

Level 2 Export Credit Management

Indicative content

NOTE : Whilst not exhaustive this document provides an illustration of topics and themes in this unit.

1	<ul style="list-style-type: none"> • Provision of credit. • Effect of credit on the global economy. • Control of credit. • Differences and features of trade, export and consumer credit. • Working capital. • Impact of offering credit.
2.	<ul style="list-style-type: none"> • How the credit function fits into the overall organisation of a company. • Functions and structure of a credit department. • The relationships of a credit department with other departments. • Key measures of credit department performance and target setting. • The role and qualities of the credit manager. • Value of good customer service and how this can be achieved in a credit department. • The importance of a credit policy.
3.	<ul style="list-style-type: none"> • Relevant characteristics of individuals, sole traders, partnerships, limited companies and other types of customer. • Relevant cultural differences of customers in the export market. • Financial advantages and disadvantages of granting credit to different types of customers, and countries. • Appropriateness of various types of credit agreements in a range of circumstances. • Advantages and disadvantages of credit agreements to the credit supplier and the customer.
4.	<ul style="list-style-type: none"> • Features of different INCOTERMS, payment terms and methods of payment, including letters of credit and bills of exchange. • Importance of initial and continuous risk assessment and control. • Sources and value of information available to assess applications for export credit. • Purpose and operation of a risk category system. • Calculation and use of credit limits. • How credit insurance works. • The key provisions of Money Laundering Regulations.
5.	<ul style="list-style-type: none"> • The purpose and features of export payment documents, including bill of exchange, letter of credit and promissory note. • The purpose and features of export transport documents, including export invoice, bill of lading, CMR, CIF, airway/seaway bill and certificate of origin. • The content and purpose of a customer master file. • Principal features of a sales ledger system. • Computerised systems and the benefit to the credit management function.

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| 6. | <ul style="list-style-type: none">• Techniques necessary for effective collection work.• Advantages and disadvantages of methods of collection activity.• Methods of dealing effectively with queries and non-payment.• Circumstances for withholding supplies or services.• Basic steps for debt recovery in the international courts.• Advantages and disadvantages of using third parties and agents abroad.• Methods for evaluating a third party before entering into a service agreement. |
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Assessment

One-hour online examination involving 60 multiple choice questions.