

## Financial and Business Ethics

<b>Course code</b>	<i>MNG 237</i>
<b>Compulsory in the programmes</b>	<i>Finance</i>
<b>Level of studies</b>	<i>Undergraduate</i>
<b>Number of credits</b>	<i>6 ECTS (48 in-class hours + 6 consultation hours + 2 exam hours, 104 individual work hours)</i>
<b>Course coordinator</b>	<i>Assoc. Prof. Dr. Victor Oltra</i>
<b>Prerequisites</b>	<i>None</i>
<b>Language of instruction</b>	<i>English</i>

### AIM OF THE COURSE

The course aims to introduce students to the main concepts and frameworks of (business) ethics, corporate social responsibility (CSR) and sustainable development. The global financial crisis in the late 2000s, together with other social-economic and geopolitical events, and more recently the COVID-19 pandemic, have increased the spotlight on ethical matters, and has raised the question of how the economic and social environment have to be designed in order to contribute to the needs of the society. Whereby the idea of self-regulation and CSR plays an important role in Anglo-Saxon countries, regulation by the state is emphasized more in the European context. Most business representatives prefer the idea of strengthening the concept of CSR, as it shifts decision-making power from the states towards corporations. On the other hand, many NGOs and representatives by the society favour a more active role by governments. The course will not follow any ideology but will discuss various approaches. Moreover, a focus will be put on the stakeholder theory – the role of employees, consumers, and society in general – in a globalized world. This course has a special section, which will introduce students to the ethical and professional standards set by the CFA Institute.

### MAPPING OF COURSE LEVEL LEARNING OUTCOMES (OBJECTIVES) WITH DEGREE LEVEL LEARNING OBJECTIVES (See Annex), ASSESMENT AND TEACHING METHODS

Course level learning outcomes (objectives)	Degree level learning objectives	Assessment methods	Teaching methods
CLO1. Introduce students to the core concepts of business ethics and social responsibility in practice	BLO1.1. BLO2.1.	Midterm test, coursework/ presentation	Lecture
CLO2. Discuss and analyse issues within the area of ethics in economics and business	BLO2.1. BLO4.1.	Midterm test, final exam	Lecture and Seminar
CLO3. Assess and analyse ethical dilemmas	BLO1.2. BLO2.1. BLO4.1. BLO4.2	Midterm test, final exam, Coursework/ presentation	Seminar
CLO4. Develop a general orientation in social and moral business dilemmas of our times	BLO1.1. BLO2.1.	Midterm test, final exam, Coursework/ presentation	Lecture and Seminar
CLO5. Understand ethics as a key of the soft skills elements in an international context	BLO1.1. BLO2.1.	Midterm test, final exam, Coursework/	Lecture and Seminar

		presentation	
CLO6. Apply critical thinking and problem-solving skills in a changing environment	BLO1.2. BLO2.1. BLO4.2. BLO4.2.	Midterm test, coursework/ presentation, final exam	Lecture and Seminar
CLO7. Demonstrate knowledge and ability to evaluate and assess ethical theories by appealing to realistic scenarios	BLO1.2. BLO2.1. BLO4.1. BLO4.2.	Midterm test, coursework/ presentation, final exam	Seminar
CLO8. Explain the relevance of modern ethical theory towards business managers and economists as a tool that guarantees that business serves primarily the interests of society	BLO1.2. BLO2.1. BLO4.1. BLO4.2.	Midterm test, coursework/ presentation, final exam	Lecture and Seminar

### ACADEMIC HONESTY AND INTEGRITY

The ISM University of Management and Economics Code of Ethics, including cheating and plagiarism are fully applicable and will be strictly enforced in the course. Academic dishonesty, and cheating can and will lead to a report to the ISM Committee of Ethics. With regard to remote learning, ISM remind students that they are expected to adhere and maintain the same academic honesty and integrity that they would in a classroom setting.

### COURSE OUTLINE

Topic	In-class hours	Readings
<b>Introduction to the Course</b> <i>Basic definitions, aim of the course, contents and structure, requirements, reading list, assessment criteria</i>	2	
<b>1. Ethics: Scope and Purpose</b> <i>Ethics through history, concept of ethics, concept &amp; importance of business ethics, concept &amp; importance of sustainability, globalization &amp; business ethics</i>	4	Chryssides & Kaler - Chapters 1 & 2 Crane, Matten, Glozer & Spence - Chapter 1
<b>2. Ethical Theory I</b> <i>Normative vs. descriptive theories, absolutism vs. relativism, cognitivism vs. non cognitivism, religious theories, reason-based theories, consequentialism, natural rights &amp; theory of justice, virtue ethics, egoism, feminist ethics</i>	4	Chryssides & Kaler - Chapters 1 & 2 Crane, Matten, Glozer & Spence - Chapter 1
<b>3. Ethical Theory II</b> <i>Utilitarianism, Kantianism, discourse ethics, postmodern ethics</i>	4	Chryssides & Kaler, Chapter 3 Crane, Matten, Glozer & Spence - Chapter 3
<b>4. Capitalism &amp; Markets I</b> <i>Introduction to capitalism, noteworthy philosophers of capitalism (I) – liberalism, classical economics, socialism, social Darwinism, modern sociology</i>	4	Chryssides & Kaler - Chapter 4
<b>5. Capitalism &amp; Markets II</b> <i>Noteworthy philosophers of capitalism (II) &amp; economic models – Keynesianism, social market economy, market</i>	4	Chryssides & Kaler - Chapter 4

<i>socialism, egalitarian liberalism, libertarianism; equality, liberty, democracy &amp; types of capitalism</i>		
MID-TERM EXAM (covering topics 1 to 5)	2	
<b>6. Corporate Social Responsibility (CSR)</b> <i>Introduction to CSR, shareholder approach to CSR, why do corporations have social responsibilities?, types of social responsibilities, CSR in an international context, types of CSR strategies, CSR outcomes, stakeholder approach to CSR - , corporate accountability &amp; transparency, corporate citizenship</i>	4	Crane, Matten, Glozer & Spence - Chapter 2
<b>7. Introduction to Sustainable Development (SD)</b> <i>SD &amp; sustainability, balancing (sustainable) project benefits, ways to achieve sustainability, life-cycle sustainability assessment</i>	4	Rogers, Jalal & Boyd - Chapter 1
<b>8. Economics of SD</b> <i>Limitations of GDP as a prosperity indicator, genuine progress indicator, human development index (HDI), inequality-adjusted HDI, ecological footprint, happy planet index, SD Goals &amp; UN Global Compact</i>	4	Rogers, Jalal & Boyd - Chapters 2, 9 & 11
<b>9. Ethics &amp; CSR at the Workplace</b> <i>Employee privacy, hiring, participation &amp; association, working conditions, fair wages, right to work, work-life balance, equality &amp; affirmative action, whistleblowing</i>	4	Chryssides & Kaler - Chapter 6 Crane, Matten, Glozer & Spence - Chapter 7
<b>10(a). CFA Session I: An Introduction to the CFA Institute Code of Ethics and Standards of Professional Conduct</b> <i>The role of a code of ethics in defining a profession</i>	4	CFA Volume 1
<b>10(b). CFA Session II: Training on the Guidance for Standards Professionalism; integrity of capital markets; duties to clients; duties to employers; investment analysis; conflict of interest</b>	4	CFA Volume 1
	<b>Total: 48 hours</b>	
CONSULTATIONS	6	
FINAL EXAM (covering topics 6 to 10-b)	2	

#### FINAL GRADE COMPOSITION

Type of assignment	%
<i>Group Components 20%</i>	
Presentation grade	20
<i>Individual Components 80%</i>	



Mid-Term Exam	40
Final Exam	40
<b>Total:</b>	<b>100</b>

## **DESCRIPTION AND GRADING CRITERIA OF EACH ASSIGNMENT**

The lecturer reserves the right to choose the form of the exams. Details about the structure of the exams and the grading policy will be presented on the first day of the lectures and will be published online. The midterm exam will cover topics 1 to 5 (lectures and seminars), and the final exam will cover topics 6 to 10-b (lectures and seminars).

The presentations will take place during the seminars. Students will be asked to present/oppose on a given topic. Details about the presentation scope and the grading policy will be presented on the first day of the lectures and will be published online.

## **RETAKE POLICY**

If final (cumulative) mark of the course, including final exam score, is insufficient, students will be allowed to exercise their right of retake. The retake exam will cover all topics, 1 to 10-b (including lectures and seminars) seen in class during the course, and it will replace the 80% of the mid-term and the final exam. Acquired scores from all assignments will be summed up and the final (cumulative) grade will be given. The lecturer reserves the right to choose the form of the exam.

## **ADDITIONAL REMARKS**

For seminars, students may be required to read papers, case studies, and/or watch audio-visual materials in advance. Access to such materials will be facilitated some days in advance.

Attendance and participation in the lectures and seminars are not obligatory, however strongly recommended. Studying solely from slides and/or course books is not considered to be a sufficient preparation for the exam.

Bonus points. The instructor has the right to award active students with up to 0,2 extra (grade) points. These “bonus points”, if appropriate, will be only be awarded to students whose (rounded) final grade would increase after all.

Specific rules apply for in-class presentations.

- a. In case of serious reasons, individual students may be allowed to switch with another student, and/or presentations may be rescheduled – but cannot be retaken. Students are responsible for arranging the changes and must inform the lecturer as soon as possible. In any case, any rescheduling of presentations must take place within class sessions officially scheduled in the course timetable.
- b. Within two weeks of the day of the presentation, each group will receive an evaluation.

Due to the dynamic nature of the content of the course additional material can be assigned during the course. In case of unforeseen events the schedule will be adapted. The lecturer is trying to include actual and relevant materials – therefore the reading list may differ. Slide handouts and readings will be prepared for each class and available for download. The slides are the intellectual property of teaching instructor and students may not distribute or duplicate these notes without written consent.

## **REQUIRED READINGS**

Crane, Andrew; Matten, Dirk; Glozer, Sarah & Spence Laura J.; Business Ethics (5th ed.); Oxford University Press; 2019 (selected chapters).

Chryssides, George D. & Kaler, John H.; An Introduction to Business Ethics; Thomson Business Press; 1993 (selected chapters).

Rogers, Peter; Jalal, Kazi; Boyd, John; An Introduction to Sustainable Development; Earthscan; 2007 (selected chapters).

CFA Volume 1: Ethical and Professional Standards: Study Session 1 (2023)

## **ADDITIONAL READINGS\***

Jennings Mariane M.; Business Ethics; Thomson; 2006

Shaw William H.; Business Ethics; Thomson Wadsworth; 2008

Velasquez, Manuel G.; Business Ethics – Concepts and Cases; Pearson Education; 2006

\* Extra additional readings may be suggested by the instructor at any time during the course.

**ANNEX**

**DEGREE LEVEL LEARNING OBJECTIVES**

**Learning objectives for the Bachelor of Business Management**

*Programmes:*

*International Business and Communication,  
Business Management and Marketing, Finance,  
Industrial Technology Management*

<b>Learning Goals</b>	<b>Learning Objectives</b>
Students will be critical thinkers	BLO1.1. Students will be able to understand core concepts and methods in the business disciplines
	BLO1.2. Students will be able to conduct a contextual analysis to identify a problem associated with their discipline, to generate managerial options and propose viable solutions
Students will be socially responsible in their related discipline	BLO2.1. Students will be knowledgeable about ethics and social responsibility
Students will be technology agile	BLO3.1. Students will demonstrate proficiency in common business software packages
	BLO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	BLO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	BLO4.2. Students will be able to convey their ideas effectively through an oral presentation
	BLO4.3. Students will be able to convey their ideas effectively in a written paper

**Learning objectives for the Bachelor of Social Science**

*Programmes:*

*Economics and Data Analytics,  
Economics and Politics*

<b>Learning Goals</b>	<b>Learning Objectives</b>
Students will be critical thinkers	ELO1.1. Students will be able to understand core concepts and methods in the key economics disciplines
	ELO1.2. Students will be able to identify underlying assumptions and logical consistency of causal statements
Students will have skills to employ economic thought for the common good	ELO2.1. Students will have a keen sense of ethical criteria for practical problem-solving
Students will be technology agile	ELO3.1. Students will demonstrate proficiency in common business software packages
	ELO3.2. Students will be able to make decisions using appropriate IT tools
Students will be effective communicators	ELO4.1. Students will be able to communicate reasonably in different settings according to target audience tasks and situations
	ELO4.2. Students will be able to convey their ideas effectively through an oral presentation
	ELO4.3. Students will be able to convey their ideas effectively in a written paper