



**Thematic Course**

<b>Academic Year</b>	2023-24
<b>Subject</b>	Theories and recent trends in banking and disclosure studies
<b>Instructor</b>	Salvatore Polizzi, Enzo Scannella
<b>Course description</b>	<p>This course aims to show Ph.D. students how to develop a theoretical framework and research hypotheses in empirical banking and disclosure studies. Specifically, the instructors will focus on three theoretical frameworks widely employed in the literature, namely: legitimacy theory, signalling theory and impression management theory. The course is organised as follows:</p> <p>(i) Overview of the theoretical frameworks of the legitimacy theory, signalling theory and impression management theory (2 hours);</p> <p>(ii) The use of legitimacy theory and signalling theory to analyse corruption-related disclosure in banking (3 hours);</p> <p>(iii) Signalling theory and impression management: do banks practice what they preach? (3 hours)</p> <p>(iv) An empirical paper without theoretical framework? Bank risk-taking and centralisation of banking supervision (3 hours);</p> <p>(v) Concluding remarks on the differences between theoretical frameworks and hypothesis development in banking and other closely related disciplines (accounting and management) (1 hour).</p>
<b>Learning Objectives</b>	<ul style="list-style-type: none"><li>• Attendants will have the opportunity to read, comment and discuss several interesting articles proposed by the instructors to get an overall knowledge on the development of a sound theoretical framework in empirical banking and disclosure studies;</li><li>• Ph.D. students are kindly asked to study such articles before starting the course so that they can discuss with the instructors their theoretical frameworks and hypothesis development;</li><li>• Discussion during classes and the assessment method of this course will provide students with tools and knowledge to link their Ph.D. thesis project to the empirical banking literature and with its theoretical approaches.</li></ul>
<b>Suggested readings</b>	<p>This brief list reported below is indicative. The updated list with key mandatory readings and other background readings will be provided as the course date approaches.</p> <p>Agarwal, S., Lucca, D., Seru, A., &amp; Trebbi, F. (2014). Inconsistent regulators: Evidence from banking. <i>The Quarterly Journal of Economics</i>, 129(2), 889-938.</p> <p>Andrés, P.D., Polizzi, S., Scannella, E., &amp; Suárez, N. (2022). Corruption-related disclosure in the banking industry: Evidence from GIPSI countries. <i>The European Journal of Finance</i>, 1-25.</p> <p>Avignone, G., Altunbas, Y., Polizzi, S., &amp; Reghezza, A. (2021). Centralised or decentralised banking supervision? Evidence from</p>



	<p>European banks. <i>Journal of International Money and Finance</i>, 110, 102264.</p> <p>Barakat, A., &amp; Hussainey, K. (2013). Bank governance, regulation, supervision, and risk reporting: Evidence from operational risk disclosures in European banks. <i>International Review of Financial Analysis</i>, 30, 254–273.</p> <p>Barth, J., Caprio, G., Levine, R. (2001). Banking systems around the globe: do regulations and ownership affect performance and stability?. <i>World Bank Policy Research, Working Paper No. 2325</i>.</p> <p>Beretta, S., &amp; Bozzolan, S. (2008). Quality versus quantity: The case of forward-looking disclosure. <i>Journal of Accounting, Auditing and Finance</i>, 23(3), 333–375.</p> <p>Buch, C. M., &amp; DeLong, G. (2008). Do weak supervisory systems encourage bank risk-taking?. <i>Journal of Financial Stability</i>, 4(1), 23–39.</p> <p>Carletti, E., Dell’Ariccia, G., &amp; Marquez, R. (2020). Supervisory incentives in a banking union. <i>Management Science</i>, 67(1), 1–17.</p> <p>Flannery, M. J. (2001). The faces of “market discipline”. <i>Journal of Financial Services Research</i>, 20(2–3), 107–119.</p> <p>Freeman, R. E. (2010). <i>Strategic management: A stakeholder approach</i>. Cambridge University Press.</p> <p>Gambacorta, L., Polizzi, S., Reghezza, A., &amp; Scannella, E. (2023). Do banks practice what they preach? Brown lending and environmental disclosure in the euro area. <i>Bank for International Settlements Working Paper Series</i>. WP No. 1143.</p> <p>Goffman, E. (1959). <i>The presentation of self in everyday life</i>. Doubleday.</p> <p>Merkel-Davies, D. M., &amp; Brennan, N. M. (2011). A conceptual framework of impression management: new insights from psychology, sociology and critical perspectives. <i>Accounting and Business Research</i>, 41(5), 415-437.</p> <p>Morris, R. D. (1987). Signalling, agency theory and accounting policy choice. <i>Accounting and Business Research</i>, 18(69), 47-56.</p> <p>Polizzi, S. (2022). Risk Disclosure in Banking: The State of the Art. In Polizzi (2022) <i>Risk Disclosure in the European Banking Industry: Qualitative and Quantitative Content Analysis Methodologies</i>, pp. 7-66.</p>
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<b>Course Activity (hrs)</b>	12
<b>Credits</b>	
<b>Assessment Method</b>	<p>Students will be evaluated based on the following criteria:</p> <ul style="list-style-type: none"><li>• 10%: attendance.</li><li>• 50%: participation in class.</li><li>• 40%: each Ph.D. student will be asked to write a short essays on a topic agreed with the instructors focusing on (i) the empirical banking literature; (ii) bank disclosure studies or; (iii) the use of a specific theoretical framework in the finance field. Alternatively, the Ph.D. student can write a detailed referee report of a paper to be agreed upon with the instructors.</li></ul>
<b>Teaching Methods</b>	Lectures and discussions in class
<b>Calendar</b>	May 2024
<b>Contacts</b>	<a href="mailto:salvatore.polizzi@unipa.it">salvatore.polizzi@unipa.it</a> <a href="mailto:enzo.scannella@unipa.it">enzo.scannella@unipa.it</a>