

## **FIN4125/FIN4720: SUSTAINABILITY AND FINANCE**

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Session: Semester 2, 2020/2021

### **Course Descriptions**

This module is an advanced finance module that aims to provide integrated perspectives on the topic of sustainability in the domain field of finance. Specifically, the course will cover the value implications of sustainability practices adopted by firms and those demanded by investors and financial institutions. Regulators, not for profit organizations and other intermediaries are also part of the ecosystem. Various financial valuation and investment tools and methodologies are modified and adapted for use.

### **Learning Objectives**

By the end of this course, students are expected to

- Understand and learn how the traditional investment principles and techniques are modified to value sustainable projects and financial products related to sustainable returns;
- Understand and learn how corporate finance concepts and theories are modified for entities with sustainability considerations;
- Understand and learn how to evaluate the latest and relevant financial innovations and products that are related to sustainability.
- Understand the landscape of various stakeholders in the development of sustainability and their relevance for policymakers, financial intermediaries and investors.

### **Prerequisites**

- FIN3101/FIN3701 Corporate Finance
- FIN3102/FIN3702 Investment Analysis and Portfolio Management

### **Course Materials**

This module will consist of lecture notes, readings, case studies and relevant materials that will be available via LumiNUS.

### **Assessment**

Class Participation	20%
Case Presentation	25%
Group Project	25%
<u>Test</u>	<u>30%</u>
Total	100%

## I. Class participation (20%)

Credits will be given for active participation in class. During the case presentation/discussions on the weekly basis, all non-presenting students are expected to raise questions and discuss.

## II. Case Presentation (25%)

You will work in groups on several case studies. There will be questions for each case, and you will need to present with powerpoint slides. The slides would include a brief summary of the case itself, and the answers to the questions. The objective of the case presentation is to motivate all students to actively think through the cases before class and be more involved in the discussions of these cases during the class. The evaluation of group case studies will be based on the critical thinking and reasoning of your understanding and recommendations if any. The case presentation will not exceed a total of 30 minutes and the total number of slides not exceed 25.

Groups will be formed during the first three weeks of class. Each group should not exceed five members. You are encouraged to find your own group members. The group-member list should be submitted no later than the third week of class.

## III. Group Project (25%)

You will work in groups for a project of writing a case study and teaching notes on the topic of sustainability. The list of topics you can choose from will be provided at the beginning of the semester and the selected topic will be informed to the instructor in Week 4. The case synopsis (no more than 500 words) and the detailed outline of the case and teaching notes (no more than 1,000 words) will be due in Week 7 (after the recess week). The due date of the case study and teaching notes will be by **16 April 2020 (12 midnight)** in Week 13. The case study and teaching notes in WORD document will not exceed a total of 15 pages (Times New Romans, 1.5 spacing and font size 11), including all the exhibits and footnotes.

The evaluation criteria will be based on the clarity of the problems faced and the reasonableness of the solutions proposed.

## IV. Final Test (30%)

There will be a cumulative final test in week 13 in class (13 April 2020).

### Consultation Hours

Thursday 2pm

### Schedule:

Week	Contents
1	Topic 1: Overview
2	Topic 2: Corporate Social Responsibility and Firm Valuation Case: <i>SingTel: Philanthropic or Strategic Corporate Social Responsibility (IVEY Case Publisher: 9B19M053)</i>
3	Topic 3: Microfinance Case: <i>Micawber Capital: For Mission or Profit? (KEL712-PDF-ENG)</i>

4	Topic 4: Extended Portfolio Theory <i>Case: WaterEquity: Alternative Investment (IVEY Case Publisher: 9B20N016)</i> <b>Note: The selected topic for the Case Study is due.</b>
5	Topic 5: Impact Assessment <i>Case: FoodXervices and Food Bank: A Call for Integration (IVEY Case Publisher: 9B19M067)</i>
6	Topic 6: Social Return on Investment <i>Case: Samsui: Social Return on Investment (IVEY Case Publisher: 9B19M080)</i>
<b>Recess Break</b>	
7	Topic 7: Social Impact Bonds <i>Case: Pay For Success and Social Innovation Financing: Serving Santa Clara County's Mentally Ill Residents (HBS: S1133-PDF-ENG)</i> <b>The synopsis and outline of the case study/teaching note is due.</b>
8	Topic 8: Green Bonds (Reference: Flammer, 2020, Corporate Green Bonds, <i>Journal of Financial Economics</i> )
9	Topic 9: Social Responsible Investment <i>Case: OpenInvest (HBS: 218064-PDF-ENG)</i>
10	Topic 10: Impact Investing <i>Case: Impact Investing: Tracking the Adoption of a Financial (and Social) Innovation (ROT327-PDF-ENG)</i>
11	Topic 11: Project Financing in Sustainability <i>Case: Calculating the Value of Impact Investing (R1901G-PDF-ENG)</i>
12	Topic 12: Fintech and Sustainability <i>Case: OneConnect (NUS Business School)</i>
13	Final Test on 13 April 2020 in class. <b>The case study/teaching note is due by 16 April 2021.</b>

### **Academic Honesty & Plagiarism**

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is “the practice of taking someone else's work or ideas and passing them off as one's own” (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule – You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. In case of any doubts, you should consult your instructor.

Additional guidance is available at:

<http://nus.edu.sg/osa/resources/code-of-student-conduct>

Online Module on Plagiarism: <http://emodule.nus.edu.sg/ac/launch.htm>.