AC – 20/04/2024
Item No. – 7.7 Sem. I (8b)

As Per NEP 2020

University of Mumbai

Syllabus for Basket of OE	
Board of Studies in Banking and Insurance	
UG First Year Programme	
Semester - I	
Credit Rating	**Credits 2**
I) Introduction to Credit Rating	1
II) Internal & External Rating Systems	1
From the Academic Year	**2024-25**

Sr. No.	Heading	Particulars
1	**Description the course :** **Including but Not limited to :**	"Credit Rating" delves into the evaluation of creditworthiness, encompassing financial analysis, risk assessment, and predictive modeling. Students learn to assess borrowers' ability to repay debt obligations, interpret credit reports, and understand the impact of credit ratings on lending decisions and financial markets. The course also explores the methodologies and regulations governing credit rating agencies, emphasizing their role in providing reliable credit risk information to investors and financial institutions.
2	**Vertical :**	Open Elective
3	**Type :**	Theory
4	**Credit**:	2 credits
5	**Hours Allotted :**	30 Hours
6	**Marks Allotted**:	50 Marks
7	**Course Objectives:** 1. To enable students to comprehend the concept of credit risk and the factors influencing borrowers' ability to repay debt obligations. 2. To familiarize students with various techniques and methodologies used in credit analysis, including financial statement analysis, qualitative assessment, and statistical modeling. 3. To equip students with the skills to interpret credit ratings assigned by credit rating agencies, understand their significance in assessing creditworthiness, and evaluate their implications for investors and lenders.	
8	**Course Outcomes**: 1. Students will able to evaluate credit risk, employing various quantitative and qualitative methods to assess borrowers' creditworthiness. 2. Enable students to gain insight into the role of credit rating agencies in the financial markets 3. Students will able to demonstrate the ability to interpret credit ratings assigned by rating agencies.	

9	**Modules**:- Per credit One module can be created
	Module 1: Introduction to Credit Rating
	Meaning, Origin, Features, Advantages of Rating, Regulatory Framework, Credit Rating Process, Credit Rating Symbols, Limitations of Rating, Credit rating as a relative measure of credit risk, Overview of bank rating scale, Non-bank financial institution credit ratings, Overview of NBFI rating scale.
	Module 2: Internal & External Rating Systems
	A) Credit rating as a relative measure of credit risk, Credit rating agencies as the neutral provider of credit opinion, Regulations pertaining to credit rating agencies, other types of credit rating agencies and credit analytics providers, Elements of the credit rating process B) Internal Rating Systems - Objectives, Introduction, Architecture, Operating design, Uses of internal risk grades, Internal Ratings-Based Approach, Corporate exposures, other exposures C) External Ratings - Objectives, Introduction, Rating Agencies, Rating Process, Credit Score
10	**Text Books:** **1. 2. 3.** **4.** **………**

11	**Reference Books:** 1. Credit Rating and Bank Performance: An Indian Scenario" by M. R. Singla, published by Academic Foundation. 2. Credit Rating: Principles, Methods, and Impact" by H. R. Machiraju, published by Tata McGraw-Hill Education. 3. Credit Rating and Bankruptcy Prediction" by G. S. Bhalla, published by Excel Books. 4. Credit Rating Agencies: A Comparative Analysis of Credit Rating Methodologies and Their Impact on the Indian Economy" by Anirban Ghatak, published by LAP Lambert Academic Publishing	
12	**Internal Continuous Assessment: 40%**	**External, Semester End Examination Individual Passing in Internal and External Examination : 60%**
13	**Continuous Evaluation through:** 1.	1. Class test 2. Oral Examination

		3. PPT presentation **REFER DETAIL SYLLABUS DOCUMENT**
14	**Format of Question Paper:** for the final examination **FOR DETAILS REFER DETAIL SYLLABUS DOCUMENT**	

Sign of Chairman **Dr. Sunil Karve** **Chairman of Banking & Insurance and Investment Management**	**Sign of the** **Offg. Associate Dean** **Dr. Ravikant Balkrishna Sangurde** **Faculty of Commerce**	**Sign of the** **Offg. Associate Dean** **Prin. Kishori Bhagat** **Faculty of Management**	**Sign of offg. Dean** **Prof. Kavita Laghate** **Faculty of Commerce & Mangement**