



## 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	Prof. Adina Dornean, PhD						
2.3 Seminar coordinator	Prof. Adina Dornean, PhD						
2.4 Year of study	2	2.5 Semester	3	2.6 Type of assessment	E	2.7 Course status	C

\* 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						25
Tutorials						4
Assessment						4
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	<ul style="list-style-type: none"> <li>Attendance is strongly encouraged.</li> </ul>
5.2 For seminars / labs	<ul style="list-style-type: none"> <li>Attendance is strongly encouraged.</li> </ul>





## 6. Specific competencies

<b>Professional competencies</b>	<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>
<b>Transversal competencies</b>	<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)

<b>7.1. Main objective</b>	Acquiring knowledge regarding the main issues that play an important role in responsible financing and investing and regarding the context for different approaches to responsible investment and specifically, consideration of environmental, social and governance (ESG) factors.
<b>7.2. Specific objectives</b>	<p>On completion of the course, the students will be able to:</p> <ul style="list-style-type: none"> <li>▪ Explain what is responsible finance and investing and what are the main issues in this field.</li> <li>▪ Describe a company's stakeholder groups and compare their interests</li> <li>▪ Apply elements of various stakeholder theories into their future work.</li> <li>▪ Argue and analyze how firm financial performance (CFP) is associated with corporate social responsibility (CSR).</li> <li>▪ Understand how stakeholders value different measures of a company's social performance.</li> <li>▪ Explain the economic and non-economic benefits of Socially Responsible Investments (SRI).</li> <li>▪ Describe and evaluate environmental, social, and governance considerations in investment analysis.</li> <li>▪ Describe environmental, social, and governance investment approaches.</li> <li>▪ Evaluate ESG risk exposures and investment opportunities related to a company.</li> <li>▪ Analyze how ESG factors may affect industry and company performance.</li> <li>▪ Analyze the ESG implications from the different events (such as the 2008 global financial crisis, the COVID-2019 crisis and the Russia-Ukraine War).</li> <li>▪ Work in teams, elaborate projects and present the results orally.</li> <li>▪ Reflect critically on presented projects.</li> </ul>

## 8. Content

8.1	Lectures	Teaching methods	Observations (hours & readings)
1.	<b>Introduction: an overview on Responsible Finance and Investing</b>	Interactive lecture; Brainstorming	2 hrs: BN (1)





2.	<b>Foundation and key concepts</b> <ul style="list-style-type: none"> <li>▪ The Stakeholder Analysis and Financial Performance</li> <li>▪ Corporate Social Responsibility (CSR) and Corporate Financial Performance (CFP)</li> <li>▪ The Models of Social Entrepreneurship and its Application to Finance</li> </ul>	Interactive lecture; Random calling	6 hrs: BN (2, 3, 4); F; DO; PP
3.	<b>Responsible finance and banking</b> <ul style="list-style-type: none"> <li>▪ The Role of Governance in CSR</li> <li>▪ Measuring Corporate Social Responsibility</li> <li>▪ The Impact of Social, Environmental and Trust (SET) Issues on Business and Finance</li> <li>▪ Social Finance and Banking</li> <li>▪ Responsible Finance in the context of the recent events (2008 financial crisis, COVID-19 pandemic, Russia-Ukraine war)</li> </ul>	Interactive lecture; Case studies	12 hrs: BN (7, 9, 16, 17); J; C; CJ; B; AK; CFA
4.	<b>Socially responsible investing (SRI)</b> <ul style="list-style-type: none"> <li>▪ Corporate Socially Responsible Investments</li> <li>▪ SRI: Evidence of Mutual Funds and Index Performance</li> <li>▪ The Impact of SRI on Performance</li> <li>▪ Money-Flows of SRI around the World</li> </ul>	Interactive lecture; Random calling	8 hrs: BN (21, 22, 23, 24); BKO; CSS; 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)
- Al Amosh H, Khatib SFA. ESG performance in the time of COVID-19 pandemic: cross-country evidence. *Environ Sci Pollut Res Int.* 2023 Mar;30(14):39978-39993. doi: 10.1007/s11356-022-25050-w. Epub 2023 Jan 5. PMID: 36600157; PMCID: PMC9812744 (AK)
- 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)
- 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)
- CFA Institute Investment Series' Books published by Wiley – available at <https://www.wiley.com/learn/cfashowcase/#portfolio> (CFA)
- Chegut, A., Schenk, H., & Scholtens, B., 2011. Assessing SRI fund performance research: best practices in empirical analysis. *Sustainable Development*, 19(2), 77-94. <https://doi.org/10.1002/sd.509> (CSS)
- 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)
- Jensen, Michael C. 2001. “Value Maximization, Stakeholder Theory, and the Corporate Objective Function.” Journal of Applied Corporate Finance 14:3, 8–21. (J)
- Pirson, Michael, and Paul R. Lawrence. 2009. “Humanism in Business: Towards a Paradigm Shift?” Journal of Business Ethics 93:4, 553–565. (PP)

**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.	<b>Introduction: Ecological Footprint</b>	Case study	1hrs: GFN
2.	<b>Foundation and key concepts</b> <ul style="list-style-type: none"> <li>▪ The Stakeholder Analysis and Financial Performance</li> <li>▪ Corporate Social Responsibility (CSR) and Corporate Financial Performance (CFP)</li> <li>▪ The Models of Social Entrepreneurship and its Application to Finance</li> </ul>	Heuristic conversation; Case study; Brainstorming; Presentation; Debate; Small group discussion.	3 hrs: DP; MW; DO; RDG
3.	<b>Responsible finance and banking</b> <ul style="list-style-type: none"> <li>▪ The Role of Governance in CSR</li> <li>▪ Measuring Corporate Social Responsibility</li> <li>▪ The Impact of Social, Environmental and Trust (SET) Issues on Business and Finance</li> <li>▪ Social Finance and Banking</li> <li>▪ Responsible Finance in the context of the recent events (2008 financial crisis, COVID-19 pandemic, Russia-Ukraine war)</li> </ul>	Heuristic conversation; Case study; Brainstorming; Presentation; Debate; Small group discussion.	6 hrs: SL; CLT; DBOM; CDS; GR; SCPC; AF; CCEP; FCIC; AK; DVD; CFA
4.	<b>Socially responsible investing (SRI)</b> <ul style="list-style-type: none"> <li>▪ Corporate Socially Responsible Investments</li> <li>▪ SRI: Evidence of Mutual Funds and Index Performance</li> <li>▪ The Impact of SRI on Performance</li> <li>▪ Money-Flows of SRI around the World</li> </ul>	Heuristic conversation; Case study; Brainstorming; Presentation; Debate; Small group discussion.	4 hrs: RHZ; BBD; CSS; AS; DVD; BKO





## Bibliography

- Aichele, R. & Felbermayr, G., 2012. Kyoto and the carbon footprint of nations, *Journal of Environmental Economics and Management*, 63, 336-354. (AF)
- Al Amosh H, Khatib SFA. ESG performance in the time of COVID-19 pandemic: cross-country evidence. *Environ Sci Pollut Res Int*. 2023 Mar;30(14):39978-39993. doi: 10.1007/s11356-022-25050-w. Epub 2023 Jan 5. PMID: 36600157; PMCID: PMC9812744 (AK)
- Auer, B. R., & Schuhmacher, F, 2016. Do socially (ir) responsible investments pay? New evidence from international ESG data. *The Quarterly Review of Economics and Finance*, 59, 51-62. (AS)
- Bauer, Rob, Kees Koedijk, and Roger Otten. 2005. "International Evidence on Ethical Mutual Fund Performance and Investment Style." *Journal of Banking and Finance* 29:6, 1751–1767. (BKO)
- Busch, T., Bruce-Clark, P., Derwall, J., Eccles, R., Hebb, T., Hoepner, A., Klein, C., Krueger, P., Paetzold, F., Scholtens, B. & Weber, O., 2021. Impact investments: A call for (re) orientation. *SN Business & Economics*, 1, 1-13. (BBD)
- Capelle-Blancard, G. & Monjon, S., 2012. Trends in the literature on socially responsible investment: Looking for the keys under the lamppost, *Business Ethics: A European Review*, 21, 239-25. (CBM)
- Capelle-Blancard, G., Desroziers, A., & Scholtens, B., 2021. Shareholders and the environment: A review of four decades of academic research. *Environmental Research Letters*, 16(12), [123005]. <https://doi.org/10.1088/1748-9326/ac3c6e> (CDS)
- Caplin, Andrew, No'el 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)
- CFA Institute Investment Series' Books published by Wiley – available at <https://www.wiley.com/learn/cfashowcase/#portfolio> (CFA)
- Chatterji, A.K., Levine, D.I. & Toffel, M.W., 2009. How well do social ratings actually measure corporate social responsibility? *Journal of Economics and Management Strategy*, 18, 125-169. (CLT)
- Chegut, A., Schenk, H., & Scholtens, B., 2011. Assessing SRI fund performance research: best practices in empirical analysis. *Sustainable Development*, 19(2), 77-94. <https://doi.org/10.1002/sd.509> (CSS)
- Diez-Cañamero, B.; Bishara, T.; Otegi-Olaso, J.R.; Minguez, R.; Fernández, J.M., 2020. Measurement of Corporate Social Responsibility: A Review of Corporate Sustainability Indexes, Rankings and Ratings. *Sustainability*, 12, 2153. <https://doi.org/10.3390/su12052153> (DBOM)
- Dincă, M. S., Vezeteu, C. D., & Dincă, D., 2023. Does withdrawal from/remaining in an aggressor country affect companies' ESG ratings? Case study of the Russia-Ukraine war. *Frontiers in Environmental Science*. DOI:10.3389/fenvs.2023.1225084. (DVD)
- Donaldson, Tom, and Lee E. Preston. 1995. "The Stakeholder Theory of the Corporation: Concepts, Evidence and Implications." *Academy of Management Review* 20:1, 65–91. (DP)
- Dornean A., Oanea, D.-C. 2017. "CSR and company's stock price. A comparative evidence from Bucharest Stock Exchange", *Euro Economica*, vol. 36, no. 1, p. 180-189, <http://journals.univ-danubius.ro/index.php/euroeconomica/article/view/4143> (DO)
- 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)
- Global Footprint Network, available on: <http://www.footprintnetwork.org/en/index.php/GFN/page/calculators/> (GFN)
- Goss, A. & Robert, G.S., 2011. The impact of corporate social responsibility on the cost of bank loans, *Journal of Banking and Finance*, 35, 1794-1810. (GR)
- Margolis, J.D., Elfenbein, H.A. & 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: <http://ssrn.com/abstract=1866371> or <http://dx.doi.org/10.2139/ssrn.1866371>. (MW)
- Ribeiro, J.P.C., Duarte, F. & Gama, A.P.M., 2022. Does microfinance foster the development of its clients? A bibliometric analysis and systematic literature review. *Financ Innov* 8, 34, <https://doi.org/10.1186/s40854-022-00340-x>. (RDG)







- Renneboog, L., Horst, J. ter & Zhang, C., 2008. Socially responsible investments: Institutional aspects, performance, and investor behavior, *Journal of Banking and Finance*, 32, 1723-1742. (RHZ)
- 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: <http://ssrn.com/abstract=514522> or <http://dx.doi.org/10.2139/ssrn.514522> (SL)
- Secinaro, S.; Calandra, D.; Petricean, D.; Chmet, F. Social Finance and Banking Research as a Driver for Sustainable Development: A Bibliometric Analysis. *Sustainability* 2021, 13, 330. <https://doi.org/10.3390/su13010330> (SCPC)

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.

### 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	<ul style="list-style-type: none"> <li>▪ Depth of description of the stakeholders and their role in responsible financing and investing.</li> <li>▪ Clarity of explanation of various stakeholder theories and the association with responsible financing and investing.</li> <li>▪ Depth of description of the areas of social finance.</li> <li>▪ Accuracy in analyzing the opportunities and challenges of social, environmental and trust (SET) issues.</li> </ul>	Final exam (open questions)	50%
10.5 Seminars/ Labs	<ul style="list-style-type: none"> <li>▪ Quality of work in a team of students</li> <li>▪ Clarity of speech and ideas and quality of argument, introduction and conclusion in the presentation of the projects</li> </ul>	Project	20%





	<ul style="list-style-type: none"><li>▪ Originality of projects</li><li>▪ Punctuality in assignments completion</li><li>▪ Accuracy of answers to short problems on responsible finance and investing</li><li>▪ Clarity and depth of analysis of cases on responsible finance and investing</li><li>▪ The quality of the responses to the open questions.</li></ul>	<b>Class participation</b> (case studies discussion, literature review of articles from the reading list)	<b>10%</b>
		<b>Mid-term exam</b> (open questions)	<b>20%</b>
<b>10.6 Minimum performance standard</b>			
<ul style="list-style-type: none"><li>▪ Demonstration of the capability to identify and interpret in considerable depth relevant stakeholders' theories and practical information on responsible financing and investing, to analyze the impact of social, environmental and trust (SET) issues on business and finance, taking the responsibility for tasks specific to the role in a team.</li><li>▪ A minimum grade of 5.00 for the final exam.</li><li>▪ A minimum passing grade of 5.00, computed as <math>FG = 0.5 \times FE + 0.2 \times P + 0.10 \times CP + 0.20 \times MTE</math>, where FG – final grade, FE – final exam, P– projects, CP – class participation, MTE – mid-term exam.</li></ul>			

Date  
14.09.2023

Course Coordinator  
Prof. Adina Dornean, PhD

Seminar Coordinator  
Prof. Adina Dornean, PhD

Date of approval  
26.09.2023

Head of Department  
Prof. Ovidiu Stoica, PhD

