

# Unit Outline (Higher Education)

**Institute / School:** Institute of Innovation, Science & Sustainability

**Unit Title:** Digital Finance: Credit Analysis

**Unit ID:** GPACC1009

**Credit Points:** 15.00

**Prerequisite(s):** Nil

**Co-requisite(s):** Nil

**Exclusion(s):** Nil

**ASCED:** 081101

**Description of the Unit:**

This project aims to prepare learners to excel in 'Credit Analyst' roles in banks, Non-Banking Financial Companies (NBFCs) and new digital finance companies. Team projects will be based on assessing the debt/loan funding requirements of a company for new capital expenditure. Working in teams of 4-5, learners will do an in-depth analysis of the sector and the individual company's financial performance (solvency, profitability and liquidity), assess project cash flows, and arrive at a loan decision and pricing, based on the appropriate credit policy and guidelines.

**Grade Scheme:** Ungraded (S, UN)

**Work Experience:**

No work experience

**Placement Component:** No

**Supplementary Assessment:** Yes

Where supplementary assessment is available a student must have failed overall in the Unit but gained a final mark of 45 per cent or above, has completed all major assessment tasks (including all sub-components where a task has multiple parts) as specified in the Unit Description and is not eligible for any other form of supplementary assessment.

**Course Level:**

Level of Unit in Course	AQF Level of Course					
	5	6	7	8	9	10
Introductory	■	■	✓	■	■	■
Intermediate	■	■	■	■	■	■
Advanced	■	■	■	■	■	■

### Learning Outcomes:

#### Knowledge:

- K1.** Understand how to calculate and analyse sector benchmark KPIs for liquidity, profitability and solvency from financial statements and reports.
- K2.** Understand how a company's KPIs for liquidity, profitability and solvency are determined.
- K3.** Understand how a comparison summary is done for company's performance versus sector performance.

#### Skills:

- S1.** Interpret a company's financial statements.
- S2.** Interpret financial statements of a company's major peers and other published sectoral reports.
- S3.** Interact effectively with the respective client account manager for any additional information or documents.
- S4.** Work effectively in a team.

#### Application of knowledge and skills:

- A1.** Evaluate the forecasted cash flows of a project that needs funding.
- A2.** Evaluate the forecasted cash flows of a project that needs funding.
- A3.** Apply capital budgeting decision criteria on cashflows to determine whether a project is financially viable.
- A4.** Make recommendations about borrowers' credit ratings, quality of loan collaterals, the credit limit and credit covenants for a company project.
- A5.** Create and complete the credit file with interest recommendations for internal approvals as per company policy.

#### Unit Content:

Sprint 1 (2 Weeks) In-depth study and analysis of the given sector; analysis of sector peers; calculation of sector benchmark financial KPIs; make a group presentation.

Sprint 2 (2 Weeks) Detailed analysis and research of a given Company's financial performance for liquidity, profitability, and solvency; undertake a comparison with sector KPI benchmarks; make a group presentation.

Sprint 3 (2 Weeks) Course Outline (Higher Education) Project financial feasibility study; cash flow evaluation; build Excel spreadsheet models; make a group presentation.

Sprint 4 (2 Weeks) Application of capital budgeting decision criteria on project cash flows; build Excel models for NPV, and IRR; prepare feasibility report with conclusion on project viability; present in groups.

Sprint 5 (2 Weeks) Study and assess solvency ratings by various external credit rating agencies, assess internal credit ratings of the Company and the peers' ratings; make a brief group presentation.

Sprint 6 (2 Weeks) Assess loan classification - secured or unsecured, property mortgage/collateral values; comment on credit pricing/cost of borrowing with justifications; present the same in groups.

## FEDTASKS

Federation University Federation recognises that students require key transferable employability skills to prepare them for their future workplace and society. FEDTASKS (**T**ransferable **A**tttributes **S**kills and **K**nowledge) provide a targeted focus on five key transferable Attributes, Skills, and Knowledge that are embedded within curriculum, developed gradually towards successful measures and interlinked with cross-discipline and Co-operative Learning opportunities. *One or more FEDTASK, transferable Attributes, Skills or Knowledge must be evident in the specified learning outcomes and assessment for each FedUni Unit, and all must be directly assessed in each Course.*

FEDTASK attribute and descriptor		Development and acquisition of FEDTASKS in the Unit	
		Learning Outcomes (KSA)	Assessment task (AT#)
FEDTASK 1 Interpersonal	Students will demonstrate the ability to effectively communicate, inter-act and work with others both individually and in groups. Students will be required to display skills in-person and/or online in: <ul style="list-style-type: none"> <li>Using effective verbal and non-verbal communication</li> <li>Listening for meaning and influencing via active listening</li> <li>Showing empathy for others</li> <li>Negotiating and demonstrating conflict resolution skills</li> <li>Working respectfully in cross-cultural and diverse teams.</li> </ul>	Not applicable	Not applicable
FEDTASK 2 Leadership	Students will demonstrate the ability to apply professional skills and behaviours in leading others. Students will be required to display skills in: <ul style="list-style-type: none"> <li>Creating a collegial environment</li> <li>Showing self-awareness and the ability to self-reflect</li> <li>Inspiring and convincing others</li> <li>Making informed decisions</li> <li>Displaying initiative</li> </ul>	Not applicable	Not applicable
FEDTASK 3 Critical Thinking and Creativity	Students will demonstrate an ability to work in complexity and ambiguity using the imagination to create new ideas. Students will be required to display skills in: <ul style="list-style-type: none"> <li>Reflecting critically</li> <li>Evaluating ideas, concepts and information</li> <li>Considering alternative perspectives to refine ideas</li> <li>Challenging conventional thinking to clarify concepts</li> <li>Forming creative solutions in problem solving.</li> </ul>	Not applicable	Not applicable
FEDTASK 4 Digital Literacy	Students will demonstrate the ability to work fluently across a range of tools, platforms and applications to achieve a range of tasks. Students will be required to display skills in: <ul style="list-style-type: none"> <li>Finding, evaluating, managing, curating, organising and sharing digital information</li> <li>Collating, managing, accessing and using digital data securely</li> <li>Receiving and responding to messages in a range of digital media</li> <li>Contributing actively to digital teams and working groups</li> <li>Participating in and benefiting from digital learning opportunities.</li> </ul>	Not applicable	Not applicable

FEDTASK attribute and descriptor		Development and acquisition of FEDTASKS in the Unit	
		Learning Outcomes (KSA)	Assessment task (AT#)
FEDTASK 5 Sustainable and Ethical Mindset	Students will demonstrate the ability to consider and assess the consequences and impact of ideas and actions in enacting ethical and sustainable decisions. Students will be required to display skills in: <ul style="list-style-type: none"> <li>• Making informed judgments that consider the impact of devising solutions in global economic environmental and societal contexts</li> <li>• Committing to social responsibility as a professional and a citizen</li> <li>• Evaluating ethical, socially responsible and/or sustainable challenges and generating and articulating responses</li> <li>• Embracing lifelong, life-wide and life-deep learning to be open to diverse others</li> <li>• Implementing required actions to foster sustainability in their professional and personal life.</li> </ul>	Not applicable	Not applicable

**Learning Task and Assessment:**

Learning Outcomes Assessed	Assessment Tasks	Assessment Type	Weighting
K1, S1, S2, S3, S4, A1, A2	Company and Industry analysis	Team report and presentation	S/U
K1, S1, S2, S3, S4, A1, A2	Company performance analysis against industry benchmarks	Team report and presentation	S/U
K2, S1, S2, S3, A1, A2, A3	Prepare project feasibility study and cash flow evaluation study	Team report and presentation	S/U
K2, S1, S2, S3, S4, A1, A2, A3	Apply capital budgeting decisions on project cash flows and projections (using Excel modelling)	Team report and presentation	S/U
K3, S1, S2, S3, S4, A3, A4, A5	Assess solvency ratings, internal credit ratings and peers' ratings	Team report and presentation	S/U
K3, S1, S2, S3, S4, A3, A4, A5	Credit decision-making and rationale presentation based on organization policies	Team report and presentation	S/U

**Adopted Reference Style:**

APA ()

 Refer to the [library website](#) for more information

 Fed Cite - [referencing tool](#)