



Moderator's Assignment Feedback –Credit Risk Assessment

After each series, we ask our moderators to provide a report on each assignment-based unit to identify:

- Any questions which were usually answered particularly well, including main points and qualities that characterised good answers.
- Any questions which were usually answered badly and main weaknesses in candidates' answers.
- Common errors or misconceptions made by candidates.

We hope that this will be of assistance when completing your Credit Risk assignment.

General feedback to candidates

Generally, candidates scored well on questions 1, 2a and 2b and less well on the later questions.

All candidates are advised to pay attention to the wording of the question and ensure their answer content is relevant. Candidates should also note the guidance given by the mark scheme of what the answer must contain to reach each grade.

Feedback for each assignment question.

Q1. In the context of credit risk assessment, describe the organisation that you work for and explain your role and function.

Q1 – Most candidates answered this well, but a few could have scored higher by giving more details of their organisations. Answers to this question put the candidate's situation into context by stating where they work, what their job is and why they do this. Putting into wider context of the department/organisation moves it into a higher grade.

Q2. Explain how you carry out the following work:

Refer where relevant to any organisational and legal requirements, and attach evidence to support your statements and indicate the range of work involved. Please protect your customer and delete customer names and bank details when supplying evidence:

a) Assess credit worthiness based on applicant information.

Q2a – All answers showed a knowledge of process. Candidates who showed awareness of the wider context for the process scored higher.

b) Establish credit facilities.

Q2b - Some candidates gave only a limited answer and did not show the link between customer risk and credit facilities.

c) Inform applicants and colleagues of the outcome of credit assessment.

Q2c – Most answers were limited to a description of the process for informing customers, with no coverage of the legal and organisational context.

d) Monitor levels of customer indebtedness.

Q2d - This saw a range of answers, although most candidates were able to describe the process used by their organisation. A common failure was the omission of the context by explaining the purpose this process.

e) Review ongoing trading relationships.

Q2e - Most candidates able to show context for the reviews.

Q3. Compare your work processes against the attached National Occupational Standards for Credit Management (see overleaf), explaining the extent to which they match, and any discrepancies you have found.

Q3 – Few candidates supplied details of how they had compared their work processes, and so could not explain the extent of the match (as required by the question) nor show that the comparison was a reasoned assessment which is required for a Good L3 pass.

Q4. Explain the importance of any organisational and legal requirements in relation to credit assessment.

Q4 – Generally, candidates' answers only listed requirements and stating they were important, without explaining why. This limited the possible marks to a L2 pass.

Q5. Explain how your approach and outcomes have evolved as your experience in application assessment has increased.

Q5 – Answers showed an awareness of a change in approach, but did not show that this had translated to changed outcomes.

Q6. Working with your line manager, where possible, but answering in your own words, assess your performance and identify areas for development.

Q6 - There was a wide range of answers to this question. The poorer answers lacked evidence of performance assessment. Many answers identified development, but could not outline any structured plans to bring it about.