

VRAA 32-LT-2023
Ref. No.: 07.14.336.045

December 29, 2023

Professor Mary Ioannidou-Koutselini
President of the Board of the
Cyprus Agency of Quality Assurance and
Accreditation in Higher Education
Nicosia

Dear Prof Koutselini,

**Subject: Postponement of the decision on the accreditation of the Banking, Accounting and
Finance
(2 years / 120 ECTS, Master of Arts) (Joint Master's Degree with the Hellenic Open
University)**

We hereby indicate all our actions relevant to the requests submitted by the President of the Cyprus Agency of Quality Assurance and Accreditation in Higher Education (CYQAA) in the letter sent to us on September 29, 2023, Ref. No. 07.14.336.045, in relation to the pending decision for the accreditation of the MA in Banking, Accounting and Finance.

MA BANKING, ACCOUNTING, AND FINANCE

Report – Response to CYQAA Comments

Comment

1. *To further improve the joint programme’s design, structure and delivery you need to update your learning objectives and the curriculum with real-life case examples, recent business practices, and recently emerging differences in policies among various countries in the fields of banking, accounting, and finance. Please, provide a table indicating for each module/thematic area activities, and/or assignments, and/or simulations addressing all of the above.*

Action

We present the subsequent table, delineating for each thematic area/module, the revised learning objectives, real-life examples, written assignments, real-life case studies, research/publication papers, and videos that address the latest business practices, policies and so forth in the disciplines of banking, accounting, and finance. We are also considering business simulation provided that the content material is available in Greek language.

	Thematic areas / Modules			
	MBAF-51B Banking Management	MBAF-52B Finance	MBAF-53 Accounting I	MBAF-54 Accounting II
Updated Learning Objectives	Upon completion of the module, the students are expected to: <ul style="list-style-type: none"> ▪ Manage human resources in the banking institutions. ▪ Define and analyse the role and purpose of the financial system, and in particular banks in the economy. 	Upon completion of the module, the students will be able to: <ul style="list-style-type: none"> • Assess the investment plans of a company, and calculate the cost and risk of an investment and its net cash flows. • Evaluate potential projects and choose 	Upon completion of the module, the students are expected to: <ul style="list-style-type: none"> • Apply basic principles of financial accounting in businesses. • Prepare basic financial statements (statement of profit or loss, statement of financial position, 	Upon completion of the module, the students are expected to: <ul style="list-style-type: none"> • Calculate the production cost, the cost of goods manufactured, and the cost of goods sold using managerial accounting techniques

	<ul style="list-style-type: none"> ▪ Classify the key risks of financial institutions and how they are managed. ▪ Work within the banking regulatory framework. ▪ Apply methods of risk management through specific tools (e.g. spreadsheets). ▪ Use real-life case studies and modern banking practices. 	<p>between alternative investments.</p> <ul style="list-style-type: none"> • Explain the link between risk and return, and evaluate bonds and equities; explain the use of derivatives for hedging. • Outline the importance of a company's cash flows, the goal of maximizing the value of the business, and agency problems. • Describe dividend policies and their information content, as well as their link to the business life cycle, and apply the rules governing short-term financing and working capital management. ▪ Use real-life case studies and modern financing practices. 	<p>statement of changes in equity, statement of cash flows).</p> <ul style="list-style-type: none"> • Apply the accounting treatment for non-current assets, inventories, receivables, liabilities, and investments. • Calculate and interpret various financial ratios (profitability, liquidity, solvency) to assess a company's financial performance. • Consider ethical issues in accounting practices and apply professional ethics, integrity, and responsibility in financial reporting. • Use real-life case studies and modern accounting practices. 	<ul style="list-style-type: none"> • Critically evaluate and apply the various costing systems. Perform Cost-Volume-Profit analysis. • Prepare budgets and use them as a tool for planning and control. • Apply standard costing and variances as a means to evaluate performance. • Apply accounting practices of limited and unlimited liability partnerships and limited liability companies. • Critically evaluate and apply important International Accounting Standards. • Use real-life case studies and recognize modern accounting practices, including ethical issues and ESG factors.
WebEx/ Lecture Sessions	<ol style="list-style-type: none"> 1) Case studies in Talent management recruitment in the banking sector. 2) Research Papers on how FinTech interplays with banks. 3) EBA (European Banking Authority) reports on Liquidity measures. 	<ol style="list-style-type: none"> 1) Case studies, which focus on the reasons for going public for new ventures. 2) Case study, which elaborates on the benefits, the reasons for choosing an underwriter, the timing, and the valuation issue. 3) Case study on capital structure decisions analysis alternative scenarios of 	<ol style="list-style-type: none"> 1) Real-life examples of basic accounting principles and accounting treatment of business transactions. The World's biggest accounting fraud scandals (https://www.skillcast.com/blog/accounting-fraud-scandals?hs_amp=true) 2) Research paper: Financial statement 	<ol style="list-style-type: none"> 1) Research paper on job order and process costing systems. "Job Costing and Process Costing: What's the Difference?" by David Spencer, Journal of Accounting Education. Research paper on the break-even point

	<p>4) IMF (International Monetary Fund) reports on reserve requirements.</p>	<p>debt holdings using relevant valuation and capital structure ratios.</p>	<p>misrepresentation: the role of internal and external audit, Global Business and Economics Review, Vol. 26, No. 3, 2022, Inderscience Enterprises Ltd. Financial Statements of Gizelis Robotics: Accounting treatment of Non-Current Assets and Inventory. Financial Statements of Safco SA: Liabilities and Owners' Equity.</p> <p>3) Research paper: The contribution of environmental accounting in corporations: evidence from Greece, Journal of Global Business Advancement, Vol. 15, No. 3, 2022, Inderscience Enterprises Ltd. Financial Statements and Annual Report of Bayer International Ltd: Statement of Cash Flows.</p>	<p>"The Break Even Point: An Essential Tool For Business Managers," by P.J. Wittington.</p> <p>2) Research paper on budgets as a tool to monitor performance "Budgets as a Tool to Monitor and Manage Performance", Harvard Business Review.</p> <p>3) Research paper on limited and unlimited liability partnerships. "The Pros and Cons of Limited and Unlimited Liability Partnerships" by Robert A. Giordano, Business Law Review.</p> <p>4) Research paper on limited companies and ESG factors "Why Companies That Don't Measure ESG Factors Don't Last Long". Paper on IFRS and the effect on accounting for PPE "Effects of the IFRS on Property, Plant, and Equipment, https://www.researchgate.net/publication/32443188 4</p>
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<p>Written Assignment 1</p>	<ol style="list-style-type: none"> 1) Real-life case on employee attraction. 2) Real-life case on employee selection. 3) Real-life case in employee development. 4) Real-life case in motivating employees. 	<ol style="list-style-type: none"> 1) Case study questions on investment appraisal and bond investments. 	<ol style="list-style-type: none"> 1) Questions on ethics, accounting treatment of business transactions, and end-year adjustments. 	<ol style="list-style-type: none"> 1) Real-life case study on earnings management with the use of the predetermined factory overhead rate- National Home Products company.
<p>Written Assignment 2</p>	<ol style="list-style-type: none"> 1) Real-life examples in modern banking practices (i.e. FinTech). 	<ol style="list-style-type: none"> 1) Case study questions on the cost of capital and the choice between alternative sources for investment. 2) Case study regarding the IPO decision and the reasons for going public. 	<ol style="list-style-type: none"> 1) Real-life case study: Financial Statements of Hyundai, Accounting treatment and analysis of Current Assets. 	<ol style="list-style-type: none"> 1) Real-life case study on responsibility accounting and ethics-National Products company.
<p>Written Assignment 3</p>	<ol style="list-style-type: none"> 1) Real-life examples in interest rate risk management and problem-solving spreadsheets. 2) Real-life examples in Liquidity risk management and problem-solving spreadsheets. 	<ol style="list-style-type: none"> 1) Case study questions on the use of derivatives in hedging exchange rate risk for exporting companies. 2) Case study on the capital structure decision and the various levels of debt held under different conditions. 	<ol style="list-style-type: none"> 1) Real-life Case study: Financial Statements of KRI-KRI, Accounting treatment and analysis of Liabilities and Equity. 	<ol style="list-style-type: none"> 1) Case study on partnership income and profit-sharing methods.
<p>Written Assignment 4</p>	<ol style="list-style-type: none"> 1) Real-life examples in Capital Adequacy and problem-solving spreadsheets. 2) Real-life examples in Securitization and 	<ol style="list-style-type: none"> 1) Case study questions on the best uses of available cash using various short-term low-risk instruments. 2) Case study questions involve the distress costs and the possibility of 	<ol style="list-style-type: none"> 1) Real-life Case study: Financial Statements of Aegean Airlines Ltd, Analysis and interpretation of financial ratios. Evaluation of 	<ol style="list-style-type: none"> 1) Real-life case study on limited companies, dividends, and stock price effect, Transportation Ltd company.

	problem-solving spreadsheets.	running into such situations through the use of various bankruptcy prediction methods.	company's financial performance. 2) Real-life case study: Financial Statements of Dromeas Ltd: Analysis and interpretation of the Statement of Cash Flows.	
Videos	<p>Interest Rate Risk Management https://www.youtube.com/watch?v=8SF3jpM7GZ0&t=10s https://www.youtube.com/watch?v=DouwzOfd5Go https://www.youtube.com/watch?v=4OmCf24UUHk</p> <p>Foreign Exchange risk management https://www.youtube.com/watch?v=DGa7taCzOO0&t=1826s https://www.youtube.com/watch?v=RjLoRVV7OEY&t=6s</p> <p>Liquidity risk management https://www.youtube.com/watch?v=w4smMhdQPwQ</p> <p>Credit risk management https://www.youtube.com/watch?v=XX3fLZiLi8Y</p>	<p>How investors value a stock (https://www.youtube.com/watch?v=QA538cSM7lw)</p> <p>Sustainable finance and the role of corporate governance and reporting (https://www.youtube.com/watch?v=IAKDq78CRs)</p> <p>What is short selling? (https://www.youtube.com/watch?v=9RHPXK7el8k)</p> <p>What are exchange-traded funds? (https://www.youtube.com/watch?v=w3ZE7Cn52i0)</p>	<p>Ethics (https://www.youtube.com/watch?v=eHND7xhKd8)</p> <p>IAS16 Property, Plant and Equipment (https://www.youtube.com/watch?v=RC7NU8vSWYI)</p> <p>Introduction to Sustainability (https://www.youtube.com/watch?v=714H4-NcCOQ)</p> <p>Sustainability: ESG Reporting (https://www.youtube.com/watch?v=OT3gsCbCKdI)</p>	<p>Ethics for a better world (https://www.youtube.com/watch?v=1fIlxWOU1nw)</p> <p>The Fundamentals of IAS16 (https://www.youtube.com/watch?v=RC7NU8vSWYI)</p> <p>The Fundamentals of IAS20 (https://www.youtube.com/watch?v=34MzrNlaa1k)</p> <p>The Fundamentals of IAS38 (https://www.youtube.com/watch?v=bGwF8_GdNfg)</p> <p>The Fundamentals of IAS36 (https://www.youtube.com/watch?v=MUG1cL6C5sc)</p>
	<p>Notes:</p> <ol style="list-style-type: none"> Videos: For each of the above videos, there will be a discussion forum or quiz, etc. Some videos will be used during the WebEx sessions and some will be used asynchronously (see specific examples below). Research Papers: The students are requested to read the articles before the lectures/WebEx sessions. During the lectures, there is a discussion on the main concepts and ideas of each of the articles. 			

Comment

- To improve the interactive nature of your e-learning mode of instruction, you need to incorporate more digital and interactive material and activities throughout your joint programme. Please, provide specific examples of revising and modernizing the delivery of your joint programme with digital material, assignments and assessment, and with interactive activities, which would maximize the collaborative nature of online learning.*

Action

In the next academic year, our intention is to devise for all modules or thematic areas, an assortment of individual or group online interactive activities. These may include videos, interactive quizzes, knowledge verification exercises and immediate feedback tasks. The objective of these interactive activities is to infuse interactivity into lectures, stimulate discussions (via discussion forum/Fora), and cultivate enhanced learning experiences.

Specific Examples of Asynchronous activities with the use of discussion forums:

Thematic area/Module MBAF-51B (Banking Management)

Interactive Activities

Activity 1: The students will watch 3 videos on interest rate risk management and are requested to discuss in their group the following questions using a dedicated for this activity discussion forum. (<https://www.youtube.com/watch?v=8SF3jpM7GZ0&t=10s>, <https://www.youtube.com/watch?v=DouwzOfd5Go>, <https://www.youtube.com/watch?v=4OmCf24UUHk>), and then answer the following question.

- Describe the main financial tools that banks use to address the interest rate risk

Activity 2: The students will watch a video on credit risk management <https://www.youtube.com/watch?v=XX3fLZiLi8Y>
Students are required to circle the correct answer (Multiple-choice questions):

- Which of the following is **not** a credit risk?
 - It is the most serious risk faced by banks
 - The likelihood that a loan or bond issue might go into default
 - Negative effect of non-performing loans
 - The chance that an insurer might default on its obligation when a legitimate claim is filed

2. Which of the following is **not** a remedy to credit risk?
- Proactive strategies
 - Diversification
 - Maintain sufficient credit risk
 - Invest in high-risk assets

Activity 3: Consider a bank with the following statement of financial position (extract) (all figures are in millions of euros):

Assets		Liability + Equity	
Cash (reserves)	10€	Deposits	90€
Loans	90€	Borrowings	0€
		Equity (net worth)	10€
		Total Liability and Equity	100€
Total Assets	100€		

Suppose that depositors unexpectedly withdraw 15.000.000€. Assume no new depositors to replace the withdrawals.

Students are requested to discuss in their group the following questions:

- Group 1: Calculate the Net stable funding ratio (NSFR) and interpret the result.
- Group 2: Calculate the liquidity coverage ratio (LCR) and interpret the result.
- Groups 1 and 2: Which ratio is a more reliable measure of liquidity and why?

Thematic area/Module MBAF-53 (Accounting I)

Interactive Activities

Activity 1: The students will watch a video on Ethics (<https://www.youtube.com/watch?v=eHND7xFhKd8>) and then answer the following question.

- a. Describe the main ethical issues outlined in financial reporting.

Activity 2: The students are provided with the Financial Statements of Gizelis Robotics, and required to present their answers to the following questions (Using a dedicated for this activity discussion forum, students are requested to discuss in their group the following questions):

Group 1:

- a. Assess the liquidity position of the company or assess the company's policy regarding the accounting treatment of non-current assets.

Group 2:

- b. Assess the company's policy regarding the accounting treatment of Inventories.

Both Groups

- c. Explain the advantages of ratios when evaluating the company's financial performance.

Activity 3: The students will be required to answer the questions/quizzes on long-term investments (see mini case study below).

Mini Case study: ABC Limited bought on 01/04/20XX bonds worth €10,000 with a nominal interest rate of 6% of CBS at 95.2 of the nominal value. It intends to hold the bonds until maturity, 04/01/20X+4. Interest is paid every six months, 01/04 and 01/10. The bonds expire on 01/04/20X+4, i.e. they will remain uncollectible for 4 years (48 months). Show the accounting treatment (double entries) of the above case study.

Activity 4: Financial Statements and Annual Report of Bayer International Ltd: Statement of Cash Flows (Students are requested to discuss in a discussion forum among their group members the following question and come up with one group answer).

Evaluate Cash Flows from Operating, Investing, and Financing activities.

OR

Students are required to choose the correct answer (Multiple-choice questions): If they choose any of the incorrect answers, they receive immediate feedback, explaining to them why their answer is incorrect and/or referring them to the relevant section of the course for further study.

Examples of Multiple-choice questions:

- a. Which of the following is a cash flow from financing activities?
- i. Depreciation charge
 - ii. Loan repayment**
 - iii. Acquisition of Plant and Machinery
 - iv. Interest paid

The correct answer is Loan repayment (ii).

Depreciation charge (i), and Interest paid (iv) are not correct because they are both cash flows from operating activities.

Acquisition of Plant and Machinery (iii) is not correct because it is a cash flow from investing activities.

- b. Which of the following is not included in the calculation of cash flows from operating activities?
- i. Increase in inventory
 - ii. Loss on disposal
 - iii. Depreciation charge
 - iv. Issue of shares**

The correct answer is Issue of shares (iv) because it is the only item which is not included in the calculation of cash flows from operating activities.

All other three items (i, ii, iii) are included in the calculation of cash flows from operating activities.

We remain at your disposal.

Professor Petros Lois
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Programme coordinator