

FINA 4343 CREDIT ANALYSIS/SECTION 18956

SPRING 2018, T 6-9 PM

CEMO 105

Instructor: CYNTHIA K LARA, MIBA & ALEXANDER J LARA, MIBA

Office: TBD

Office Hours: By Appointment

Email: cklara@uh.edu (All assignments are to be emailed to this address)

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A. REQUIRED READING:

**Textbook: Bank Management
Timothy w. Koch and S. Scott MacDonald,
South-Western Cengage Learning, 8th Ed.**

B. REQUIRED TOOLS:

- a. Bring a Financial Calculator to every class, including exams. Cell phones are discouraged for use for financial calculations and use during class.
- b. Access to Blackboard via Laptop, Desktop or mobile device. We will use this often since this is the primary method of communication for the class.
- c. Case Studies as assigned.

C. COURSE OBJECTIVE: To study pertinent aspects of making a Commercial Loan in the "REAL WORLD".

D. STUDENT EVALUATION

1. **Chapter Summaries:** Work must be submitted **PREFERABLY ELECTRONICALLY TO MY EMAIL or IN PERSON AT THE BEGINNING OF CLASS. NO SUBMISSIONS WILL BE ACCEPTED ONCE THE LECTURE BEGINS. IMPORTANT: KEEP A COPY OF ANY CHAPTER YOU SUBMIT.** Chapter Summaries must be submitted the day of the class when we discuss that chapter. **Late submissions will not be accepted.** Chapter Summaries must include: Name, Date, and Class you belong to, and must be STAPLED, chapter by chapter. (Chapter Summaries 0 to 35 points)
2. **Guest Lecture Summaries & Evaluations:** After each session, students will electronically send two separate documents regarding the Guest Lecturer presentation before the next class meeting. A SUMMARY of the presentation by the Banker and an Evaluation of the Presenter. The SUMMARY must retrace the essential points brought up by the speaker. The Speaker Evaluations are shared with each Speaker, so they may benefit from the Student's perception of the presentation. MAXIMUM 1 page per document. (Guest Lecture Summaries & Evaluations 0 to 70 points).
3. **Homework:** Work must be submitted **PREFERABLY ELECTRONICALLY TO MY EMAIL or IN PERSON AT THE BEGINNING OF CLASS. IMPORTANT: KEEP A COPY OF ANY HOMEWORK YOU SUBMIT.** To be submitted the day of the Assignment. **No Late Submission.** Must include Name, Date, Number of that Homework, Class you belong to. In case of Multiple Homework(s) please submit separate page for each. (Homework 0 to 35 points)
4. **Tests:** **Exam 1** will be given on January 30th. It will cover Chapters 12 & 13 from book and class. **Exam 2** will be February 20th and will cover Chapters 14, 15 & 17 (Each Test will be 0 to 50 points)

5. **CASE STUDIES:** The case study grades consist of several elements and represent 35 % of your total Class Grade.
- Content, Presentation, Coherence, logic, Academic Integrity & Group Q & A.
 - Two Case Studies will be provided to the class for Group work. Each Group will present a Power Point Presentation for each Case Study that is qualitative as well as quantitative with Financial Statements, Analyses, Ratios, Recommendations and Conclusions. **Case Studies must be submitted electronically with embedded formulas in Excel before Class Presentation. Proper writing skills, organization and citations are expected at this upper division level. A Peer Review will also be required for each group member and for both cases.**
 - The first Case Study will be more informal and presented in front of your Peers on March 6th, Group Case Study I (0-50 points).
 - The second Case Study will more formal and presented in front of Bankers who will participate in a Mock Loan Committee April 17th, April 24th and May 1st. Group Case Study II with the MLC, (0-90 points).
 - Groups of Three to Four Members must be arranged by the **Third-Class Meeting of January 29th**.
6. **Extra Credit:** Available on Tests when answering short answer questions and throughout the semester as Professor deems relevant to course objectives.

Attendance, Class Contribution and Professional Conduct: (0-20 points) In accordance with the University's Student Handbook, students in this class are expected to conduct themselves in a manner that is conducive to a learning environment. Attendance and class contribution will be part of your overall grade.

IMPORTANT ITEM: GUEST LECTURERS ARE INVITED FOR THE BENEFIT OF THE STUDENTS. THESE ARE VERY IMPORTANT AND SUCCESSFUL BUSINESS EXECUTIVES WHO VOLUNTEER THEIR TIME AND EXPERTISE. CLASSES ON THOSE DAYS ARE MANDATORY AND THE SUBJECT MATTERS DISCUSSED IN THOSE PRESENTATIONS MAY BE INCLUDED IN THE EXAMS. * Current Syllabus contains proposed dates and Presenters and will be confirmed through Blackboard Announcements.

E. **Assignment of Grades**

Your grade in this course will be based upon the total number of points you earn during the semester. The following distribution for the assignment of grades will be strictly adhered to.

A	400-370	C+	319-307
A-	369-360	C	306-290
B+	359-347	C-	289-280
B	346-330	D	279-240
B-	329-320	F	230-0

- F. Academic Honesty:** The University of Houston Academic Honesty Policy is strictly enforced by the C. T. Bauer College of Business. No violations of this policy will be tolerated in this course. A discussion of the policy is included in the University of Houston Student Handbook, <http://www.uh.edu/dos/hdbk/acad/achonpol.html>. Students are expected to be familiar with this policy.
- G. Accommodations for Students with Disabilities:** The C. T. Bauer College of Business would like to help students who have disabilities achieve their highest potential. To this end, in order to receive academic accommodations, students must register with the Center for Students with Disabilities (CSD) (telephone 713-743-5400), and present approved accommodation documentation to their instructors in a timely manner.
- H. Counseling and Psychological Services (CAPS):** CAPS can help students who are having difficulties managing stress, adjusting to college, or feeling sad and hopeless. You can reach CAPS (www.uh.edu/caps) by calling 713-743-5454 during and after business hours for routine appointments or if you or someone you know is in crisis. Also, there is no appointment necessary for the "Let's Talk" program, which is a drop-in consultation service at convenient locations and hours around campus. http://www.uh.edu/caps/outreach/lets_talk.html
- I. Student Behavior:** In accordance with the University's Student Handbook, students in this class are expected to conduct themselves in a manner that is conducive to a learning environment (<http://www.uh.edu/dos/hdbk/slpolicies/expectations.html>). The contribution and professional conduct grade in this class is based upon the following tenets of the Handbook:
- **Be respectful:** Respect the learning/classroom environment and the dignity and rights of all persons. Be tolerant of differing opinions.
 - **Be Courteous/Considerate:** Extend courtesy in discourse. Please do not interrupt speakers. Avoid distractions such as cell phones, beepers, and irrelevant discussions.
 - **Be informed:** Familiarize yourself with the course and instructor expectations. Read the course Syllabus and other information posted on Blackboard.
 - **Be punctual:** Attend classes regularly and on time. Instead of closing your notebook early, listen carefully to information given near the end of class; summary statements and instructions may be important. Moreover, leaving class early distracts from a lecture.
 - **Be Participative/Curious:** Contribute and participate in class discussions; display interest during class by raising thoughtful and relevant questions that enrich discussions.
 - **Be communicative:** Interact with the instructor and discuss assignments, grading and subject matter. Express complaints and concerns in a calm and respectful manner.

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- 1/16/18 ORIENTATION
CHAP 12: THE EFFECTIVE USE OF CAPITAL
WEIGHTED MARGINAL COST OF CAPITAL
- 1/23/18 CHAP 13: OVERVIEW OF CREDIT POLICY,
UNDERWRITING & COMMERCIAL LOANS
CASH FLOW STATEMENT & LOAN REQUIREMENTS
- 1/30/18 **PAUL WHEELER FED: DODD-FRANK***
EXAM 1: Chapters 12 & 13.
GROUPS MUST BE ESTABLISHED & TURNED IN.
- 2/6/18 **ADAM BRENNEN, SVP, NORTHERN TRUST***
CREDIT DECISION: CASE STUDY.
CHAP 14: EVALUATING COMM'L LOANS & MANAGING CREDIT RISK
CASE STUDY 1 ASSIGNED
- 2/13/18 **KEN HOGAN, CADENCE BANK***
FOREIGN EXCHANGE & RISK
CHAP 15: EVALUATING CONSUMER LOANS.
CHAP 17: GLOBAL BANKING ACTIVITIES
INTERNATIONAL TRADE AND FINANCE
- 2/20/18 **ERIC ENSMANN, BBVA***
CREDIT DECISIONS
EXAM 2: Chapters 14, 15 & 17
- 2/27/18 **MARK WAYNE, SVP & MGR, AMEGY BANK***
STRUCTURING: TERM VS. WORKING CAPITAL LINE,
ROCKWELL CENTER
- 3/6/18 **CASE STUDY 1 GROUP PRESENTATIONS**
- 3/13/18 NO CLASS SPRING BREAK
- 3/20/18 **CASE STUDY 2 ASSIGNED**
GROUPS WORK ON THEIR OWN
- 3/27/18 **CREDIT ANALYST GUEST LECTURE, TBD***
CASE STUDY 2 STATUS UPDATES
WORK WITH PROFESSORS
- 4/2/18** **ROUND TABLE W/CLASS FINA 4341 TO BE CONFIRMED BANKING-ROUND TABLE:**
CHALLENGES FACING THE BANKING INDUSTRY
PARTICIPANTS:
AMEGY BANK: MARK WAYNE
NORTHERN TRUST: ADAM BRENNEN
CADENCE BANK: KEN HOGAN
CAPITAL ONE: PATRICK MIKKELSEN
FEDERAL RESERVE: PAUL WHEELER

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- 4/10/18 **KEITH MORTON AND PATRICK MIKKELSEN, CAPITAL ONE BANK***
WHAT HAPPENS WHEN LOANS GO BAD
- 4/17/18 **MOCK LOAN COMMITTEE & GROUPS PRESENT**
- 4/24/18 **MOCK LOAN COMMITTEE & GROUPS PRESENT**
- 5/1/18 **MOCK LOAN COMMITTEE & GROUPS PRESENT**

This Syllabus may be modified as needed during the semester. Any changes will be posted on Blackboard.

ARCHIVE