

Introducing sustainability to undergraduate module assessment in accounting

Dr Pik K Liew – Programme Director for BSc Accounting and Finance
[London School of Economics and Political Sciences](#)

November 2021

Teaching, learning and assessment



Audience

Academic staff

Intended outcomes of the project

To encourage students to review and analyse a company's performance beyond solely financial measures and a growth mindset. Both of the latter have been key to the study and practice of accounting and financial management but are insufficient for the changing demands of industry and society.

Outline of the activity

Changes to the content and assessment of a second-year core module were introduced in 2019–20 as part of the programme review. These changes were intended to extend the work of another development in the department, a voluntary research project for first-year students.

The revised coursework for Accounting Theory and Practice (AC200) now requires students to consider both the financial and non-financial aspects of corporations to consider the potential links between these aspects and to appreciate how they are complementary. In their groupwork research presentations, students are expected to evaluate how broader accountability and social questions, including sustainability and ethics, affect corporate performance and pose additional risks that could affect the viability of a company. A number of issues on this aspect are discussed and critiqued in the module. For example, how short-termism and the narrow-focus on financial profitability and accountability caused the demise of some companies, which sometimes led to economic crises and affected the lives of many people locally and around the world. Beyond this the module explores how a company, for example, not treating their employees well and/or polluting the environment could lead to financial losses and reputational risks, as well as how corporate tax avoidance (often facilitated by legal, accounting and finance professionals) is widening wealth gaps and poses a fundamental threat to sustainable socioeconomic development.

Students are tasked to analyse the recent performance of a company (chosen from a list) as a trainee finance and business analyst. The companies listed have been involved with controversies linked to sustainability issues, including environmental concerns, equality and human rights. In 2020–21, the companies were based in China, Scandinavia, Japan, UK and the US, and included airlines, consumer-goods companies, technology-related businesses and fisheries.

Students are guided to source credible publicly available information (eg annual published reports, interim reports, newspaper and research articles) on the companies in the list as well as to use LSE's subscribed databases to obtain relevant literature/reading materials, research data and statistics.

Students record their group presentations and submit them as an 8-minute film. These are viewed in the final week of term, providing an opportunity for students to learn from their peers. Students ask questions of another student group; they are appointed to question a group working on a different company, to encourage the students to ask bigger, conceptual questions, rather than focusing on detail. They also submit a peer assessment which contributes a small percentage towards the final mark, and provide feedback to their peers.

Can you offer some guidance or instruction for those wanting to implement and lead similar projects or activities?

- + When discussing the role of accounting, students could be encouraged to evaluate how low-quality information provided by corporate executives is often driven by a narrowly-focused idea of 'maximising shareholder wealth' and thereby 'fulfilling' their financial accountability. An evaluation of this issue could be linked to how other stakeholders (including the shareholders and the environment) are neglected and their importance/value is undermined, while critiquing the role of accountants within this cycle.
- + When teaching and/or asking students to evaluate a company's performance, students can be encouraged to evaluate a company's performance beyond financial profits/metrics and, on a broader scale, encompassing the impact on our economy, environment and society, and whether that company has added value to our society in this broader framework.
- + The assessment needs to be refreshed regularly, to provide relevant companies to investigate on different accounting and sustainability issues.