SYLLABUS
FI515E_0108_25
Sustainable Finance

ACADEMIC AREA :	**FINANCE AND GEOPOLITICS**
PROGRAMME :	**MASTER IF / PGTC LEVEL 5 MASTER**
PERIOD :	**FALL**
COORDINATOR :	**Dr. Christos ALEXAKIS**
INSTRUCTOR(S) :	**Mr. Tanveer AHSAN**
CONTACT HOURS :	**24.0 hours**
STUDY TIME :	**null hours (Class preparation, homework and assessments)**
CREDITS :	**4.0 ECTS**
AOL :	**YES**

PRE-REQUISITE MODULES :

Basic Economic and Financial theory. This is important since students are expected to understand the theory behind negative environmental and social externalities and how these externalities can be managed by the members of society and the government.

MODULE DESCRIPTION :

This course provides a general overview on the topic of Sustainable Investing and Sustainable Investment and risk management. It emphasizes the theoretical and practical understanding of the concepts of Sustainable Investing and ESG. The basic economic and financial theory are presented. The sustainable finance concept is introduced to the students. EU polices are presented: for example, the Taxonomy system, Omnibus regulation and simplification actions.
Social finance and part of Islamic finance are presented. As an innovation students are asked to use specific software and write a sustainability report.

CONTRIBUTION TO PROGRAMME LEARNING OBJECTIVES :

- Combine professional expertise with resilience, critical thinking & personal influence to Change mindsets #ChangeMindsets

MODULE INTENDED LEARNING OUTCOMES (ILOs) :

By the end of the course, students will be able to:

1. Analyze and discuss the main concepts of Sustainable Investing based on economic and financial theory,
2. Define and describe sustainable financial products like green bonds or green stock market indices.
3. Determine the green financial markets and describe the participants in these markets' equity and debt investors.
4. Have an overview about global policies for sustainable finance with a focus on the EU policies.
5. Risk concepts will be approached according to the private and social expected utility theory but also the behavioral finance angle e.g. short termism.

TOPICS COVERED :

the economic system,

negative externalities,
discounting exponential vs hyperbolic,
short termism, profit maximization,
utility curves between goods, good and bad and bads,
expected utility and risk attitudes,
green bonds and stocks,
greenwashing,
blue washing,
sustainability reporting standards,
social finance,
Islamic finance
ESG rating systems and ESG assessment,
EU Taxonomy system,
other EU policies like Omnibus regulation and simplification.

RESEARCH-LED TEACHING :

Current research on ESG and green financial products is presented. Papers related to green bonds and green investments will be presented and discussed. Recently there has been a lot of research on the topic.

CSR AND SUSTAINABLE DEVELOPMENT GOALS :

The couse is by definition related to CSR and Development Goals

CSR NB HOURS :

24

SUSTAINABLE DEVELOPMENT GOALS COVERED :

- 03 - Good health and well-being
- 05 - Gender equality
- 06 - Clean water and sanitation
- 07 - Affordable and clean energy
- 08 - Decent work and economic growth
- 10 - Reduced inequalities
- 12 - Responsible consumption and production
- 13 - Climate action
- 14 - Life below water
- 15 - Life on land
- 16 - Peace, justice and strong institutions
- 17 - Partnership for the goals

TEACHING METHODS :

Lectures in the class, invited speakers from EU institutions and the market when this is possible. Presentations via Temas to cover all students' programs

METHODS OF ASSESSMENT :

Continuous/Final	Group/Individual	Assessment	Weight	Duration	ILOs assessed
Continuous	Group	Written in class	30%		all
Continuous	Individual	Written in class	60%		all
Continuous	Individual	Participation or task completion	10%	2,5 Heures	All ILOs

Assessment 1 details:

The students will be asked to present 1 case of possible green or bluewashing. Explain with arguments the reasons, Explain how companies use tactics to avoid washing accusations

(max 10 pages).

Assessment 2 details:

Individual Assignment (max 30 pages)
Suppose you are the CEO of a big company in France which is listed in the stock exchange.
• Describe your company and the business activities (max 3 pages).
• Prepare in detail the Organogram of your Company (1 page).
• Describe the Bord of the Directors (BoD) (max 2 pages).
• Prepare a sample Balance Sheet and Income Statement for two years with the most possible detail. (max 2 pages)
Your CGO (or CVO) informs you that ESG is a very important EU policy, and you should align your business operations with ESG principles.
• Based on ESG pillars try to develop new policies for the different activities of your company. Describe your activities related to these new policies (max 5 pages).
• Evaluate the level of Corporate Governance for your company and suggest improvements (max 5 pages).
• Prepare a short sustainability report on an “as if” basis (max 5 pages).
• Examine green bonds as a source of finance. Write a short report on how you would be able to issue green bonds (max 2 pages).
• Imagine you must organize the annual meeting of the shareholders. Explain in detail how you will do that (max 3pages).
• There are some negative reports that your company is using “greenwashing”. Defend your company’s position (max 2 pages).

Assessment 3 details:

Complete Bloomberg "Environmental Social Governance Certificate"
https://portal.bloombergforeducation.com/courses?course_category_id=7

ACADEMIC INTEGRITY :

Academic misconduct encompasses various behaviors or actions that violate the principles of academic integrity, fairness, and honesty, thereby undermining the credibility of academic work, assessments, or research. Examples of academic misconduct include:
· Cheating
· Plagiarism
· Fabrication
· Gaining an unfair advantage
· Assisting others in committing academic misconduct, such as by utilizing generative AI
· Falsification of records or official documents
· Unauthorized access to restricted information or data
· Unauthorized or unethical use of generative AIS

Academic misconduct is a serious offense and can result in consequences such as module failure, research project failure, or even expulsion from the school. To prevent unintentional academic misconduct, it is essential to consult with your instructor to understand the specific rules and instructions pertaining to the use of AI in learning and assessment.

For more comprehensive information on academic integrity rules, principles, and disciplinary procedures, please refer to the Academic Integrity section of the Student Handbook.

BIBLIOGRAPHY :

Slides from the class. Documents from the websites of ESMA and EBA.

Suggested Textbooks and other Sources

Textbooks in Economics (based on year of first edition)
• Samuelson, P. A, Nordhaus, W. D. (2009). Economics. (19th edn). McGraw-Hill Education
• Varian, H. R. (2020). Intermediate Microeconomics: A Modern Approach. (9th edn). W.W. Norton & Company
• Pindyck, R., Rubinfeld, D. (2017). Microeconomics. (9th edn). Pearson. [French edn available at the Learning Center].
• Abel, A. B., Bernanke B. S., Croushore, D. (2023). Macroeconomics. (11th edn). Pearson.
• Krugman, P. R., Obstfeld, M., Melitz, M. J. (2018). International Economics: Theory and Policy. (11th edn). Pearson. [eBook https://tinyurl.com/38x7r3af]
• Blanchard, O. (2020) Macroeconomics.(8th edn). Pearson [eBook, 7e edn, 2016, https://tinyurl.com/3npzx9pc]
• Mankiw, N. Gregory. (2021). Principles of Economics (9th edn). South-Western College Publishing.
• Debraj, R. (1998). Development Economics. Princeton University Press
• Gruber, J. (2019). Public Finance Public Policy. (6th edn). Worth Publisher.
• Baddeley, M. (2017). Behavioral Economics: A Very Short Introduction. Oxford University Press.

Textbooks in Finance (based on year of first edition)

• Birgham, E. F., Ehrardt, M. (2023). Financial Management: Theory & Practice. (17th edn.). South-Western College Publishing.
• Ross, S. A., Westerfield, R. W. (2021). Corporate Finance. (13th edn). McGraw-Hill Education
• Reilly, F. K., Brown, K. C. (2024). Investment Analysis and Portfolio Management. (12th edn). Cengage Learning. [ebook, 10e edn, 2012, https://lc.cx/YLwR2K]
• Breasley, R. A. Myers, S. M., Allen, F. (2022). Principles of Corporate Finance. McGRaw-Hill Education. [eBook https://tinyurl.com/4d3pxzy8]
• Hull, J. C. (2021). Options, Futures, and Other Derivatives. (11th edn). Pearson [eBook https://tinyurl.com/2xccm4cd]
• Mishkin, F. S., Eakins, S. G. (2023). Financial Markets and Institutions. (10th edn). Pearson. [eBook https://tinyurl.com/43s478pk]
• Penman, S. H. (2013). Financial Statement Analysis and Security Valuation.
• Bekaert, G., Hodrick, R. J. (2017). International Financial Management. (3rd edn). Pearson.
• Berk, J., DeMarzo, P. (2014). Fundamentals of corporate finance. (3rd edn) Pearson. [Previous edn available at the learning center]
• Ackert, L., Deaves, R. (2010). Behavioral Finance: Psychology, Decision-Making, and Markets. Cengage Learning.

Textbooks in Sustainability (based on year of first edition)

• Tietenberg, T., Lewis, L. (2023). Environmental and Natural Resource Economics. (12th edn). Routledge.
• Daly, Herman, E., Farley, J. (2010). Ecological Economics: Principles and Applications. Island Press. [Previous edn available at the learning center]
• Munier, N. (2005). Introduction to Sustainability: Road to a Better Future. Springer.
• MacKay, D. J.C. (2009). Sustainable Energy - Without the Hot Air. UIT Cambridge.
• Sachs, J., D. (2015). The Age of Sustainable Development. Colombia University Press. [eBook https://tinyurl.com/4kammu9k]
• Schoenmaker, D., Schramade, W. (2018). Principles of Sustainable Finance. Oxford University Press. [eBook https://tinyurl.com/24ewxpc8]
• Stahel, W., R. (2019). The Circular Economy: A User's Guide. Routlegde. [eBook https://tinyurl.com/4s85svhw]
• Theis, T., Tomkin, J. (2018). Sustainability: A Comprehensive Foundation.12th Media Services
• Robertson, M. (2021). Sustainability Principles and Practice. Routledge.
• Frick, T. (2016). Designing for Sustainability: A Guide to Building Greener Digital Products and Services. O’Reilly Media.

Additional Reading

MODULE PLAN SESSIONS :

Plan Session 01 :

Economic theory for Sustainability I: What is the economic problem, how we decide, expected utility. externalities

Plan Session 02 :

Economic theory for Sustainability II: goods and bads, needs and wishes, consumer and producer surplus, indifference curves, opportunity cost, marginal analysis

Plan Session 03 :

Financial theory for Sustainability I : exponential and hyperbolic discounting, short termism, behavioral finance, expected utility

Plan Session 04 :

Financial theory for Sustainability II: accounting for sustainability, non financial performance, the sustainability report, financial and non financial indicators.

Plan Session 05 :

Sustainability in a nutshell, goals, principles, ESG scoring, greenwashing, bluewashing

Plan Session 06 :

Analyzing the ESG pillars. Environment and Social

Plan Session 07 :

Analyzing the ESG pillars with focus on Governance

Plan Session 08 :

The taxonomy system. Omnibus regulation, sim;ification. Challenges for the future