

CICM Professional Qualifications



Credit Management syllabus

CICM

Chartered
Institute
of Credit
Management

© Chartered Institute of Credit Management 2018

23.01.2020

All rights reserved; no part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without prior permission of the Chartered Institute of Credit Management. This publication may not be lent, resold, hired out or otherwise disposed of by way of trade in any form of binding or cover other than that in which it is published, without prior consent of the Chartered Institute of Credit Management.

Contents

CICM Qualifications in Credit Management	
- CICM Professional Qualifications	4
- CICM Unit, Certificate and Diploma Awards	4
- Assessment	6
- Credit Management Principles	7
- Results	8
- Registration with the CICM	8
Credit management principles units	9
- Credit Management (trade, export, consumer)	10
- Trade credit management	15
- Export credit management	20
- Consumer credit management	24
- Credit Control/Collections	31
Other CICM units	33
- Accounting principles	34
- Additional notes for tutors & learners	38
- Business law	39
- Business environment	44
Skills units	49
- Business communications and personal skills	50
- Telephone collections	53
- Negotiation and influencing	54
- Customer relations and cash collections	55
- Rent collections	56
- Business solutions through creative thinking	58
- Credit application processing	60
- Credit risk assessment	61
- Cash collections	62
- Debt recovery	63
- Cash Allocation	64
- Collections Team Management	66
Useful contacts	67

CICM Qualifications in Credit Management

CICM Professional Qualifications

The Chartered Institute of Credit Management has awarded qualifications since 1949 and was the first organisation to be directly recognised by the Office of Qualifications and Examination Regulations (Ofqual) to design, deliver and award qualifications in credit management and related areas. Also CICM holds End Point Assessment Organisation status for Credit Management apprenticeships.

CICM Professional Qualifications are suites of nationally recognised units and qualifications which range from Level 2 to Level 5 and provide a benchmark for the credit, collections, money advice and debt management areas of work. CICM qualifications are internationally recognised and are regulated by Ofqual. The flexible structure gives the opportunity to build qualifications to suit roles and career ambitions and to move easily between qualifications. Learners can either take a single CICM unit award or build credit for a CICM Certificate or Diploma through completion of a selection of units. Also learners can transfer credit between levels and from other relevant qualifications.

CICM Professional Qualifications include a range of units which vary in size from one to ten credits (one credit represents ten learning hours). Learners can complete any number of units and in any order. Each unit award is individually certificated and requires between one and six months of learning. Some units involve a final online or written examination and others are assessed by a written assignment which requires work-based evidence. A CICM Diploma takes about two years to complete, depending on how many units a learner takes at one time and the amount of credits transferred from other qualifications.

Awards in Credit Management

Level 2 and Level 3 unit awards demonstrate knowledge and skills in a specific area of credit management. Learners gain a certificate following successful completion of examination or assignment and credit towards a diploma in credit management or qualifications in debt collection, and money and debt advice. The unit awards are designed for roles such as credit controllers, collectors, credit analysts and credit managers, and people for whom credit management forms a small part of their role. CICM Awards form part of the Level 2 Credit Controller/Collector apprenticeship.

Certificates in Credit Management

Level 2 and Level 3 Certificates in Credit Management demonstrate expertise and detailed knowledge in credit management. Learners need to accumulate at least **19 credits**, including a minimum of 9 credits from credit management related units. Certificates will be awarded on the successful completion of units from both Level 2 and Level 3. Please see the table below on the rules of combination for credit management units.

Diplomas in Credit Management

Level 2 and Level 3 Diplomas in Credit Management demonstrate expertise and detailed knowledge in credit management. The Diploma in Credit Management is one of the required qualifications for the Level 3 Advanced Credit Controller/Debt Collection Specialist apprenticeship. Learners need to accumulate at least **37 credits** including one credit management principles unit (maximum two units). The qualification establishes the level of competency required for roles such as credit controllers and telephone collectors.

There is some flexibility because learners could include up to 15 credits from the level below. For example, a learner could count credit from a Level 2 pass in credit management towards the CICM Level 3 Diploma in Credit Management. Or, learners could bring up to 15 credits from other business, administration and finance qualifications, such as management and leadership or customer service. The Chartered Institute encourages learners to get in touch with the CICM Awarding Body to discuss options and any associated fees. However, those looking to progress on to the Level 5 Diploma must achieve, or be exempted from, Credit Management, Business Environment, Business Law and Accounting Principles at Level 3.

Rules of combination for credit management qualifications

	Total credit	Total Qualification Time	Credit Management principles units	Credit Management related units (including principles units)	Max L2 credit towards L3 qualification (optional)	Max credit from other relevant units/ qualifications (optional)
CICM Certificate	≥ 19	192	Not compulsory	9 ¹	7	0
CICM Diploma	≥ 37	395	Min 9 Max 19	Not compulsory	15	15

Level of qualification

Level 2 and Level 3 learners study from the same learning materials and results depend on the level of response in an examination or assignment. The level of the final qualification will depend on the level of units that are passed.

For example, the CICM Awarding Body will award a Level 2 or Level 3 Certificate in Credit Management on the attainment of 19 appropriate credits (e.g. sixteen Level 2 credits + three Level 3 credits = 19 credits and a Level 2 Certificate; five Level 2 credits + fourteen Level 3 credits = 19 credits and a Level 3 Certificate.)

¹ Only one of the credit management (trade, export, consumer), trade credit management, export credit management or consumer credit management

The CICM Awarding Body will automatically award a Level 3 Diploma in Credit Management on achievement of at least 37 credits at Level 3. Level 2 achievement demonstrates general knowledge and skills. Level 3 achievement demonstrates in-depth knowledge and expertise.

All units are assessed at multiple levels and therefore learners do not need to decide whether to start at Level 2 or Level 3. However, the CICM can provide a Level 2 assignment if preferred. Learners just need to remember to include a credit management principles unit in their selection to gain a CICM Diploma.

Also, if they plan to progress to the Level 5 Diploma in Credit Management they are advised to gain Level 3 passes or exemption from credit management, accounting principles, business law and business environment. See the CICM website for the full list of CICM units.

This document gives details about the following Certificates and Diplomas:

CICM Level 2 & 3 Certificates in Credit Management	600/4856/6	600/5613/7	TQT 192
CICM Level 2 & 3 Diplomas in Credit Management	500/7535/4	500/5329/2	TQT 395

Contact CICM Awarding Body on T: +44 (0)1780 727272 or E: awardingbody@cicm.com, visit www.cicm.com for the content of CICM Certificates and Diplomas in Debt Collection, High Court Enforcement and Money and Debt Advice.

Assessment

The CICM assesses each unit either by an examination (online or written examination) or an assignment. Assessment is available in the English language.

Candidates will receive a 'Level 3 pass', Level 2 pass' or 'fail' grade for each unit, depending upon their level of achievement in the assessment. Candidates must achieve all learning outcomes to gain a pass. Because CICM units are assessed at multiple levels, if learners miss out, for example, on a pass at Level 3, they may gain a Level 2 pass.

Additionally, for every unit candidates will receive a percentage mark and details about the pass mark if they submit an assignment or complete an online exam.

For the Certificate or Diploma qualification, there is no overall grade awarded.

Arrangements for adjustments

The CICM will make adjustments to assessments to ensure equality of opportunity and to enable a disabled learner to demonstrate his or her knowledge, skills or understanding. Please contact the CICM for the guidance booklet which explains how a learner qualifies for an adjustment and what adjustments will be made.

Credit Management Principles

Learners need to gain at least 9 credits (maximum 19 credits) from the following credit management principles units to achieve a CICM Diploma² in Credit Management:

Subject
Credit Management (trade, export and consumer) (10) Trade Credit Management (9) Export Credit Management (9) Consumer Credit Management (9)
Online exam
Credit Control/Collections (9)
Assignment

Other Credit Management units

Business Law (10) Business Environment (10)	Accounting Principles (10)	Credit Application Processing (3) Credit Risk Assessment (3) Cash Collections (3) Debt Recovery (3) Telephone Collections (6) Negotiation and Influencing (6) Customer Relations and Cash Collections (6) Rent Collections (6) Business Solutions through Creative Thinking (6) Business Communications and Personal Skills (7) Cash Allocation/Application (3)
Online exam	Written exam	Assignments

² Credit management principles units are not compulsory in order to attain a Certificate in Credit Management, although if learners wish, they may select one of these units.

Results and certification

The CICM notifies grades and, if applicable, percentage marks in a results' letter. Also, candidates can access results online on the day published on the entry form and in the CICM Study Update. Approximately six weeks later, candidates receive a certificate for unit passes and a final qualification certificate if they achieve the rules of combination for a CICM Certificate or Diploma.

Registration with the CICM

Learners are required to register with the CICM in order to take the Institute's assessments because teaching centres do not handle this process. Fees are split into registration fees and assessment entry fees to enable the CICM to provide additional learner support and effectively monitor the quality of provision of learning providers.

The Institute has an open entry policy and to register, learners just need to complete and return a registration application form with appropriate fees. Contact CICM Awarding Body for information. E: awardingbody@cicm.com or T: +44 (0)1780 727272.

Study methods, resources, assessments and the Institute's customer service policy and complaints procedure are explained on the CICM website www.cicm.com.

CICM Professional Qualifications and membership

On registration with the CICM Awarding Body learners automatically receive affiliate membership of the Chartered Institute of Credit Management (non-designatory grade). This provides a range of support (see website for details). On achievement of the Level 3 Diploma, learners are eligible to Associate Membership (ACICM) and the Chartered Institute offers Graduate membership (MCICM (Grad)) following completion of the CICM Level 5 Diploma.

Affiliate	Associate ACICM	Graduate MCICM(Grad)
Covers baseline skills and knowledge	<ul style="list-style-type: none"> • Indicates a high level of competency • Gives access to Level 5 Diploma in Credit Management assuming Credit Management, Business Law, Business Environment and Accounting Principles have been achieved. 	<ul style="list-style-type: none"> • An essential qualification at managerial level • May give access to university degree in Credit Management
Level 2 Diploma	Level 3 Diploma	Level 5 Diploma

Credit management principles units

The following units are available:

- Credit Management (trade, export and consumer) (10 credits)
- Trade Credit Management (9 credits)
- Export Credit Management (9 credits)
- Consumer Credit Management (9 credits)
- Credit Control/Collections (9 credits)

Learning tends to take place over fifteen weeks via 3-hour evening classes; over ten weeks in the CICM online Virtual Classroom or over the course of a year. There are six different ways you can study, including distance learning options. Contact the CICM to discuss your options.

Each unit (except for Credit Control/Collections) is tested by a one-hour online exam involving 60 multiple-choice questions. Learners can purchase 60 sample online questions from the CICM Bookshop. See the CICM website for further information.

Credit Control/Collections is tested by an assignment-based assessment which can be submitted three-times a year in January, June and October. Alternative arrangements are available for apprenticeships and apprenticeship training providers can advise further.

Credit Management (trade, export and consumer)

10 Credits 46 Guided Learning Hours 101 Total Qualification Time

Aim

The unit provides an understanding of the concepts, processes and techniques that underpin best practice across a range of credit environments.

Syllabus topics

1. **Value of credit** (10%)
 - Definition of credit
 - Cost of credit
2. **Organisation of the credit function** (15%)
 - The credit department
 - Credit policy
3. **Credit customers and arrangements** (35%)
 - Customers
 - Credit agreements
 - Documents
4. **Credit risk control** (15%)
 - Risk assessment and control
 - Information sources and their value
 - Scoring
 - Insurance
5. **Credit documents and systems** (10%)
 - Customer master file
 - Sales ledger system
 - Computerised systems
6. **Collections methods and legal action** (15%)
 - Targets and use of resources
 - Methods
 - Dealing with problems
 - Legal procedures and use of third parties

Assessment

One hour online examination involving 60 multiple choice questions.

Credit Management (trade, export, consumer)

10 Credits 46 Guided Learning Hours 101 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2 K/502/0214 The learner can:		Assessment criteria LEVEL 3 D/502/0131 The learner can:	
1.	Understand the role of credit management within the business environment.	1.1	Identify the purpose of controlling credit within the business environment.	1.1	Explain the importance of providing credit within the business environment.
		1.2	Describe the provision of credit in trade, export and consumer markets.	1.2	Analyse the differences between trade, export and consumer credit.
		1.3	Recognise the impact of credit on costs, profits and liquidity.	1.3	Quantify the impact of offering credit on cost, profitability and liquidity.
2.	Understand the organisational requirements of credit management functions.	2.1	Describe the credit management function and its personnel.	2.1	Explain how the credit management function and its personnel fit into the overall structure of an organisation.
		2.2	Identify potential areas of conflict between the credit function and other areas of business.	2.2	Explain how potential areas of conflict between the credit function and other areas of business can be resolved.
		2.3	Identify the characteristics of customer service within the credit function.	2.3	Explain how customer service can be achieved within the credit function.
		2.4	Describe the main features of a credit policy and procedural manual.	2.4	Explain the importance and use of credit policies and procedures.
		2.5	Describe how an organisation measures credit management performance and sets targets.	2.5	Evaluate the usefulness of credit management performance measurements and targets.
3.	Understand the impact of legislation on the credit function.	3.1	Identify the liability of different types of customers.	3.1	In the context of liability, explain the advantages and disadvantages of offering credit to a range of customers and territories.
		3.2	Identify the current legislation that affects the decision making process when dealing with credit applications.	3.2	Explain the impact of current legislation on the decision making process when dealing with credit applications.
		3.3	Describe the key features of a range of credit arrangements.	3.3	Assess the advantages and disadvantages of different credit arrangements in a range of circumstances.

Advancing the credit profession

T: 01780 722900

E: professionalqualifications@cicm.com

www.cicm.com

4.	Understand how to assess and control risk.	4.1	Identify the risks associated with credit provision in export, trade and consumer environments.	4.1	Assess the risks associated with credit provision in export, trade and consumer environments.
		4.2	Describe different sources of information used in credit assessment.	4.2	Assess the advantages and disadvantages of different sources of information used in credit assessment.
		4.3	Identify methods of risk assessment control.	4.3	Explain the characteristics and importance of risk control methods.
		4.4	Understand how to control risk by selecting appropriate payment terms and methods of payment.	4.4	Explain the factors that influence the choice of payment terms and methods of payment in the control of risk.
		4.5	Identify different methods of financing credit.	4.5	Evaluate sources of finance for credit.
5.	Understand the different documents and systems used for trade, export and consumer credit.	5.1	Assess the design and purpose of documents used in trade, export and consumer credit.	5.1	Assess the design and purpose of documents used in trade, export and consumer credit.
		5.2	Describe the content and purpose of a customer master file.	5.2	Evaluate the importance of a customer master file.
		5.3	Describe the principal features of a sales ledger/accounts receivable system.	5.3	Explain how the principal features of a sales ledger/accounts receivable system assists the operation of the credit function.
6.	Understand collection and recovery methods.	6.1	Identify various collection methods.	6.1	Assess the advantages and disadvantages of different collection methods.
		6.2	Identify techniques necessary for collections letters and telephone collections work.	6.2	Assess the effectiveness of methods used in collections letters and telephone collections work.
		6.3	Describe how to deal with non-payment and disputes.	6.3	Explain how to manage reasons for non-payment and disputes.

		6.4	Describe the steps for debt recovery through the County Court and High Court.	6.4	Explain the steps for debt recovery and enforcement through the County Court and High Court in a range of circumstances.
--	--	-----	---	-----	--

Content

1.	<ul style="list-style-type: none"> • Provision of credit. • 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 of the credit manager and the qualities you would expect them to possess. • 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. • Financial advantages and disadvantages of granting credit to different types of customers. • Anti-discrimination legislation. • Key provisions of the Consumer Credit Act and Data Protection Act. • Main features of credit arrangements, including HP, credit sale, credit cards, mortgages and credit unions. • 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 payment terms and methods of payment. • Advantages and disadvantages of offering discount for early payment, and charging interest on overdue accounts. • Importance of initial and continuous risk assessment and control. • Sources and value of information available to assess applications for trade, export and consumer credit. • Purpose and operation of a risk category system. • Calculation and use of credit limits. • Use of credit scoring for the processing of consumer credit application. • How credit insurance and CPI works. • The key provisions of Money Laundering Regulations. • Sources of finance.

5.	<ul style="list-style-type: none"> • The purpose and features of credit application forms, invoices, credit notes, statements and other documents for trade, export and consumer credit. • Meaning and purpose of various INCOTERMS used in export. • 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.
6	<ul style="list-style-type: none"> • Techniques necessary for effective collection letters and telephone collection work. • Advantages and disadvantages of methods of collection activity. • Use of predictive dialing in the collection process. • Methods for dealing effectively with queries and non-payment effectively. • Circumstances for withholding supplies or services. • Basic steps for debt recovery in the High and County Courts • Advantages and disadvantages of using third parties. • Methods for evaluating a third party before entering into a service agreement. • Involvement and role of third party debt advisors in consumer credit matters. • Legislation relating to the harassment of debtors. • Personal and corporate insolvency.

Assessment

One hour online examination involving 60 multiple choice questions.

Trade Credit Management

9 Credits 46 Guided Learning Hours 91 Total Qualification Time

Aim

The unit provides an understanding of the concepts, processes and techniques that underpin best practice across the trade credit environment.

Syllabus topics

1. **Value of credit** (10%)
 - Definition of credit
 - Cost of credit
2. **Organisation of the credit function** (15%)
 - The credit department
 - Credit policy
3. **Credit customers and arrangements** (35%)
 - Customers
 - Credit agreements
 - Documents
4. **Credit risk control** (15%)
 - Risk assessment and control
 - Information sources and their value
 - Scoring
 - Insurance
5. **Credit documents and systems** (10%)
 - Customer master file
 - Sales ledger system
 - Computerised systems
6. **Collections methods and legal action** (15%)
 - Targets and use of resources
 - Methods
 - Dealing with problems
 - Legal procedures and use of third parties

Assessment

One hour online examination involving 60 multiple choice questions.

Trade Credit Management

10 Credits 46 Guided Learning Hours 91 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2 M/502/0215 The learner can:		Assessment criteria LEVEL 3 J/502/0205 The learner can:	
1.	Understand the role of credit management within the business environment.	1.1	Identify the purpose of controlling credit within the business environment.	1.1	Explain the importance of providing credit within the business environment.
		1.2	Describe how the provision of credit in trade, differs from export and consumer markets.	1.2	Analyse the differences between trade, export and consumer credit.
		1.3	Recognise the impact of credit on costs, profits and liquidity.	1.3	Quantify the impact of offering credit on cost, profitability and liquidity.
2.	Understand the organisational requirements of credit management functions.	2.1	Describe the credit management function and its personnel.	2.1	Explain how the credit management function and its personnel fit into the overall structure of an organisation.
		2.2	Identify potential areas of conflict between the credit function and other areas of business.	2.2	Explain how potential areas of conflict between the credit function and other areas of business can be resolved.
		2.3	Identify the characteristics of customer service within the credit function.	2.3	Explain how customer service can be achieved within the credit function.
		2.4	Describe the main features of a credit policy and procedural manual.	2.4	Explain the importance and use of credit policies and procedures.
		2.5	Describe how an organisation measures credit management performance and sets targets.	2.5	Evaluate the usefulness of credit management performance measurements and targets.
3.	Understand the impact of legislation on the credit function.	3.1	Identify the liability of different types of customer.	3.1	In the context of liability, explain the advantages and disadvantages of offering credit to a range of customers.
		3.2	Identify the current legislation that affects the decision making process when dealing with credit applications.	3.2	Explain the impact of current legislation on the decision making process when dealing with credit applications.

Advancing the credit profession

T: 01780 722900

E: professionalqualifications@cicm.com

www.cicm.com

4.	Understand how to assess and control risk.	4.1	Identify the risks associated with the provision of trade credit.	4.1	Assess the risks associated with the provision of trade credit.
		4.2	Describe different sources of information used in credit assessment.	4.2	Assess the advantages and disadvantages of different sources of information used in credit assessment.
		4.3	Identify methods of risk assessment control.	4.3	Explain the characteristics and importance of risk control methods.
		4.4	Understand how to control risk by selecting appropriate payment terms and methods of payment.	4.4	Explain the factors that influence the choice of payment terms and methods of payment in the control of risk.
		4.5	Identify different methods of financing credit.	4.5	Evaluate sources of finance for credit.
5.	Understand the different documents and systems used for trade credit.	5.1	Explain the purpose and features of documents used in trade credit.	5.1	Assess the design and the purpose of documents for trade credit.
		5.2	Describe the content and purpose of a customer master file.	5.2	Evaluate the importance of a customer master file.
		5.3	Describe the principal features of a sales ledger/accounts receivable system.	5.3	Explain how the principal features of a sales ledger/accounts receivable system, assists the operation of the credit function.
6.	Understand collection and recovery methods.	6.1	Identify various collection methods.	6.1	Assess the advantages and disadvantages of different collection methods.
		6.2	Identify techniques necessary for collections letters and telephone collections work.	6.2	Assess the effectiveness of methods used in collections letters and telephone collections work.
		6.3	Describe how to deal with non-payment and disputes.	6.3	Explain how to manage reasons for non-payment and disputes.
		6.4	Describe the steps for debt recovery through the County Court and High Court.	6.4	Explain the steps for debt recovery and enforcement through the County Court and High Court.

Content

1.	<ul style="list-style-type: none"> • Provision of credit. • 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. • Why it is important for a company to have a credit policy.
3.	<ul style="list-style-type: none"> • Relevant characteristics of individuals, sole traders, partnerships, limited companies and other types of customer. • Financial advantages and disadvantages of granting credit to different types of customer. • Key provisions of the Data Protection Act. • Main features of credit arrangements, including HP, credit sale, credit cards, mortgages and credit unions. • 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 payment terms and methods of payment. • Advantages and disadvantages of offering discount for early payment, and charging interest on overdue accounts. • Importance of initial and continuous risk assessment and control. • Sources and value of information available to assess applications for trade 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. • Sources of finance.
5.	<ul style="list-style-type: none"> • Designing credit application forms, invoices, credit notes, statements and other documents. • The content and purpose of a customer master file. • Principal features of a sales ledger system. • Computerised systems and their benefit.

6	<ul style="list-style-type: none">• Techniques necessary for effective collection letters and telephone collection work.• Advantages and disadvantages of methods of collection activity.• Methods for dealing effectively with queries and non-payment.• Circumstances for withholding supplies or services.• Basic steps for debt recovery in the High and County Courts.• Advantages and disadvantages of using third parties.• Methods for evaluating a third party before entering into a service agreement.• Personal and corporate insolvency.
---	--

Assessment

One hour online examination involving 60 multiple choice questions

Export Credit Management

9 Credits 46 Guided Learning Hours 91 Total Qualification Time

Aim

The unit provides an understanding of the concepts, processes and techniques that underpin best practice across the export credit environment.

Syllabus topics

1. **Value of credit** (10%)
 - Definition of credit
 - Cost of credit
2. **Organisation of the credit function** (15%)
 - The credit department
 - Credit policy
3. **Credit customers and arrangements** (35%)
 - Customers
 - Credit agreements
 - Documents
4. **Credit risk control** (15%)
 - Risk assessment and control
 - Information sources and their value
 - Scoring
 - Insurance
5. **Credit documents and systems** (10%)
 - Customer master file
 - Sales ledger system
 - Computerised systems
6. **Collections methods and legal action** (15%)
 - Targets and use of resources
 - Methods
 - Dealing with problems
 - Legal procedures and use of third parties

Assessment

One hour online examination involving 60 multiple choice questions.

Export Credit Management

9 Credits 46 Guided Learning Hours 91 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2 A/502/0220 The learner can:		Assessment criteria LEVEL 3 R/502/0207 The learner can:	
1.	Understand the role and effect of credit management within the global business environment.	1.1	Identify the purpose of controlling credit within export business.	1.1	Explain the importance of providing credit within the global business environment.
		1.2	Describe how the provision of credit in export, differs from domestic trade and consumer markets.	1.2	Analyse the differences between trade, export and consumer credit.
		1.3	Recognise the impact of credit on costs, profits and liquidity.	1.3	Quantify the impact of offering credit on cost, profitability and liquidity.
2.	Understand the organisational requirements of credit management functions.	2.1	Describe the credit management function and its personnel.	2.1	Explain how the credit management function and its personnel fit into the overall structure of an organisation.
		2.2	Identify potential areas of conflict between the credit function and other areas of business.	2.2	Explain how potential areas of conflict between the credit function and other areas of business can be resolved.
		2.3	Identify the characteristics of customer service within the credit function.	2.3	Explain how customer service can be achieved within the credit function.
		2.4	Describe the main features of a credit policy and procedural manual.	2.4	Explain the importance and use of credit policies and procedures.
		2.5	Describe how an organisation measures credit management performance and sets targets.	2.5	Evaluate the usefulness of credit management performance measurements, and targets.
3.	Understand the impact of legislation and country culture on the credit function.	3.1	Identify the liability of different types of customers.	3.1	In the context of liability, explain the advantages and disadvantages of offering credit to a range of customers and territories.
		3.2	Identify current international legislation and cultural differences that affects the decision making process when dealing with credit applications.	3.2	Explain the impact of current international legislation and cultural differences on the decision- making process when dealing with credit applications.

		3.3	Describe the key features of a range of credit arrangements.	3.3	Assess the advantages and disadvantages of different credit arrangements in different regions.
--	--	-----	--	-----	--

4.	Understand how to assess and control risk.	4.1	Identify the risks associated with credit provision in the export environment.	4.1	Assess the risks associated with credit provision in the export environment.
		4.2	Describe different sources of information used in credit assessment.	4.2	Assess the advantages and disadvantages of different sources of information used in credit assessment.
		4.3	Identify methods of risk assessment control.	4.3	Explain the characteristics and importance of risk control methods.
		4.4	Understand how to control risk by selecting appropriate incoterms, payment terms and methods of payment.	4.4	Explain the factors that influence the choice of incoterms, payment terms and methods of payment in the control of risk.
5.	Understand different documents and systems used for export credit.	5.1	Explain the purpose and features of documents used in export credit.	5.1	Assess the design and purpose and features of documents used in export credit.
		5.2	Describe the content and purpose of a customer master file.	5.2	Evaluate the importance of a customer master file.
		5.3	Describe the principal features of a sales ledger/accounts receivable system.	5.3	Explain how the principal features of a sales ledger/accounts receivable system assists the operation of the credit function.
6.	Understand collection and recovery methods for export debt.	6.1	Identify various collection methods.	6.1	Assess the advantages and disadvantages of different collection methods.
		6.2	Identify techniques used in collections letters and telephone collections work.	6.2	Assess the effectiveness of methods used in collections letters and telephone collections work.
		6.3	Describe how to deal with non-payment and disputes.	6.3	Explain how to manage reasons for non-payment and disputes.
		6.4	Describe steps for export debt recovery through external recovery routes.	6.4	Assess the advantages and disadvantages of different external recovery routes for export debt.

Content

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. • Sources of finance.
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.
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.

Assessment

One hour online examination involving 60 multiple choice questions

Advancing the credit profession

T: 01780 722900

E: professionalqualifications@cicm.com

www.cicm.com

Consumer Credit Management

9 Credits 46 Guided Learning Hours 91 Total Qualification Time

Aim

This unit provides an understanding of the concepts, processes and techniques that underpin best practice within consumer credit management.

Syllabus topics

1. Role and effect of consumer credit (15%)

- Purpose of controlling credit
- Differentiation of consumer markets compared with export and trade
- Effect on costs, profits & liquidity

2. Organisation of the credit function (25%)

- Management function & personnel
- Conflict: credit and other departments
- Customer service and credit
- Credit policy and procedures
- Measurement of credit performance and targets

3. Regulation and Marketing of consumer credit (15%)

- Promotion and sale of credit as a product
- Marketing strategies and regulations in consumer credit
- Consumer credit products

4. Credit risk control (20%)

- Customer credit risk
- Sources of information
- Risk control via assessment and via payment
- Financing credit

5. Credit documents and systems (10%)

- Purpose and features of consumer credit documents
- Master files
- Credit scoring and predictive dialing

6. Collections methods and recovery methods (15%)

- Methods and techniques: letters and telephone
- Non-payment and disputes
- Debt recovery
- Third Party debt advisors
- Tracing absconders

Assessment

One hour online examination involving 60 multiple choice questions.

25

Consumer Credit Management

9 credits

Learning outcomes The learner will:		Assessment criteria LEVEL 2 M/508/2794 The learner can:		Assessment criteria LEVEL 3 A/508/2796 The learner can:	
1.	Understand the role and effect of consumer credit within the business environment.	1.1	Identify the purpose of controlling credit within the business environment.	1.1	Explain the importance of providing credit within the business environment.
		1.2	Describe how the provision of credit in the consumer sector differs from export and trade markets.	1.2	Analyse the differences between trade, export and consumer credit.
		1.3	Recognise the positive and negative impact of credit on costs, profits and liquidity.	1.3	Quantify the impact of offering credit on cost, profitability and liquidity.
2.	Understand the organisational requirements of credit management functions.	2.1	Describe the credit management function and its personnel.	2.1	Explain how the credit management function and its personnel fit into the overall structure of an organisation.
		2.2	Identify potential areas of conflict between the credit function and other areas of business.	2.2	Explain how potential areas of conflict between the credit function and other areas of business can be resolved.
		2.3	Identify the characteristics of customer service within the credit function.	2.3	Explain how customer service can be achieved within the credit function.
		2.4	Describe the main features of a credit policy and procedural manual.	2.4	Explain the importance and use of credit policies and procedures.
		2.5	Describe how to measure credit management performance and set targets.	2.5	Evaluate the usefulness of credit management performance measurements and targets.
3.	Understand the marketing and sale of a range of consumer credit products.	3.1	Describe how credit is promoted and sold as a consumer product.	3.1	Evaluate the positive and negative impact of the promotion and sale of credit as a consumer product.
		3.2	Identify marketing strategies and regulations used in consumer credit.	3.2	Assess strategies available to market credit products, whilst complying with regulation.
		3.3	Identify the main consumer credit products and describe their key features.	3.3	Evaluate the advantages and disadvantages of different types of consumer credit products and select the most appropriate.

4.	Understand how to assess and control risk.	4.1	Identify risks associated with credit provision in the consumer sector.	4.1	Assess how to manage risks associated with credit provision in the consumer sector.
		4.2	Describe different sources of information used in credit assessment.	4.2	Assess the advantages and disadvantages of different sources of information used in credit assessment.
		4.3	Identify methods of risk assessment control.	4.3	Explain the characteristics and importance of risk control methods.
		4.4	Understand how to control risk by selecting appropriate payment terms and methods of payment.	4.4	Explain the factors that influence the choice of payment terms and methods of payment in the control of risk.
		4.5	Identify different methods of financing credit.	4.5	Evaluate sources of finance for credit.
5.	Understand different documents and systems used for consumer credit.	5.1	Explain the purpose and features of documents used in consumer credit.	5.1	Assess the design and purpose of documents used in consumer credit.
		5.2	Describe the content and purpose of a customer master file.	5.2	Evaluate the importance of a customer master file.
		5.3	Describe the principal features of credit scoring and predictive dialing systems.	5.3	Explain how the principal features of credit scoring and predictive dialing systems assist the operation of the credit function.
6.	Understand collection and recovery methods.	6.1	Identify various collection strategies and methods.	6.1	Assess the advantages and disadvantages of different collection strategies and methods.
		6.2	Identify techniques used in collections letters and telephone collections work.	6.2	Assess the effectiveness of methods used in collections letters and telephone collections work.
		6.3	Describe how to deal with non-payment and disputes.	6.3	Explain how to manage reasons for non-payment and disputes.
		6.4	Describe the steps for debt recovery through the County Court and High Court.	6.4	Explain the steps for debt recovery and enforcement through the County Court and High Court.
		6.5	Explain the role and involvement of third party debt advisors in consumer credit.	6.5	Evaluate the role of third party debt advisors in consumer credit.
		6.6	Describe the procedures for tracing absconders using both in-house and external resources.	6.6	Assess the advantages and disadvantages of internal and external tracing procedures, and choose the most appropriate available.

Content

1.	<ul style="list-style-type: none"> • Provision of credit. • 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"> • Promotion and sale of consumer credit. • How organisations market credit as a product. • Marketing strategies available to organisations that use credit as a product. • Advantages and disadvantages of different types of consumer credit products from the perspective of the customer as well as the supplier.
4.	<ul style="list-style-type: none"> • Features of different payment terms and methods of payment. • Why initial and continuous risk assessment and control is necessary. • Identifying credit qualities (the 4 C's) that should be investigated. • Sources and value of information available to assess applications for consumer credit. • Calculation of credit limits and how credit scoring can be used in the processing of consumer credit applications and the monitoring of consumer creditworthiness. • How credit insurance protection works. • The key provisions of Money Laundering Regulations and the Data Protection Act. • Sources of finance.
5.	<ul style="list-style-type: none"> • Design of credit application forms, statements and other documents for consumer credit. • The purpose and features of these documents. • The content and purpose of a customer master file. • Principal features of a credit scoring system. • The importance of monitoring the performance of credit application systems and scorecards and the various ways they can be adjusted. • Principle features of a telephone predictive dialer. • Computerised systems and the benefit to the credit management function.

- | | |
|----|--|
| 6. | <ul style="list-style-type: none">• Techniques necessary for effective collection letters and telephone collection work.• Advantages and disadvantages of strategies and methods of collection activity.• Methods of dealing effectively with queries and non-payment.• Basic steps for debt recovery in the High and County Courts.• Advantages and disadvantages of using third parties.• Evaluating a third party before entering into a service agreement.• Involvement and role of third party debt advisors.• Procedures for in-house and external tracing of absconders.• Consumer Credit Act 2006 and legislation relating to the harassment of debtors. |
|----|--|

Assessment

One hour online examination involving 60 multiple choice questions

Credit Control/Collections

9 Credits 40 Guided Learning Hours 91 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2, The learner can:		D/615/2297
1.	Know how the principles of credit/collections applies to their role.	1.1	Explain the importance of credit control/collections in their organisation.	
		1.2	Describe the structure of their credit/collections function and where their role fits in.	
		1.3	Explain the products/services they support and who they work with to deliver these.	
		1.4	Describe their personal work objectives.	
2.	Know the risks related to credit control/collections work.	2.1	Identify the risks related to credit control/collections work.	
		2.2	Describe how to work in a way to ensure compliance with any legal, regulatory or organisational requirements.	
3.	Know how to work in a compliant way.	3.1	Explain how to work in a way to ensure compliance with any legal, regulatory or organisational requirements.	
		3.2	Explain the consequences of not following organisational policies or procedures.	
		3.2	Explain how to raise concerns if errors are made.	
4.	Know how to ensure excellent service delivery.	4.1	Explain how their organisational standards and values influences the way that they carry out their work.	
		4.2	Explain the personal knowledge, skills and behaviours needed to ensure excellent service delivery.	
5.	Be able to demonstrate effective credit control/collections based on reflective practice.	5.1	Evidence effective credit control/collections over a period of at least one month.	
		5.2	Use reflection on work and learning activities to make improvements to performance.	
		5.3	Work with another person to identify progress and evaluate performance.	

Assessment

Assignment (Level 2 only)

Advancing the credit profession

T: 01780 722900

E: professionalqualifications@cicm.com

www.cicm.com

Content

1	<ul style="list-style-type: none"> Principles of credit management and collections. Nature and priorities of their organisation and organisational standards and values. Structure of their credit/collections function and where their role fits in. How their role fits in and different areas of the organisation that they work with. Organisational products/services and how their role supports the delivery.
2	<ul style="list-style-type: none"> Credit control/collections policies and techniques, e.g. credit policies, customer service standards, policies for working with vulnerable customers. How to use external sources of information. Relevant legal, regulatory, risk and compliance frameworks and requirements.
3	<ul style="list-style-type: none"> Systems, tools and processes used in role and standards to be met in using these, including how to: <ul style="list-style-type: none"> Organise own accounts, completing tasks to required organisational deadlines. Track individual customer accounts, where necessary, taking appropriate action. Take ownership through to completion, escalating when required. Consequences of not following processes and when to raise concerns if errors are made.
4	<ul style="list-style-type: none"> Professional standards of working practices; importance of integrity and ethical behaviour. Organisational customer service standards and how to work positively with customers.
5	<ul style="list-style-type: none"> Individual and team objectives and how to work consistently to support colleagues and collaborate to achieve results. How to deal objectively with setbacks when they occur, learning for the future How to support others when setbacks occur, sharing learning with others How to keep up to date with relevant changes and work with a manager to build capability and identify opportunities to improve work practices and performance.

Assessment

Assignment (Level 2 only)

Other CICM units

i) Exam-based units – 10 credits each

- Accounting Principles J/502/0124
- Business Law F/502/0123
- Business Environment Y/502/0127

Learning tends to take place over fifteen weeks via 3-hour evening classes; over ten weeks in the CICM online Virtual Classroom or over the course of a year. There are six different ways you can study, including distance learning options. Contact the CICM to discuss your options.

The Chartered Institute assesses the Accounting principles unit by a three-hour exam. Assessment for Business Law and Business Environment involves a one-hour online exam which contains 60 multiple choice questions. Learners can purchase 60 sample online questions from the CICM Bookshop.

ii) Assignment based units

There are a wide range of assignment based units which range in size.

3 credit units

- Credit Application Processing R/502/4046
- Credit Risk Assessment H/502/4049
- Cash Collections D/502/4048
- Debt Recovery Y/502/4047
- Cash Allocation/Application

Learning for these units tends to be 'on the job'. Candidates complete a short assignment to demonstrate their level of competency.

6 credit units

- Telephone Collections Y/502/0130
- Negotiation and Influencing H/502/0129
- Customer Relations & Cash Collections D/502/0128
- Rent Collections H/502/4438
- Business Solutions through Creative Thinking L/502/4501

7 credit units

- Business Communications and Personal Skills D/504/6566

Learning for these units generally involves one or two-day workshops. Assessment involves a work-based assignment which in some cases requires work based evidence.

Also learners may include up to 15 credits from other business, administration and finance qualifications, including debt collection and money and debt advice units. Learners can find information about these from the CICM Awarding Body or on the [CICM website](#). Contact T: +44 (0)1780 722909 or E: professionalqualifications@cicm.com.

Advancing the credit profession

T: 01780 722900

E: professionalqualifications@cicm.com

www.cicm.com

Accounting Principles

10 Credits 48 Guided Learning Hours 103 Total Qualification Time

Aim

This unit aims to develop a good understanding of fundamental accounting principles and techniques for those working credit management related areas.

Syllabus topics

1. **Accounting principles and techniques (30%)**
 - Reasons for keeping accounts
 - Account, ledger and transaction types
 - The accounting equation
 - Rules of double entry, cash and credit transactions, VAT, and discounts
 - Use of control accounts to ensure ledger accuracy.
2. **Trial balance and financial statements (20%)**
 - Trial balances as platform for financial statements.
 - Error correction, undetected errors and suspense account.
 - Statements: Income, Financial Position and Retained Earnings Reconciliation.
 - Adjustments to monetary values (incl. accrued/prepaid items, depreciation, bad debts, allowance for doubtful debt)
 - Concepts, conventions and accounting standards.
3. **Differences in financial reporting (10%)**
 - Sole trader and micro, small, medium, and large company reporting.
 - Regulatory/legal requirements (FRS/UK Companies Act)
 - Company report content by management and auditors.
 - Relative usefulness to credit managers.
4. **Budgetary control (20%)**
 - Budgetary control process.
 - Different budget types
 - Cash budgets and relevance
 - Variance analysis
5. **Business performance (20%)**
 - Working capital
 - Cash operating cycle
 - Ratio calculation and meaning
 - Business performance measurement

Assessment

Learners will sit a 3-hour examination and be required to answer all 5 questions set. All questions will carry equal marks and there will be no optional elements.

All ledger accounts must be prepared in continuous running account balance format. Financial statements must be prepared in vertical format using recognised Financial

Reporting Standards (FRS) terminology.

Accounting Principles

10 Credits 48 Guided Learning Hours 103 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2 H/615/2284		Assessment criteria LEVEL 3 F/615/2289 The learner can:	
1.	Understand accounting principles, the reasons for keeping accounts and the documents involved in financial transactions.	1.1	Describe the reasons for keeping accounts.	1.1	Explain the reasons for keeping accounts.
		1.2	Explain the accounting equation in various forms.	1.2	Construct and use the accounting equation in various forms.
		1.3	Describe how the dual aspect concept underpins double entry book keeping.	1.3	Explain how the dual aspect concept underpins double entry book keeping.
		1.4	Apply the rules of double entry book keeping, using a continuous balance	1.4	Apply the rules of double entry book keeping, using a continuous balance format.
		1.5	Explain purpose of maintaining sales ledger control	1.5	Explain use of sales ledger control accounts.
2	Understand how a trial balance and adjustments are used to prepare financial statements	2.1	Construct a trial balance from given	2.1	Construct a trial balance from given information.
		2.2	Explain accounting concepts: business entity, going concern, accruals, consistency and materiality.	2.2	Explain and use accounting concepts in the preparation of financial statements
		2.3	Calculate and describe different levels of profit for an	2.3	Calculate and explain different levels of profit for an organisation
		2.4	Prepare an Income Statement	2.4	Prepare an Income Statement making any necessary adjustments.
		2.5	Prepare a Statement of Financial Position	2.5	Prepare a Statement of Financial Position taking any adjustments into account.
3	Understand the differences in financial reporting	3.1	Describe differences in financial reporting for unincorporated sole traders and	3.1	Explain differences in financial reporting for unincorporated sole traders and companies.

	between various sized companies and non-incorporated traders.	3.2	Describe how auditors' reports can help a credit manager.	3.2	Explain how auditors' reports can benefit a credit manager.
--	---	-----	---	-----	---

4	Understand the principles of budgetary control.	4.1	Describe the reasons for and process of budgetary control.	4.1	Explain the reasons for and process of budgetary control.
		4.2	Prepare a cash budget.	4.2	Prepare and interpret a cash budget.
5	Understand how to assess business performance using financial statements	5.1	Explain the importance of working capital and calculate the cash operating cycle for a business.	5.1	Explain the importance of working capital and calculate the cash operating cycle for a business.
		5.2	Describe how ratios can be used to review business performance.	5.2	Use ratio analysis to review business performance.

Content

1.	<ul style="list-style-type: none"> • Principal reasons for maintaining financial records and accounts. • Accounting records for sole traders and companies. • Users of financial and accounting information. • Requirements of different users. • Assets, expenses, capital, liabilities. • Accounting equations. • Capital and revenue expenditure. • Continuous (running account) balance format. • Double entry and the dual aspect concept. • Purchase, sales, nominal and cash book as ledgers. • Cash transactions and treatment and recording of VAT. • Recording trade and cash/settlement discounts (no VAT re-calculation expected). • Posting payments and receipts. • Use of sales ledger control account to ensure ledger accuracy (no preparation of control account expected). • Creditors and debtors [trade payables and trade receivables]. • Credit transactions. • CICM use of financial reporting terminology (Financial Reporting Standards (FRS) and International Financial Reporting Standards (IFRS))
----	--

2.	<ul style="list-style-type: none">• Trial balance.• Trial balance errors• Use of suspense account to correct trial balance errors. (Journals not required)• Calculation of profit.• Income statement.• Statement of Financial Position.• Retained Earnings Reconciliation Statement (companies only).• Principal methods of depreciating non-current assets and reasons for depreciation.• Accounting concepts: duality/dual aspect (as in 1 above), business entity, going concern, accruals, consistency and materiality.• Different accounting treatments on monetary values contained in the financial statements.• Accrued payables and prepaid receivables.
----	---

	<ul style="list-style-type: none"> • Current and non-current asset and liability sections of a Statement of Financial Position. • Bad debts and possible reasons including necessary entries in the ledger accounts to write off a bad debt. • Impairment of trade receivables as allowance for doubtful debt.
3.	<ul style="list-style-type: none"> • Internal and external auditors. • How auditors' reports can benefit a credit manager. • Differences in financial reporting for unincorporated sole traders and companies. • Corporate Annual Reports. • Sections of the Annual Report that must be included under the Companies Act. • Directors' Report and Chairman's Report. • Requirements of the Companies Act 2006, Financial Reporting Standards (2015) and International Financial Reporting Standards relating to the publication of financial information by UK micro-entity, small entity, medium and large private limited companies, and listed/quoted UK public limited companies. • Terminology and format used in published accounts.
4.	<ul style="list-style-type: none"> • Purpose of budgetary control and the budget process. • Relationship between the principal types of budget. • Monitoring and analysing budgets. • Cash budgets – preparation, contents, amending and interpreting.
5	<ul style="list-style-type: none"> • Working capital and the availability of cash to a business organisation. • Reasons for the main shortages of working capital. • Consequences to a firm of a shortage of working capital. • Cash operating cycle. • Significance to credit management of working capital. • Ratio calculations and comparison. • Financial analysis.

Modified syllabus content

- Comparison of different sources of finance available to a sole trader - removed.
- Comparison of sources of finance available to a Limited Company - removed.
- Review of short, medium and long term financial requirements - removed.
- Review of cost to business of different sources of finance – removed.
- VAT - re-expressed in indicative content 1.
- Sales, purchase, nominal, and the cash book functions - re-expressed in indicative content 1
- Purchase ledger control account - removed
- Use of sales ledger control account – re-expressed in indicative content 1
- Preparation of journals - removed
- Trading Account as a separate element - re-expressed within calculation of profit in indicative content 2
- Provisions for depreciation removed - re-expressed as accumulated depreciation in indicative content 2
- Provision for possible bad debts removed – re-expressed as trade receivables impairment and allowance for doubtful debt in indicative content 2
- Ledger account entries required to recover partial or complete bad debt – removed except as an illustration.
- Distinctions between share and loan capital – removed.
- Differences between equity, reserves, and third-party loans - re-expressed in indicative content 3.
- Discussion of group of companies - removed
- Discussion of associated companies - removed
- Concept of true and fair view subsumed into auditors' reports in indicative content 3.

- Content of auditors' reports - re-expressed in indicative content 3.

- Role of internal auditor - re-expressed in indicative content 3
- Relationship between internal and external auditors - re-expressed in indicative content 3.
- List of ratios required by the syllabus updated.

Additional notes for teachers and learners

The following notes are included for guidance and should be read in conjunction with the learning objectives. **This unit has been prepared specifically for learners engaged in the credit management function rather than in accountancy.** As a consequence:

- Certain technical details, which might be included in GCSE, A-Level, or professional accounting courses at this level, have been omitted e.g. while ledger divisions should be explained, there is no requirement to use folio numbers. It is sufficient to identify ledger accounts by name and resident ledger.
- The T account format and 'balancing' accounts should not be taught. Ledger accounts should be explained and presented instead using the continuous running account balance format. As computerised accounts are produced in this way CICM learners are already likely to have some experience of the continuous balance format before starting the course. Learners are required to prepare and recognise ledger accounts in this format in the examination and there will be no need for them to undertake the balancing off of accounts. Tutors might like to refer to the Study Text for this unit which has been written using the continuous running balance format, for advice if necessary.
- There should be no reference to day books or to the journal. All transactions should be posted directly to their respective accounts. Again this practice is in line with computerised accounting.
- All Financial Statements should be produced in vertical format in keeping with current practice and corporate legal/regulatory requirements. Learners will be required to prepare, use and recognise vertical format statements in the examination.
- Where possible attention should be drawn to the significance of particular topics to those engaged in credit management. Some objectives have been written specifically with the credit practitioner in mind.
- CICM now uses UK and Ireland Financial Reporting Standards (FRS) terminology, which is based upon International Accounting Standards (IAS), and for consistency in approach may use particular terminology where alternatives exist.

Assessment

3-hour written examination

Business Law

10 Credits 46 Guided Learning Hours 101 Total Qualification Time

Aim

The unit provides a broad understanding of the legal context and structures in which business operates through the development of knowledge about the English legal system, contract law, agency, and sales and supply of goods legislation.

Syllabus topics

The syllabus has been divided up into a number of discrete modules and the relative weight of these within the overall structure is given in brackets after each one.

1. **The English legal system (15%)**
 - Common law
 - Statute law
 - Delegated legislation
 - Jurisdiction of the courts.

2. **Law of contract (35%)**
 - Essentials of a binding contract
 - Terms
 - Validity
 - Guarantees and Indemnities
 - Privity and Assignment
 - Discharge
 - Remedies.

3. **Sale and Supply of Goods, Services and related topics (25%)**
 - Sale of Goods Act 1979 (as amended)
 - Supply of Goods and Services Act 1982 (as amended)
 - Consumer Rights Act 2015
 - Unfair contract terms and legislation.

4. **Agency (15%)**
 - Formation
 - Duties of an agent
 - Duties of a principal
 - The agent's authority
 - The agent's liability
 - Termination
 - Bailment

5. **Other contractual matters** (10%)

- Guarantees
- Indemnities
- Bailment
- Liens

Assessment

Assessment will be by a one hour online examination involving 60 multiple choice questions.

The Statute Law discussed in your 2016 - 17 Business Law study text reflects the state of UK Law as at 31 July 2016. Therefore, it relates to contracts involving goods and/or services whether made before 30 September 2015 or after the introduction of the Consumer Rights Act 2015 on 1 October 2015.

It is important to note the new construction of Chapter 5 and the chapter introduction given on page 176 of the study text in that respect. CICM may test arrangements regarding consumer contracts made in the course of business, i.e., B2C contracts, from the January 2017 examination.

Your attention is also drawn to the Introduction to the study text on page 5 and the information on page 5 following the EU Referendum result.

Business Law

10 Credits 46 Guided Learning Hours 101 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2 D/502/3353 The learner can:		Assessment criteria LEVEL 3 F/502/0123 The learner can:	
1.	Understand the basic principles and procedures of the English legal system.	1.1	Outline the principles of the English legal system.	1.1	Describe the principles of the English legal system.
		1.2	Outline the structure of the English court system.	1.2	Describe the structure of the English court system.
2.	Understand the main principles of English contractual law.	2.1	Outline the legal requirements for a valid contract.	2.1	Assess the validity of a contract.
		2.2	Describe remedies for breach of contract.	2.2	Explain the application of remedies for breach of contract.
3.	Understand the legislation governing the supply of goods and services.	3.1	Outline legislation governing the supply of goods and services.	3.1	Assess the application of legislation governing the supply of goods and services.
		3.2	Outline implied terms relating to the supply of goods and services.	3.2	Explain the application of implied terms relating to the supply of goods and services.
		3.3	Outline remedies for non-delivery and non-payment.	3.3	Explain remedies for non-delivery and non-payment.
		3.4	Outline the nature of unfair terms.	3.4	Explain the nature of unfair terms.
		3.5	Outline the effects of breaches of legislation.	3.5	Outline the effects of breaches of legislation.
				3.6	Explain the effect of the Unfair Contract Terms Act 1977 and Part 2 of the Consumer Rights Act 2015.
4.	Understand the principles of agency.	4.1	Identify methods of creating an agency agreement.	4.1	Explain how to create an agency agreement.
		4.2	Identify the rights and duties of a principal and agent.	4.2	Explain the rights and duties of a principal and agent.
		4.3	Outline the liability of an agent to a third party.	4.3	Explain the liability of an agent to a third party.
5.	Understand the principles of bailor/bailee relationships and lien.	5.1	Outline the rights and duties of bailor and bailee.	5.1	Describe the rights and duties of bailor and bailee and the remedies for breach.
		5.2	Outline the remedies for breach of bailor and bailee duties.	5.2	Explain the remedies for breach of bailor and bailee duties.

Content

1.	<ul style="list-style-type: none"> • Development of Common Law and the operation of judicial precedent. • Creation of statute law and the rules governing statutory interpretation. • Origins, purpose, operational characteristics and types of delegate legislation. • Sovereignty of European Union law over English law. • European Union law-making institutions and their key characteristics. • Treaty of Rome, and of Lisbon and the importance of decisions, regulations and directives. • The role of the European Court of Justice. • Structure of the courts system and the division between civil and criminal. • County Court and Small Claims track. • Jurisdiction of the High Court and the role of each division and court. • Roles of the Court of Appeal (Civil Division) and the UK Supreme Court. • The different personnel who preside over the various courts.
2.	<ul style="list-style-type: none"> • Essential elements of a binding contract. • Offers, invitations to treat and mere requests for information. • Rules relating to acceptance and application of rules by objective meaning. • Consideration within a contractual framework and distinction between executed, executory and past consideration. • Intention to create legal relations and social, domestic and business agreements. • Capacity relating to minors' contracts, beneficial contracts of service and contracts entered into by those of unsound mind, habitual drunkards etc. • Effect of exemption, limitation and exclusion from liability clauses. • Effect of the Part 2 of the Consumer Rights Act 2015 on unfair terms. • The requirement of reasonableness. • Scope and effect of the Unfair Terms in Consumer Contracts Regulations 1999. • Contracts which must be evidenced or made in writing in order to be valid. • Guarantees and indemnities and the importance of the distinction in the context of the credit industry. • Rules relating to mistake. • Misrepresentation – fraudulent, negligent and innocent. • Undue influence – actual and presumed. • Duress including economic duress. • Doctrine of privity of contract. • Effects of the Contracts (Rights of Third Parties) Act 1999. • Circumstances in which contractual rights are assigned voluntarily and involuntarily. • Rules relating to common methods of contract discharge, including breach. • Breach of condition and breach of warranty. • Remedies for breach of contract in common law and equity. • Remedy of lien, rules governing the rights and duties of parties.

- | | |
|----|--|
| 3. | <ul style="list-style-type: none">• Principles underpinning specific provisions of the Sales of Goods Act 1979, the Supply of Goods and Services Act 1982, the Consumer Rights Act 2015 and their effects.• Application of the principles of underpinning to business transactions.• Areas covered by the Sale of Goods Act 1979, the Supply of Goods and Services Act 1982 and the Consumer Rights Act 2015.• Methods of price and payment determination arising from proper application of statutes.• Implied terms and infringement of implied terms.• Exclusion of statutory rights under the Unfair Contract Terms Act 1977 and Consumer Rights Act 2015.• Consumer sales and non-consumer sales. |
|----|--|

	<ul style="list-style-type: none"> • The circumstances where exclusion of the seller's liability is impossible and application of the 'reasonableness' test and the 'unfairness' test to an exclusion clause supported by relevant case and statute law. • The scope and effect of the Consumer Rights Act 2015. • Rules on the passing of property in the goods of the contract. • Differences between specific goods, unascertained goods and future goods. • 'Nemo dat quod non habet' principle and effect. • Exceptions contained in Sections 21-25 Sale of Goods Act 1979, Section 2 Factors Act 1889 and Part III, Hire Purchase Act 1964. • Passing of risk and the reservation of title to the goods. • Rules relating to delivery and acceptance of the goods comprised in the contract. • Remedies for non-compliance with statutory implied terms in consumer contracts.
4.	<ul style="list-style-type: none"> • The principles of the law of agency and the reasons for appointing agents. • Methods by which agency is created. • Various types of authority which agents may possess; application of these to a factual matrix and assessment of their legal effects. • The duties of an agent and the rules relating to situations where the principal is either disclosed or undisclosed. • The liability of the agent for breach of warranty of authority to a third party and application of these criteria correctly to conflicts between parties and assessment of their legal effect. • The provisions of the Commercial Agents (Council Directive) Relations 1993. • The rights and liabilities of different types of agent. • The law of bailment with particular reference to the rights and duties of bailor and bailee. • Respective remedies for breach of rights and duties in bailment on either side. • The liability or otherwise of the principal, agent and third-party in a tripartite agreement.

Assessment

Assessment will be by a one hour online examination involving 60 multiple choice questions.

Business Environment

10 Credits 46 Guided Learning Hours 101 Total Qualification Time

Aim

The unit places the working environment in context through the development of an understanding of four elements, the structure and function of organisations, organisational management, marketing and the external environment such as the economy and markets.

Syllabus topics

The syllabus has been divided up into a number of discrete modules and the relative weight of these within the overall structure is given in brackets after each one.

1. **The economy** (10%)
 - The British economy
 - Nature of industry
 - Employment patterns and population trends in the UK.

2. **The organisation** (15%)
 - Types of business organisation
 - Organisational objectives
 - Stakeholders
 - Growth and development and change in organisation
 - PESTEL analysis.

3. **Organisational management** (15%)
 - Management and leadership
 - Groups and teams within the organisation
 - Motivation and job satisfaction
 - Communication in organisations
 - Communication system.

4. **The market environment** (15%)
 - Marketing management
 - Elements of marketing
 - The product life cycle
 - Promotion
 - Pricing strategies.

5. **The competitive environment** (25%)
 - Market structures and behaviour
 - Costs and economies of scale
 - Supply, demand and pricing
 - Determination of exchange rates
 - Elasticity
 - Effects of government intervention and regulation.

6. **The macro-economic influences on the organisation** (20%)
 - Circular flow of income
 - The business cycle and the multiplier
 - Economic growth
 - Inflation and deflation
 - Unemployment
 - Government economic policies and their effects.

Assessment

Assessment will be by a one hour online examination involving 60 multiple choice questions.

Business Environment

10 Credits 46 Guided Learning Hours 101 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2 A/502/2775 The learner can:		Assessment criteria LEVEL 3 Y/502/0127 The learner can:	
1.	Understand the structure of the UK economy.	1.1	Outline the structure of the UK economy.	1.1	Explain the structure of the UK economy.
2.	Understand the structure of business organisations	2.1	Describe different types of business organisation	2.1	Assess the advantages and disadvantages of different types of business organisation
		2.2	Describe the different objectives of an organisation	2.2	Explain how different objectives impact on a business organisation
		2.3	Describe the factors which cause change in organisations	2.3	Assess factors which cause change in organisations and how these are managed
		2.4	Describe the internal and external factors which influence business organisations	2.4	Use PESTEL analysis, to explain the impact of internal and external factors on the business organisation.
3.	Understand the factors influencing the operation of business organisations.	3.1	Describe how management influences the operation and culture of business organisations	3.1	Assess the impact of management styles on the operation and culture of business organisations
		3.2	Identify factors which facilitate team-working	3.2	Assess factors which influence effective team working
		3.3	Describe the communication process in business organisations	3.3	Assess the effectiveness of different types of business communication

4.	Understand how marketing concepts impact on business activity	4.1	Identify the marketing mix in different organisations.	4.1	Explain how the marketing mix influences marketing activity
		4.2	Describe methods and applications of market segmentation	4.2	Assess the role of market segmentation in marketing management
		4.3	Explain the product life cycle	4.3	Explain the impact of the product life cycle on marketing decisions.
5.	Understand the factors that impact on the competitive market.	5.1	Describe the structure and behaviour of firms operating in the competitive market	5.1	Explain how the structure and behaviour of firms influences the competitive market
		5.2	Describe the different types of cost of a business in the short term and long term	5.2	Assess the impact of costs and economies of scale on the competitive market
		5.3	Describe how supply and demand affects business activity	5.3	Explain the impact of supply and demand on business organisations
		5.4	Describe the key features of Government competition policy.	5.4	Explain how Governments implement competition policy.
6.	Understand the macro-economic influences on the organization.	6.1	Describe the business cycle	6.1	Explain how the business cycle impacts on business decision making
		6.2	Describe the circular flow model of the economy	6.2	Explain how the circular flow model of the economy shows the level of economic activity
		6.3	Describe the main macro-economic objectives of Governments	6.3	Explain the main macro-economic objectives of Governments and how these may conflict
		6.4	Identify government policies to manage the economy	6.4	Explain how government policies influence the business environment

Content

1.	<ul style="list-style-type: none"> • Up-to-date outline of the British economy. • Changes between primary, secondary and tertiary sectors of industry. • Changing pattern of employment within the UK. • Economic effects of changes in size, geographical distribution, gender, ethnicity and age composition of the population. • <u>Need for provision of merit and collective (public) goods and of welfare services.</u>
2.	<ul style="list-style-type: none"> • Main types of business organisation and advantages and disadvantages. • Different objectives. • Types of objectives that a firm might choose and the factors influencing their choice. • Main stakeholder groups, and how they judge an organisation. • Conflicts that arise between different stakeholder groups.
	<ul style="list-style-type: none"> • Development of multinational companies, growth, objectives, management and problems of different growth strategies. • External factors influencing the business environment (PESTEL) and their impact on the organisation. • Barriers to successful change. • Organisational development approach and the management of change.
3	<ul style="list-style-type: none"> • Main styles of leadership, and the personal and organisational factors which influence the choice and effectiveness. • Organisational culture and ways in which organisations can change. • Employee motivation and job design. • Performance appraisal. • The development of people within an organisation. • Nature of groups and teams within an organisation. • Communication process and flow of information. • Main barriers to communication and how these can be overcome.
4.	<ul style="list-style-type: none"> • The marketing concept and the importance of marketing within the business environment. • The principles of marketing and marketing management. • Market segmentation – the methods and advantages. • The marketing mix. • Concept of the product life cycle.
5.	<ul style="list-style-type: none"> • Structure and behaviour of imperfectly competitive firms including monopolies. • Internal and external economies of scale. • Effect of variations in supply and unit cost on revenue and profit/supply and demand. • How exchange rates are determined by the interaction of supply and demand. • The importance of price elasticity of demand in relation to pricing strategies. • Key features of competition policy and Government intervention
6.	<ul style="list-style-type: none"> • The macro-economic influences on the organisation. • The business cycle and how fluctuations can impact upon organisations. • Aims of government economic policy and how these can sometimes be in conflict. • How inflation is measured and its impact upon organisations. • The principles of monetary policy. • Basic principles of fiscal policy. • The government's supply side policies relating to labour and capital markets. • How changes in economic measures affect markets and organisations.

Assessment

Assessment will be by a one hour online examination involving 60 multiple choice questions.

Skills units

CICM skills units are good starter qualifications which help improve effectiveness, for example, in telephone collections. They are based on one day or half day seminars and do not involve examinations. Instead you complete an assignment which helps build understanding of the three 'P's: principles, policy and practice. Through this you will learn the principles of effective credit management practice, build knowledge of how your company expects work to be carried out, and develop your skills through reflective practice.

Each unit is individually certificated and a qualification in its own right. Additionally, it gives credits towards a CICM Certificate and CICM Diploma in Credit Management. You will need to find a coach to help you with the assignment and act as your mentor. This could be your line manager, a tutor or another person with experience in training or credit management. Your coach will provide advice, check that you have completed fully each section and verify that the assignment is your own work.

Business Communications and Personal Skills

7 Credits 32 Guided Learning Hours 75 Total Qualification Time

Level 2 apprenticeship assignment

	Learning outcomes The learning will:	Assessment criteria L/615/3218 The learner can:	
1	Understand the personal skills and behaviours required at work.	1.1	Explain the importance of a range of personal skills for their area of work.
		1.2	Identify own strengths and challenges in relation to required personal skills and behaviours at work.
		1.3	Explain the importance of teamwork.
		1.4	Explain behaviours which help teams work effectively to achieve objectives.
2	Know how to communicate in the business environment.	2.1	Explain how they communicate effectively using a range of media.
3	Be able to use effective communication and personal skills to build good relationships with colleagues and customers.	3.1	Exemplify their ability to build good customer relationships.
		3.2	Evidence personal involvement in an issue which results in resolution and demonstrates effective business communication and personal skills.
		3.3	Evidence effective teamwork over a period of at least a month.
		3.4	Explain progress with their business communications and personal skills

Content

1	<ul style="list-style-type: none"> • Importance of specific personal skills and behaviours for area own area of work taking into consideration: <ul style="list-style-type: none"> - Nature and priorities of their organisation - Principles and priorities related to their areas of work - Policies and techniques used in their role - Legal, regulatory, risk and compliance requirements. • Professional standards they need to work within. • Organisational values, standards, policies, procedures. • Requirements for excellent service delivery, work planning, teamwork, communication and relationship building, negotiation and decision making, and continuous improvement • Time management. • Negotiation and decision-making • Initiative – taking ownership through to completion and escalating when required • Commitment – displaying energy and enthusiasm. • Resilience – staying positive when under pressure, dealing objectively with setbacks when they occur, learning for the future and sharing learning with others. • Flexibility – adapting to changing priorities effectively, re-prioritising work as
---	--

	<p>required and supporting others with change.</p> <ul style="list-style-type: none"> • Communication skills and relationship building – using sound communication skills, listening actively and adapting style to customer, handling difficult situations professionally and providing support. • Honesty and integrity – treating sensitive information in a confidential way. • Ability to embrace change and respond positively to new priorities. • Importance of teamwork for own area of work and behaviours which help teams work effectively to achieve objectives.
2	<ul style="list-style-type: none"> • How to communicate effectively with customers/colleagues using a range of media and appropriate language.
3	<ul style="list-style-type: none"> • Awareness of internal and external customers, their importance to the organisation and of building good relations. • How to build good relationships with customers while dealing with a potentially difficult topic. • How to adapt style to that of the customer and actively listen to understand their needs. • How to handle difficult and sensitive situations professionally, working to support and retain a positive relationship with the customer. • How to work with customers to identify mutually acceptable solutions. • The importance of taking ownership through to resolution, escalating where necessary. • How to identify opportunities to improve work practices and successfully implement changes that are required.

Assessment

Assignment

Applied Business Communications and Personal Skills

7 Credits 32 Guided Learning Hours 75 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 3 D/504/6566 The learner can:	
1.	Understand how to communicate in own business environment.	1.1	Explain own use and organisational practice or policy (if formalised) for the following forms of communication: a) Business greetings b) Telephone communications c) Letter writing d) Business emails e) Record keeping f) Formal business reports g) Business meetings h) Presentations
2.	Understand how to evaluate own business communications and skills.	2.1	Assess own strengths and weaknesses in relation to business skills, including consideration of: a) Communication skills b) Time management c) Initiative d) Commitment e) Perseverance f) Ability to embrace change and respond positively to new priorities.
		2.2	Establish with criteria for success, realistic short and long-term goals in relation to business communications and personal skills.
3.	Be able to apply effective communication and personal skills in the business environment.	3.1	Explain personal involvement in an issue which demonstrates: a) Initiative b) Commitment c) Perseverance d) Flexibility e) Good time management f) Appropriate communication skills g) Effective conflict resolution.
		3.2	Assess own overall performance and progress regarding communications and personal skills, including: a) Feedback from others b) Responses to setbacks c) Details of how self-reflection has informed action.

Assessment

Assignment

Telephone Collections

6 Credits 26 Guided Learning Hours 58 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2, H/502/0213 The learner can:		Assessment criteria LEVEL 3, Y/502/0130 The learner can:	
1.	Understand the principles of telephone communications to resolve cash collections problems in ways that minimise damage to customer goodwill.	1.1	Explain the advantages and limitations of telephone communications for cash collections.	1.1	Assess the advantages and disadvantages of telephone communications for cash collections compared with other collections methods.
		1.2	Identify factors that influence the success of a collections call.	1.2	Explain factors that influence the success of a collections call.
		1.3	Describe techniques for maximising the effectiveness of a collections call.	1.3	Assess techniques for maximising the effectiveness of a collections call.
		1.4	Explain how to deal professionally with an angry caller.	1.4	Explain how to deal professionally with a range of callers.
2.	Know how to organise and manage telephone collections calls.	2.1	Describe how calls are organised to maximise cash collection.	2.1	Explain how to organise calls to maximise cash collection.
		2.2	Describe a variety of techniques for dealing with excuses for late payment.	2.2	Assess a variety of techniques for dealing with excuses for late payment.
				2.3	Evaluate strategies for dealing with non-payment.
3.	Be able to demonstrate effective telephone collections based on reflective practice.	3.1	Work with a line manager to plan and record collections calls over a period of at least a month, describing and explaining approaches and outcomes.	3.1	Plan and record collections calls, over a period of at least a month, describing and explaining approaches and outcomes.
		3.2	Identify techniques used that were successful.	3.2	Identify techniques used that were successful.
		3.3	Assess how approaches and outcomes have evolved based on experience.	3.3	Work with colleagues, where relevant, to assess how approaches and outcomes have evolved and develop an action plan to improve practice.

Assessment

Assignment

Negotiation and Influencing

6 Credits 26 Guided Learning Hours 58 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2, D/502/0212 The learner can:		Assessment criteria LEVEL 3, H/502/0129 The learner can:	
1.	Understand the aims and principles of effective negotiation and influencing skills.	1.1	Identify factors that influence negotiations in their area of work.	1.1	Assess the factors that influence negotiations.
		1.2	Describe stages in the negotiation process.	1.2	Explain and illustrate stages in the negotiation process.
		1.3	Explain the importance of establishing a win: win situation and how it is more effective than other negotiating positions (win: lose, lose: lose, lose: win)	1.3	Explain and illustrate the importance of establishing a win: win situation and how it is more effective than other negotiating positions (win: lose, lose: lose, lose: win).
2.	Know a variety of negotiation and influencing techniques and when they should be used.	2.1	Describe a variety of influencing and negotiating techniques and explain when they might be used in their area of work.	2.1	Evaluate variety of influencing and negotiating techniques and explain when they might be used.
3.	Be able to demonstrate effective negotiation and influencing skills based on reflective practice.	3.1	Plan and record negotiations over a period of at least a month, describing and justifying approaches and outcomes.	3.1	Establish an effective method of recording each stage of a negotiation.
		3.2	Work with a line manager to evaluate the extent that a win: win situation has been achieved following each negotiation.	3.2	Plan and record negotiations over a period of at least a month, describing and justifying approaches and outcomes.
		3.3	Identify techniques that were successful.	3.3	Evaluate to what extent a win: win situation has been achieved following each negotiation.
		3.4	Assess how approaches and outcomes have evolved based on experience.	3.4	Work with colleagues, where relevant, to assess how approaches and outcomes have evolved based on experience, and develop and action plan to improve practice.

Assessment

Assignment

Customer Relations and Cash Collections

6 Credits 26 Guided Learning Hours 58 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2, Y/502/0211 The learner can:		Assessment criteria LEVEL 3, D/502/0128 The learner can:	
1.	Understand the principles of effective customer relations management to resolve cash collection problems in ways that minimise damage to customer goodwill.	1.1	Describe the advantages and limitations of building relationships to achieve cash collection.	1.1	Assess the advantages and limitations of building internal and external relationships to achieve cash collection.
		1.2	Describe and explain the factors which influence success with customer relationships in cash collection.	1.2	Evaluate the factors which influence success with internal and external customer relationships in cash collection.
		1.3	Describe techniques for maximising the effectiveness of relationship building and cash collection.		
2.	Know how to organise and manage relationships in cash collection.	2.1	Describe the challenges of managing relationships in cash collection.	2.1	Assess the challenges of managing internal and external relationships in cash collection.
		2.2	Describe and explain how they resolve cash collection problems in ways that minimise damage to customer goodwill.	2.2	Describe and explain how they organise and manage cash collection in ways that minimise damage to goodwill.
3.	Be able to demonstrate effective relationship management in relation to cash collection based on reflective practice.	3.1	Work with a line manager to plan and record cash collection activity over a period of at least a month, describing and explaining approaches and outcomes.	3.1	Plan and record cash collection activity over a period of at least a month, describing and explaining approaches and outcomes.
		3.2	Identify techniques used that were successful.	3.2	Identify techniques used that were successful.
		3.3	Assess how approaches and outcome have evolved based on experience.	3.3	Work with colleagues, where relevant, to assess how approaches and outcome have evolved based on experience and develop an action plan to improve practice.

Assessment

Assignment

Rent Collections

6 Credits 26 Guided Learning Hours 58 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2, D/502/4437 The learner can:		Assessment criteria LEVEL 3, H/502/4438 The learner can:	
1.	Understand the principles of effective rent collection.	1.1	Explain why some people fall into rent arrears.	1.1	Explain the reasons why people fall into rent arrears.
		1.2	Describe techniques which encourage payment of rent on time, such as payment arrangements.	1.2	Assess strategies which encourage payment of rent on time, such as payment arrangements and debt management plans.
		1.3	Describe the challenges of communicating with customers during the rent collection process.	1.3	Explain the challenges of communicating with customers during the rent collection process.
		1.4	Explain how to deal professionally with challenging behaviour and difficult customers during rent collections.	1.4	Evaluate techniques for dealing professionally with challenging behaviour and difficult customers during rent collections.
				1.5	Explain best practice strategies for rent collections, including the management of insolvent customers, which maximise rent collections while supporting people to stay in their homes.
2.	Understand their organisation's policy in relation to rent collection.	2.1	Explain their organisation's approach to rent collection from financially challenged and vulnerable people.	2.1	Explain their organisation's approach to rent collection from financially challenged and vulnerable people.

		2.2	Describe the role and involvement of providers such as money advisers and solicitors in relation to rent collections.	2.2	Assess the role and involvement of providers such as money advisers and solicitors in relation to rent collections.
--	--	-----	---	-----	---

		2.3	Explain how they organise work to ensure that tenancies remain sustainable and a socially responsible approach is maintained.	2.3	Explain the actions that their organisation would take to ensure pre-court protocols are complied with.
				2.4	Explain how they organise work to ensure that tenancies remain sustainable and a socially responsible approach is maintained.
3.	Be able to demonstrate effective rent collections based on reflective practice.	3.1	Plan and record rent collections over a period of at least a month, describing and explaining approaches and outcomes.	3.1	Plan and record rent collections over a period of at least a month, describing and explaining approaches and outcomes.
		3.2	Identify techniques used that were successful.	3.2	Identify techniques used that were successful.
		3.3	Explain how approaches and outcomes have evolved based on experience.	3.3	Work with colleagues, where relevant, to assess how approaches and outcomes have evolved based on experience.
				3.4	Develop an action plan to improve practice.

Assessment

Assignment

Business Solutions through Creative Thinking

6 Credits 26 Guided Learning Hours 58 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2, F/503/9948 The learner can:		Assessment criteria LEVEL 3, J/503/9949 The learner can:	
1.	Understand how creative thinking techniques can find opportunities and solutions for business.	1.1	Explain the value of creative thinking and problem solving at work.	1.1	Assess the value of creative thinking and problem solving at work.
		1.2	Identify factors which: a) Contribute to problems at work b) Influence the choice of solutions.	1.2	Identify factors which: a) Contribute to problems at work b) Influence the choice of solutions to problems.
		1.3	Describe a variety of creative thinking techniques for generating and exploring ideas.	1.3	Evaluate a variety of creative thinking techniques for generating and exploring ideas.
		1.4	Explain an effective approach to problem solving which covers: a) Exploration of options b) Planning c) Implementation d) Review.	1.4	Explain an effective approach to problem solving which covers: a) Exploration of options b) Planning c) Implementation d) Review.
2.	Know how the workplace context influences creative thinking and problem solving.	2.1	Identify factors which might influence the choice of problems and solutions, for example, organisational structure, business strategy, policy, resources, organisational culture, and legislation.	2.1	Identify factors which might influence the choice of problems and solutions, for example organisational structure, business strategy, policy, resources, organisational culture, legislation.
		2.2	Use creative thinking techniques to identify in own area of responsibility: a) A range of problems b) Potential solutions	2.2	Use creative thinking techniques to identify in own area of responsibility: a) A range of problems b) Potential solutions c) Business opportunities.

3.	Be able to apply creative thinking and problem solving skills in the business environment.	3.1	Plan research into one problem or business opportunity which demonstrates understanding of circumstances including: a) Appreciation of the consequences of decisions b) Respect for beliefs and feelings.	3.1	Plan research into one problem or business opportunity which demonstrates understanding of circumstances including: a) Appreciation of the consequences of decisions b) Respect for beliefs and feelings.
		3.2	Explore and adapt ideas on the basis of feedback.	3.2	Explore and adapt ideas on the basis of feedback.
		3.3	Explain ideas and select one option to take forward to the planning stage using reasoned arguments and evidence.	3.3	Evaluate ideas on the basis of feedback and select one option to take forward to the planning stage using reasoned arguments and evidence.
		3.4	Propose and plan the implementation of a chosen idea.	3.4	Propose and plan the implementation of a chosen option, using risk assessment to inform arrangements and justifying decision-making.
		3.5	Explain how the effectiveness of the proposed solution will be assessed.	3.5	Plan methods to evaluate the effectiveness of the proposed business solution.
		3.6	Review the chosen approach including an assessment of the contribution of creative thinking techniques to the process.	3.6	Prepare a persuasive case for action.
				3.7	Review the chosen approach including an assessment of the contribution of creative thinking techniques to the process.

Assessment

Assignment

Credit Application Processing

3 Credits 25 Guided Learning Hours 33 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2, Y/502/4050 The learner can:		Assessment criteria LEVEL 3, R/502/4046 The learner can:	
1.	Be able to process credit applications.	1.1	Gather information for credit applications.	1.1	Define how to gather information for credit applications.
		1.2	Assess credit applications for completeness and follow up discrepancies.	1.2	Assess a range of credit applications for completeness and follow up discrepancies.
2.	Be able to set up and maintain customer records.	2.1	Set up and maintain customer records in accordance with organisational and legal requirements.	2.1	Set up and maintain customer records in accordance with organisational and legal requirements.
				2.2	Adapt communication to identify and report fraudulent applications in accordance with organisational and legal requirements.
3.	Be able to evaluate work and personal performance.	3.1	Assess own strengths and weaknesses in relation to credit application processing.	3.1	Assess performance in relation to credit application processing.
		3.2	Identify areas for development.	3.2	Establish SMART goals for areas of development.

Assessment

Assignment

Credit Risk Assessment

3 Credits 25 Guided Learning Hours 33 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2, M/502/4054 The learner can:		Assessment criteria LEVEL 3, H/502/4049 The learner can:	
1.	Be able to establish credit facilities.	1.1	Assess credit worthiness based on applicant information.	1.1	Define how to access credit worthiness based on applicant information.
		1.2	Establish credit facilities.	1.2	Define how to establish credit facilities.
		1.3	Inform applicants and colleagues of the outcome of credit assessment in accordance with organisational and legal requirements.	1.3	Tailor procedures when informing applicants and colleagues of the outcome of credit assessment in accordance with legal requirements.
2.	Be able to review on-going trading relationships.	2.1	Monitor levels of customer indebtedness.	2.1	Monitor levels of customer indebtedness.
		2.2	Review on-going trading relationships in accordance with organisational policy.	2.2	Review on-going trading relationships in accordance with organisational policy.
3.	Be able to evaluate work and personal performance.	3.1	Assess own strengths and weaknesses in relation to credit assessment.	3.1	Assess performance in relation to credit assessment
		3.2	Identify areas for development.	3.2	Identify areas for development.
				3.3	Establish SMART goals for areas of development.

Assessment

Assignment

Cash Collections

3 Credits 25 Guided Learning Hours 33 Total Qualification Time

Learning outcomes: The learner will:		Assessment criteria Level 2 K/502/4053 The learner can		Assessment criteria Level 3 D/502/4048 The learner can:	
1.	Be able to collect customer payments in a systematic way.	1.1	Ensure prompt payment through liaison with customers.	1.1	Ensure prompt payment through liaison with a range of customers.
		1.2	Initiate follow up action when initial approaches fail to elicit an adequate response.	1.2	Tailor follow up action when initial approaches fail to elicit an adequate response.
		1.3	Maintain customer records in accordance with organisational and legal requirements.	1.3	Maintain customer records in accordance with organisational and legal requirements.
		1.4	Communicate in accordance with organisational and legal requirements.	1.4	Communicate in accordance with organisational and legal requirements.
2.	Be able to evaluate work and personal performance.	2.1	Assess own strengths and weaknesses in relation to payment collections.	2.1	Assess performance in relation to payment collections.
		2.2	Identify areas for development.	2.2	Identify areas for development
				2.3	Establish SMART goals for areas of development.

Assessment

Assignment

Debt Recovery

3 Credits 25 Guided Learning Hours 33 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2, H/502/4052 The learner can:		Assessment criteria LEVEL 3, Y/502/4047 The learner can:	
1.	Be able to manage debt recovery procedures.	1.1	Identify a range of recovery procedures.	1.1	Identify a range of recovery procedures.
		1.2	Implement recovery procedures in accordance with organisational and legal requirements.	1.2	Implement a range of recovery procedures in accordance with organisational and legal requirements.
		1.3	Maintain customer records in accordance with organisational and legal requirements.	1.3	Maintain customer records in accordance with organisational and legal requirements.
		1.4	Monitor progress with recovery procedures.	1.4	Monitor progress with recovery procedures.
				1.5	Tailor procedures to calculate and recommend write-offs in accordance with organisational policy.
2.	Be able to evaluate work and personal performance.	2.1	Assess own strengths and weaknesses in relation to debt recovery.	2.1	Assess performance in relation to debt recovery and identify areas for development.
		2.2	Identify areas for development.	2.2	Establish SMART goals for areas of development.

Assessment

Assignment

Cash Allocation/Application

3 Credits 25 Guided Learning Hours 33 Total Qualification Time

Learning outcomes The learner will:		Assessment criteria LEVEL 2, J/615/5422 The learner can:		Assessment criteria LEVEL 3, R/615/5424 The learner can:	
1.	Be able to allocate/apply cash promptly and accurately.	1.1	Ensure prompt and accurate cash allocation/application to correct sales ledger accounts.	1.1	Ensure prompt and accurate cash allocation/application to correct sales ledger for complex transactions.
		1.2	Initiate appropriate follow-up action with customers and record adjustments where needed.	1.2	Tailor follow-up action with customers and record adjustments for complex accounts.
		1.3	Maintain customer records in accordance with organisational and legal requirements.	1.3	Maintain customer records in accordance with organisational and legal requirements
		1.4	Conduct communication in accordance with organisational and legal requirements.	1.4	Communicate in accordance with organisational and legal requirements.
2.	Be able to evaluate work and personal performance.	2.1	Assess own strengths and weaknesses in relation to cash allocation/application.	2.1	Assess performance in relation to cash allocation/application.
		2.2	Identify areas for development.	2.2	Identify areas for development.
				2.3	Establish SMART goals for areas of development.

Content

1	<ul style="list-style-type: none"> Principle features of sales ledger system and how it interacts with other functional systems. Customer payment allocation/application, including dishonoured and failed payments to correct sales ledger. Methods of authorisation and how to record adjustments to customers' accounts. How to check systematically customer details on payment advice and
---	--

	<p>amend customer records as required.</p> <ul style="list-style-type: none"> • How to update and reconcile ledger accounts. • How to prepare all data required for presentation to a bank correctly within required timescale. • How to refer/investigate discrepancies as they arise where investigation is within level of authority. • How to list payments received on a daily basis and reconcile them with bank records. • How to carry out periodic comparisons of receipts against forecast. • Storage of data in a format which permits ready retrieval. • Organisation's method and procedures for collecting monies from customers and processing account documentation. • Operation of organisation's sales ledger system including use of suspense accounts. • Relevant aspects of organisation's credit terms. • Incoterms used in export business, if relevant. • Payment methods and documentation required by banks to process them. • How to report any suspicious transactions to the appropriate person.
2	<ul style="list-style-type: none"> • Work objectives and performance techniques review. • Methods for recording continuous professional development. • Reflective learning practices – their value and outcomes. • Action planning and SMART goals.

Assessment

Assignment

Collections Team Management

6 Credits 26 Guided Learning Hours 58 Total Qualification Time

Learning outcomes		Assessment criteria LEVEL 3 R/502/4418		Assessment criteria LEVEL 4 A/502/4431	
The learner will:		The learner can:		The learner can:	
1.	Understand the role of cash collections.	1.1	Explain the role of cash collections within an organisation.	1.1	Evaluate the role of cash collections within an organisation
2.	Understand how to manage cash collections.	2.1	Describe cash collections performance, reporting and people management processes.	2.1	Describe cash collections performance, reporting and people management processes.
		2.2	Explain methods for managing collections processes.	2.2	Investigate and summarise methods for managing collections processes effectively.
3.	Be able to develop a plan to improve cash collections.	3.1	Explain an organisation's cash collection, performance,		Review an organisation's cash collection, performance, reporting and people management
		3.2	Identify outcomes in an action plan which would improve cash collections in own area of		Identify outcomes in an action plan which would improve cash collections in own area of responsibility.
		3.3	Select activities to achieve stated outcomes, explaining: <ul style="list-style-type: none"> a) Key activities b) Resources or training requirements c) Timescales d) Performance indicators 		Select activities to achieve stated outcomes, describing and justifying: <ul style="list-style-type: none"> a) Key activities b) Resources or training requirements c) Time scales d) Performance indicators
4.	Be able to implement, monitor and review plans to achieve specified improvements to cash collections processes.	4.1	Implement at least one planned activity over a period of 3 – 6 months.		Implement at least one planned activity over a period of 3 – 6 months.
		4.2	Assess effectiveness of planned activity.		Seek and actively use feedback from a variety of sources to monitor and reflect critically on activity.
		4.3	Adapt strategy as necessary to produce the quality of outcome required.		Adapt strategy as necessary to produce the quality of outcome required.
		4.4	Identify areas for further development.		Identify areas for further development.

Assessment Assignment

Useful contacts

Learner study advice service Operates 09:00 - 17:00 Monday - Friday	T: +44 (0)1780 722909
For free advice on studying for CICM qualifications or any aspect of the examination process email	E: professionalqualifications@cicm.com
CICM Awarding Body T: +44 (0)1780 727272	E: awardingbody@cicm.com
For advice on CICM membership T: +44(0)1780 722903	E: cicmmembership@cicm.com
CICM study material	www.cicm.com
Subscriptions and accounts department	T: +44 (0)1780 722908
CICM website	www.cicm.com

Chartered Institute of Credit Management
the Water Mill
Station Road
South Luffenham
OAKHAM
LE15 8NB

