

**International Islamic University Chittagong (IIUC)**  
**Department of Economics & Banking**  
**Mid Term Examination: Spring-2022**  
**Program: BSS(Honors)**

Course Code: Credit Management  
Time: 1.30 Minutes

Course Title: BNKG-4706  
Full Marks: 30

*Answer any Three of the following questions. All parts of a question must be answered sequentially. Figures in the right margin indicate full marks.*

1. a) "Credit is the ability to borrow money or access goods or services with the understanding that you'll pay later" – Justify the statement. 2
- b) "Different types of credit available across the world" - Explore the various types of credit available throughout the world. 4
- c) "Banks are required to follow certain principles of lending to keep the risk at minimum level"- Interpret the statement with real scenario. 4
2. a) "Creditworthiness is how a lender determines that you will default on your debt obligations" – elucidate the primary consideration for credit worthiness. 5
- b) Define credit investigation. Elucidate the sources of credit investigation. 5
3. a) "As per CRM guidelines prescribed by Bangladesh Bank, all bank should have established "Credit policy" (lending guidelines)" – Interpret the statement. 2
- b) While formulating credit policy, bankers must take into account a number of crucial factors. Provide illustrative support for the claim. 5
- c) Explicate the factors shaping the credit business environment. 3
4. a) "The goal of credit risk management is to maximize an FI's risk-adjusted rate of return"- explain 2
- b) Describe some of the risks that the bank faces from several sources. 5
- c) CRGM is a vital tool in credit risk assessment. Explicate the process of assessing credit risk using CRGM. 3