



Course and Examination Fact Sheet: Spring Semester 2018

8,161: Socially Responsible Investments and Impact Investing

ECTS credits: 4

Overview examination/s

(binding regulations see below)

Decentral - Presentation (in groups - all given the same grades) (40%)

Decentral - Written examination (60%, 60 mins.)

Attached courses

Timetable -- Language -- Lecturer

[8,161,1.00 Socially Responsible Investments and Impact Investing](#) -- Englisch -- [Utz Sebastian](#)

Course information

Course prerequisites

No formal requirements exist for students to attend this course. Previous knowledge on sustainable finance, for instance gathered in the course 9,192,1.00 "Sustainable Finance", is not necessarily required.

Course content

Students learn the historical development and the basic concepts of corporate social responsibility and socially responsible investments (SRI). They acquire a detailed understanding of different investment approaches in SRI and get insights into environment, social, and governance (ESG) ratings and ESG business intelligence. Students apply practical work with ESG data (i.e. trading simulation, empirical analysis), learn how to interpret such data, and get to know specific approaches of ESG integration. Furthermore, we discuss theoretical concepts and empirical results regarding the link between a firm's corporate social responsibility and its financial performance. Since the popularity of Impact Investing as a serious sustainable investment has significantly increased recently, the second part of the class focusses on Impact Investing.

Course structure

This lecture is organized as a weekly course of 2 teaching hours and additional 2 teaching hours of self-studies. Self-studies include the preparation of the presentation (part of the grading) and additional reading. Guest lectures are scheduled during the weekly course. The exam is currently scheduled to take place during the last lecture. After the semester break, an additional lecture is scheduled for the presentation of self-studies.

Course literature

Lecture and guest lecture slides



Additional literature:

- Crane, Matten, Spence (2014) Corporate Social Responsibility, 2. edition, Routledge
- Solow (1991) Sustainability: An Economist's Perspective
- Goodstein, Polasky (2014) Economics and the Environment, 7. edition, Wiley
- Schaltegger / Bennett / Burritt (2006) Sustainability Accounting and Reporting, Springer

Paper list for presentation (each group one paper):

1. Liang and Renneboog (2017) On the Foundations of Corporate Social Responsibility, *Journal of Finance*, 72, pp853-910.
2. Lins, Servaes, and Tamayo (2017) Social Capital, Trust, and Firm Performance: The Value of Corporate Social Responsibility during the Financial Crisis, *Journal of Finance*, 72, pp1785-1824.
3. Hwang and Kim (2017) It pays to write well, *Journal of Financial Economics*, 124, pp373-394.
4. Di Giuli and Kostovetsky (2014) Are red or blue companies more likely to go green? Politics and corporate social responsibility, *Journal of Financial Economics*, 111, pp158-180.
5. Cronqvist and Yu (2017) Shaped by their daughters: Executives, female socialization, and corporate social responsibility, *Journal of Financial Economics*, 126, pp543-562.
6. Deng, Kang, and Low (2013) Corporate social responsibility and stakeholder value maximization: Evidence from mergers, *Journal of Financial Economics*, 110, pp87-109.
7. Ferrell, Liang, and Renneboog (2016) Socially responsible firms, *Journal of Financial Economics*, 122, pp585-606.
8. Krüger (2015) Corporate goodness and shareholder wealth, *Journal of Financial Economics*, 115, pp304-329.
9. Byun and Oh (2018) Local corporate social responsibility, media coverage, and shareholder value, *Journal of Banking & Finance*, 87, pp68-86.

Additional course information

Contact:

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Examination information

Examination sub part/s

1. Examination sub part (1/2)

Examination time and form

Decentral - Presentation (in groups - all given the same grades) (40%)

Remark

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Examination-aid rule

Practical examination

No examination-aid rule is necessary for such examination types. The rules and regulations of the University of St. Gallen apply in a subsidiary fashion.

Supplementary aids



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Examination languages

Question language: English

Answer language: English

2. Examination sub part (2/2)

Examination time and form

Decentral - Written examination (60%, 60 mins.)

Remark

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Examination-aid rule

Extended Closed Book

The use of aids is limited; any additional aids permitted are exhaustively listed under "Supplementary aids". Basically, the following is applicable:

- At such examinations, all the pocket calculators of the Texas Instruments TI-30 series and mono- or bilingual dictionaries (no subject-specific dictionaries) without hand-written notes are admissible. Any other pocket calculator models and any electronic dictionaries are inadmissible.
- In addition, any type of communication, as well as any electronic devices that can be programmed and are capable of communication such as notebooks, tablets, PDAs, mobile telephones and others, are inadmissible.
- Students are themselves responsible for the procurement of examination aids.

Supplementary aids

One hand-written sheet of paper with lecture contents such as formulas and theoretical concepts is allowed as an additional examination aid.

Examination languages

Question language: English

Answer language: English

Examination content

Presentation:

Teams of students give short (approx. 15 min.) presentations of the key findings and the applied methodology of one academic paper from the paper list below. In a subsequent short (approx. 5 min.) discussion, the other students and the instructor have the possibility to ask questions.

There will be nine teams of approximately five students. Criteria for a good presentation: Ability to present the key finding in a clear and conclusive manner, analytical depth when presenting the methodology, presentation skills.

Slides of the presentations have to be submitted to the instructor one day before the presentation meeting at 10pm.

Written Exam:

Relevant contents for the exam:

- theoretical knowledge about the general aspects of socially responsible investments
- strategies of socially responsible investments
- profiles of socially responsible investors
- the ability to interpreting the meaning of measures for corporate social responsibility (e.g. of ESG scores)
- concepts of ESG integration
- concepts on the link between corporate social responsibility and financial firm performance
- concept of impact investing including specific investment instruments, regulation, challenges for a bank, measuring of impact



Examination relevant literature

Presentations:

1. Liang and Renneboog (2017) On the Foundations of Corporate Social Responsibility, *Journal of Finance*, 72, pp853-910.
2. Lins, Servaes, and Tamayo (2017) Social Capital, Trust, and Firm Performance: The Value of Corporate Social Responsibility during the Financial Crisis, *Journal of Finance*, 72, pp1785-1824.
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Exam:

- Lecture slides
- Further course material (i.e. case study, slides of guest lectures)

Please note

We would like to point out to you that this fact sheet has absolute priority over other information such as StudyNet, faculty members' personal databases, information provided in lectures, etc.

When will the fact sheets become binding?

- Information about courses and examination time (central/decentral and grading form): from the start of the bidding process on 25 January 2018
- Information about decentral examinations (examination-aid rule, examination content, examination relevant literature): after the 4th semester week on 19 March 2018
- Information about central examinations (examination-aid rule, examination content, examination relevant literature): from the start of the enrolment period for the examinations on 09 April 2018

Please look at the fact sheet once more after these deadlines have expired.