



FINC 450B (001)- Online:
FINANCE FOR A SUSTAINABLE WORLD
Draft Syllabus – Winter Quarter 2020-21

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Note: The best/fastest way to contact me is by email

This syllabus contains the policies and expectations I have established for FINC 450B (Online), *Finance for a Sustainable World*. Please read the entire syllabus carefully before making a decision on continuing in this course.

Course Philosophy:

Mainstream finance has largely operated separately from environmental and social development. Yet, many sustainability challenges the world faces today will require collaborative and integrated solutions that successfully combine capital market objectives with ethics and sustainability goals. Traditional models in finance describe the roles of the private sector, public sector, and society in a way which does not capture the complexity of how the different stakeholders in an economy are now working, or could work, together to create positive economic, environmental, and social impacts.

Course Objectives:

Modern finance is innovating with the intention of generating social and environmental impact in addition to economic growth. We are now witnessing major corporations, investment managers, banks and other entities in capital markets increasingly focus on an integrated-value approach including sustainability goals into their decision-making processes and products which are, in essence, a triple bottom-line that includes economic, social and environmental considerations. Such an integrated approach is resulting in new analyses and outcomes in corporate finance and investments where new industries, strategies, and products result from this approach. Market-based solutions are being developed to address challenges such as climate change, water resources, public health, poverty, education, and other sustainable development goals.

This course will cover the fundamental principles of finance including time value of money, discounted cash flows, valuation, the risk-return tradeoff, capital markets, and investment management. This course will also introduce how sustainability (i.e. environmental, social, and governance (ESG)) issues have become financially material for corporations, risk management, and investments in capital markets. The fast-changing landscape of innovative financial instruments which address environmental and societal problems but are designed as market-based solutions attracting commercial capital, will be introduced. My primary goal in this course is to familiarize you with core concepts in finance, the language used by finance and sustainability professionals, and how financial markets are adapting to increasing demands for profit and purpose.

This course assumes you to have had little or no previous exposure to corporate finance and investment management. A basic knowledge of Word, PowerPoint and Excel will be required. By the end of the course, you should be able to:

- Demonstrate a foundational understanding of core topics in finance including time value of money, DCF, capital budgeting, valuation of stocks and bonds, risk-return models, cost of capital, asset allocation, and investment management.
- Understand how sustainability issues affect decisions made by corporations, institutional investors, and corporate lenders.
- Evaluate sustainability risks and opportunities from a financial perspective; understand how to manage/mitigate/ communicate those risks.
- Understand how innovative strategies and financial instruments can capitalize on opportunities in a changing world, creating economic, environmental, and social value.
- Develop a basic understanding of how standard/traditional financial reporting and models are falling short of adequately measuring integrated performance which enhances both shareholder and stakeholder value.
- Review diverse case studies in different industries (e.g. social media, agriculture, retail) to understand the implications of sustainability in priority areas of the economy and the way they are reshaping capital markets.

The best way to clarify your expectations for the course if needed is to discuss them with me at the beginning of the quarter. In some cases, if your expectations are a better fit with another course offered at the school, I will be happy to advise you accordingly.

This course is appropriate for experienced professionals from the public, private and non-profit sectors interested in learning about foundational topics in finance and how sustainability challenges are impacting financial markets. The course will be suitable for introductory level learners who have negligible exposure to core concepts in finance but can also be of value to learners with existing knowledge of finance who want to learn about an integrated value approach which is growing to account for social and environmental value of businesses.

Revision of Syllabus

While revision of the syllabus will be avoided during the quarter, any necessary revisions (usually minor) will be preceded by reasonable notice to the students. Notice of such changes will be by announcement in class or by email.

Required Devices:

- *Laptop or Computer:*

A desktop/ laptop/ tablet which has (at a minimum) video and audio capabilities, internet access and browser, Zoom software, and MS Office (PowerPoint, Excel, Word).

- *Scientific Calculator:*

A calculator with exponent and root functions will be necessary to work the problems in the quizzes and homework. A financial calculator is not required. No problems that cannot be solved using a scientific calculator will appear on any test. If you already have a financial calculator, you can use it. However, it should be emphasized that the calculator cannot replace an understanding of the problem-solving process. Relying on your financial calculator to simply *plug numbers* for an answer will get you into trouble – problems (academic and real world) do not always fit into a formula!

Textbooks/Reading:

Required:

- Shiller, Robert, *Finance and the Good Society* (Princeton University Press 2012)

The required book for this course, Shiller's *Finance and the Good Society*, will serve as the philosophical lens for viewing finance and the roles and responsibilities of various segments of finance in society.

- Coursepack from HBP

The required coursepack from Harvard Business Publishing for this course includes notes and cases that will serve as the main course material for discussing the practical implications of an integrated view of finance, sustainability, and societal impact.

Note: There is no single finance textbook that addresses the rapidly changing issues that are calling for the integration of financial models with sustainability challenges and societal purpose. Shiller's book is *not* a traditional finance textbook describing mainstream economic or financial theory. My recorded lectures shared via Sakai (described below) will be the main source of the core theory and concepts in finance that form the basis for core finance courses in most business schools. Shiller's book and the HBP coursepack will be used to "connect the dots" in understanding the successes and failures of the traditional models which have dominated modern finance. While not required, an introductory finance book is recommended for the course (see below) and can supplement the recorded lectures. Readings from key reports, websites, and magazine/news articles will supplement the discussions and course materials.

Recommended for introductory finance:

- R. Brealey, S. C. Myers, and F. Marcus, *Fundamentals of Corporate Finance* (10th Edition)
[E-book available via McGraw Hill Connect, combined with an Online Homework option]

Recommended for finance, sustainability, and social impact:

- Schoenmaker, D., and W. Schramade, *Principles of Sustainable Finance* (Oxford University Press 2019)

News: Bloomberg; CNBC; CNN Money; Wall Street Journal; Financial Times; The Economist etc.

Class Format:

This online class is a **blend of asynchronous (adaptive) and synchronous (interactive) learning**. It is structured as a **flipped classroom** where you learn most of the theory and conceptual framework asynchronously, and then discuss practice including real-world applications and case studies synchronously in the virtual classroom together.

Adaptive Learning: Asynchronous (out-of-class) activities are for

- 1) Pre-recorded PowerPoint lectures (with audio) for core material by topic, focusing on concepts
- 2) Reading List items including cases/ articles/ videos etc., relevant to core and current topics
- 3) Personalized pace that helps students optimize study time
- 4) Adaptive homework, focusing on problem-solving
- 5) Taking online quizzes

Student responsibility: Cover material in a timely manner in preparation for synchronous discussions, debate, peer-learning in small groups, and quizzes. It is imperative that each student engages with the asynchronous activities as per the class schedule outlined in this syllabus. To be a productive and ethical contributor to peer-learning, each group member is expected to have reviewed the core material prior to meeting their group to discuss the material. Think of asynchronous learning as *individual reflection*.

Interactive Learning: Synchronous (virtual classroom) activities are for

- 1) Explaining difficult concepts, hands-on problem-solving
- 2) Class discussion / debate on core materials and reading list items
- 3) Class presentations on readings and project
- 4) Asking and answering questions

Student responsibility: Be an engaged, prepared, and valuable contributor to peer-learning in the virtual classroom. I will especially note student contributions which

- “connect the dots” between the readings, current events, and the materials covered in class, and they will count heavily towards class participation.
- Share insights, references to current events, news etc. beyond the materials I share in my lectures and reading list, which adds to the learning environment.

Think of synchronous learning as *collective reflection*.

Recorded Lectures:

Required: Recorded lectures and presentation slides, available on the course site.

The recorded lectures form the core material for the course and should be covered asynchronously. Most topics/modules of the course have an associated recorded lecture. Note that, taken together, the files are quite large and may take a while to download. Please download them from a fast connection in advance of when you want to watch them. It is recommended that you print out the lecture slides prior to hearing the recorded lecture and use the printed slides to take notes as you hear the lecture. These printed slides with notes usually prove useful and convenient for homework assignments and (timed) quizzes.

Recorded lectures may be encrypted with a password and should be treated strictly as the instructor’s intellectual property. No files which are part of the teaching material for this online course should be circulated privately or publicly, apart from any necessary transfers to/from other registered students in this course.

Each student is expected to have listened to the relevant lecture material at least once before the small group meetings about the topic and corresponding synchronous class discussion.

Grading Scheme:

<u>Grading Weights</u>	
Quizzes (x 3)	15%
Project Report	25%
Case Reports (x 3)	30%
Class Participation & Presentations	20%
Peer Evaluation	10%
TOTAL	100%

Final course (letter) grades will be awarded according to the following grading scheme:

[93 , 100] = A [90 , 92.9] = A-
[87 , 89.9] = B+ [83 , 86.9] = B [80.0 , 82.9] = B-
[77 , 79.9] = C+ [73 , 76.9] = C [70.0 , 72.9] = C-
[65 , 69.9] = D+ [60 , 64.9] = D <= 59.9 = F

Special Needs:

Any student with special needs should bring this to my attention at the earliest, and no later than the second week of class.

Homework:

The homework should be used to solidify your understanding of the core materials. The performance on the numerical sections in the quizzes will depend on the degree to you keep abreast of the recorded lectures and homework assignments. I have provided two alternative platforms for you to utilize homework assignments for attaining learning objectives, where you can choose to use one or both:

- (1) You can register for an account on McGraw Hill Connect by going to the following course link

<https://connect.mheducation.com/class/g-swasti-winter-2020-finc-450b-001>

I have created a web-based assignment with mainly **multiple choice questions** for each topic covered in class, primarily for numerical concepts. In this web-based platform, you can get automatic feedback and corrections on assignment questions. You can choose to submit your completed assignment, in which case I will get a report. However, **I will not use these assignments/reports for any grading purposes** since they are meant primarily for interactive learning and practice.

- (2) I will also post “traditional” homework assignments focused on numerical concepts, along with solutions on the course site. You do not need to turn in the assignments. You should make serious attempts in trying the homework problems before referring to the solutions. Note that these homework assignments are **not multiple choice** and students typically find the questions in these assignments to be **more challenging** than what they encounter in the quizzes and/or exams.

Quizzes:

The course includes **THREE Online Quizzes**. Each quiz will be randomly created for each student within the context of the corresponding core topics and can be completed asynchronously by the due date. Each quiz has a due date stated in the Syllabus, after which submissions are not accepted. Early submissions are allowed.

Quizzes should be independent work without any collaboration with or help from others and must adhere to the University’s high standards of academic integrity. The quizzes have a time limit, where the timer starts once you start taking the quiz. However, even if there is still time left to complete the quiz on the timer, once the due date passes (i.e. 11:59 pm on the due date in the Syllabus), the quiz will then be counted as late regardless of when it started.

Suggested Plan for the Quizzes:

The suggested plan that works best for most in preparing for the quizzes is as follows:

- (1) Make sure you are comfortable with your understanding of the topic covered in a lecture.
- (2) Make a formula sheet and/or summary notes for the material covered in the topic which you can refer to quickly when tackling homework questions and the quiz.
- (3) Use the homework assignments to solidify your understanding of the concepts in the topic.
- (4) Take the online quiz, using your formula sheet and/or notes for quick reference.

Attendance:

Attendance is crucial to achieve the learning objectives of this course. Everything covered in the synchronous sessions is fair game for quizzes. Exceptions may be important appointments like interviews, illness or a family emergency. While I will not grade your attendance in the class, it will strongly impact your class participation grades and, presumably, your peer evaluation grades since your contribution to group learning is likely to be negatively affected.

Class Participation:

All students are expected to come to class prepared to discuss the core materials, readings, questions or case assigned for the class. I may cold call participants during class discussion, especially if I observe below par overall engagement for the discussion. Your class participation will be judged based on the quality and quantity of your input. Please note that class participation points are not “automatic” based on simply attending class or speaking.

At all times, please respect the rights and opinions of others in class. In class and group meetings, please respect others by (1) allowing all classmates the right to voice their opinions without fear of ridicule, and (2) not using profanity or making objectionable comments (e.g. discriminatory comments based on gender, race etc.), directed at a specific person or in general terms.

Recording Policy:

In this class software will be used to record live class discussions. As a student in this class, your participation in live class discussions will be recorded. These recordings **will be made available only to students enrolled in the class**, to assist those who cannot attend the live session or to serve as a resource for those who would like to review content that was presented. All recordings will become unavailable to students in the class when the Sakai course is unpublished (i.e. shortly after the course ends, per the Sakai administrative schedule). Students who prefer to participate via audio only will be allowed to disable their video camera so only audio will be captured. Please discuss this option with your instructor.

The use of all video recordings will be in keeping with the University Privacy Statement shown below:

“Privacy Statement:

Assuring privacy among faculty and students engaged in online and face-to-face instructional activities helps promote open and robust conversations and mitigates concerns that comments made within the context of the class will be shared beyond the classroom. As such, recordings of instructional activities occurring in online or face-to-face classes may be **used solely for internal class purposes by the faculty member and students registered for the course, and only during the period in which the course is offered**. Students will be informed of such recordings by a statement in the syllabus for the course in which they will be recorded. Instructors who wish to make subsequent use of recordings that include student activity may do so only with informed written consent of the students involved or if all student activity is removed from the recording. Recordings including student activity that have been initiated by the instructor may be retained by the instructor only for individual use.”

Group Formation:

In the first week of class, you should form groups (of usually 3-4 members, depending on class size) for the class project, cases, and other group activity. This group will be for the entire duration of the course.

Cases:

The case method is used to enhance your understanding of course materials and broaden your thinking. Cases prompt you to think ahead and beyond a textbook since they often precede the absorption of new ideas and paradigms into textbooks. Cases present real world, complex problems faced by market participants that require analysis and use of judgment to reach important business decisions. To aid your case analyses, the case discussions are typically scheduled for the week after the relevant core topic is covered asynchronously and synchronously.

Case Presentation/Discussion:

In the first week of the quarter, each team will volunteer for one case on which they are assigned primary responsibility of presenting summary and insights and advancing class discussion. All team members should participate in the case presentation. Cases could have multiple teams assigned for presentations, depending on section sizes and number of teams. Case sign-up is on a first-come-first-served basis.

The group case presentations will be 15-20 minutes per presentation to start a case discussion. Generally, the groups will lay out the essentials of the case setting, offer and support their views about key problems and issues raised by the case, and respond to comments by others during the case discussion. Only clarifying questions

from the audience will be allowed during the presentation. The last group to present will then initiate a discussion and analysis of the prior groups' findings esp. as it pertains to their own conclusions, followed by general thoughts and discussion. Other groups are advised to note questions or alternative points of view they may have for all the presenting groups. After the last group initiates the conversation, the discussion will be open to the whole class, including the audience questions for any group. Healthy debate is strongly encouraged!

A few pertinent questions about each case is included in the separate document titled *Case Guidelines*. These questions are not intended to be a comprehensive summary of the issues that could arise during the case discussion, but they should be viewed as minimum deliverables in critically thinking about the case and in stimulating discussion. In addition to case questions requiring you to analyze the information provided in the case, there may be questions which require you to articulate an opinion or analyses beyond the contents of the case. These opinions should reflect the consensus opinion of the group for group case reports and presentations. I may post additional reading material pertinent to the case, usually in the form of links to recent newspaper articles and media coverage.

Details of cases and purchase of cases are included in *Case Guidelines*.

Case Reports:

Case reports should be submitted in a standard and professional format on the stated date in the schedule or as announced. The report should be concise and should not exceed 4-6 single-spaced pages of text with additional pages for appendices, tables and figures if needed. The grading of all case write-ups will depend on both the substance of what you write and also on how you write it. I will not grade cases based on any 'expected' answers to case questions, but on the consistency, rigor and effort that reflects in your reports.

Late submission of case reports will not be accepted. However, early submissions are allowed. Given a certain degree of flexibility in choosing cases and that most case reports are group submissions, there will be no exceptions to deadlines based on individual emergencies.

- Group Case Report:

Out of the six cases listed in the Syllabus, you should turn in at least THREE case reports as group work (i.e. a single case report prepared in collaboration with the group; one report per group is to be submitted, including group member names on the first page). However, you are expected to be prepared to discuss all the cases included in the syllabus for this course.

- Extra-Credit Opportunity (Optional):

Turning in more than the required number of case reports, either individually or as a group, can count towards EXTRA-CREDIT for the optional case report submitted (= Max. 2% of total grade for an extra report). The deadline will be as per schedule for the corresponding case submitted for extra-credit. Please indicate clearly on the report whether it is an individual or group effort and, if relevant, the names of all group members who contributed to the report.

You are advised to take private notes of each group member's contributions. You will submit a **confidential peer evaluation** at the end of the course in which you can evaluate the contributions of your group members honestly and fairly. In an extreme case of a group member completely failing to contribute to the team's goal and resolve conflicts, I might be forced to ask them to work individually. Please note that working on all cases alone is extremely challenging, so the groups are strongly advised to do their best to achieve their shared goals for the course. You are also advised to involve the instructor only when you feel that a serious team conflict cannot be resolved in an amicable manner within the team.

Class Project (“Finance and Society: A Theory of Change”):

Each group will work on a project throughout the term. Additional details and expectations regarding the document is provided in a separate document titled *Project Guidelines*. You should work in groups for the class project, and this group is advised to be identical to the case group. Each group should turn in ONE Project Report at the end of the quarter.

Final Project Presentations

All the groups will make 8-10 minute presentations of their projects in the last class of the quarter, with Q&A following each group’s presentation (time permitting). All team members need to participate in the final project presentation.

Class Presentations:

- *Weekly Bulletin (Responsible Finance/ ESG)*

Each week, one group gets the opportunity to play the role of news anchor plus pundit. In the 5-minute Weekly Bulletin, one group will share a reaction to an industry article on the theme of responsible finance/ ESG issues, preferably related closely to topics discussed in class (importance of the article can be traded off with the close relevance to class topics). The Bulletin should contain three items: (1) the title, source, and date, and author of the article, (2) a summary of the takeaways from the article, (3) the group’s reaction to and critique (if any) of the article. The group should be prepared to engage with the class in Q&A.

- *“Roles and Responsibilities in a Good Society”*

By Week #1, after group formation via Sakai, each group will be assigned responsibility to give a brief 8-10 minutes (max.) presentation during Week #2 based on a chapter in Shiller’s *Finance and the Good Society* (FGS). By Week #1, each group will volunteer to assume responsibility for ONE chapter from FGS’ Part One (“Roles and Responsibilities”: Chapters 1-18), preferably choosing one of the roles in the private (for-profit) sector. The chapters will be assigned on a first-come-first-served basis and will be unique to each group. A good presentation plan is to (1) use engaging visual tools, (2) spend the first 5 minutes on a concise summary of *Roles and Responsibilities*, assuming the audience has not read the book, and (3) spend the last 2-3 minutes sharing an example(s) of relevant companies or business leaders in the news, or relevant anecdotes from personal experience, to drive home the points in *Roles and Responsibilities*. Examples can take the form of role models or cautionary tales, or anything in between.

- *Case Presentation* (See description above)
- *Project Presentation* (See description above)

Peer Evaluation:

Teamwork is a necessary part of succeeding in most professions, and certainly in management. Towards the end of the semester, you will evaluate every other group member individually on participation and attendance in group meetings, contribution to group preparation, and the overall rating as a team player. You will submit a strictly confidential *Peer Evaluation* form grading the other group members. The form is available on the course site. This is to encourage a proportionate allocation of effort and responsibility among the group members. If a group has serious and valid complaints about a team member, I reserve the right to ask the student to leave the group any time during the semester and work individually towards the same deliverables.

Group Study:

If you form study groups with one or more of your peers, there are some guidelines you **MUST** follow to maintain the integrity of the course and adhere to the honor code. Any direct violation of this code of conduct could be identified as cheating and plagiarism, and result in disciplinary action.

DO's and DON'Ts of Study Groups:

You may discuss the material in the course and help one another in understanding the material. You are allowed to collaborate and help each other with any course assignments that are not graded (e.g. Homework). You are also allowed to discuss any material relevant to the graded deliverables for the course (e.g. cases, project, quizzes) with your peers. However, any work turned in for individual credit and grading must be entirely the work of the student submitting the work. All individual graded work must be your own. You may share ideas but submitting identical case reports/answers or taking the online quizzes in a collaborative setting (for example) will be considered cheating. Moreover, such violations of the honor code will be detrimental to your learning from the course. A simple way to avoid inadvertent plagiarism is to talk about the material, but do not read each other's work or write answers together. Keep your independent notes (if any) until you have received your final grade for the course. Having access to another person's work or giving access to your work to another person is not allowed. It is your responsibility to keep your work confidential. If you have any questions about this, please contact me immediately.

Online Forum:

You will have access to the online forum for the course. Here, you can discuss questions, articles, and ideas relevant to the course with the class. Disciplined, thoughtful, and professional discussions are expected. Note that the usefulness of this peer learning platform depends on how actively you and your peers participate in posting messages and replying to messages. I will follow a mostly hands-off policy towards actively participating in this forum, since it is meant for you to interact with your peers.

Examples of things you can share in the forum:

- Links to websites/articles you found useful, interesting, and relevant for topics covered in the lectures, the portfolio project, or cases. (either before or after it has been discussed in class)
- Thoughts/questions on upcoming or current events/news that could affect financial markets and investors, etc.

Note: It often generates more engagement if you frame a specific question that your peers (or I) can respond to in your post. Also, intellectually provocative/contrarian articles relevant to discussions in class are fine for sharing on the forum. However, please follow the guidelines stated earlier for class participation for what is acceptable conduct and content on the online forum (e.g. regarding discriminatory content).

Academic Integrity:

I take academic integrity very seriously and strictly apply Loyola's stated standards for academic integrity in this course. **No form of cheating or plagiarism will be excused.** If you become aware of any violations of the code of conduct it is your responsibility to report to me or other appropriate authorities.

You are to cite any material that you use for your reports/cases. Some of the material in this course has been used before. You should not consult with students from prior years, their case notes, project reports, or any other material that was made available to them or created by them. Any such consultation constitutes plagiarism and

violates the norms of acceptable conduct in this course. Unless specified as a group activity, all submissions (e.g. quizzes, case reports etc.) are individual work to be submitted without coordination or help from others. For example, if you form a study group, you can discuss course material with others in the group but will work on any graded submissions individually and without coordination with/help of anyone.

Plagiarism on the part of a student in academic work or dishonest examination behavior will result minimally in the instructor assigning the grade of "F" for the assignment or examination. In addition, all instances of academic dishonesty will be reported to the appropriate authorities. You may not submit in fulfillment of requirements in this course any work submitted, presented, or used by you in any other course. **Each group member should conduct due diligence on the work of other members for any group submissions.**

Some online course materials may be encrypted with a password and should be treated strictly as the instructor's intellectual property. No files which are part of the teaching material for this online course should be circulated privately or publicly, apart from any necessary transfers to/from other registered students in this course.

Please make sure that you understand the standards of academic honesty and integrity outlined in Loyola's policy. For additional information, please refer:

http://www.luc.edu/academics/catalog/undergrad/reg_academicintegrity.shtml

GOOD LUCK!

COURSE SCHEDULE (Tentative)

Notes:

- (1) FGS: Refers to Robert Shiller’s book ‘*Finance and the Good Society*’
- (2) Case discussions are usually scheduled to lag the class in which relevant theoretical topics/ readings are covered.

MODULE	SESSION	MODULE DESCRIPTION	DEADLINES
#1	17-Nov	<p>Core Topic: Welcome & Introduction <u>New Insights: Finance and Its Discontents; Sustainable Finance & ESG</u></p> <p>Before Class:</p> <ul style="list-style-type: none"> • Read Syllabus; Preface and Introduction (<i>FGS</i>) 	<p>Group Formation: By 19-Nov</p>
#2	24-Nov	<p>In-Class: Group Presentations (<i>FGS</i>: “Roles and Responsibilities in a Good Society”)</p>	
#3	01-Dec	<p>Core Topic: Introduction to shareholder value, time value of money, capital budgeting <u>New Insights: Responsibilities to society, stakeholder value, sustainability</u></p> <p>Before Class:</p> <ul style="list-style-type: none"> • <u>Required Lecture:</u> Topic I- “Introduction” • <u>Required Lecture:</u> Topic II- “Time Value of Money, NPV, DCF” • <u>Required Reading# 1:</u> “<i>Responsibilities to Society: The Capitalist's Contract</i>” (HBS Module Note, K. Ramanna, 2014) • <u>(Overview) Reading:</u> “Why shareholder value is 'the dumbest idea in the world'” • <u>Reflection Question:</u> How do you think the business you work for/want to work for/lead thinks about their “responsibility to society”? (See Pg 4, Reading# 1) <p><u>Preparation for Quiz #1:</u> Homework #1-2 on Sakai/ McGraw Hill Connect</p> <p>In-Class: Discussion of Topic I-II, Reading# 1, Reflection Question; Weekly Bulletin</p>	<p>Quiz #1 (Topic I-II): Complete by 08-Dec (Sakai)</p>

SCHEDULE (contd.)

MODULE	SESSION	MODULE DESCRIPTION	DEADLINES
#4	08-Dec	<p>Core Topic: Valuation I (Bonds) <u>New Insights: Social Impact Bonds (SIBs); Innovative financial instruments</u></p> <p>Before Class:</p> <ul style="list-style-type: none"> • <u>Required Lecture:</u> Topic III- “Valuing Bonds” • <u>Required Case #1:</u> “<i>Governance and Sustainability at Nike (A) (2016)</i>” • <u>(Overview) Reading:</u> “<i>Note on Economic Inequality</i>” (Coursepack, Rose & Sesia, 2015) • <u>(Overview) Reading:</u> “<i>Green Bonds Benefit Companies, Investors, and the Planet</i>” (Harvard Business Review, Flammer, 2018) <p><u>Preparation for Quiz #2:</u> Homework #3 on Sakai/ McGraw Hill Connect</p> <p>In-Class: Discussion of Topic III & Case #1; Weekly Bulletin</p>	<p>Case #1: Report Due by 08-Dec (Sakai)</p>
#5	15-Dec	<p>Core Topic: Valuation II (Stocks) <u>New Insights: Valuation and “new economy” stocks; Tangible vs Intangible Assets</u></p> <p>Before Class:</p> <ul style="list-style-type: none"> • <u>Required Lecture:</u> Topic IV- “Valuing Stocks” • <u>Required Case #2:</u> “<i>Goldman Sachs Goes to Rikers Island (2017)</i>” • <u>(Overview of Abstract, Intro):</u> Gupta-Mukherjee, S., “<i>Investing in the “New Economy”: Mutual Fund Performance and the Nature of the Firm</i>” (Journal of Financial and Quantitative Analysis, 2014) (article posted on Sakai) • <u>(Overview) Reading:</u> “<i>Why Financial Statements Don’t Work for Digital Companies</i>” (Harvard Business Review, Govindarajan et al., 2018) <p><u>Preparation for Quiz #2:</u> Homework #4 on Sakai/ McGraw Hill Connect</p> <p>In-Class: Discussion of Topic IV & Case #2; Weekly Bulletin</p>	<p>Case #2: Report Due by 15-Dec (Sakai)</p> <p>Quiz #2 (Topic III-IV): Complete by 12-Jan (Sakai)</p>

SCHEDULE (contd.)

MODULE	SESSION	MODULE DESCRIPTION	DEADLINES
#6	12-Jan	<p>Core Topic: Risk and Return; Asset Pricing <u>New Insights: Climate risk; Environmental, social, and governance (ESG) risks</u></p> <p>Before Class:</p> <ul style="list-style-type: none"> • <u>Required Lecture:</u> Topic V- “Risk and Return” • <u>Required Case #3:</u> “<i>Facebook, Inc.: The Initial Public Offering (2014)</i>” • <u>(Overview) Reading:</u> “<i>Climate Change in 2020: Implications for Business</i>” (Coursepack, Hendersen et al., 2020) • <u>(Overview) Reading:</u> “<i>Climate Action Is Too Big for ESG Mandates</i>” (Stanford Social Innovation Review, Gupta-Mukherjee, S., 2020) <p><u>Preparation for Quiz #3:</u> Homework #5 on Sakai/ McGraw Hill Connect</p> <p>In-Class: Discussion of Topic V & Case #3; Weekly Bulletin</p>	<p>Case #3: Report Due by 12-Jan (Sakai)</p>
#7	19-Jan	<p>Core Topic: Cost of capital <u>New Insights: Impact of ESG risk on capital raising</u></p> <p>Before Class:</p> <ul style="list-style-type: none"> • <u>Required Lecture:</u> Topic VI- “Cost of Capital, Capital Budgeting” • <u>Required Case #4:</u> “<i>Bayer Crop Science (2020)</i>” • <u>(Overview) Reading:</u> “<i>ESG and the cost of capital</i>” (MSCI Blogpost, 2020) • <u>(Overview) Reading:</u> “<i>It’s Time to Tie Bank Profits to Customers’ Financial Health</i>” (Harvard Business Review, Baker & Stone, 2020) <p><u>Preparation for Quiz #3:</u> Homework #6 on Sakai/ McGraw Hill Connect</p> <p>In-Class: Discussion of Topic VI & Case #4; Weekly Bulletin</p>	<p>Case #4: Report Due by 19-Jan (Sakai)</p> <p>Quiz #3 (Topic V-VI): Complete by 26-Jan (Sakai)</p>

SCHEDULE (contd.)

MODULE	SESSION	MODULE DESCRIPTION	DEADLINES
#8	26-Jan	<p><u>New Insights: Finance for a sustainable world (ESG investing)</u></p> <p>Before Class:</p> <ul style="list-style-type: none"> • <u>Required Case #5: “Warren E. Buffet (2015)”</u> • <u>Required Reading: “What You Should Know About ESG Investing And The DOL’s Proposal”</u> • <u>(Overview) Reading: “Warren Buffett on why companies cannot be moral arbiters”</u> • <u>(Overview) Reading: “Can index funds be a force for sustainable capitalism?”</u> (HBR, Serafeim, 2017) • <u>(Optional) Video TEDTalk: “The investment logic for sustainability”</u> (Chris McKnett) <p>In-Class: Discussion of Case #5 & Readings; Weekly Bulletin</p>	<p>Case #5: Report Due by 26-Jan (Sakai)</p>
#9	02-Feb	<p><u>New Insights: Finance for a sustainable world (Activism & divestment)</u></p> <p>Before Class:</p> <ul style="list-style-type: none"> • <u>Required Case #6: “Fossil Fuel Divestment (2020)”</u> • <u>(Overview) Reading: “The role of investors in supporting better corporate ESG performance”</u> (Ceres Report) • <u>(Overview) Reading: “To Divest or to Engage? A Case Study of Climate-Change Activism”</u> • <u>(Optional) Video (1.5 min): “Can ESG and diversification be compatible in portfolio construction?”</u> (David Barron, YouTube) <p>In-Class: Discussion of Case #6 & Readings; Project Report Q&A; Weekly Bulletin</p>	<p>Case #6: Report Due by 02-Feb (Sakai)</p>
#10	09-Feb	<p>In-Class: Group Project Presentations on “Finance and Society: A Theory of Change”; Wrap-up</p>	<p>Project: Report Due by 09-Feb (Sakai)</p> <p>Peer Evaluation: Due by 09-Feb (Sakai)</p>