



Shanghai Jiao Tong University

FI420 Ethics and Financial Services (Postgraduate)

Instructor Information	<p>Jean-Yves Corre Home Institution: Xi'an Jiaotong-Liverpool University Email: bestofmanagement@outlook.com Office Hours: Determined by Instructor</p>		
Term	December 17, 2020 - January 8, 2021	Credits	4 units
Class Hours	Sunday through Thursday, 135 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)	Boatright, John R., Ethics in Finance, 3 rd Ed., WileyBlackwell, 2014, ISBN-10: 1118615824 / ISBN-13: 978-1118615829 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		
<p>The course might be moved to online delivery due to COVID-19 pandemic. The anticipated date is November 6, 2020.</p>			



Course Overview

This course is designed to provide students with an overview on “Ethics in Finance” with a specific focus on banking institutions and other financial services-related institutions (audit firms, rating agencies, regulators...). Several cases of ethical issues affecting the strategy and operations of those institutions are discussed during the course. The course is divided into four parts: introduction to ethics and ethics in finance; ethical issues; managing of those ethical issues; global challenges in financial industry worldwide. During the course, students will work on an essay on a topic of their choice with regards to ethical issues in the financial services industry. In addition, suitable, selected readings are discussed, providing the students with more insights.

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, as well as practical framework and tools to help resolve ethical issues in banking institutions.

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

1. How to analyze ethical issues?
2. How are banking institutions affected by those ethical issues?
3. How these issues can be prevented, minimized or solved?
4. The extent to which banks are faced with ethical issues across the globe

Assessment Type

A team of two or three students will prepare a short essay about a topic of their choice. The team will present its essay 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 the presentation: Guiding questions: Is the presentation well structured? Are ppt slides adequately prepared and not overloaded with information? Is the presentation style adequate (do you speak freely; do you know what you are actually talking about)?
- 3) Does the presentation 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 short essay?

- 1) 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?
- 2) The quality of the entire handout. Guiding questions: Is the entire handout well structured? Do all parts integrate well? (only relevant for team score)



Grading Policy

Achievement of learning outcomes will be assessed through a final examination (close-book examination) taking place during the last session of the course. In addition, students will work in groups and write a short essay with an oral presentation of around 15 mins to analyse a particular business issue from their choice in Ethics and Financial Services

Final examination	50%
Group Presentation (group presentation)	30%
Short essay (group submission)	10%
Attendance & Participation	10%

Grading Scale is as follows

Number grade	Letter grade	GPA
90-100	A	4.0
85-89	A-	3.7
80-84	B+	3.3
75-79	B	3.0
70-74	B-	2.7
67-69	C+	2.3
65-66	C	2.0
62-64	C-	1.7
60-61	D	1.0
≤59	F (Failure)	0



Class Schedule

Date	Lecture	Readings
Day 1	Course Overview, Information, Introduction to Business Ethics	
Day 2	PART I: Business Ethics in Financial Services Industry	Boatright, Ch. 1
Day 3	PART I: Ethical Decision Making – part 1	Extracts of movie “Margin Call”
Day 4	PART I: Ethical Decision Making – part 2	Case “Jerome Kerviel at Societe Generale”
Day 5	PART I: Ethics & Governance in Banking	Additional materials will be provided
Day 6	PART II: Banks & Climate Change Introduction to ESG risks; Focus on Climate Risks	Documentary ‘Inside Job’
Day 7	PART II: Banks & Human Rights	Documentary ‘Too big to fail’
Day 8	PART II: Banks & Ethical Practices	Boatright, Ch. 5
Day 9	PART II: Selected & Guided Reading (O’Sullivan, P.): Ch. 4 (Financialisation)	O’Sullivan, P., Ch. 4 (25p)
Day 10	PART II: Selected & Guided Reading (O’Sullivan, P.): Ch. 15 (Ethics, Finance & Neoliberalism)	O’Sullivan, P., Ch. 15 (20p)
Day 11	PART III: Managing ethical and reputational risk: CSR in the Banking Sector Introduction CSR Initiatives and Commitments Group Groups Discussion	Additional materials will be provided
Day 12	PART III: Managing ethical risks at Banks: Risk Management, Examples Group Discussion	Boatright, Ch. 6 (20p), O’Sullivan, P., Ch. 16 (12p)
Day 13	PART III: Managing ethical risks at Banks: Investment Practices Group Discussions	Boatright, Ch. 4 (32p)
Day 14	PART III: The role of internal audit and compliance functions Group Discussion	Additional materials will be provided
Day 15	PART IV: Global ethics challenges in Financial Services industry-part 1	Additional materials will be provided
Day 16	PART IV: Global ethics challenges in Financial Services industry – part2	Additional materials will be provided
Day 17	PART IV: Global ethics challenges in Financial Services industry-part 3	Additional materials will be provided
Day 18	Final Summary, Q&A Final Examination	