Contents

PART I  Overview  1
  1  Ethics in Finance  3
    John R. Boatright

PART II  Finance Theory  21
  2  Ethical Implications of Finance  23
    Robert W. Kolb
  3  Behavioral Assumptions of Finance  45
    John Dobson
  4  Efficiency and Rationality  63
    Nien-hê Hsieh
  5  Returns, Risk, and Financial Due Diligence  85
    Christopher L. Culp and J. B. Heaton
  6  Reputational Risk  103
    Ingo Walter
  7  Agency Theory  125
    Joseph Heath
  8  The Financial Theory of the Firm  143
    Wayne Norman

PART III  Financial Markets  161
  9  Fairness in Financial Markets  163
    Eugene Heath
  10  Regulation  179
    Edward Soule
11 Insider Trading 199
Peter-Jan Engelen and Luc Van Liedekerke

12 Derivative Contracts: Futures, Options, and Swaps 223
James A. Overdahl

13 Hedge Funds 239
Thomas Donaldson

14 Sovereign Wealth Funds 253
Colleen Baker

PART IV Financial Services 273
15 Marketing of Financial Services 275
George G. Brenkert

16 Financial Codes of Ethics 297
Julie A. Ragatz and Ronald F. Duska

17 Banking 325
Christopher J. Cowton

18 Mutual Funds 339
D. Bruce Johnsen

19 Pension Funds 359
David Hess

20 Insurance 373
Julie A. Ragatz and Ronald F. Duska

21 Responsible Investing 393
Céline Louche and Steven Lydenberg

22 Microfinance 419
Antonio Argandoña

PART V Financial Management 435
23 Shareholder Wealth Maximization 437
Duane Windsor
CONTENTS

24 Earnings Management 457
Leonard J. Brooks Jr.

25 Investor Relations 475
Cynthia Clark Williams and Lori Verstegen Ryan

26 Risk Management 495
Peter C. Young

27 Bankruptcy 509
Ben S. Branch and Jennifer S. Taub

28 Acquisitions, Mergers, and Takeovers 531
Anthony F. Buono and Roy A. Wiggins III

29 Executive Compensation 547
John J. McCall

30 Boards of Directors 565
Dan R. Dalton and Catherine M. Dalton

Index 585