

Chartered Banker

PROFESSIONAL BANKER DIPLOMA

2017 MODULE SPECIFICATION

Title:	Introduction to Business Banking
Credit Value:	SCQF Level - 8 SCQF Credit Points - 10
Aim:	To provide a comprehensive introduction to the key features and principles of the products and services offered by banks to business customers.
Access Statement:	There are no entry requirements for the module, although it is strongly recommended that the Professional Banker Certificate is completed prior to undertaking study for the Professional Banker Diploma.
Programme of study to which unit contributes	<ul style="list-style-type: none">Professional Banker Diploma Holders of the Professional Banker Diploma may proceed to Associate Chartered Banker Diploma.
Learning Outcomes:	Knowledge, Understanding and Skills On successful completion of this module, students will be able to: <ol style="list-style-type: none">1. describe the legal and voluntary framework within which banks conduct business and the different types of bank customers;2. understand the main features of business banking services;3. describe the various forms of business customers;4. understand the principles of business lending;5. understand Balance Sheets and Ratio Analysis;6. understand the principles of good security;7. understand the process of credit assessment;8. understand the remedial action that can be taken when customers have difficulties repaying a loan;9. understand how excellent customer service is achieved in business banking.
Method of Learning:	Distance Learning Study Text.
Assessment:	Two hour online examination, consisting of 100 multiple choice questions.

Learning Outcomes, Assessment Criteria and Content

Learning Outcomes	Assessment Criteria	Indicative Content
Banker/ Customer Relationships		
<p>1. Describe the legal and voluntary framework within which banks conduct business and the different types of bank customers.</p>	<p>1.1 Describe types of businesses and corporate banking customers.</p> <p>1.2 Understand the legal and voluntary framework within which banks conduct business with customers.</p> <p>1.3 Understand relationship banking.</p> <p>1.4 Outline the organisational structure of a bank in relation to dealing with different types of customers.</p>	<ul style="list-style-type: none"> • The Banker / Customer relationship • Duties of the banker • Duties of the customer • The requirements of the Financial Conduct Authority (FCA) • Range of bank business and corporate customers • Customer relationships • Bank organisational structure

Learning Outcomes	Assessment Criteria	Indicative Content
Business Banking Services		
<p>2. Understand the main features of business banking services.</p>	<p>2.1 Explain what current accounts are used for.</p> <p>2.2 Describe the services that banks offer to their business customers.</p>	<p>Knowledge of business banking services</p> <ul style="list-style-type: none"> • Current accounts • Money transmission • Electronic funds transfer • Deposits • Lending • Treasury services • Foreign currency exchange transactions • Interest rates • Insurance and life assurance • Other services for business account customers

Learning Outcomes	Assessment Criteria	Indicative Content
Business Structures		
<p>3. Describe the various forms of business customers.</p>	<p>3.1 Differentiate between the various forms of business customer: sole traders, partnerships, companies and public sector bodies.</p> <p>3.2 Explain how different types of customers are serviced by banks.</p>	<p>Understanding the different types of business customers</p> <ul style="list-style-type: none"> • Sole traders • Partnerships • Public limited companies • Private limited companies • Government and local authorities

Learning Outcomes	Assessment Criteria	Indicative Content
Principles of Lending		
<p>4. Understand the principles of business lending.</p>	<p>4.1 Explain the principles of lending and credit scoring.</p> <p>4.2 Describe the various lending products banks provide.</p> <p>4.3 Describe the specialised lending products that banks provide.</p> <p>4.4 Explain banks' loan approval processes.</p>	<ul style="list-style-type: none"> • Principles of lending • People / characters • Purpose of loan • Working capital • Business Plan • Amount of loan • Repayment of loan • Security • Remuneration / margin • Credit scoring • Overdrafts • Term loans • Hire purchase • Leasing • Factoring / invoice discounting • Specialised lending • Management buyouts

Learning Outcomes	Assessment Criteria	Indicative Content
Balance Sheets and Ratio Analysis		
5. Understand Balance Sheets and Ratio Analysis.	5.1 Explain the content of balance sheets. 5.2 Explain the purpose of financial ratios. 5.3 Describe how a balance sheet and financial ratios are used to assess creditworthiness. 5.4 Explain how a cash flow analysis report is used.	<ul style="list-style-type: none"> • Balance sheets • Auditing accounts • Financial Ratios • Operating /Activity Ratios • Debtors and Creditors Ratios • Profitability Ratios • Cash Flow Analysis

Learning Outcomes	Assessment Criteria	Indicative Content
Securities for Advances		
6. Understand the principles of security.	<p>6.1 Explain why there is a need for banks to take security from customers.</p> <p>6.2 Describe the various types of security that banks may take for loans.</p> <p>6.3 Consider appropriate security margins when taking different types of security.</p>	<ul style="list-style-type: none"> • Need for security • Principles of good security • Direct and third party security • Security over land and buildings • Guarantees • Stock Exchange securities • Life assurance policies • Floating charge (granted by a company) • Other forms of security • Registration of security • Security margins

Learning Outcomes	Assessment Criteria	Indicative Content
Managing Credit Risk		
<p>7. Understand the process of credit assessment.</p>	<p>7.1 Explain the process of credit assessment.</p> <p>7.2 Identify how banks aim to manage credit risk.</p>	<p>Understand credit risk and cash flow monitoring</p> <ul style="list-style-type: none"> • Assessing credit risk • Controlling credit risk • Monitoring credit risk • Cash flow monitoring

Learning Outcomes	Assessment Criteria	Indicative Content
When things go wrong		
<p>8. Understand the remedial actions taken when customers encounter difficulties repaying a loan.</p>	<p>8.1 Identify the type of problems that can arise after the loan to the customer is granted and explain the remedies available.</p> <p>8.2 Describe the process and effect of administration.</p> <p>8.3 Explain the powers and duties of an administrator and creditors' rights.</p> <p>8.4 Explain what liquidation involves.</p> <p>8.5 Explain sequestration – the legal process for sole traders and partnerships.</p>	<ul style="list-style-type: none"> • Type of problems which may arise • Additional lending • Remedial action by the customer • Administration • Liquidation

Learning Outcomes	Assessment Criteria	Indicative Content
Customer Service		
<p>9. Understand how excellent customer service is achieved in business banking.</p>	<p>9.1 Explain what marketing and selling mean and the difference between them.</p> <p>9.2 Describe how banks provide products that meet customers' financial needs.</p> <p>9.3 Describe what is meant by excellent customer service and explain how it is provided in practice.</p> <p>9.4 Explain how customer complaints should be handled.</p> <p>9.5 Describe the regulatory environment in which financial services organisations operate.</p>	<ul style="list-style-type: none"> • Marketing and selling • The selling process • Providing products that meet customer needs • Proving excellent customer service • Effects of financial crisis on customer service • Handling complaints • Regulation