ALLAMA IQBAL OPEN UNIVERSITY, ISLAMABAD
(Department of Business Administration)

CREDIT MANAGEMENT (8714)

CHECK LIST

SEMESTER: Autumn, 2012

This packet comprises following material:

1. Text book (One)
2. Course Outline
3. Assignment No. 1, 2
4. Assignment forms (2 sets)

In this packet, if you find anything missing out of the above-mentioned material, please contact at the address given below:

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(Course Coordinator)
ASSIGNMENT No. 1

Q. 1 Explain the concept of prudential regulations and its importance in banking business. Discuss and evaluate the prudential regulations for commercial banking in detail. (20)

Q. 2 Explain the concept, pros and cons of deposits at cost plus profit margin pricing strategy used by commercial banks in detail. (20)

Q. 3 Explain the various steps taken by the banks in lending process in business loans. Critically discuss the precautionary measures to be taken by the banks in order to resolve the problems in loan situations. (20)

Q. 4 Explain various methods used for pricing business loans used by commercial banks in Pakistan. Discuss the strengths and weakness of these methods in detail. (20)

Q. 5 Explain the various short term loans offered by banks in Pakistan. Discuss the operational procedures of working capital loans and assets based loans to be provided to business firms. (20)

ASSIGNMENT No. 2

Q. 1 Define credit derivatives and its importance in the banking system. Critically evaluate the credit derivatives market in Pakistan. (20)
Q. 2 Explain duration gap management and how it is determined by the banks in Pakistan. Discuss and evaluate the process. (20)

Q. 3 Define investment securities and its importance. Discuss and evaluate the various factors affecting various choices of a bank for investment securities in the present circumstances in Pakistan. (20)

Q. 4 Define the securitizing bank loans in detail. Discuss and evaluate the securitization of loans against mortgage adopted by banks in Pakistan in detail. (20)

Q. 5 Define small and medium enterprise loans system and its importance. Discuss and evaluate the SMEs loans system in Pakistan. (20)
Unit 5: Consumer and Real Estate Lending
5.1 Types of Loans Granted to Individuals and Families in Pakistan
5.2 Relevant Prudential Regulations by SBP For Consumer Loans
5.3 Real Estate and Mortgage Loans System in Pakistan

Unit 6: Managing the Bank's Investments Portfolio and Liquidity Position
6.1 Investment Instruments Available to Banks in Pakistan
6.2 Factors Affecting the Banker's Choice Among Investment Securities in Pakistan
6.3 Demand and Supply of Bank Liquidity System in Pakistan

Unit 7: Asset-Liability Management and Hedging Against Interest Rate and Credit Risk-I
7.1 Asset-Liability Management (ALM) Strategies and their Rules in Pakistan
7.2 Interest Rate Risk: One of the Banker's Greatest ALM Challenges in Pakistan
7.3 Duration Gap Management in the Banking System in Pakistan

Unit 8: Asset-Liability Management and Hedging Against Interest Rate and Credit Risk-II
8.1 Process of Securitizing Bank Loans and Other Assets in banks operated in Pakistan
8.2 Beginnings of Securitization—Home Mortgage Market
8.3 Sales of Loans to Raise Funds
8.4 Concept of Standby Credit Letters and Factoring in Pakistan

Unit 9: Special Categories of Lending Management in Pakistan
9.1 Priority Sector Lending
9.2 Advances To Small and Medium Enterprises
9.3 Relevant Prudential Regulations by SBP for Small and Medium Enterprises
9.4 Agriculture Finance
9.5 Different Types of Documentation in Credit Management
9.6 Supervision and Control of Advances
9.7 Recovery of Advances

Recommended Books: