

# Chartered Banker

Leading financial professionalism

## Credit Risk Practice

### Assignment

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Charitable Body: The Chartered Institute of Bankers in Scotland (CIOBS) – Reg No.: SC013927



## Important Assignment Information

### ASSIGNMENT LENGTH

For assignments submitted on or after **1st September 2008**, there is a **maximum** word count of **2,500 words**.

From that date, if you fail to adhere to the maximum word count, a deduction will be made to your final assignment mark. Specifically, if you exceed the 2,500 limit, you will be deducted **1%** for every **100 words** or **part** of **100 words** over the limit.

For example, if you write a total of **2,614** words, a **2%** deduction will be made to your mark. For clarification, the word count includes all references and attached appendices.

### PASS COMPENSATION AWARD

In recognition of the importance attached to the assignments, an award of **Pass Compensation** will be made to you if you score between 45% and 54% in the final exam and if you complete the required assignment(s) under the following conditions:

1. The assignment mark must be 60% or above – where two assignments are required, then the average mark must be 60% or above **and**
2. Assignments must be in the hands of the Tutor **at least** one month prior to the **chosen examination date for each subject**.

For example, if you enrol to sit a **full** credit subject examination on **15<sup>th</sup> December**, you must have sent **both** assignments to your tutor by **15<sup>th</sup> November**.

Similarly, if you enrol to sit a **half** credit subject examination on **2<sup>nd</sup> March**, you must have sent the **sole** assignment to the tutor by **2<sup>nd</sup> February**.

Please also note the following:

- (a) Where an assignment is marked at less than 60%, this may show up as **'Fail'** in the web-based student record – this is purely with reference to the Pass Compensation award and does not necessarily mean it is a sub-standard submission
- (b) You are **not** permitted to **re-submit** an assignment in order to gain a higher mark
- (c) In the event that you fail an exam and have not completed the required assignment(s), you can subsequently complete the required assignment(s) – these will then count towards any re-sit examination undertaken. Submission dates for these assignments must comply with the relevant timescales as stated in **2** above.

## **Introduction**

As a Senior Credit Risk Manager of Drumsheugh Bank plc, you have been asked to deliver a training day to be attended by four staff that have just been transferred from the retail network to your department.

The training day will require you to fully explain a number of credit risk areas to these new staff. You have been requested to provide the script for each of the agenda areas to be covered to your departmental head in advance of the day.

Each question represents an agenda item.

### **Question 1**

The '5 Ps' of Credit Risk Analysis

**(30 marks)**

### **Question 2**

Is credit scoring any better than a 'crystal ball'?

**(10 marks)**

### **Question 3**

The Credit Risk Committee – an Overview

**(10 marks)**

### **Question 4**

Fraud Prevention & Credit Reference Agency services

**(10 marks)**

**TOTAL ASSIGNMENT MARKS – 60**