

CBE Competency 3
FS.CO3.LMO1 Module 3
Summative Assessment

Instructions: Fill in the Blanks: Please read the statements carefully and complete the word missing that best completes the sentence.

1. During the completion of the credit analysis narrative phase it is recommended that an _____ is completed. The _____ will be a resource to organize data and conclusions.

Answer: Analysis Outline, outline

2. Detailed _____ in spread format, ratios and financial indicators and _____ projections (if applicable) are usually attached to the credit analysis as supporting documentation

Answer: financial statements, cash flow

3. In most financial institutions the _____ is a summary comprising between 2-3 pages of key conclusions on the Borrower

Answer: credit analysis report

4. One of the major criticism in writing a credit analysis narrative from decision makers is that the writers provide _____ without arriving at any _____ about the implications of risk for the bank.

Answer: facts, conclusions

5. The first section of the credit analysis report includes information on the _____, term, _____ and type of credit facility

Answer: loan request, interest rate

6. The narrative portion of the credit analysis report usually begins with a _____ and _____ section where the loan decision is communicated.

Answer: summary /recommendation

7. The _____ section of the Credit Report includes a full discussion of key issues associated to the Borrower including but not limited to management, background history, assessment of financial performance etc,

Answer: Business analysis

8. One of the key elements in the credit analysis report is the analysis of key changes in _____ and the potential implications to cash flow and debt service abilities.

Answer: financial statements

9. In writing the credit analysis, once the review of all the aspects of the Company's _____ have been evaluated they need to be presented in a clear, orderly efficient manner.

Answer: operation

10. In writing a credit analysis narrative the analyst must concentrate on providing _____, support them with _____ and _____ relationships and present only the most critical issues about the Borrower.

Answer: conclusions, cause /effect