Upon completion of this lesson, candidates should be able to:

Demonstrate knowledge of credit risk analysis and the bankruptcy process.Including:

Understand credit ratings, yields, and financial ratios.

Interpret credit spreads and credit risk.

Discuss credit risk and its relationship to risk of default.

Discuss covenants on debt.

Explain the five ways that covenants can control risk.

Describe capital structure and the priority of payment.

Discuss recovery rates.

Explain distressed debt and how it relates to the bankruptcy process.