

ETHICS IN FINANCE – COURSE OUTLINE

Course Convenor

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(Should you have any questions pertaining to this course please refer to either me or Ms. Tanja Stjepanovic)

Introduction

Ethical practices are important as it instills public trust in the fairness of markets, thus allowing markets to function efficiently. Therefore, ethical practices by finance and investment professionals lead to increased investor confidence in the global capital markets. The material covered in this course provide a framework for the ethical conduct in the investment profession as presented by the CFA Institute Code of Ethics and Standard of Professional Conduct.

We will discuss and analyze several case studies relating to scandals that have shaken public confidence in the ethics of Wall Street and also in many countries around the world. These discussions/debates provide avenues for identifying, evaluating and discussing ethical issues relating to finance institutions, both domestically and internationally. The aim of this course is to explain and debate the relevance of ethics and ethical practices in the operations of financial institutions and in the personal conduct of finance professionals.

Those students intending to have a fulfilling and effective career in finance, such as, investment management, portfolio management and financial planning/advisory, will be better informed of the CFA Institute Code of Ethics and Standards of Professional Conduct.

Course Description

This course examines the role of ethics in finance and provision of financial services. The material covered includes the framework for ethical conduct in the investment profession as presented by CFA Institute of Ethics and Standards of Professional Conduct. Discussion of examples of scandals that have shaken public trust and confidence in the ethics of Wall Street and in other countries, the financial sectors internationally and domestically, will provide avenues for identifying and discussing ethical concerns and issues.

Course Structure

This course will be delivered via lectures, class presentations, in class debates and seminars. The details about the course teaching, assessment and presentations will be as follows:

Online self-study: Monday 15th October to Monday 2nd December 2018
Face-to-Face: 3rd to 6th December 2018 (participation is obligatory)

Timetable

The following provides an overview of all possible lecture slots for this course.

Week	Monday	Tuesday	Wednesday	Thursday	Friday
1	15/10/18 Online self-study Module 1	16/10/18 Online self-study Module 1	17/10/18 Online self-study Module 1	18/11/18 Online self-study Module 1	19/11/18 Online self-study Module 1
2	22/10/18 Online self-study Module 1	23/10/18 Online self-study Module 1 Individual Essay Due	24/10/18 Online self-study Module 2	25/11/18 Online self-study Module 2	26/11/18 Online self-study Module 2
3	29/10/18 Online self-study Module 2	30/10/18 Online self-study Module 2	31/10/18 Online self-study Module 2	01/11/18 Online self-study Module 3	02/11/18 Online self-study Module 3
4	05/11/18 Online self-study Module 3	06/11/18 Online self-study Module 3 Case Study 1 Due	07/11/18 Online self-study Module 3	08/11/18 Online self-study Module 3	09/11/18 Online self-study Module 3
5	12/11/18 Online self-study Module 4	13/11/18 Online self-study Module 4	14/11/18 Online self-study Module 4	15/11/18 Online self-study Module 4	16/11/18 Online self-study Module 4
6	19/11/18 Online self-study Module 4	20/11/18 Online self-study Module 4 Case Study 2 Due	21/11/18 Online self-study Module 5	22/11/18 Online self-study Module 5	23/11/18 Online self-study Module 5
7	26/11/18 Online self-study Module 5	27/11/18 Online self-study Module 5	28/11/18 Online self-study Module 5	29/11/18 Online self-study Module 5	30/11/18 Online self-study Module 5 Case Study 3 Due
8	03/12/18 Face-to Face Session #1	04/12/18 Face-to Face Session #2	05/12/18 Face-to Face Session #3	06/12/18 Face-to Face Session #4	

Learning Outcomes

Students who successfully complete this course should be able to:

1. Explain the major theories of ethics as a basis for the analysis and resolution of ethical issues in finance.
2. Critically examine ethical standards and issues of questionable professional conduct in finance.
3. Relate ethical principles to the finance theory of the firm.
4. Appraise CFA Institute Standards of Professional Conduct and recommend practices and procedures designed to prevent violations of ethical and professional practices.

Assessment

Following make the assessment for this course:

Assessment	Type	Due Date	Time	Percentage of Total	Submission Method
1. Individual Essay	I	23/10/18	17.00	30	Online
2. Case Study 1	G/I	06/11/18	17.00	10	Online
3. Case Study 2	G/I	20/11/18	17.00	10	Online
4. Case Study 3	G/I	30/11/18	17.00	10	Online
5. Debate	G	During face-to-Face Session		30	In Lecture
6. Presentation	G	During face-to-Face Session		10	In Lecture
Total				100	

I = Individual, G = Group. Group size will depend on number in class

INDIVIDUAL ESSAY

You are required to undertake research and submit an essay on the following topic:

“Financial institutions and markets have become more unethical since deregulation”

The length of your essay should be between 2800 to 3000 words excluding references. Please state the number of words used on the front of the cover page of your essay.

Essay need to have the following structure: (1) Cover page, (2) Table of Contents, (3) Abstract, (4) Introduction, (5) Discussion, (6) Conclusion, and (7) References using referencing style required by the Centre for Finance. You should compare and contrast different financial

institutions and markets and discuss the cases of unethical behavior. You should relate to theories and also discuss empirical evidence.

[Essay need to be formatted as follows: use Times Roman 12 font size, Headings should be 14 font size and bold. Line spacing should be 1.5. The paper should use left and right 2.5cm margin and be fully justified. Page numbering is required].

Please note that Case Studies 1 to 3 can be undertaken **EITHER** individually or in pairs. Please liaise with Ms. Tanja Stjepanovic regarding the selection of the case study for analysis for case study 2 and 3 and also inform the student that you will be working with.

Case Study 1 Analysis, Presentation and Write-Up

Students should undertake research and write an analysis of the unethical practices of financial sector that have led to the Global Financial Crisis in 2007 and the practices that have been undertaken until 2018. You should record your presentation and provide a copy of your presentation and PPTs of the case study via Learnweb. At the start of your presentation, you should introduce yourself and your topic. We need to see your face.

[Use similar format to Individual Essay for writing the case study. PPT presentation should not be more than 10 minutes and should comprise at least 10 slides. There are no word limit for the written part of the analyses but marking will reflect on the quality of writing, relevance and the quality of the information. Use similar format to Individual Essay for writing of this assessment].

Case Study 2 & 3 Analysis, Presentation and Write-Up

The material, provided on the Learnweb for each case, is basic and you are required to undertake an in-depth research regarding the background and recent developments relating to the case you have chosen to analyse. Your write-up should focus on the issues raised by the case and the development that has occurred until now (2018). You should clearly highlight ethical issues/theories involved.

- (1) Students are also required to submit their analysis of case study 2 & 3 online (via Learnweb).
- (2) You should bring your PPTs for **EACH** case study and present the same to the class during the face-to-face session. Presentation will be for at least 20 minutes long.

[There is no word limit for the written part of the case but marking will reflect on writing, relevance and quality of the information. Use similar format to Individual Essay for writing the case study].

Journal Article Presentation and Write-Up

Students are required to select a journal article from the Learnweb related to the ethics in the finance industry and present it to class during a face-to-face session. You are required to prepare a PPT presentation on the chosen journal article. Students are required to submit their PPT after their presentation (in paper form) during the face-to-face session. Presentation will be for at least 20 minutes.

Students are also required to submit a detailed analysis of the article (using MS Word) via Learnweb. There is no word limit for the written part of the case but marking will reflect on the writing, relevance and quality of the information provided. (Use similar format to Individual Essay for writing the Journal Article).

Plagiarism

Please note that all written assessments submitted by you will undergo plagiarism check in iThenticate. By submitting your assessment, you have given permission to us to check for plagiarism.

Recommended Reading material for the course:

Boatwright, J. R. (2012). *Ethics in Finance (3rd Ed.)*. Oxford: Oxford University Press.

Standard of Practice Handbook (11th Ed.). CFA Institute, Charlottesville, VA, USA. You can download PDF and e-book from:

<http://www.cfainstitute.org/learning/products/publications/ccb/Pages/ccb.v2014.n4.1.aspx>

Ferrell, O. C., Fraedrich, J. and Ferrell, L. (2015). *Business Ethics: Ethical Decision Making and Cases*. Canada: Cengage Learning.

Registration

Registration for the course starts from 24th September, 8:00 am and is open until 08th October, 8:00 a.m. . Please note that the number of participants is limited to 24 students. Priority will be given to international students, but at least five places will be reserved for students from Muenster University. If the number of applicants will be higher than the maximal number, participants will be randomly selected.

To register for the course, please send an E-mail to tanja.stjepanovic@wiwi.uni-muenster.de
Following information are mandatory. In case of missing information, registration will not be considered.

First Name:

Last Name:

E-Mail:

Home University: