



Module Specification

Credit Risk Analysis and Management

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Part 1: Information

Module title: Credit Risk Analysis and Management

Module code: UMAD5W-15-3

Level: Level 6

For implementation from: 2027-28

UWE credit rating: 15

ECTS credit rating: 7.5

College: College of Business and Law

School: CBL Bristol Business School

Partner institutions: None

Field: Accounting and Finance

Module type: Module

Pre-requisites: None

Excluded combinations: None

Co-requisites: None

Continuing professional development: No

Professional, statutory or regulatory body requirements: None

Part 2: Description

Overview: Overall, the purpose of this module is to introduce students to the concept of credit risk and acquaint them with the theoretical as well as practical applications with a view to efficiently analysing, reporting and managing credit risk.

Features: Not applicable

Educational aims: The module aims to enable students to develop an appreciation for the subject area of credit risk, its potential and practical significance and inspire

students to actively pursue research in this area and remain up-to-date with the rapid developments in the various constituent areas of credit risk.

In addition, the educational experience may explore, develop, and practise, but not formally discretely assess, the following:

Communication of information, ideas, arguments, concepts, theories and development of an argument in a clearly and effectively organised essay or report.

Use of IT and computer skills in the identification of source material, capture and manipulation of data and support of research.

Planning and undertaking tasks, developing criteria to evaluate performance and seeking and making use of feedback.

Outline syllabus: Financial Risk Management:

Basic risk types and key measurement tools

Creating value with financial risk

Credit Risk Management:

Introduction to Credit Risk Management

Empirical modelling (incl. market-based models)

Structural modelling

Reduced-form modelling

Modelling of Exposure at Default (EAD)

A taxonomy of credit ratings (external, internal, market-based, sovereign)

Accounting, financial, market-based and cash flow ratio analysis; analytic relationship models

Credit risk scorecards

Modern Portfolio Theory (MPT) revisited

Portfolio Effects in Credit Risk: Risk Contributions and Unexpected Losses

Value-At-Risk (VaR) and Credit VaR:

VaR modelling approaches (correlation, historical simulation and Monte Carlo simulation)

Credit VaR models, backtesting and stress testing

Introduction to financial derivatives

The binomial tree approach

The Black-Scholes-Merton model

Introduction to the “Greeks”

A taxonomy of credit derivatives (CDOs, CDSs, CLNs, etc)

The Structuring Process and Securitisation

Capital and regulation

From Basel I to current Basel regulations

Regulatory aspects of securitisation

Part 3: Teaching and learning methods

Teaching and learning methods: The module will be delivered as lectorial and workshops.

The main purpose of the large group sessions will be to convey core material and engage students in critical thinking over the theories and practices relating to credit risk and its management.

The workshops, will aim to enable students to apply the knowledge gained in the lectures and also emulate industry models and practices in a facilitated environment. Students will be asked to prepare on the materials before participating and practice in the workshops.

Specific emphasis will be placed on the use of modern technologies for the purposes of credit risk analysis and management, as such the workshops will take place in PC labs.

Students will be directed on how the resources on this site should be used to develop the skills that will underpin their studies in the module handbook and/or via VLE.

Module Learning outcomes: On successful completion of this module students will achieve the following learning outcomes.

MO1 Model the credit risk of financial assets

MO2 Critique the regulatory environment of credit risk

MO3 Provide advice on how to enhance credit risk procedures in financial institutions

Hours to be allocated: 150

Contact hours:

Independent study/self-guided study = 114 hours

Face-to-face learning = 36 hours

Reading list: The reading list for this module can be accessed at readinglists.uwe.ac.uk via the following link

<https://uwe.rl.talis.com/modules/umad5w-15-3.html>

Part 4: Assessment

Assessment strategy: The module will be assessed by means of an Individual Business Report (2,000 words) with supporting calculations (100%).

Non-assessed formative feedback will be provided in class group work and individual practical problems that students will be expected to attempt most weeks.

Assessment tasks:

Report (First Sit)

Description: Individual Business Report (2,000 words) with supporting calculations

Weighting: 100 %

Final assessment: Yes

Group work: No

Learning outcomes tested: MO1, MO2, MO3

Report (Resit)

Description: Individual Business Report (2,000 words) with supporting calculations

Weighting: 100 %

Final assessment: Yes

Group work: No

Learning outcomes tested: MO1, MO2, MO3

Part 5: Contributes towards

This module contributes towards the following programmes of study:

Accounting and Finance {Foundation} [Frenchay] - WITHDRAWN BA (Hons) 2024-25

Banking and Finance [NEU] - WITHDRAWN BSc (Hons) 2025-26

Accounting and Finance {Foundation} [Frenchay] BA (Hons) 2023-24

Banking and Finance {Foundation} [Frenchay] BSc (Hons) 2023-24

Accounting and Business Management {Foundation} [Frenchay] BA (Hons) 2023-24

Accounting and Business Management {Foundation} [Frenchay] - WITHDRAWN BA (Hons) 2024-25

Accounting and Business Management [Frenchay] BA (Hons) 2024-25

Banking and Finance {Foundation} [Frenchay] - WITHDRAWN BSc (Hons) 2024-25

Banking and Finance [Frenchay] BSc (Hons) 2024-25

Accounting and Finance [Frenchay] BA (Hons) 2024-25

Accounting [Frenchay] - WITHDRAWN BSc (Hons) 2024-25

Accounting and Finance {Foundation}[Frenchay] BA (Hons) 2024-25

Accounting and Business Management {Foundation} [Frenchay] BA (Hons) 2024-25

Accounting and Finance [Villa] BSc (Hons) 2025-26

Accounting and Finance [Phenikaa] BA (Hons) 2025-26

Accounting and Finance [BIBM] BSc (Hons) 2025-26

Accounting and Finance {Dual} [Taylors] BA (Hons) 2025-26

Accounting and Finance [Frenchay] BA (Hons) 2025-26

Accounting and Business Management [Frenchay] BA (Hons) 2025-26

Accounting and Finance {Dual} [Taylors] BA (Hons) 2025-26

Accounting and Business Management [Frenchay] - WITHDRAWN BA (Hons) 2025-26

Banking and Finance [Frenchay] - WITHDRAWN BSc (Hons) 2025-26

Accounting and Finance [Frenchay] - WITHDRAWN BA (Hons) 2025-26

Banking and Finance {Dual} [Taylors] BA (Hons) 2025-26

Accounting and Business Management {Foundation} [Frenchay] BA (Hons) 2024-25

Accounting and Finance [Frenchay] BA (Hons) 2025-26

Accounting and Finance [Frenchay] BA (Hons) 2024-25

Business Management with Accounting and Finance {Top-Up} [Frenchay] BA (Hons)
2027-28

Accounting and Finance {Foundation} [Frenchay] BA (Hons) 2023-24

Accounting and Business Management [Frenchay] BA (Hons) 2024-25

Accounting and Business Management {Foundation} [Frenchay] BA (Hons) 2023-24

Banking and Finance [Frenchay] BSc (Hons) 2024-25

Banking and Finance {Foundation} [Frenchay] BSc (Hons) 2023-24