

COURSE SYLLABUS

FINA 7A97-09:

Commercial Banking & Credit Analysis

Fall 2020

Professor

Alexander Lara, MBA, CTP

Email: ajlara@uh.edu

Office: CCB 402J

Office Hours: Virtual or by appointment

Section: Time, Location

26425:Th 6:00-9:00PM, MH 110

TA: Cynthia Lara, MBA

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The information contained in this class syllabus is subject to change without notice. Students are expected to be aware of any additional course policies presented by the instructor during the course.

Learning Objectives

The learning objectives of this course aim to provide an overview of Banking in the United States and the fundamental process of analyzing credit from the banker's perspective.

To meet our goals, we will review the regulatory environment and its impact on bank pricing and exposure management. We will develop a skill set to identify relevant financial and credit risks and learn to structure potential mitigants into our credit and indenture agreements.

Required Reading

Analyzing Financial Statements, A Decision Tree Approach Part 1, American Bankers Association, 2013

Recommended Reading

Bank Management, Timothy Koch & Scott MacDonald, 8th edition, 2015

Major Assignments/Exams

26 Assignments @ 5 points each	130 points	Percent of Grade	50%
Case Studies #1=20 pts #2=50 pts	70		26%
Attendance & Participation	10		4%
Exam	50		20%
Total Points	260		

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.

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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.

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

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/slolicies/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.

COURSE SYLLABUS

- 8/27/2020** **Banking and the Financial Services Industry**
Government Policies and Regulations
Homework due 9/03/2020
- **Banking Industry Assignment**
 - **Government Policy & Reg Assignment**
- 9/03/2020** **The Commercial Lending Decision Tree**
Chpt 1 Understanding Business Borrowers
Chpt 2 Why Businesses Borrow
Homework due 9/10/2020
- **Chpt 1, 2 Assignments**
 - **Chpt 2, 2 Assignments**
- 9/10/2020** **Chpt 3 Business Legal Structures and Life Cycles**
Chpt 4 Introduction to Business Financial Statements
Cash to Cash Cycle Working Capital Calculations
Case Study 1 Assigned
Homework due 9/17/2020
- **Chpt 3, 2 Assignments**
 - **Chpt 4, 1 Assignment**
- 9/17/2020** **Chpt 5 How Business Financial Statements are Constructed**
Chpt 6 Income Statement Analysis
Homework due 9/24/2020
- **Chpt 5, 1 Assignment**
 - **Chpt 6, 1 Assignment**
- 9/24/2020** **Chpt 7 Balance Sheet Analysis**
Chpt 8 Ratio Analysis
Case Study 1 Due before start of class
Homework due 10/01/2020
- **Chpt 7, 1 Assignment**
 - **Chpt 8, 2 Assignments**
- 10/01/2020** **Chpt 9 Cash Flow Analysis**
Chpt 10 The UCA Model
Case Study 2 Assigned
Homework due 10/08/2020
- **Chpt 9, 4 Assignments**
 - **Chpt 10, 5 Assignments**
- 10/08/2020** **Chpt 11 Cash Budgets and Proforma Statements**
Commercial Lending Decision Tree Application
Risk Rating, Industry Comparisons, Recommendation, Loan Terms & Covenants
Homework due 10/15/2020
- **Chpt 11, 3 Assignments**
- 10/15/2020** **Case Study Presentation and Discussions**
Exam