING

SYLLABUS

1. Course Title: CREDITS APPRAISAL

2. Course Code:

3. Number of Credits: 02 (30 periods)

4. Level (1st, 2nd, 3rd, 4th academic year): 3rd academic year

5. Teaching Time Allocation: (*credits, hours for activities*)

+ Lecture : 30 periods

+ Practice, laboratory :

+ Other : Self-study: up to the student's time availability, at least two or three times as much as the time for class attendance

6. Pre-Requisites: (*necessary courses*)

Designed for students who have completed some relevant subjects: Introduction to the Theory of Monetary Finance, Finance Maths, Business Finance, Finance Accounting, International Payment, Commercial Bank Transactions, and so on

7. Course Aims & Learning Objectives:

- Course Aims:

Credits Appraisal is a compulsory subject of the banking major as well as an optional subject of some other majors in Ho Chi Minh City University of Economics. The subject is aimed at providing students with basic knowledge of organising appraisal affairs of commercial banks such as appraising legal capacity, financial capacity, business plan, mortgage property, etc., as bases for the decision to extend credit. Besides the specialised knowledge, the module about Commercial Bank Transactions is designed to train students in the skills of lecturing, analysing situations, behaviour, and making decisions in business situations and the ability to use computer efficiently for performing professional jobs in banks, stock companies, financial institutions, and businesses

- Course Objectives:

At the end of the course, students are expected to have abilities as follows:

(1). To be skilled in lecturing, handling situations, working in groups, and doing self-study.

(2). To be basically knowledgeable about business production plans and investment projects. To study for applying what have been learned in specific situations.

(3). To master techniques of appraising legal capacity of different types of customers as well as for different forms of credit. To fully develop the skills of lecturing, handling different situations, working in groups, and self study.

(4). To apply the contents of legal appraisal of customers in the present circumstances of Vietnam.

(5). To analyse the financial capacity based on the reports about finance of the businesses and other relevant materials in order to assess the customer's ability to pay debt and then

decide whether to extend credit or not. To apply all the expertise in handling the files of some specific customers.

(6). To master basic knowledge about business production plans and investment projects. To study to apply what has been learned to specific situations.

(7). To obtain basic knowledge about mortgage property for security and the appraisal. To apply the techniques of the appraisal in specific situations.

(8). To be able to write a report about credit appraisal and apply the writing techniques in specific situations.

8. Course Description:

CHAPTER 1: AN OVERVIEW OF CREDIT APPRAISAL

1. An overview of banking credit

- 1.1. Definition
- 1.2. Principles
- 1.3. Conditions for extending credit
- 1.4. Credit procedures

2. An overview of credit appraisal

- 2.1. Definition
- 2.2. Meanings
- 2.3. Appraisal purposes
- 2.4. Appraisal contents
- 2.5. Appraisal procedures
- 2.6. Appraisal materials
- 2.7. Organisation of credit appraisal affairs

CHAPTER 2: APPRAISING CUSTOMERS' LEGAL CAPACITIES

1. Appraising legal capacities of business customers

- 1.1. Appraisal documents (legal files of the business)
- 1.2. Requirements about legal capacity appraisal
- 1.3. Appraisal contents
- 1.4. Illustrations

2. Appraising legal capacities of individual customers

- 2.1. Individual customers
 - Definition
 - Characteristics
- 2.2. Appraisal materials
- 2.3. Requirements about legal capacity appraisal
- 2.4. Appraisal contents
- 2.5. Illustrations

CHAPTER 3: APPRAISING CUSTOMERS' FINANCIAL CAPACITIES

1. PRINCIPLES OF AND REQUIREMENTS ABOUT CUSTOMERS' FINANCIAL CAPACITY APPRAISAL

- 1.1. Purposes
- 1.2. Principles
- 1.3. Requirements

2. APPRAISING FINANCIAL CAPACITIES OF BUSINESS CUSTOMERS

- 2.1. For short-term credit
 - 2.1.1 Appraisal materials (files of financial reports of the business)
 - 2.1.2 Appraisal of the business's financial status
 - Appraisal of the business's capital status

- Appraisal of the business's ability to pay debt
 - Illustrations
- 2.1.3. Appraisal of the business's ability to pay debt from the business plan

2.2. Appraisal contents

2.2.1. Appraisal of the customer's financial status

- Appraisal of the capital status
- Appraisal of the financial status
- Appraisal of the customer's ability to pay debt
- Illustrations

2.2.2 Appraisal of the ability to pay debt from the investment proposal

3. APPRAISING FINANCIAL CAPACITIES OF INDIVIDUAL CUSTOMERS

3.1. For capital (business production) credit

3.1.1. Appraisal materials

3.1.2. Appraisal of the ability to pay debt

3.1.3. Illustrations

3.2. For consumer credit

3.3. For other forms of credit

CHAPTER 4: APPRAISING BUSINESS PLANS AND INVESTMENT PROPOSALS

1. APPRAISING BUSINESS PLANS

1.1 Purposes

1.2 Appraisal materials

1.3 Appraisal contents .

1.4 Illustrations

2. APPRAISING INVESTMENT PROPOSALS

2.1. Purposes.

2.2. Appraisal materials.

2.3. Appraisal contents .

2.4. Illustrations.

CHAPTER 5: APPRAISING MORTGAGE PROPERTY

1. SOME REGULATIONS ABOUT MORTGAGE PROPERTY

1.1. Conditions about mortgage property.

1.2. Classification of mortgage property.

1.3. Principles of mortgage property appraisal.

1.4. Procedures

2. APPRAISING MORTGAGE PROPERTY

Subjects of mortgage property appraisal:

1. Land

2. Real estate

3. Machinery and equipment

4. Transport means

5. Stored goods

6. Title deeds

7. Foreign currency, gold

8. Others

CHAPTER 6: WRITING REPORTS ON CREDIT APPRAISAL (10 periods)

1. PRINCIPLES OF – REQUIREMENTS ABOUT WRITING REPORTS ON CREDIT APPRAISAL.

- 1.1. Principles.
- 1.2. Requirements

2. WRITING REPORTS ON APPRAISAL OF BUSINESS CUSTOMERS.

- 2.1. For short-term credit.
- 2.2. For medium and long-term credit
3. WRITING REPORTS ON APPRAISAL OF INDIVIDUAL CUSTOMERS
 - 3.1. Capital (business production) credit
 - 3.2. Consumer credit
 - 3.3. Other forms of credit

9. Student Learning Activities:

Attending class meetings, discussions, and taking tests according to the school's current learning regulations.

- Attendance: Attending all class meetings
- Assignments: Doing all class and home assignments
- Others: Studying situations, discussing questions, and making oral presentations on topics prescribed by the teacher

10. Recommended Resources:

- Textbooks: The textbook Credit Appraisal of the Department of Monetary Business The textbook Commercial Bank Affairs by the publishing house Economy , 2012
- Reference books: Credit Appraisal compiled by Nguyen Minh Kieu, produced by the publishing house Statistics, 2009
- Business Finance Investment Proposal Administration

Evaluation:

- Participation in class: 30 % (weight)
- Group discussion: 10 %
- Assignment: 10%
- Presentation: 30%
- Report: 30%
- Mid – semester exam: 30 %
- Final exam: 70 %
- Other: %

11. Course Grading Scale: (*High distinction, Distinction, Credit, Pass*) : *Distinction*

12. Learning Activities:

Date	Lecture (chapter, part, teaching methodology)	Text Book (chapter, part)	Student Preparation (exercise, presentation, case studies...)	Learning objectives
Date 1 (Number of hours : 4)	Chapter 1: AN OVERVIEW OF CREDIT APPRAISAL I. An overview of banking credit II. An overview of credit appraisal III. Organization of credit appraisal affairs	Read chapter 4 of the coursebook <i>Credit Appraisal</i>	1/ Read reference materials 2/ Read about the laws of credit organization and issues related to credit 3/ Visit websites of agricultural and commercial banks to get information on appraisal affairs 4/ Discuss topics related to appraisal patterns in	1,2

			commercial banks of Vietnam Read the part about the <u>authority</u> to consider and ratify credit of each rank of the administration in the business of commercial banks.	
Date 2 (Number of hours : 4)	Chapter 2 Appraising Legal Capacity I Appraising legal capacities of business customers II Appraising legal capacities of individual customers	Read chapter 2 of the coursebook Credit Appraisal	1/ Read reference materials: Business Laws 2/ Discuss: characteristics of business customers and individual customers Study: situations about appraising legal capacities of different types of business and individual customers Difficulties and problems in appraising legal capacities	1,2,3
Date 3 (Number of hours: 4)	Chapter 3: Appraising Financial Capacities of Customers I. Principles, requirements about appraising financial capacities of customers	Read chapter 3 of the coursebook Credit Appraisal	1/Read reference materials 2/ Study specific situations of the businesses based on their financial reports	1,2,4
Date 4 (Number of hours :4)	II. Appraising financial capacities of business customers III. Appraising financial capacities of individual customers Chapter 4: Appraising business plans and investment projects I. Appraising business plans	Read chapter 3 of the coursebook Credit Appraisal	3/ Make presentations about ranking reliability in credit appraisal in commercial banks in Vietnam	1,2,4
Date 5 (Number of hours : 4)	II. Appraising investment projects			
Date 6 (Number of hours :4)	Chapter 5. Appraising mortgage property I. Regulations about mortgage property II. Appraising mortgage property	Read chapter 5 of the coursebook Credit Appraisal	1/ Study materials about business laws and land laws. 2/ Make presentations: problems in appraising mortgage property in commercial banks in Vietnam. Pricing mortgage property in commercial	1,2,6

			banks in Vietnam. 3/ Discuss the techniques of appraising and pricing each type of mortgage property.	
Date 7 (Number of hours :4)	CHAPTER 6: WRITING REPORTS ON CREDIT APPRAISAL IV. PRINCIPLES – REQUIREMENTS OF WRITING THE REPORTS	Read chapter 6 of the coursebook <i>Credit Appraisal</i>	1/Read reference materials. 2/ Practice writing reports on credit appraisal for each type of customer, for each credit product	1,2,3 4,5,6
Date 8 (Number of hours :2)	V. WRITING REPORTS ON APPRAISAL OF BUSINESS CUSTOMERS VI. WRITING REPORTS ON APPRAISAL OF INDIVIDUAL CUSTOMERS	Read chapter 6 of the coursebook <i>Credit Appraisal</i>	3/ Summarize experiences in writing reports on credit appraisal. 4/Home assignments	1,2,3 4,5,6
Total: 30 Period				

Ho Chi Minh City, 20th April, 2012

COURSE COORDINATOR

LECTURER

Associate Professor Tran Huy Hoang

Tram Thi Xuan Huong – Lại Tiến Dĩnh