



Universität Ulm

Master of Science Management and Economics (PO 2019)

Accounting for Banks - German GAAP and IFRS

Code 8818472157

ECTS credits 3

Attendance time 2

Language of instruction german

Duration 1

Cycle each Winter Semester

Coordinator Dr. Roland Wiese

Instructor(s) Dr. Roland Wiese

Allocation of study programmes M.Sc. Management and Economics

Recommended prerequisites Module "International Accounting I"

Learning objectives

Due to their specific business activity and a special position in the economy, specific institutional regulations for financial accounting under commercial law apply to banks. In some cases, these differ considerably from the regulations for companies of other industries. Even if the International Financial Reporting Standards (IFRS) do not specify any specific institutional accounting standards, numerous regulations apply almost exclusively to banks and financial service institutions.

After successfully completing the course, students know the specific characteristics of accounting for banks in accordance with both German Commercial Code (HGB) and IFRS. They are familiar with the institutions of the banking industry, the relevant legal standards and the industry-specific terminology used in the preparation of statements of financial position, statements of comprehensive income and notes.

Based on this knowledge, they are able to distinguish the accounting standards specific to banks from those of other industries, to apply them as well as to classify and critically assess bank-specific issues. Students also have an

insight into the increasingly more important IFRS, considering the increasing internationalisation of German accounting for banks. They can understand the regulations which are particularly relevant for the banking industry of the International Accounting Standards IAS 32 (Financial instruments: presentation), IAS 39 (Financial instruments: recognition and measurement) and the International Financial Reporting Standard IFRS 7 (Financial instruments: disclosures) and they know the differences to the standards pursuant to commercial law. They can assess differences and critically reflect on opportunities and risks.

In 2008, the International Accounting Standards Board (IASB) began to revise IAS 39. This process took until 2014. In July 2014, the final standard IFRS 9 was published. The initial application is planned for fiscal years beginning on or after 01.01.2018. After successfully completing the course, students have an initial insight into the new regulations and can classify and evaluate points for discussion. They can also identify and independently establish links with other subject areas of accounting and disciplines of business management and economics.

Syllabus

Subject of the lecture are the basic accounting principles for banks in accordance with both the regulations of commercial law and the International Financial Reporting Standards (IFRS).

In a first unit, an introduction is given to the terms specific to banks and financial supervision law as well as a presentation of the institutions which are relevant for the banking industry from the point of view of accounting.

The second unit is dedicated to the basic principles of bank-specific accounting pursuant to the German Commercial Code (HGB) (§§ 340-340o HGB). This deals with the subjects of security categories and evaluation, trading portfolio, derivatives and valuation units, lending business and risk prevention, disclosed and undisclosed reserves, cross-compensation as well as equity and liabilities.

The third unit deals with the IFRS regulations. The main focus here is on the International Accounting Standard IAS 39 and the regulations for financial instruments contained therein in connection with recognition and disposal, categorisation and measurement, embedded derivatives, risk prevention (impairment) and hedge accounting.

In the fourth unit, IAS 39 Replacement Project and the new regulations of IFRS 9 are discussed. This unit is aimed in particular at familiarising the students with the discussion conducted in theory and practice on the new regulations for financial instruments and to demonstrate them the challenges for producers and addressees of financial statements.

The lecture concludes with a unit on the initial drafts of the IASB for new accounting regulations for dynamic risk management strategies (macro hedging).

Exercises and case studies reinforce the course content and help students to check their own learning progress.

Literature

- Bieg, H.(2010): Bankbilanzierung nach HGB und IFRS, Munich.
- Löw, E. (2005): Rechnungslegung für Banken nach IFRS, Wiesbaden.
- Scharpf, P./Schaber, M. (2013): Handbuch Bankbilanz, Düsseldorf.

Teaching and learning methods

Lecture (2 lecture hours per week)

Workload Attendance: 40 hrs
Individual study: 50 hrs
Total: 90 hrs

Assessment The credit points will be awarded once the written or oral exam has been passed (depending on the number of participants). The type of examination will be announced in time - at least 4 weeks prior to the date of the exam. No prerequisites are necessary for exam registration.

Grading procedure The grade of the module will be the grade of the exam.

Basis for Schwerpunktfach Rechnungswesen und Wirtschaftsprüfung, Wahlpflicht BWL
