



Shanghai Jiao Tong University

FI420 Ethics and Financial Services (Postgraduate) (Online)

Instructor Information	Alicia Hennig Home Institution: Southeast University, Nanjing Email: alicia.hennig@t-online.de		
Term	December 17, 2020 - January 8, 2021	Credits	4 units
Course Delivery	The class will be delivered in the format of online with mainly two parts: prerecord videos and real-time interactions.		
Required Texts (with ISBN)	Boatright, John R., Ethics in Finance, 3 rd Ed., WileyBlackwell, 2014, ISBN-10: 1118615824 / ISBN-13: 978-1118615829 Hausman, D., Economic Analysis, Moral Philosophy, and Public Policy, Cambridge University Press, 2016, ISBN-10: 9781316610886 / ISBN-13: 978-1316610886 O'Sullivan, P., The Philosophy, Politics and Economics of Finance in the 21st Century, Routledge, 2015, ISBN-10: 9780415859011 / ISBN-13: 978-0415859011		
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 how to manage these 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.

Learning Outcomes

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

Course Structure

This full online module consists of 16 pre-recorded lectures, each around 45 to 60 minutes (max. 16 hours). The remaining 18 hours are dedicated to online interaction and related preparation activities, including

Student workshop (teamwork) on ESG Risks (in total 9 hours), includes

- Day 9: 1 hour research + 1 hour creating a presentation
- Day 10: 1 hour research + 1 hour creating a presentation
- Day 11: 1 hour research + 1 hour creating a presentation
- Day 12: 2 hours presentation + 1 hour feedback for assessment preparation

Teamwork assignments (3 hours)

- Part 1: teamwork assignment (1 hour), teamwork presentations (2 hours)

Online Quiz (2 hours)

- Part 2 (30 min)
- Part 3 (30 min)
- Part 4/I (30 min)
- Part 4/II (30 min)

Tutorials to reflect on selected readings (4 hours)

- Day 7: team work on selected reading (2 hours, incl. 1 hours preparation time for



students)

- Day 14: team work on selected reading (2 hours, incl. 1 hours preparation time for students)

Other remaining course time should be used to individually and autonomously prepare for the quizzes and final course assessment.

Assessment Type

The assessment for this course includes online quizzes (4) and a teamwork case study (writing a case about the ESG risks of a selected financial institution). Students prepare the case study already during the course (see Part 3) and also receive some feedback on their prepared material before finalising the case study as a full-text report.

For the case study it is essential that you work well together as a team (about 5 people/team max.), as there will be only a team score. That means everyone within the team will receive the same score. The deadline for submission will be 8th January. The case study should comprise around five to eight pages, excluding references. Students will be provided in advance with a guidance document on how to prepare this assignment.



Grading Policy

Your assessment consists of two parts: 1) the four online quizzes, 2) the ESG case study assignment.

Online Quiz (4)	35%
Case Study	65%

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	Type	Topic	Material
Part 1: Introduction			
Day 1	Lecture	COURSE OVERVIEW & INTRO	Boatright, Ch.1
Day 2	Screening	Documentary (Capitalism, A Love Story)	
Day 3	Screening	Documentary (Capitalism, A Love Story)	
	Assignment	Reflection about issues in the finance industry (team work)	
	Online Interaction	Reflection about issues in the finance industry (team work presentations online)	
Part 2: Introduction to Ethics in Finance			
Day 4	Lecture	WHY DO WE NEED ETHICS IN FINANCE?	Hausman, Ch.1+4
Day 5	Lecture	WHY DO WE NEED ETHICS IN FINANCE?	Hausman, Ch.5+6
Day 6	Lecture	THE ISSUE WITH FINANCIALISATION	O'Sullivan, Ch.4+11
Day 7	Lecture	THE ISSUE WITH NEOLIBERALISM	O'Sullivan, Ch.15
Day 8	Assignment	Online-Quiz	
Part 3: Ethical Issues at Global Banks & ESG Risks			
Day 8	Lecture	ESG RISKS AT GLOBAL BANKS	
Day 9	Online activity	Understanding ESG Risks: Student Workshop on Social Risks	
Day 10	Online activity	Understanding ESG Risks: Student Workshop on Environmental Risks	
Day 11	Online activity	Understanding ESG Risks: Student Workshop on Governance Risks	
Day 12	Lecture	UNETHICAL BEHAVIOUR	Boatright, Ch.5



Day 13	Lecture	BEHAVIOUR, PSYCHOLOGY & RISK	O'Sullivan, Ch.17+3
	Assignment	Online-Quiz	
Part 4: Managing ethical risks at banks			
Day 14	Lecture	CORPORATE SOCIAL RESPONSIBILITY	Herzig & Moon, 2013 Scholtens & Dam, 2007 Pope & Waerass, 2016 Siano et al., 2017
Day 15	Lecture	RISK MANAGEMENT	Boatright, Ch.6 O'Sullivan, Ch.16
	Assignment	Online-Quiz	
Day 16	Lecture	SOCIAL INVESTMENT PRACTICES	Boatright, Ch.4 Huckfield, 2018 Online Material
Day 17	Lecture	GREEN INVESTMENT PRACTICES	Trompeter, 2017 Online Material
	Assignment	Online-Quiz	
Day 18	Online Interaction	COURSE CLOSING & WRAP-UP	O'Sullivan, Ch.21