INTRODUCTION

The financial crisis that began with the bankruptcy of the Lehman Brothers in 2008 has a direct link to ethical failure within companies. Public confidence in the integrity of big businesses, particularly those in the financial sector, is at rock-bottom. Is it the case, as some would suggest, that corporations, and the people that run them, are inherently prone towards greed and fraud?

In this course, we will explore the ethical dilemmas faced by investment professionals. We take a practical view on ethics by considering the responsibilities of individuals within the firm. Going beyond legal compliance, we'll look at codes of conduct and standards of professional conduct to consider their importance to our careers and the long-term longevity of the finance industry.

Many ethical dilemmas will be presented to you working in financial markets. While we will cover notable examples of scandal in the corporate sector, we will also explore examples of individuals taking a stand against corruption, professional violation, and misrepresentation. Our goal is to build your understanding of the causes of failures of responsibility and deepen our appreciation of the need for each individual to strengthen his or her "moral compass."

AIMS

Senior managers in the finance industry are increasingly faced with complex situations that involve ethical decision-making. Rarely will you have a choice between a course of action that is unambiguously right or wrong. The overall aim of this class is to prepare you for those challenges.

Time and again, research and real world events confirm that with the wrong conditions, decent people can do terrible things. Through a combination of readings, discussions, and group activities, our goal in this class is to uncover and strengthen the individual capacity to act with integrity. We will review the standards of professional conduct required of investment professionals and practice making tough choices. This class is training for how to fulfill professional duties with reasonable and ethical decision-making processes.

METHODOLOGY

The course is comprised of six sessions. There is relatively little emphasis on formal lectures and instead relies upon student participation as the most important source of learning. The readings, exercises, and case studies used in the course are geared towards a practical perspective of real-life situations. Recognizing the potential for social influences to erode standards of professionalism, we will engage in role-playing about situations where ethical standards are challenged.

The course introduces a set of conceptual models of ethical behavior to ground students in the major philosophical approaches to ethics, but overall our emphasis is not on theory. The major thrust of the class is to work with practical applications of ethical standards.
The amount of pre-reading for each class has been kept reasonable to allow for students to complete the readings and have time to reflect on them. As the course involves a high degree of in-class interactivity, students must come well prepared to participate in each session.

**EVALUATION**

Students will be evaluated according to their level of engagement with the class and the topics covered. This is not a traditional class in the sense that the majority of learning does not come from acquired knowledge about a specific set of subjects. While students will be expected to gain mastery of certain codes of conduct and professional standards, we place emphasis on critical thinking about personal behavior in the workplace. Evidence that you have engaged in critical thinking and reflection will be critical to scoring well on the individual written assignment and the final group presentation.

Student grading will be based 40% on in-class participation, 30% on the individual assignment and 30% on the group exercise. Students will complete a peer-evaluation at the end of the group assignment to help assess the quality of individual participation in the group exercise.

**BIBLIOGRAPHY**

- If you have not already done so, you will need to create an account with the CFA to access CFA podcasts and other material. As a CFA programme partner access to all the material in this course is free.
- Chade-Meng Tan: Search inside yourself
- Search-Inside-Yourself-Unexpected-Achieving/dp/0062116924