

**ANKARA YILDIRIM BEYAZIT UNIVERSITY – DEPARTMENT OF FINANCE AND BANKING  
COURSE SYLLABUS**

Course Code	Course Title	Course Type	ECTS Credits	Prerequisite Information	Date of Preparation
BF409	Credit Analysis and Allocation	Elective	5	-	15.06.2025
<b>Instructor of the Course &amp; E-Mail Address</b>	Asst. Prof. Ali İhsan ÇETİN aliihsancetin@aybu.edu.tr				
<b>Office Hours &amp; Office Room</b>	Wednesday, 12.00-15.00 / Thursday, 10.00-16.00, B260				
<b>Course Content and Objectives</b>	This course aims to provide students with a comprehensive understanding of credit risk assessment and credit allocation processes in both individual and corporate lending. Students will learn how to evaluate creditworthiness using financial statements, credit scoring models, and risk rating systems. The course emphasizes practical tools and decision-making frameworks used by financial institutions to assess, monitor, and manage credit risk. By the end of the course, students will be equipped to analyze loan applications, structure credit facilities, and make data-informed credit decisions in line with industry practices and regulatory standards.				
<b>Textbook(s)</b>	Textbook: <i>Caouette, J., Altman, E., Narayanan, P., &amp; Nimmo, R. (2008). Managing Credit Risk (2nd ed.). Wiley.</i>  Textbook (Alternative): <i>Machiraju, H. R. (2010). Modern Commercial Banking. New Age International Publishers.</i>				
<b>Teaching Methods and Techniques</b>	In this course, homeworks and class discussions will used as teaching methods and techniques.				
<b>Course Learning Outcomes</b>	1	Understand the key components of credit risk and explain the importance of credit analysis in financial decision-making.	Will be a discount		
	2	Analyze individual and corporate loan applications using financial ratios, cash flow metrics, and qualitative assessments.	Will be a		
	3	Apply the 5 Cs of credit and interpret borrower creditworthiness based on structured evaluation criteria.	Will effe		
	4	Utilize credit scoring models and internal risk rating systems to support credit decisions.	Will be a		
	5	Assess collateral types, values, and legal enforceability within the credit allocation process.	Will be a analysis		
	6	Monitor credit performance and identify early warning signals to manage problem loans.	Will be a by step.		
	7	Evaluate credit proposals in compliance with banking regulations and Basel framework requirements.	Will gain represe		
	8	Evaluate credit proposals in compliance with banking regulations and Basel framework requirements.			
<b>Program Outcomes Contributed by the Course</b>	<b>Program Outcomes (PO)</b>				
	1	<b>Analytical and Critical Thinking:</b> Enhances students' ability to critically assess credit risk through quantitative and qualitative analysis of borrower information and financial data.			
	2	<b>Financial Statement Interpretation:</b> Strengthens the competence to interpret balance sheets, income statements, and cash flows for credit evaluation and decision-making.			
	3	<b>Application of Risk Management Principles:</b> Builds practical understanding of credit scoring models, risk rating systems, and Basel regulatory frameworks used in modern banking.			
	4	<b>Decision-Making and Ethical Awareness:</b>			

		Develops students' capacity to make responsible and well-reasoned credit decisions while considering regulatory compliance and ethical standards.	
	5	<b>Integration of Theory and Practice:</b> Connects theoretical knowledge of credit markets with real-world case studies and simulations, fostering practical readiness for financial sector careers.	
<b>Contribution of the Course to Field Instruction</b>	This course provides students with practical insight into the credit analysis and lending practices used in the banking and finance sector. By applying real-world case studies, financial statement evaluations, and regulatory frameworks, it bridges academic theory with professional credit risk management and decision-making processes.		
<b>Topics Covered in the Course</b>	1. Week	Introduction to Credit Markets and Lending Types	
	2. Week	Fundamentals of Credit Risk and the 5 Cs of Credit (Character, Capacity, Capital, Conditions, Collateral)	
	3. Week	Credit Application Process and Required Documentation	
	4. Week	Financial Statement Analysis for Credit Evaluation	
	5. Week	Ratio Analysis and Cash Flow-Based Credit Assessment	
	6. Week	Credit Scoring Models: Overview and Methodologies	
	7. Week	Credit Risk Ratings and Internal Rating Systems	
	8. Week	Midterm Exam + Case Study: Evaluating a Business Credit Request	
	9. Week	Personal Loan Risk Analysis and Behavioral Scoring	
	10. Week	Corporate Lending: Loan Structuring and Limit Allocation	
	11. Week	Collateral Evaluation and Legal Aspects of Credit Collateralization	
	12. Week	Credit Monitoring, Early Warning Indicators, and Non-performing Loans	
	13. Week	Regulatory Framework and Basel Accords (Basel II / III) in Credit Allocation	
	14. Week	Credit Approval Simulation (Retail or Corporate Case)	
	15. Week	Final Project Presentations	
<b>Course Evaluation Criteria</b>	<b>In-Term Studies</b>	<b>Quantity</b>	<b>Percentage %</b>
	Mid-terms	1	%30
	Quizzes		%
	Assignments		%
	Attendance		%
	Practice	1	%10
	Project	1	%20
	Final examination	1	%40
	<b>Total</b>		<b>100%</b>
<b>Disability Policy</b>	Students with documented disabilities should inform the instructor at the beginning of the semester to arrange appropriate academic adjustments such as extended exam time, accessible materials, or seating accommodations, ensuring equal participation in all course activities.		