

Taxonomy Analysis of Bank Failures due to Accounting Manipulation and/or Fraud

Overview

Conduct a taxonomy analysis of significant bank failures attributed to accounting manipulation and/or fraud (globally since 1980)*. Your analysis should explore the various types of financial manipulations and/or frauds that led to these bank failures, utilising a selection of **academic papers as your primary source of data**.

*Note: you can use your own discretion on the time horizon and region you want to focus on.

The outcome of your research will be a **two-page report** summarising your findings, with an additional appendix for the reference list of academic papers and/or news articles (as secondary resources).

This taxonomy analysis is meant to help you identify common features across the various cases of bank failures so that you can come up with a list of variables that can be used to model the manipulation and/or fraud observed in banks.

Objectives

- To understand the different types of accounting manipulations and/or frauds associated with bank failures.
- To identify and categorise significant bank failures caused by financial misrepresentations globally since 1980.
- To analyse academic literature for insights into the mechanisms of these financial manipulations and/or frauds.
- To develop analytical and research skills within the context of financial forensics.

What should be done

1. Research Phase:

- As mentioned previously, your primary source of data should be **academic papers** (through Google Scholar, SMU Library, Consensus, Elicit, and Scite).
- You may choose also to go to the US SEC page to explore AAERs against banks.
- **Focus on identifying patterns, methods of fraud and manipulation, regulatory responses, and the impact of these failures** on the financial industry and economy as a whole.

2. (Suggested) Analysis:

- Categorise the bank failures based on the **types of manipulation and/or fraud employed**. Highlight any **recurring themes** or **unique** cases that stand out.

- (Not necessary but will be good to have as an add-on outside of the main report)
Discuss regulatory and economic environment that allowed these manipulation and/or fraud to occur and what (if any) changes were implemented in response.

3. Report:

- **Types of manipulation/fraud:** Discuss the methods of fraud and manipulation identified in each case.
- **Common features:** Identify the common features across the fraud cases.
- **Variables:** list of variables that can model manipulation and/or fraud and how to construct those variables based on publicly available data.

4. References Appendix:

- Include a detailed list of all academic papers and other sources referenced in your analysis. APA citation formatting preferred

5. Formatting Guidelines:

- Your report **should not exceed** two pages, **excluding** the references appendix.
- Use Times New Roman, font size 12.

Submission Details

- **Deadline:** 19th February 2024, 11.59pm.
- **Format:** Submit your report as a **PDF document** on eLearn