

DBS SCHOOL OF BUSINESS

LJMU DEGREE PROGRAMMES

MODULE PROFORMA

Module Title: Fund Accounting & Lending

Level: 2

Assessment: Continuous Assessment: 30%

Examination: 70%

Prerequisites: Accounting, Economics

Credits: 12

Objectives:

- To provide students with in-depth knowledge of the fundamental principles involved in lending.
- To equip students to examine and identify the differences between personal borrowers and corporate borrowers.
- To enable students to identify and analyse the core concepts involved in fund accounting.
- To develop student knowledge of the techniques of fund valuation.

Learning Outcomes

On completion of this module students will be able to:

- Understand and evaluate the key principles in lending.
- Display a detailed understanding of the different types of loans offered to both personal and corporate borrowers.
- Demonstrate the skills required to critically analyse a company's credit position.
- Display understanding of the structure and core concepts of fund accounting.
- Apply fund valuation techniques.

Syllabus:

Lending Principles

- Concepts and application of credit risk and credit scoring, Banking lending principles.
- Attributes of good lending: personal lending, CAMPARI, corporate lending, business plans, SWOT analysis, review of financial statements.

Personal Borrowers

- Detailed appraisal of the personal lending market to include the following products: overdraft: personal loans, term loans, bridging, home loans and credit cards.
- Assessment criteria, quality and amount of recurring income and the availability of security. Special considerations required in the case of minors, professionals, sole traders, partnerships, trustees and clubs.

Corporate Borrowers

- The legal and regulatory environment pertaining to corporate borrowers (borrowing powers of the company), Facilities sought by corporate borrowers: funding of expansion plans, acquisitions and purchase of fixed assets,
- Lending products: term loans, secured facilities including debentures and mortgages.

- Working capital finance: leasing, hire purchase, invoice discounting, factoring and stock loans.

Introduction to Fund Accounting

- Fundamental principles of fund accounting: introduction to investment funds, parties to a fund and types of investment funds
- The fund industry structure in Ireland, identifying the regulators in the industry, to include an overview of specific regulations.
- The importance of Net Asset Value.

Fund Valuation

- Relevant accounting principles to include accounting for investments,
- The nature of securities invested in by funds, Fund valuation techniques.
- The impact of corporate actions, income and expenses and paid-in share capital.