Bank Accounting Regulation

Professor: Germán López Espinosa  
E-mail: glespinosa@unav.es  
Office hours: by appointment

Course Description

The module will enable students to critically examine the effects of IFRS reporting on economic decision making, and the broader impact on banks and society. The students will analyze empirical accounting questions related to the banking industry to stimulate critical enquiry into the theory behind the standards, the effects and the degree to which the standards achieve their intended objectives. This module should help students develop critical and analytical abilities. The program is developed through the completion of case studies that simulate real-world applications of the IFRS knowledge. The students will acquire the accounting knowledge of complex transactions realized by Banks.

Methodology

There will be ten one and half-hour lectures where we will discuss the concepts, standards and the effects of IFRS reporting on economic decision making. These sessions are based on the accounting standards but the professor will focus on specific topics and cover some additional support material. Class slides will be available on Global Campus, although the lectures may not follow the slides literally. Some of the lectures will be devoted to in-class analysis of more complete cases, where student participation is especially encouraged. There will be classes where students will solve real accounting case studies aimed at developing the ability to make professional judgement. These case studies should help review the main concepts covered in class and prepare for the final exam. Finally, there will be two classes where students will learn concepts about empirical accounting and market discipline.

Evaluation criteria

To pass the course, you must earn at least 50 points out of 100, according to the following distribution:

Class participation: 15 points.

Exam: 60 points (a minimum of 25 is required to pass the course).

Case studies: 25 points.

Students are required to attend 80% of classes. Failing to do so without justified reason will imply a Zero grade in the participation/attendance evaluation item and may lead to suspension from the program.

As with all courses taught at the UPF BSM, students who fail the course during regular evaluation will be allowed ONE re-take of the examination/evaluation. Students that pass any Retake exam should get a 5 by default as a final grade for the course. If the course is again failed after the retake, students will have to register again for the course the following year.

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Note: This document is only informational, detailed contents and faculty may change.
In case of a justified no-show to an exam, the student must inform the corresponding faculty member and the director(s) of the program so that they study the possibility of rescheduling the exam (one possibility being during the “Retake” period). In the meantime, the student will get an “incomplete”, which will be replaced by the actual grade after the final exam is taken. The “incomplete” will not be reflected on the student’s Academic Transcript.

Plagiarism is to use another’s work and to present it as one’s own without acknowledging the sources in the correct way. All essays, reports or projects handed in by a student must be original work completed by the student. By enrolling at any UPF BSM Master of Science and signing the “Honor Code,” students acknowledge that they understand the schools’ policy on plagiarism and certify that all course assignments will be their own work, except where indicated by correct referencing. Failing to do so may result in automatic expulsion from the program.”

## Calendar and Contents

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<td>IAS 32. Financial Instruments Presentation. Equity-Liability distinction. Case Studies. 2 sessions</td>
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Disclosures.
Impact on Regulatory Capital.
SA vs IRB.

Case study 1: Impacts on Pricing – Mortgage loans.
Case study 2: Impacts on Pricing – SME.

5. Empirical Accounting.
   Earnings and Capital Management.
   Depositor Discipline.
   International comparison of Deposit Guarantee Schemes.

Reading Materials
IAS 32, IFRS 9, IFRS 10 and research papers (which will be provided) to become familiar with empirical accounting.

Bio of Professor
Germán López Espinosa is Associate Professor at Universidad de Navarra, Pamplona. He earned his M.A. in Auditing at Colegio de Economistas de Alicante and his Ph.D. in Universidad de Alicante. His research emphasizes the link between Banking, Finance and Accounting. He has been academic fellow at IASB and visiting scholar at NYU’s Stern School of Business.