

## Level 2&3 Credit Management (Trade Export & Consumer) 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"> <li>• Provision of credit.</li> <li>• Control of credit.</li> <li>• Differences and features of trade, export and consumer credit.</li> <li>• Working capital.</li> <li>• Impact of offering credit.</li> </ul>
2.	<ul style="list-style-type: none"> <li>• How the credit function fits into the overall organisation of a company.</li> <li>• Functions and structure of a credit department.</li> <li>• The relationships of a credit department with other departments.</li> <li>• Key measures of credit department performance and target setting.</li> <li>• The role of the credit manager and the qualities you would expect them to possess.</li> <li>• Value of good customer service and how this can be achieved in a credit department.</li> <li>• The importance of a credit policy.</li> </ul>
3.	<ul style="list-style-type: none"> <li>• Relevant characteristics of individuals, sole traders, partnerships, limited companies and other types of customer.</li> <li>• Financial advantages and disadvantages of granting credit to different types of customers.</li> <li>• Anti-discrimination legislation.</li> <li>• Key provisions of the Consumer Credit Act and Data Protection Act.</li> <li>• Main features of credit arrangements, including HP, credit sale, credit cards, mortgages and credit unions.</li> <li>• Appropriateness of various types of credit agreements in a range of circumstances.</li> <li>• Advantages and disadvantages of credit agreements to the credit</li> </ul>

4.	<ul style="list-style-type: none"> <li>• Features of different payment terms and methods of payment.</li> <li>• Advantages and disadvantages of offering discount for early payment and charging interest on overdue accounts.</li> <li>• Importance of initial and continuous risk assessment and control.</li> <li>• Sources and value of information available to assess applications for trade, export and consumer credit.</li> <li>• Purpose and operation of a risk category system.</li> <li>• Calculation and use of credit limits.</li> <li>• Use of credit scoring for the processing of consumer credit application.</li> <li>• How credit insurance and CPI works.</li> <li>• The key provisions of Money Laundering Regulations.</li> </ul>
5.	<ul style="list-style-type: none"> <li>• The purpose and features of credit application forms, invoices, credit notes, statements and other documents for trade, export and consumer credit.</li> <li>• Meaning and purpose of various INCOTERMS used in export.</li> <li>• The content and purpose of a customer master file.</li> <li>• Principal features of a sales ledger system.</li> <li>• Computerised systems and the benefit to the credit management function.</li> </ul>
6	<ul style="list-style-type: none"> <li>• Techniques necessary for effective collection letters and telephone collection work.</li> <li>• Advantages and disadvantages of methods of collection activity.</li> <li>• Use of predictive dialing in the collection process.</li> <li>• Methods for dealing effectively with queries and non-payment effectively.</li> <li>• Circumstances for withholding supplies or services.</li> <li>• Basic steps for debt recovery in the High and County Courts.</li> <li>• Advantages and disadvantages of using third parties.</li> <li>• Methods for evaluating a third party before entering into a service agreement.</li> <li>• Involvement and role of third-party debt advisors in consumer credit matters.</li> <li>• Legislation relating to the harassment of debtors.</li> <li>• Personal and corporate insolvency.</li> </ul>

## Assessment

One-hour online examination involving 60 multiple choice questions.