**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***

1. 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***

1. In most financial institutions the \_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_is a summary comprising between 2-3 pages of key conclusions on the Borrower

***Answer: credit analysis report***

1. 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**

1. The first section of the credit analysis report includes information on the \_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_, term, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_and type of credit facility

***Answer:*** loan request, interest rate

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

***Answer: summary /recommendation***

1. 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***

1. 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***

1. 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***

1. 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***