# Ethics Applied to Finance

## Prof. Mario Anolli

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The course objective is to put the student in a position of being able to identify the ethical aspect of individual and collective decisions in business, with particular reference to the world of finance. The course thus examines the extent to which those decisions are consistent with principles shared in society and the probable consequences of those decisions on the system. At the end of the course, students should be able to identify the ethical dilemmas of the different situations that can characterise economic and financial decisions, develop a topic that highlights the different decision criteria, make a decision that takes into account ethical profiles and be able to defend it through argumentation.

***COURSE CONTENT***

Classical economic analysis: several principles applied to finance.

The limits of classical economic analysis:

– utility principle, self-determination/freedom principle;

– incentives and their distortions.

Distributional justice.

Independence and categorical imperative.

Some relevant contributions: Aristotle and the virtue of ethics; Rawls and the consensus ethics; Habermas and the discourse ethics; MacIntyre and the narrative self; Dworkin and the egalitarianism; Kohlberg and the moral development. Cognitive and emotional distortions.

Applications to the world of finance (corporate governance, value creation, top management remuneration, sell-side research, negotiation and market manipulation, earnings and tax management, IPO and private equity).

The code of ethics for financial professionals.

The things that money cannot buy.

The concept of the good life.

Integrity, regulatory aspects and positive aspects.

Social responsibility, solidarity.

The Church's social doctrine and common goods.

***READING LIST***

M. Anolli, *Finanza ed etica. Cosa guida le nostre decisioni*, Pearson **ISBN**: 9788891909251, 2022.

Readings:

Jensen-C. Michael, *Integrity: Without it Nothing Works,* January 14, 2009, SSRN: http://ssrn.com/abstract=1511274.

M.J. Sandel, *Giustizia. il nostro bene comune*, Feltrinelli, 2012 (testo di riferimento).

M.J. Sandel, *Quello che i soldi non possono comprare. I limiti morali del mercato*, Feltrinelli, 2013.

***TEACHING METHOD***

Lectures: 80%; presentations by experts: 10%; classroom discussions 10%.

***ASSESSMENT METHOD AND CRITERIA***

Written examination, based on both multiple choice and open-ended questions, on the whole content of the course. Students’ intervention during lectures may be part of the assessment. Both students and the lecturer will have the right to request an oral interview to supplement the written test.

***NOTES AND PREREQUISITES***

There are no specific prerequisites for attending the course, other than the preparation provided in the three-year degree programme.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG, or on the Faculty notice board.