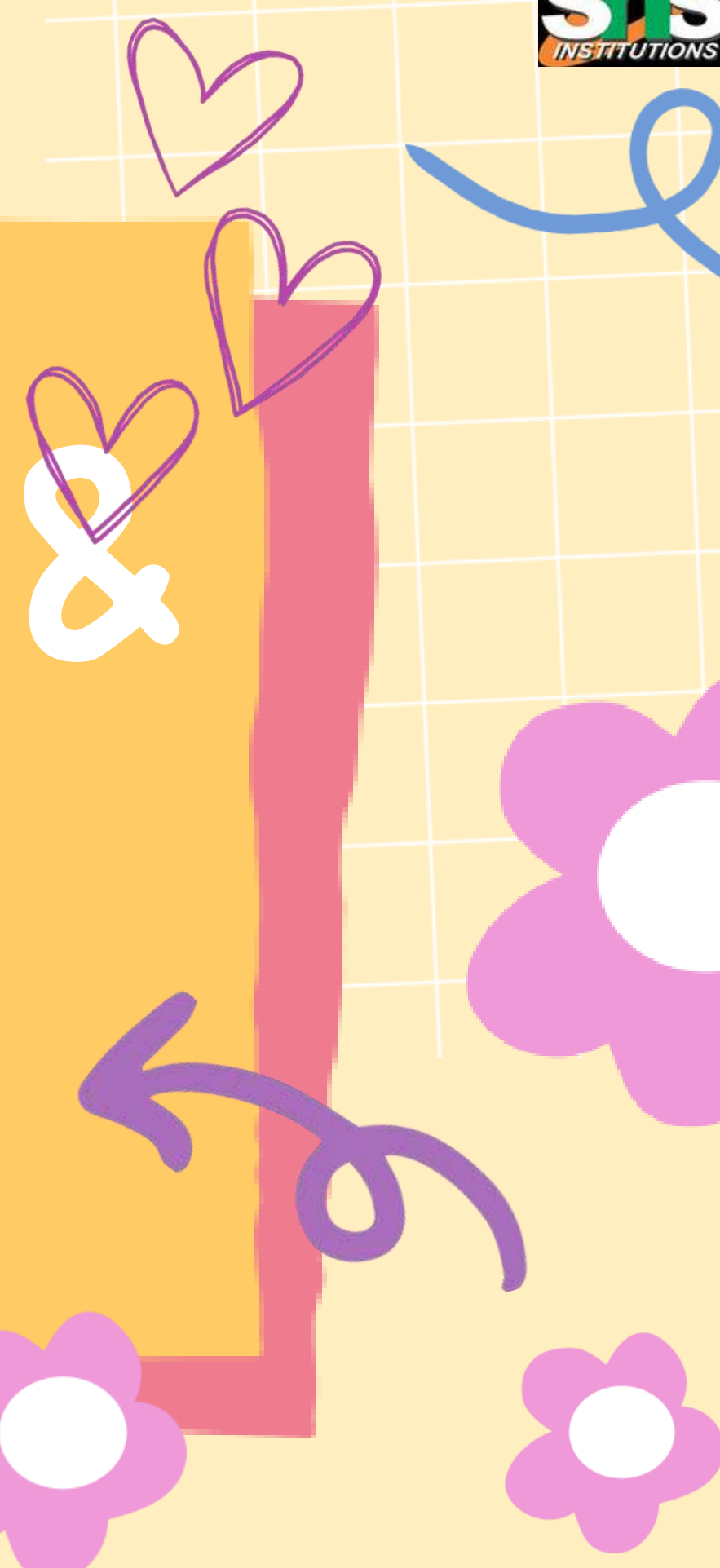




UNIT -4

# Credit Rating & Mutual fund





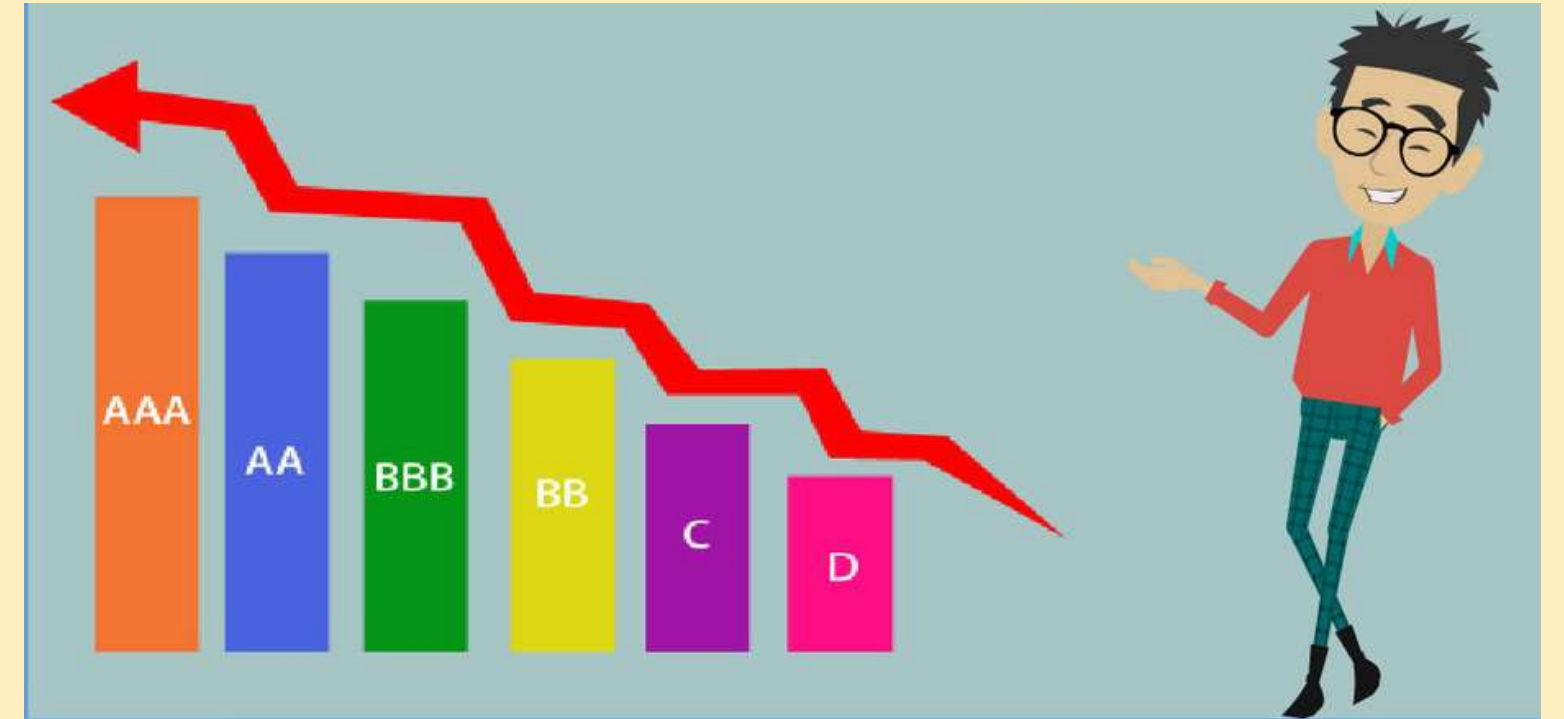
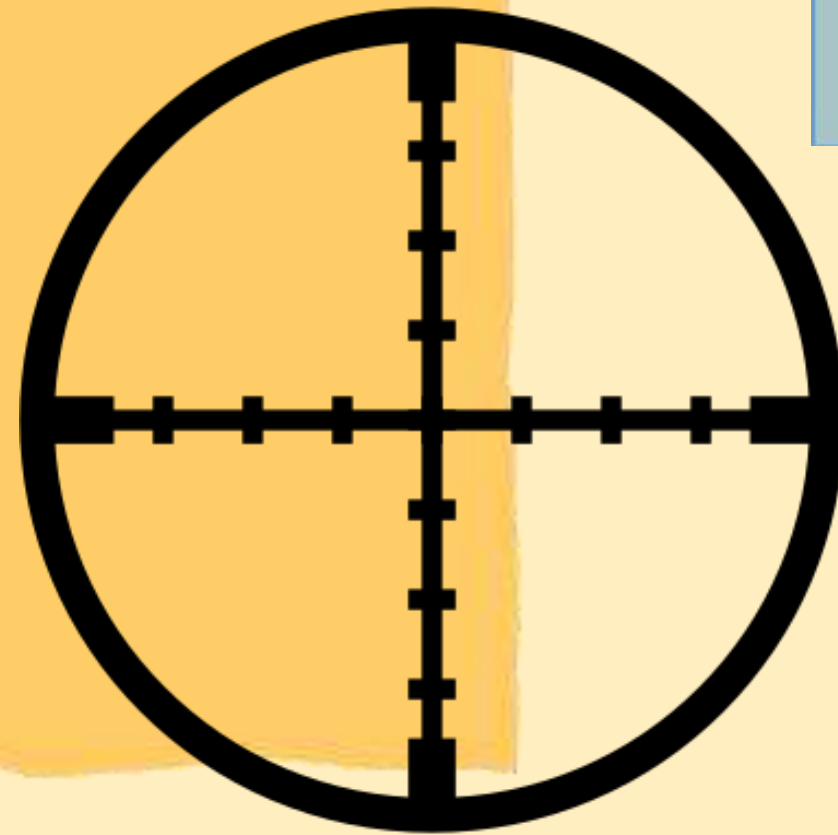
# RECAP

- The Evolution of Financial Services
- Significance of Financial Services
- Challenges Facing the Financial Sector
- The Future of Financial Services





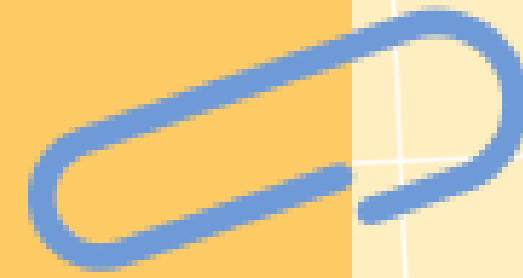
GUESS  
THE  
TOPIC...??





# TABLE OF CONTENT

- Definition of Credit Rating
- Meaning of Credit Rating
- Process of Credit Rating of Financial Instrument





# Definition of Credit Rating

A Credit Rating is a forward-looking opinion regarding the relative creditworthiness of an issuer, an instrument or an obligation and is assigned using an established and defined ranking system of Credit Rating categories.





# MEANING OF CREDIT RATING

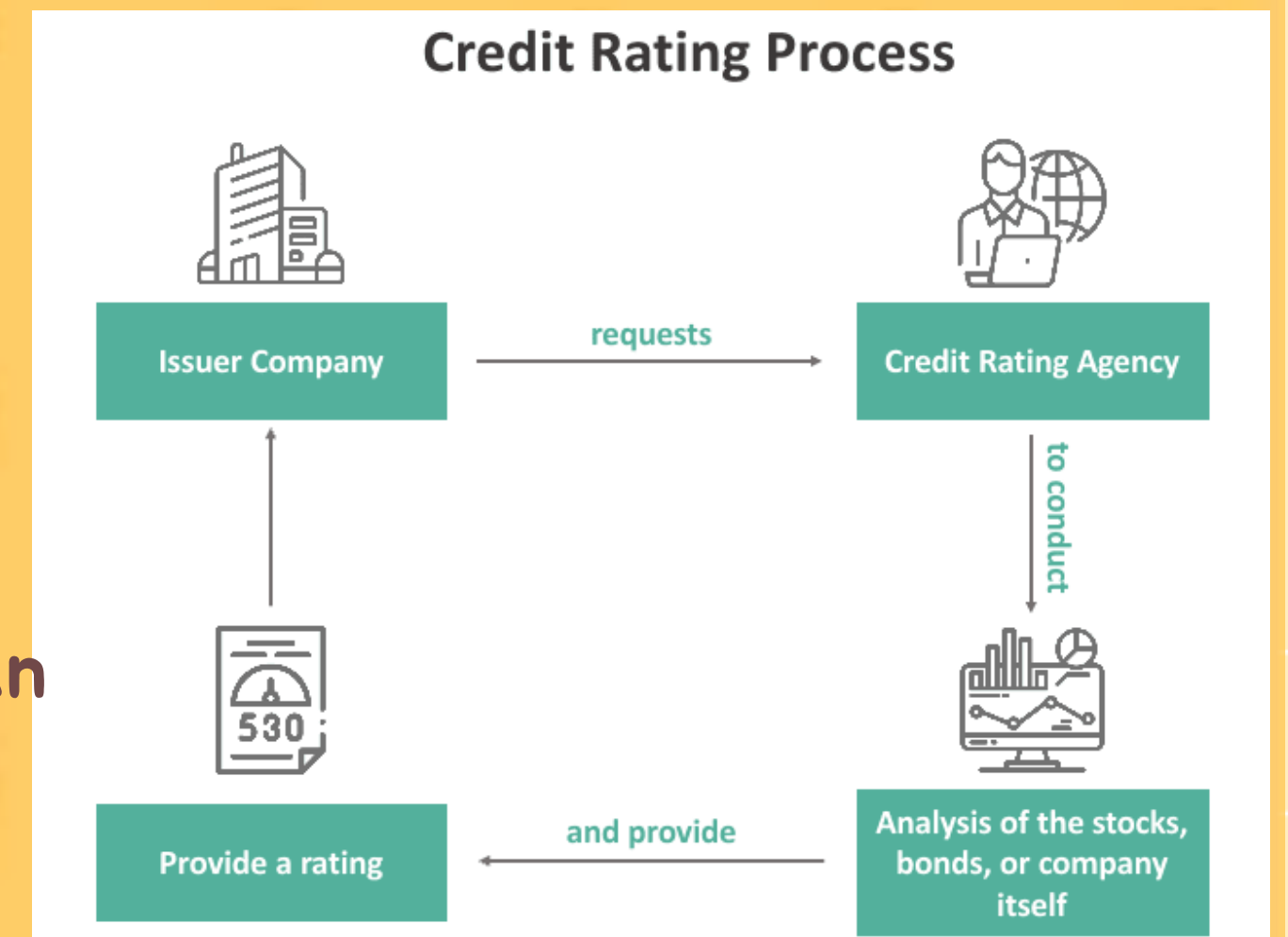
A credit rating is an evaluation of a person's or entity's creditworthiness, or their ability to repay debt.

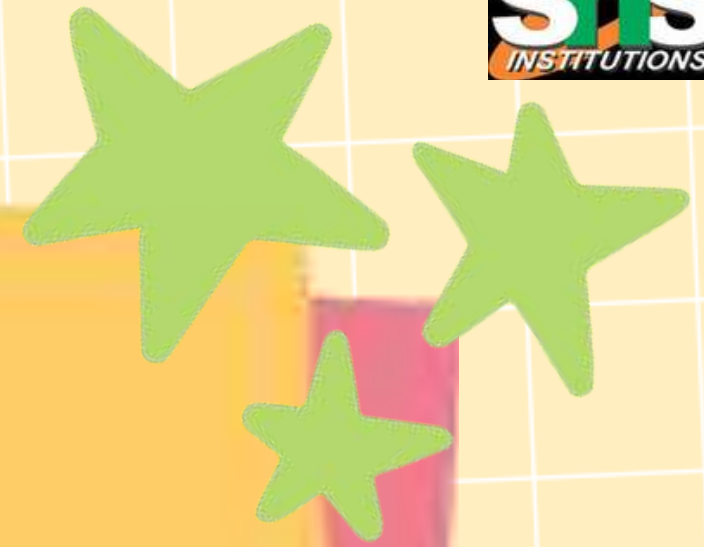




# PROCESS OF CREDIT RATING OF FINANCIAL INSTRUMENT

The credit rating process is when a credit rating agency (preferably a third party) takes details of a bond, stock, security, or company and analyses them to rate them so that everyone else can use those ratings to use them as investments.





# Conclusion

- Credit ratings play a crucial role in determining a borrower's creditworthiness and financial stability.
- Credit rating essentially indicates the likelihood that an issuer will default due to bankruptcy.







# KNOWLEDGE CHECK...!!





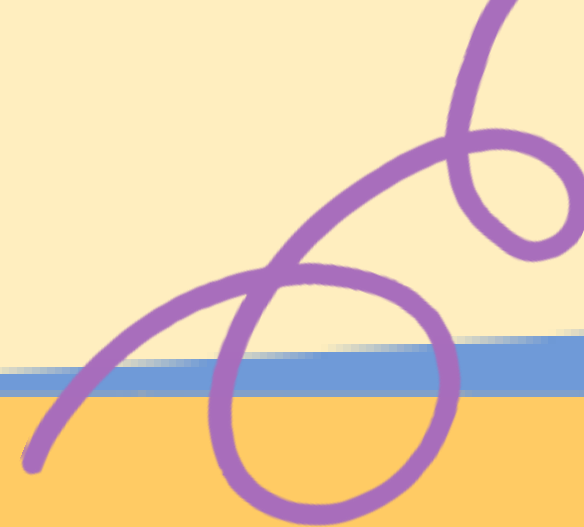
What does a credit rating primarily indicate?

- A) The borrower's income level
- B) The likelihood of default on debt obligations
- C) The borrower's age
- D) The amount of savings

Answer: B) The likelihood of default on debt obligations.



GOOD  
JOB!!



**THANK YOU**

