



## **Moderator's Assignment Feedback – Advanced Credit Risk Management**

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 Collections Team Management assignment.

### **General feedback to candidates**

Most candidates had some working knowledge of credit risk methods of assessment and control and several expanded this understanding to incorporate theoretical forms of credit risk. It was clear which candidates had undertaken the additional reading and research necessary to meet the requirements of this unit. The strongest candidates were able to embed theory into practical settings with analysis of findings.

The candidates who did less well in this unit generally failed to correctly approach task 2. This task expects the candidate to demonstrate their practical ability to assess credit risk but few candidates actually did this. Those who used clear examples of how specific customer data is used holistically to make a tangible credit decision fared best.

Candidates and tutors may benefit from reading the comments per task, below. It is also strongly recommended that the assignment, mark scheme and learner guidance booklet is used to ensure answers are at the required standard.

As a final note, 'areas for consideration' are a guide to example content and level and candidates are not obliged to cover each of the items within it.

### **Feedback for each assignment question**

**Task1. Essay: Research and consider the variety of credit risk forms and models. Analyse their methods of assessment and control, and evaluate their impact upon stakeholders.**

T1 – This task was generally well answered with better responses showing a range of credit risk forms and methods. Those who used theoretical research to demonstrate understanding in the context of their organisation fared best. In contrast, those who focussed only on the theory to the exclusion of workplace context, or who gave basic workplace examples without supported theory, did less well.

**Task 2. Using examples to demonstrate, showcase your ability to assess credit risk using financial and non-financial information.**

T2 – This task was not answered well, in the main. Several candidates failed to demonstrate in a practical way, how they were able to assess credit risk for themselves. Most answers did not comprehensively cover how to **use** financial measures to assess risk. Few used appendix as an

opportunity to evidence their abilities. The few that did answer well took examples of specific customers, actual or potential, and applied their knowledge of credit assessment by analysing the credit worthiness of this specific customer.

**Task 3- Complete the Credit Risk Assessment Report template that follows. Reflect upon the credit risk management of a department and recommend improvements as a result of your evaluation.**

T3 – This task prompted some decent answers, with accurate completion of the template most candidates. Stronger answers developed recommendations from the ideas stage into potential action points by measuring viability. Some candidates failed to consider aspects such as impact and contingencies, which weakened their offering.