

## AFBE 320 – Sustainability, Accounting and Business Ethics

Course Title	Sustainability and, Accounting and Business Ethics			
Course Code	AFBE 320			
Course Type	Elective			
Level	BA (Level 1)			
Year / Semester	7 <sup>th</sup>			
Teacher's Name	Andreas Georgiou.			
ECTS	6	Lectures / week	3	Laboratories/week
Course Purpose	<p>The Sustainability, Accounting, and Business Ethics module aims to give students a thorough grasp of the values and procedures necessary to promote sustainable business operations. This course emphasizes the role that sustainability, ethical decision-making, and accounting play in responsible company management by examining their junction. The impact of environmental and social governance (ESG) requirements, how ethical frameworks influence financial reporting, and tactics for open and responsible company practices will all be covered by the students. Students will acquire the information and abilities necessary to promote moral, sustainable, and successful organizational practices by comprehending these interconnected fields.</p>			
Learning Outcomes	<p>By the end of the lesson, the student will be able to have the following learning outcomes:</p> <ol style="list-style-type: none"> <li>1. <b>Understand Sustainability Concepts:</b> Explain the fundamental principles of sustainability and their relevance to business operations and management.</li> <li>2. <b>Analyse ESG Frameworks:</b> Demonstrate an understanding of Environmental, Social, and Governance (ESG) criteria and their application in business decision-making.</li> <li>3. <b>Ethical Decision-Making in Business:</b> Evaluate various ethical theories and frameworks to make responsible business decisions.</li> <li>4. <b>Sustainable Accounting Practices:</b> Apply sustainable accounting techniques that prioritize environmental and social considerations alongside financial performance.</li> <li>5. <b>Corporate Social Responsibility (CSR):</b> Discuss the importance of CSR and identify ways businesses can contribute positively to society and the environment.</li> <li>6. <b>Impact of Business on Environment:</b> Assess the environmental impacts of business activities and identify strategies to minimize these effects.</li> <li>7. <b>Stakeholder Engagement:</b> Develop skills for engaging stakeholders effectively in sustainability and ethical practices within organizations.</li> <li>8. <b>Transparency in Financial Reporting:</b> Demonstrate the importance of transparency and accountability in financial reporting and disclosures.</li> </ol>			

	<p>9. <b>Evaluate Ethical Dilemmas:</b> Identify and analyze ethical dilemmas in business contexts, proposing solutions grounded in ethical reasoning.</p> <p>10. <b>Corporate Governance and Ethics:</b> Understand the role of corporate governance in enforcing ethical standards and sustainable practices.</p> <p>11. <b>Integrating Ethics into Business Strategy:</b> Develop strategies for integrating ethical considerations into core business strategies and decision-making processes.</p> <p>12. <b>Legal and Regulatory Frameworks:</b> Recognize and apply relevant legal and regulatory frameworks that support sustainability and ethics in accounting and business.</p> <p>These outcomes aim to prepare students to address the challenges of sustainability and ethical responsibility in the business world.</p>		
Prerequisites	ABSA 408	Corequisites	
Course Content	<ul style="list-style-type: none"> <li>• Introduction to sustainability: Definition. The UN goals of sustainability. Sustainability concepts. Understand the impact of sustainability development. Key challenges and trends of sustainability. Key stakeholders in sustainability. Sustainability practices and long-term value. The role of the professional accountant in sustainability include the role and regulations that apply to the professional accountant.</li> <li>• Ethical theories: Distinguish between various ethical theories such as: relativism and absolutism. Distinguish between the deontological and teleological approach to ethics. Appraise and apply the ethical decision-making models in accounting and professional contexts.</li> <li>• Pillars of sustainability: Briefly explain three pillars of sustainability and their interconnection. The challenges to sustainability of social, environmental and economic factors and their impact. Define social responsibility: Describe and evaluate the different approaches to ethics and social responsibility. Appraise corporate and personal ethical stances. Analyse the variables determining the cultural context of ethics and corporate social responsibility.</li> <li>• Sustainability and regulations: Overview of key sustainability regulations and frameworks (e.g., Paris Agreement, UN Sustainable Development Goals, EU Green Deal). The role of international organisations concerning sustainability. Areas of codified regulation. Codified regulation and its role.</li> <li>• Sustainability in business: The relationship between sustainability and strategy for business. Barriers to corporate sustainability. Importance of life cycle assessments. Key measures of sustainability.</li> </ul>		

- Ethics and public trust: Explain business, professional and personal ethics. The role of ethics in society. Ethics and law. Ethics and sustainability. Ethics, stakeholders and decision making. Public interest v business trust: Why both are important. Accountability, transparency and governance: Why important. Understand the role of the ICAEW in public trust and measures it can use.
- Code of ethics and ethical conflicts: Evaluate corporate codes of ethics. Identify professional codes of ethics such as that of the ICAEW. Professional skepticism and judgement. Consequences of unethical behaviour for individual, organisation and accounting profession. Critically evaluate the code of ethics relevant to accounting professionals. Evaluate issues associated with conflicts of interest and ethical conflicts. Appraise the nature and impacts of ethical threats and safeguards. Analyse the relationship between independence and ethical behaviour. Concept of whistleblowing. Breach of confidentiality. Professional accountants' responsibility for detecting criminal activities.
- Corporate governance and agency theories: State the: Definition, purposes and objectives of corporate governance. Role of ethics in business and good governance. Evaluate the roles of external parties involved in corporate governance. Define and explore agency theory and its key concepts. Explain the relationship between corporate governance with the principal agency relationship. Reporting in corporate governance.
- Boards and corporate governance: Recognise the roles and responsibilities of boards of directors. Analyse board structures based on case study scenarios. Recognise the characteristics of board composition. Explain the purpose, roles and responsibilities of non-executive directors. Distinguish between the roles of the chairman and the chief executive officer (CEO). Assess the importance of board expertise. Analyse the frameworks for assessing board performance.
- Committees and director remuneration: Explain and assess the importance, roles and accountability of board committees. Analyse the roles in effective corporate governance of various committees. Describe and assess the general principles of remuneration. Assess the effect of remuneration packages on directors' behaviour.
- Social and environmental issues: Social and environmental issues in business and ethical behaviour: Describe and assess the social and environmental effects economic activity can have. Explain and assess the concept of sustainability and evaluate the issues concerning accounting for sustainability. Describe the main features of internal management systems for environmental accounting. Explain the nature of social and environmental audits and evaluate its contribution to environmental accounting. Financial reporting concerning social and environmental issues.

	<ul style="list-style-type: none"> <li>• An overview of the various code of ethics such as the ICAEW. Ethical dilemmas in the investment industry, the benefits and consequences of not following ethical behavior, the legal framework relating to investments.</li> <li>• Ethics and the impact of technology: Principle of data ethics. Ethical considerations in data collection, usage, and privacy in the digital age. The impact of technology (AI, machine learning, blockchain) on sustainability and ethics. Understanding data-driven decision-making and its ethical implications. Ethical issues on the development and use of technology. Case studies on ethical and sustainable data practices in the business sector.</li> </ul>
Teaching Methodology	<p>The taught part of course is delivered to the students by means of lectures, conducted with the help of computer presentations. Lecture notes and presentations are available through the web for students to use in combination with the textbooks.</p> <p>Lectures are supplemented with class exercises carried out in class and via homework. Class exercises for homework are submitted on the e-learning platform for students to attempt and the solutions are posting on the platform at a later date (around one week).</p>
Bibliography	<p><u>Textbooks:</u></p> <p>Kıymet Tunca Çalıyurt (2018), Ethics and Sustainability in Accounting and Finance, Volume I (2018), Editors: Springer</p> <p>BPP, ACCA Paper P1: Governance, Risk and Ethics: Study Text, BPP Learning Materials, 2017.</p> <p><u>References:</u></p> <p>Roman Meinhold (2022), Business Ethics and Sustainability, Routledge.</p> <p>Kaplan Publishing, ACCA Paper P1: Governance, Risk and Ethics: Study Text, BPP Learning Materials, 2017.</p> <p>Kaplan Publishing, Audit and Assurance (AA) Study Text, Kaplan Publishing, 2018 edition.</p> <p>Andreas Georgiou (2018), Auditors' Perceptions on Impact Of Mandatory Audit Firm Rotation on Auditor Independence - Evidence from Cyprus, Science and Business: Development Ways, No. 3 (81), pp 150-157.</p> <p>Andreas Georgiou (2010). Corporate governance and its effect on the performance on family and non-family companies listed on the Cyprus stock exchange (Doctoral dissertation, Middlesex University).</p>
Assessment	<p><u>(a) Methods:</u> Students will be assessed with coursework that involves a research assignment in the area of ethics or governance (with a written report and presentation), a midterm test and a final exam. The course involves both explaining theoretical concepts and also solving practical problems in ethics.</p> <p><u>(b) Criteria:</u> The assessment criteria can be generalised as follows concerning the area assessed:</p> <ul style="list-style-type: none"> <li>• 86% or more – Excellent application of problem solving skills.</li> <li>• 76%-85% - Very good application of problem solving skills.</li> </ul>

	<ul style="list-style-type: none"> <li>• 66%-75% - Good application of problem solving skills.</li> <li>• 56%-65% - Satisfactory with some success in applying problem solving skills</li> <li>• 50%-55% -Satisfactory with limited success in applying problem solving skills</li> <li>• Below 50% -Little or no application of problem solving skills.</li> </ul> <p><u>(c) Weights:</u></p> <ul style="list-style-type: none"> <li>• Research assignment   20%</li> <li>• Mid-term test           20%</li> <li>• Final exam               60%</li> </ul>
Language	English.