



**SUBJECT DATASHEET**

**FINANCIAL AND BUSINESS ETHIC**

**BMEGT35M120**

# I. SUBJECT DESCRIPTION

## 1. SUBJECT DATA

### Subject name

FINANCIAL AND BUSINESS ETHIC

### ID (subject code)

BMEGT35M120

### Type of subject

Contact lessons

### Course types and lessons

<i>Type</i>	<i>Lessons</i>
Lecture	2
Practice	0
Laboratory	0

### Type of assessment

mid-term  
grade

### Number of credits

3

### Subject Coordinator

<i>Name</i>	<i>Position</i>	<i>Contact details</i>
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### Educational organisational unit for the subject

Department of Finance

### Subject website

<https://edu.gtk.bme.hu>

### Language of the subject

angol – ENG

### Curricular role of the subject, recommended number of terms

Programme: **Finance MSc (in English) from 2019/20/Term 1 AUTUMN start**

Subject Role: **Compulsory elective**

Recommended semester: **4**

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Programme: **Finance MSc (in English) from 2019/20/Term 1 SPRING start**

Subject Role: **Compulsory elective**

Recommended semester: **3**

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### Direct prerequisites

*Strong* None

*Weak* None

*Parallel* None

*Exclusion* None

### Validity of the Subject Description

## 2. OBJECTIVES AND LEARNING OUTCOMES

### Objectives

The course discusses the theoretical foundations of financial and business ethics, describing the most important domestic and international practical experiences. Its result is twofold because it serves to develop moral sensitivity as well as to expand economic expertise. The main topics highlight the ethical dimension of the economy, such as the social and market mechanisms at the macro level, and the requirements of customers, employers, economic decision-makers and responsible corporate operations at the micro level. It aims to enable students to recognize and properly manage ethical economic decision-making dilemmas.

### Academic results

#### Knowledge

1. the conceptual framework of financial and business ethics,
2. the most important ethical contexts and theories,
3. fair trading and dealing with customers
4. fundamentals of responsible corporate governance, fair competition

#### Skills

1. analyze financial and business processes and developments from an ethical point of view in practice
2. recognize and manage ethical decision-making dilemmas
3. plan and organize independent learning,
4. comprehend and use the professional literature of the topic,
5. grasp the professional language in writing and speech,
6. recognize and solve practical professional problems.

#### Attitude

1. open to the ethical context of economic processes,
2. collaborate with their instructors and fellow students during the learning process,
3. expand and gain knowledge and information,
4. are open to ethical and critical thinking.

#### Independence and responsibility

1. are open to accept reliable critical remarks,
2. are able to solve practical professional problems independently.

### Teaching methodology

Lectures and written communication, use of ICT tools and techniques.

### Materials supporting learning

- 1. Az előadások prezentációjának anyaga, ami a félév során folyamatosan fog feltöltésre kerülni. - Slideshows of the lectures which will be uploaded continuously during the semester.
- 2. Byars – Stanberry. 2020. Business Ethics. OpenStax. <https://openstax.org/details/books/business-ethics?Book%20details>
- 3. Ferrell O. C. 2016. Business Ethics: Ethical Decision Making & Cases. Cengage Learning
- 4. CFA: Code of Ethics and Standards of Professional Conduct
- 1. Beaton, George Ramsay. 2010. Why Professionalism is Still Relevant. University of Melbourne Legal Studies Research Paper No. 445.
- 2. Bellis, C. S. 2000. "Professions in Society." British Actuarial Journal 6 (2): 317–64.
- 3. Bogle, John C. 2017. "Balancing Professional Values and Business Values." Financial Analysts Journal 73 (2): 14–23.
- 4. CFA Institute. 2017. Future State of the Investment Profession. [www.cfainstitute.org/learning/future/Documents/future\\_state\\_of\\_investment\\_profession.pdf](http://www.cfainstitute.org/learning/future/Documents/future_state_of_investment_profession.pdf)
- 5. CFA Society UK. April 2016. The Value of the Investment Profession: A Report on Stakeholders' Views. [www.cfauk.org/-/media/files/pdf/professionalism/value-of-theinvestment-profession-report.pdf](http://www.cfauk.org/-/media/files/pdf/professionalism/value-of-theinvestment-profession-report.pdf)
- 6. Graham, Benjamin. 1949. The Intelligent Investor. New York: HarperCollins.
- 7. Graham, Benjamin, and David Dodd. 1934. Security Analysis. New York: McGraw-Hill.
- 8. Surdam, David George. 2020: Business Ethics from Antiquity to the 19th Century: An Economist's View. Springer International Publishing;Palgrave Macmillan
- 9. Surdam, David George. 2020: Business Ethics From The 19th Century To Today: An Economist's View. Palgrave Macmillan
- 10. Sanders, Deen, and Alex Roberts. 2015. Professionalisation of Financial Services. White Paper. [https://www.psc.gov.au/sites/default/files/NEW-PSC%20Whitepaper\\_final.pdf](https://www.psc.gov.au/sites/default/files/NEW-PSC%20Whitepaper_final.pdf).
- 11. Sen, Amartya Kumar. 1987. On Ethics and Economics. New York, NY: Basil Blackwell.
- 12. Robert O'Brien, Marc Williams: Global Political Economy: Evolution and Dynamics. Palgrave Macmillan, 2016
- 13. Paweł Bożyk: Globalization and the Transformation of Foreign Economic Policy. Ashgate Publishing, Ltd., 2006
- 14. Angus Maddison: Contours of the World Economy 1-2030 AD: Essays in Macro-Economic History. Oxford, University Press, 2007.

# II. SUBJECT REQUIREMENTS

## TESTING AND ASSESSMENT OF LEARNING PERFORMANCE

### General Rules

Assessment of the learning outcomes described under 2.2. is based on one written mid-term exam, but the result can be improved with other extra midterm scores.

### Performance assessment methods

In order to obtain a 'Signed' mark, students are required to fulfil the attendance, participation requirements (the number of allowed absences is three), the completion of attendance and written, homework issued during the year, and activity on the lessons. Mid-term written exam (test: matching, embedded answers, multiple choice, random short answer matching, select missing words, short-answer, numerical, true/false) The result can be improved with extra 20% by midterm scores.

### Percentage of performance assessments, conducted during the study period, within the rating

- Mid-term written test: 100

### Percentage of exam elements within the rating

### Conditions for obtaining a signature, validity of the signature

#### Issuing grades

Excellent	>87
Very good	>87
Good	75-87
Satisfactory	63-75
Pass	50-62
Fail	<50

#### Retake and late completion

The rules specific to the semester teaching and learning period apply.

#### Coursework required for the completion of the subject

Participation in contact lessons	28
Preparing for assesment	62
total	90

#### Approval and validity of subject requirements

# III. COURSE CURRICULUM

## THEMATIC UNITS AND FURTHER DETAILS

### Topics covered during the term

Subject includes the topics detailed in the course syllabus to ensure learning outcomes listed under 2.2. can be achieved. Timing of the topics may be affected by calendar or other circumstances in each semester.

- 1 Concept of ethics and business ethics; ethics in the economy and financial markets
- 2 Development of business ethics; ethical systems
- 3 Ethical and Professional Standards: Ethics and Professionalism; Challenges to Ethical Conduct; Ethical vs. Legal Standards;
- 4 Professionalism: Knowledge of the Law; Independence and Objectivity; Misrepresentation; Misconduct
- 5 Integrity of Financial Markets: Material Nonpublic Information, Market Manipulation
- 6 Duties to Clients: Loyalty, Prudence, and Care; Fair Dealing; Suitability; Performance Presentation; Preservation of Confidentiality
- 7 Duties to Employers: Loyalty; Additional Compensation Arrangements; Responsibilities of Supervisors
- 8 Responsible corporate operation - Corporate social responsibility
- 9 Investment Analysis, Recommendations, and Actions: Diligence and Reasonable Basis; Communication with Clients and Prospective Clients; Record Retention
- 10 Conflicts of Interest: Disclosure of Conflicts; Priority of Transactions; Referral Fees
- 11 Fair trade, fair competition, consumer protection
- 12 Responsibilities as a Financial Analyst: Conduct and Reference

### Additional lecturers

### Approval and validity of subject requirements