



Shanghai Jiao Tong University

FI420 Ethics and Financial Services

Instructor Information:	<p>Alicia Hennig Home Institution: Southeast University, Nanjing Email: Alicia.hennig@icloud.com Office Hours: Determined by Instructor</p>		
Term:	December 16, 2019 - January 7, 2020	Credits:	4 units
Class Hours:	Monday through Friday, 160 mins per teaching day		
Discussion Sessions:	2 hours each week, conducted by teaching assistant(s)		
Total Contact Hours:	64 contact hours (1 contact hour = 45 mins, 2880 mins in total)		
Required Texts (with ISBN):	<p>Boatright, John R., Ethics in Finance, 3rd Ed., WileyBlackwell, 2014, ISBN-10: 1118615824 / ISBN-13: 978-1118615829</p> <p>Hausman, D., Economic Analysis, Moral Philosophy, and Public Policy, Cambridge University Press, 2016, ISBN-10: 9781316610886 / ISBN-13: 978-1316610886</p> <p>O’Sullivan, P., The Philosophy, Politics and Economics of Finance in the 21st Century, Routledge, 2015, ISBN-10: 9780415859011 / ISBN-13: 978-0415859011</p>		
Prerequisite:	None		



Course Overview

This course is designed to provide students with an overview on “Ethics in Finance” with a specific focus on banks and ethical issues affecting their strategy and operations. The course is divided into three parts: introduction to ethics and ethics in finance; ethical issues at global banks; and managing those ethical issues. During the course, students will undertake their own research with regard to the exposure of financial institutions to climate change, social and governance issues. In addition, suitable, selected readings are discussed, providing the students with more insights regarding each field.

As a course requirement, students need to present (usually in teams of two or three) **twice over the course period** a specific corporate governance topic and prepare a well-organized handout on key facts (max. 3 pages) for their colleagues.

Learning Outcomes / Course Goals

The course objective is to provide students with a broader view on ethics in finance, including some history on economics, markets and finance. Most importantly it focuses on contemporary ethical issues at banks such as climate change and social/human rights issues caused through their lending practices.

Upon finishing this course, you will have developed an understanding of

- 1) The relation between ethics and finance
- 2) The extent to which banks are involved in ethical issues across the globe
- 3) How these issues can be prevented, minimized or solved

Assessment Type

A team of two or three students will prepare a selected reading with every team member preparing (reading, understanding, summarizing) a specific part of it. The team will present its prepared reading section together in class (presentation) and will also produce a consistent, well-structured handout (2-3 pages) of the selected reading to be shared with the class.

What is graded in the presentation?

- 1) The quality of your prepared section. Guiding questions: Does your prepared section have substance? Is your section well structured? Is it an adequate summary of your reading section?
- 2) The quality of your presentation: Guiding questions: Is your presentation well structured? Are your slides adequately prepared and not overloaded with information? Is your presenting style adequate (do you speak freely; do you know what you are actually talking about)?



3) Do you harmonise together as a team? Is your presentation as a team well coordinated?
(only relevant for team score)

What is graded regarding the hand-out/summary of the reading section?

- The quality of your written part. Guiding questions: Does your prepared section have substance? Is your section well structured? Is it an adequate summary of your reading section? Is it written in a readable, accessible manner?

- The quality of the entire handout. Guiding questions: Is the entire handout well structured? Do all parts integrate well? (only relevant for team score)

Assessment Grading Policy

Your assessment consists of three parts: preparing your own reading section, presenting this in class alone or together with one or two more colleagues, and lastly preparing a hand-out (short summary of the reading section) of max. 3 pages for your colleagues.

Presentation of the reading section (individual 40% + team score 10%)	50%
Hand-Out/summary of reading section (individual 20%, team score 20%)	40%
Attendance	10%

Grading Scale is as follows

Number grade	Letter grade	GPA
90-100	A	4
85-89	A-	3.7
80-84	B+	3.3
75-79	B	3
70-74	B-	2.7
67-69	C+	2.3
65-66	C	2
62-64	C-	1.7
60-61	D	1
≤59	F (Failure)	0



Class Schedule

Date	Lecture/Content/Topics/...	Readings/Chapter/...
Introduction to Ethics in Finance		
Day 1	Course Overview, Information, Course context outline: Business Ethics, Philosophy of Economics, History of Finance, Financial Globalisation	Boatright, Ch. 1
Day 2	Movie: Capitalism: A Love Story by Michael Moore Questions (teamwork) Group Discussion	
Day 3	Why do we need ethics in finance? Group Discussion	Hausman, D. Ch.1, parts of 5, 6
Day 4	Selected & Guided Reading (O’Sullivan, P.): Ch. 4 (Financialisation) Presentation of reading section (2 students) Group Discussion	O’Sullivan, P., Ch. 4 (25p)
Ethical Issues at Global Banks & ESG Risks		
Day 5	Selected & Guided Reading (O’Sullivan, P.): Ch. 15 (Ethics, Finance & Neoliberalism) Presentation of reading section (2 students) Group Discussion	O’Sullivan, P., Ch. 15 (20p)
Day 6	Global Banks & Climate Change Introduction to ESG risks; Focus on Climate Risks Students doing their own research Presentation & Group Discussion	
Day 7	Global Banks & Human Rights Introduction to ESG risks; Focus on Social Risks Students doing their own research Presentation & Group Discussion	
Day 8	Global Banks & Individual Wrongdoing Introduction to ESG risks; Focus on governance risk Students doing their own research Presentation & Group Discussion	Boatright, Ch. 5
Day 9	Focus on Australian Banks Guided Reading Group Discussion	Martijn Boersma, UTS, Sydney, various publications



Day 10	Selected & Guided Reading (O’Sullivan, P.): Chapter 17 (psychology) Presentation of reading section (2 students) Group Discussion	O’Sullivan, P., Ch. 17 (25p)
Managing ethical risks at banks		
Day 11	Selected & Guided Reading (O’Sullivan, P.): Chapter 3 (Risk) Presentation of reading section (2 students) Group Discussion	O’Sullivan, P., Ch. 3 (20p)
Day 12	Managing ethical and reputational risk: CSR in the Banking Sector Introduction CSR Initiatives and Commitments Group Discussion	
Day 13	Managing ethical risks at Banks: Risk Management, Presentation of reading section (3 students) Examples Group Discussion	Boatright, Ch. 6 (20p), O’Sullivan, P., Ch. 16 (12p)
Day 14	Managing ethical risks at Banks: Investment Practices Presentation of reading section (3 students) Examples Group Discussion	Boatright, Ch. 4 (32p)
Day 15	Final Summary, Q&A	