

104 Credit management and control

This module emphasises the importance of management and control of credit in any organisation. Students will develop their understanding of the principles of credit and debt management, in managing the granting of credit, and collection of amounts outstanding from customers in an organisation.

Students will also be able to understand how to give advice on whether or not a customer should be sold goods/ products or services on credit, how to minimise the risk to their organisation, and how they can legally collect the monies they are owed in compliance with relevant legislation, good practice, and in line with the policy of their organisation.

On completion of the module students will be able to give advice on the granting of credit and the collection of monies owed in compliance with relevant legislation, good practice and organisational policy. Students will also be able to give advice on the management of debts and on methods that will minimise the risk to the organisation.

Intended module learning outcomes

On completion of this module, the student should be able to:

1. Discuss how legislation impacts upon credit control.
2. Demonstrate how to prepare and use information from a variety of sources to manage the organisation's granting of credit.
3. Develop a credit control policy for an organisation which complies with the organisation's objectives.
4. Explain a range of techniques and methods of credit control that may be used within an organisation.

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Indicative content

1. Main features of contract law and remedies for breach of contract in relation to the credit the organisation offers its customers.
2. Other relevant legislation including Trade Descriptions Act, Sale of Goods Act, Unfair Contract Terms Act, Consumer Credit Act, Late Payment of Commercial Debts (Interest) Act, Data Protection Act.
3. Legal and administrative procedures for the collection of debt.
4. Bankruptcy and insolvency and their impact on organisations.
5. Credit management, including obtaining and analysing credit references and sources of credit information.
6. Techniques and methods for credit control including debt control and management.
7. Debtor management.
8. Liquidity management.

Required reading

Fardon, M. (2017) *Credit control*. Worcester: Osborne Books Ltd.

Recommended reading

Kaplan Publishing (2017) *AAT Level 4 Diploma study text/workbook: credit management* (CDMT). Wokingham: Kaplan Publishing UK.

Dixie, A. (2009) *Implementing successful credit control*. 4th ed., Oxford: Management Books 2000 Ltd.

Reuvid, J. (2017) *The business guide to credit management: advice and solutions for cash flow control, financial risk and debt management*. 2nd ed., London: Kogan Page.

Scheme of work

Once you have registered and paid for a module you will receive the scheme of work detailing the weekly schedule study plan.

Assessment

The learning outcomes for this module will be assessed as follows:

1½ hour's multiple choice time-constrained assessment questions.

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