



## COURSE DESCRIPTION

### 1. Information about the programme

1.1 Institution of higher education	Alexandru Ioan Cuza University of Iasi
1.2 Faculty	Faculty of Economics and Business Administration
1.3 Department	Department of Finance, Money and Public Administration
1.4 Field of study	Finance
1.5 Level	Master
1.6 Study programme/ Qualification	Finance and Risk Management

### 2. Information about the course

2.1 Course name	Responsible Finance and Investing						
2.2 Course coordinator	Assoc. Prof. Adina Dornean, PhD						
2.3 Seminar coordinator	Assoc. Prof. Adina Dornean, PhD						
2.4 Year of study	2	2.5 Semester	3	2.6 Type of assessment	E	2.7 Course status	E

\* C – Compulsory / E – Elective

### 3. Total estimated time (hours allotted to teaching activities per semester)

3.1 Number of hours per week	3	of which: 3.2 lecture	2	3.3 seminar/lab	1
3.4 Number of hours in the curriculum	42	of which: 3.5 lecture	28	3.6 seminar/lab	14
Time distribution					hrs
Study of the textbook, coursebook, bibliography and lecture notes					30
Additional research in the library, online and on the field					20
Preparation of seminars/labs, homework, projects, portfolios and essays					27
Tutorials					4
Assessment					2
Other activities.....					
3.7 Total number of self-study hours					83
3.8 Total number of hours per semester					125
3.9 Number of credits					5

### 4. Prerequisites (if applicable)

4.1 Curriculum-based	-
4.2 Competence-based	-

### 5. Conditions (if applicable)

5.1 For lectures	-
5.2 For seminars / labs	-





## 6. Specific competencies

Professional competencies	<p><b>C1.</b> Analysis of the theoretical and practical aspects of financial markets, models, instruments that are used in the management of risks.</p> <p><b>C2.</b> Adequate use of mathematical and statistical concepts, methods and techniques in assessing risks and performing independent research in finance.</p> <p><b>C3.</b> Evaluation of the main risk factors for organizations and financial systems.</p> <p><b>C4.</b> Implementing effective financial management and reporting within the business environment to ensure value creation.</p> <p><b>C5.</b> Ensuring effective and appropriate governance and management of risk within an organization, in the context of an overall ethical framework.</p>
Transversal competencies	<p><b>CT1.</b> Application of the professional ethical norms and values in decision-making and undertaking of complex professional tasks, independently or within a team.</p> <p><b>CT2.</b> Human resources planning within a group or organization, in the context of awareness of own responsibility for professional outcomes.</p> <p><b>CT3.</b> Assuming the need for continuous development to create prerequisites for career progression and adapt own professional and managerial competencies to the economic dynamics.</p>

## 7. Course objectives (provided by the specific competencies grid)

7.1. Main objective	Acquiring knowledge regarding the main issues that play an important role in responsible finance and investment.
7.2. Specific objectives	<p>On completion of the course, the students will be able to:</p> <ul style="list-style-type: none"><li>▪ Explain the importance of socially responsible investing</li><li>▪ Describe different approaches to CSR in the business ethics, finance, accounting, and marketing literatures</li><li>▪ Apply elements of stakeholder theory into their future work.</li><li>▪ Analyze the socially responsible investing (SRI) and its implication for companies performance</li><li>▪ Explain the economic and non-economic benefits of SRI</li><li>▪ Analyze the impact of the recent financial crisis and the connection with the policies adopted under the goal of promoting greater home ownership</li></ul>

## 8. Content

8.1	Lectures	Teaching methods	Observations (hours & readings)
1.	Introduction	Participative lecture	2hrs: BN (1)
2.	The Stakeholder Analysis and Financial Performance	Participative lecture	2hrs: BN (2); F





3.	Corporate Social Responsibility (CSR) and Corporate Financial Performance (CFP)	Participative lecture	2hrs: BN (3); GG; DO
4.	The Models of Social Entrepreneurship and its Application to Finance	Participative lecture	2hrs: BN (4); PP
5.	The Role of Governance in CSR	Participative lecture	2hrs: BN (16); J
6.	Measuring Corporate Social Responsibility	Participative lecture	2hrs: BN (17); C
7.	The Impact of Social, Environmental and Trust (SET) Issues on Business and Finance	Participative lecture	2hrs: BN (7); CJ
8.	Social Finance and Banking	Participative lecture /case study	2hrs: BN (9); SF
9.	Carbon Markets	Participative lecture /case study	2hrs: BBKW; VWZ
10.	Responsible Finance in the context of the Recent Financial Crisis	Participative lecture	2hrs: BN (13); B
11.	Corporate Socially Responsible Investments	Participative lecture	2hrs: BN (21); RPS
12.	SRI: Evidence of Mutual Funds and Index Performance	Participative lecture	2hrs: BN (22); BKO
13.	The Impact of SRI on Performance	Participative lecture	2hrs: BN (23); KO
14.	Money-Flows of SRI around the World	Participative lecture	2hrs: BN (24); BG

**Bibliography****Main readings:**

- Baker, K., Nofsinger, J., 2012. **Socially Responsible Finance and Investing: Financial Institutions, Corporations, Investors, and Activists**, John Wiley&Sons, Inc., Hoboken, New Jersey. (BN)
- Bauer, Rob, Kees Koedijk, and Roger Otten. 2005. "International Evidence on Ethical Mutual Fund Performance and Investment Style." *Journal of Banking and Finance* 29:7, 1751–1767. (BKO)
- Beal, Diana, and Michelle Goyen. 1998. "Putting Your Money Where Your Mouth Is: A Profile of Ethical Investors." *Financial Services Review* 7:2, 129–143. (BG)
- Bernanke, Ben S. 2010. "Monetary Policy and the Housing Bubble." Remarks at the Annual Meeting of the American Economic Association. Atlanta, Georgia, January 3. (B)
- Blyth, W., Bunn, D., Kettunen, J. & Wilson, T., 2009. Policy interactions, risk and price formation in carbon markets, *Energy Policy*, 37, 5192-5207. (BBKW)
- Campbell, John L. 2007. "Why Would Corporations Behave in Socially Responsible Ways? An Institutional Theory of Corporate Social Responsibility." *Academy of Management Review* 32:3, 946–967. (CJ)
- Clarkson, Max. B. E. 1995. "A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance." *Academy of Management Review* 20:1, 92–117. (C)
- Dornean, A., Oanea, D. C., 2018. "The impact of adopting CSR and corporate financial performance. Evidence from BSE", *Bulletin of Taras Shevchenko National University of Kyiv. Economics*. No. 6 (201), p. 47-53, <https://doi.org/10.17721/1728-2667.2018/201-6/7> (DO)
- Freeman, R. Edward. 1998. "Stakeholder Theory of the Modern Corporation." In Max B. E. Clarkson, ed. *The Corporation and Its Stakeholders*, 123–138. Toronto: University of Toronto Press. (F)





- Galema, Rients, Auke Plantinga, and Bert Scholtens. 2008. "The Stocks at Stake: Return and Risk in Socially Responsible Investment." *Journal of Banking and Finance* 32:12, 2646–2654. (RPS)
- Goss, Allen, and Gordon S. Roberts. 2011. "The Impact of Corporate Social Responsibility on the Cost of Bank Loans." *Journal of Banking & Finance* 35:7, 1794–1810. (GG)
- Jensen, Michael C. 2001. "Value Maximization, Stakeholder Theory, and the Corporate Objective Function." *Journal of Applied Corporate Finance* 14:3, 8–21. (J)
- Kempf, Alexander, and Peer Osthoff. 2007. "The Effect of Socially Responsible Investing on Portfolio Performance." *European Financial Management* 13:5, 908–922. (KO)
- Pirson, Michael, and Paul R. Lawrence. 2009. "Humanism in Business: Towards a Paradigm Shift?" *Journal of Business Ethics* 93:4, 553–565. (PP)
- SocialFinance.ca. 2010. "What Is Social Finance?" Available at <http://socialfinance.ca/what-is-social-finance>. (SF)
- Veith, S., Werner, J.R. & Zimmermann, J., 2009. Capital market response to emission right returns: Evidence from the European power sector, *Energy Economics*, 31, 605-613. (VWZ)

**Additional readings:**

Other readings such as cases, simulations, journal papers, press articles will be provided periodically throughout the course via FEAA eLearning platform, e-mail or handed-in in class.

8.2	Seminars / Labs	Teaching methods	Observations (hours & readings)
1.	Ecological Footprint	Case study	1hrs: GFN
2.	The Stakeholder Analysis and Financial Performance	Heuristic conversation and debate	1hrs: DP
3.	Corporate Social Responsibility (CSR) and Corporate Financial Performance (CFP)	Project and debate	1hrs: MW; DO
4.	The Models of Social Entrepreneurship and its Application to Finance	Brainstorming; debate	1hrs: S
5.	The Role of Governance in CSR	Heuristic conversation and debate	1hrs: SL
6.	Measuring Corporate Social Responsibility	Case study and debate	1hrs: CLT
7.	The Impact of Social, Environmental and Trust (SET) Issues on Business and Finance	Case study and debate	1hrs: ABN
8.	Social Finance and Banking	Project and debate	1hrs: GR
9.	Carbon Markets	Case study; brainstorming	1hrs: AF
10.	Responsible Finance in the context of the Recent Financial Crisis	Case study; brainstorming	1hrs: CCEP; FCIC (II)
11.	Corporate Socially Responsible Investments	Brainstorming; debate	1hrs: RHZ
12.	SRI: Evidence of Mutual Funds and Index Performance	Case study	1hrs: HKZ
13.	The Impact of SRI on Performance	Brainstorming; debate	1hrs: CBM





14.	Money-Flows of SRI around the World	Heuristic conversation and debate	1hrs: BKO
<p><b>Bibliography</b></p> <ul style="list-style-type: none"> <li>▪ ABN AMRO. 2007. Sustainability Review. ABN AMRO Group. Available at <a href="http://www.abnamro.com/en/images/010_About_ABN_AMRO/035_Reports_and_reviews/2007_Sustainable_Review_pdf.pdf">www.abnamro.com/en/images/010_About_ABN_AMRO/035_Reports_and_reviews/2007_Sustainable_Review_pdf.pdf</a>. (ABN)</li> <li>▪ Aichele, R. &amp; Felbermayr, G., 2012. Kyoto and the carbon footprint of nations, <i>Journal of Environmental Economics and Management</i>, 63, 336-354. (AF)</li> <li>▪ Bauer, Rob, Kees Koedijk, and Roger Otten. 2005. "International Evidence on Ethical Mutual Fund Performance and Investment Style." <i>Journal of Banking and Finance</i> 29:6, 1751–1767. (BKO)</li> <li>▪ Capelle-Blancard, G. &amp; Monjon, S., 2012. Trends in the literature on socially responsible investment: Looking for the keys under the lamppost, <i>Business Ethics: A European Review</i>, 21, 239-25. (CBM)</li> <li>▪ Caplin, Andrew, Noel Cunningham, Mitchell Engler, and Frederick Pollock. 2008. "Facilitating Shared Appreciation Mortgages to Prevent Housing Crashes and Affordability Crises." Discussion Paper 2008-12, The Brookings Institution. (CCEP)</li> <li>▪ Chatterji, A.K., Levine, D.I. &amp; Toffel, M.W., 2009. How well do social ratings actually measure corporate social responsibility? <i>Journal of Economics and Management Strategy</i>, 18, 125-169. (CLT)</li> <li>▪ Donaldson, Tom, and Lee E. Preston. 1995. "The Stakeholder Theory of the Corporation: Concepts, Evidence and Implications." <i>Academy of Management Review</i> 20:1, 65–91. (DP)</li> <li>▪ Dornean A., Oanea, D.-C. 2017. "CSR and company's stock price. A comparative evidence from Bucharest Stock Exchange", <i>Euro Economica</i>, vol. 36, no. 1, p. 180-189, <a href="http://journals.univ-danubius.ro/index.php/euroeconomica/article/view/4143">http://journals.univ-danubius.ro/index.php/euroeconomica/article/view/4143</a> (DO)</li> <li>▪ Financial Crisis Inquiry Commission (FCIC). 2011. Final Report of the National Commission on the Causes of the Financial and Economic Crisis in the United States Pursuant to Public Law 111-21. January. Washington, DC: Government Printing Office. (FCIC)</li> <li>▪ Global Footprint Network, available on: <a href="http://www.footprintnetwork.org/en/index.php/GFN/page/calculators/">http://www.footprintnetwork.org/en/index.php/GFN/page/calculators/</a> (GFN)</li> <li>▪ Goss, A. &amp; Robert, G.S., 2011. The impact of corporate social responsibility on the cost of bank loans, <i>Journal of Banking and Finance</i>, 35, 1794-1810. (GR)</li> <li>▪ Heinkel, R., Kraus, A. &amp; Zechner, J., 2001. The effect of green investment on corporate behavior, <i>Journal of Financial and Quantitative Analysis</i>, 36, 431-449. (HKZ)</li> <li>▪ Margolis, J.D., Elfenbein, H.A. &amp; Walsh, J.P., 2009. Does it pay to be good ... and does it matter? A meta-analysis of the relationship between corporate social and financial performance. Available at SSRN: <a href="http://ssrn.com/abstract=1866371">http://ssrn.com/abstract=1866371</a> or <a href="http://dx.doi.org/10.2139/ssrn.1866371">http://dx.doi.org/10.2139/ssrn.1866371</a>. (MW)</li> <li>▪ Renneboog, L., Horst, J. ter &amp; Zhang, C., 2008. Socially responsible investments: Institutional aspects, performance, and investor behavior, <i>Journal of Banking and Finance</i>, 32, 1723-1742. (RHZ)</li> <li>▪ Sacconi, Lorenzo, Corporate Social Responsibility (CSR) as a Model of 'Extended' Corporate Governance: An Explanation Based on the Economic Theories of Social Contract, Reputation and Reciprocal Conformism (February 2004). LIUC, Ethics, Law and Economics Paper No. 142. Available at SSRN: <a href="http://ssrn.com/abstract=514522">http://ssrn.com/abstract=514522</a> or <a href="http://dx.doi.org/10.2139/ssrn.514522">http://dx.doi.org/10.2139/ssrn.514522</a> (SL)</li> <li>▪ Sundelin, Anders. 2009. "Microfinance: Providing Capital and Services in New Ways." <a href="http://www.blogspot.com">www.blogspot.com</a>, May 15. Available at <a href="http://www.tbmdb.blogspot.com">www.tbmdb.blogspot.com</a>. (S)</li> </ul> <p>Other readings such as cases, simulations, journal papers, press articles will be provided periodically throughout the course via FEAA eLearning platform, e-mail or handed-in in class.</p>			

### 9. Corroboration of the course content with the expectations of community representatives, professional associations and representative employers from the programme's related field





This course provides students with the core knowledge, skills, and abilities that are generally accepted and applied by finance and investments professionals throughout the world. Topics are selected in accordance to the requirements of Chartered Financial Analyst (CFA) and Professional Risk Manager (PRM) world-leading certifications for finance and risk management, to offer the adequate preparation for CFA and PRM exams. The course content is correlated to that of similar courses taught at renowned universities and is continuously updated based on the feedback of students and alumni. Moreover, this is a student-centered course that follows the best practices of learning and teaching in graduate education through the adoption of a variety of active-learning instructional methods.

#### 10. Assessment

Type of activity	10.1 Assessment criteria	10.2 Assessment methods	10.3 Weight in final grade (%)
10.4 Lectures	Exam	Open questions	50%
10.5 Seminars/ Labs	The evaluation of the project and of the papers	Team project	20%
	The implication in the class	Class participation	10%
	The test grade	Test	20%
10.6 Minimum performance standard			
Achieve a minimum 5.00 grade at final exam and final average of at least 5.00 (50% seminars and 50% exam).			

Date  
17.09.2021

Course Coordinator  
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Seminar Coordinator  
Assoc. Prof. Adina Dornean, PhD

Date of approval  
24.09.2021

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