

Course title: Accounting and Finance for Sustainability				
Course code: BSI 125	No. of credits: 3	L-T-P distribution: 33-9-0	Learning hours: 42	
Pre-requisite course code and title (if any):				
Department: Department of Business Sustainability				
Course coordinator:			Course instructor:	
Contact details:				
Course type	Elective	Course offered in: Semester 3		
Course Description The course intends to expose the learner to the emerging world of sustainability-centered accounting and finance. The field is emerging. There are many challenges to standardize the practices. Different experiments and research are on. So it's a felt need of importance that the budding managers develop a clear perspective to actively contribute to the evolving process of newer paradigm.				
Course Objectives In the context of the above course description, the objectives are to: <ul style="list-style-type: none"> • Have an in-depth understanding of economic concepts and principles in climate and sustainable finance; • Expose learners to the emerging challenges of sustainable and ESG finance and develop the right kind of attitude to address them • Sensitise learners on the glaring funding gaps in global climate and sustainable finance and the efficacy of market-based instruments to generate finance • Explain the role of different actors in climate and sustainable finance, including central banks, financial supervisory authorities, national and multilateral development banks, corporate banks, and institutional investors; • Understand and analyse the potential risks and opportunities of environmental trends for financial markets, with a particular emphasis on climate risks; • Explain the range of financial policy instruments and initiatives and their potential with regard to integrating climate change and sustainability into financial policy and supervisory frameworks 				
Course Contents:				
Module	Topic	L	T	P
1.	Introduction: <ul style="list-style-type: none"> • Changing paradigm of corporate finance and accounting; • Integrating sustainability into business; • Triple Bottom Line (TBL) and its relationship with Finance and Accounting; • Emerging Challenges and opportunities. 	2	0	0
2.	Measuring sustainability: the macro level indicators: <ul style="list-style-type: none"> • Green national accounting; • Genuine savings; • System of Environmental-Economic Accounting (SEEA). 	3	1	0
3.	Measuring sustainability: the firm level indicators <ul style="list-style-type: none"> • Green/Environmental Profit & Loss Account • Green/Environmental Balance Sheet. 	2	1	0
4.	Life Cycle Cost Analysis (LCA) and Full Cost Accounting (FCA) <ul style="list-style-type: none"> • Acquisition costs versus Life Cycle costs • Measurement techniques. 	2	1	0

5.	Activity Based Cost Management(ABCM): <ul style="list-style-type: none"> • Activityidentification • Cost Centres v. CostDrivers; • Activity based Cost Measurement (ABCM) 	1	1	0
1.	Integrated Reporting <ul style="list-style-type: none"> • Economic and environmentalreporting; • Integratingprocess; • Sustainable ReportingStandards 	3	0	0
7.	Firm level performance analysis <ul style="list-style-type: none"> • Financial vs. Non-Financial :Integration • Challenges to developing appropriatebenchmarks; • Casestudies. 	1	2	0
8.	Sustainability issues: Impact on Business and Economy <ul style="list-style-type: none"> • Sizing climateeconomy • Sustainability:Economic,EnvironmentalandSocialFactors(EES) • Value creation and EESvariables • Sustainablevalueadded(SVA):Measurement&Estimation • Environmental liabilities: Identification andReduction 	3	1	0
9.	Responsible Investments: <ul style="list-style-type: none"> • ResponsibleInvestmentPrinciplesasdefinedbytheUN(UNPRI); • Approaches andforms; • Stockholders' value max vs. stakeholders' valuemax; • Stakeholders'activism; • Valuationapproaches. • Concept of shared value and value chainanalysis; • Behaviouralaspects. 	3	1	0
10.	Sustainability Risk Management <ul style="list-style-type: none"> • Risksandreturnrelationship:thechangingscenario; • Capitalbudgetingdecisionsandsustainabilityrisks; • Risk Managementapproaches • Developing proper risk reportingmechanism 	2	1	0
11.	Hedging Sustainability risks <ul style="list-style-type: none"> • Hedgingsustainabilityrisksthroughmarketinstruments; • Weatherderivatives; • Energyderivatives. 	2	0	0
12	Investment market and sustainability factors: <ul style="list-style-type: none"> • Sustainableportfolios; • Role of fundmanagers; • Investment bankers and sustainabilityissues. 	2	0	0
13	Market Indices and Sustainability Issues <ul style="list-style-type: none"> • BasisandConstructionmechanismsofsuchindices; • Majorgreenmarketindicesintheworld; • Indianpositionandaglobalcomparison. 	2	0	0
14	Financing sustainability <ul style="list-style-type: none"> • Kyoto Protocol andCDM; • CarbonFinancing; • Carbon credit and emissiontrading; • Othermarketbasedinstruments-greenbonds,socialimpact bonds and 	3	0	0

	<p>thelike.</p> <ul style="list-style-type: none"> • Historic Climate (Green) Deal (22.04.2016 atUN) 			
15	<p>Policy and Regulatory issues</p> <ul style="list-style-type: none"> • An overview of the policy issues in India and theglobe; • Role of an appropriate regulatoryframework; • G20 and global growth through GreenFinance. 	2	0	0
<p>Evaluation criteria</p> <ul style="list-style-type: none"> ▪ Test 1-Assignment/Presentation 20% ▪ Test 2- Term paper based on preparing a case study 20% ▪ Test 3- Written Exam 30% ▪ Test 4- Written Exam30% 				
<p>Learning Outcome: After successful completion of the course, the students will be able to:</p> <ul style="list-style-type: none"> • Develop a complete understanding of sustainable financing market systems, the tools and instruments used for financing sustainable development. • Have an indepth knowledge on the challenges pertaining to sustainable and ESG financing and the role of several stakeholders including central banks, financial supervisory authorities, national and multilateral development banks, corporate banks, and institutional investors to fund sustainable development efforts. • Develop a thorough understanding on the nature of risks associated with sustainable financing and some of the accounting tools to address such risks. • Have a thorough understanding of the international climate change negotiations and India 's role in climate talks. • Develop a fair understanding of financial policy instruments and initiatives with regard to integrating climate change and sustainability into financial policy and supervisory frameworks. 				
<p>Pedagogical approach: The course will be delivered through lectures and discussion of case studies, research papers and articles.</p>				
<p>Reading Materials: <i>Suggested Books:</i></p> <ol style="list-style-type: none"> 1. Unerman,J,Bebington,JandO'Dwyer,B,SustainableAccountingandAccountability,Routledge,London and New York,2010. 2. Wells,G,SustainableBusiness:theoryandpracticeofbusinessundersustainability,EElgar,Cheltenham, UK,2013. 3. Cherneva,Iveta(ed.),TheBusinessCaseforSustainableFinance,Routledge,LondonandNewYork,2012. 4. Bhattacharya,RN(ed.),EnvironmentalEconomics-anIndianPerspective,OUP,NewDelhi,2001. <p><i>Reports and Other References:</i></p> <ol style="list-style-type: none"> 1. UNEP (2009). Fiduciary Responsibility: Legal and practical aspectsof integrating environmental,social and governance issuesinto institutional investment 2. MSCI (2019). Understanding MSCI ESG Indexes: Methodologies, facts and figures 3. Climate Bonds Initiative (2019). ASEAN Green Financial Instruments Guide 4. Climate Bonds Initiative (2018). Bonds andClimate Change the State of The Market 5. Reports by Consulting Organisations such as KPMG, PwC, Deloitte, E&Y etc. 6. Occasional materials and hand-outs as delivered by the faculty member <p><i>Web sources:</i></p> <p>https://sseinitiative.org/ https://www.asiaindex.co.in/indices/equity/sp-bse-greenex https://www.asiaindex.co.in/indices/equity/sp-bse-carbonex https://www1.nseindia.com/products/content/equities/indices/thematic_indices.htm https://www.world-exchanges.org/ https://www.wri.org/our-work/topics/finance</p>				
<p>Additional information (if any):</p>				

Student responsibilities: This is more an open-ended course. The students are required to focus on research based learning.

Prepared by:

Manipadma Datta

Reviewers:

Dr. Shikha M Shrivastav, TERI SAS

Dr. Ritika Mahajan, MNIT, Jaipur