



Rotman Commerce UNIVERSITY OF TORONTO

Course Outline

RSM 230H1F
Financial Markets
Fall 2014

Course Meets:	Booth	L0301, L0401 & L0501 Thurs 9-11am WO 35, 11am-1pm WO35 & 4-6pm WW 121
	Stapleton	L0201 & L0101 Wed 10am-12pm WO 30 & 4-6pm TBA

Instructor:	Laurence Booth
E-Mail:	laurence.booth@rotman.utoronto.ca
Phone:	416-978-6311
Office Hours:	Wednesdays 2 - 4pm in RSM 423C

Instructor:	Maureen Stapleton
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Office Hours:	Wednesdays 2 – 3:30pm in RSM469

Course Scope and Mission

The course will briefly highlight the nature of financial securities, the major players that buy and issue them and the securities regulations and procedures that govern their transfer. It will cover some of the key material covered in the Canadian Securities Course, an industry standard required of almost anyone working in Canadian financial markets.

The aim of this course is to discuss the function of financial markets and introduce key institutional details of the Canadian markets. At the end of the course, students should be able to speak intelligently about current financial issues and be better prepared for job interviews in the financial industry.

Our course will include some of the key material covered in the Canadian Securities Course (CSC), which is required of almost anyone working in the financial markets. Students who are interested in a career in finance should consider registering for the CSC so they will have completed their CSC designation prior to looking for a summer finance job. Information on the CSC can be found at https://www.csi.ca/student/en_ca/home.xhtml

Finance students should also explore the requirements for the CFA designation [CFA Program](#) which are posted on the Rotman Commerce portal.

Course Prerequisites: RSM100Y

Course Materials

The course will be taught from one required textbook, and a series of readings that will be made available on Blackboard. All posted readings are required and may be covered in the exam.

Required Textbook:

Sean Cleary, Canadian Securities Exam: Fast Track Study Guide, 4th edition, John Wiley 2013.

Optional Textbook: Some chapters from "Introduction to Corporate Finance, 3rd Edition" by L. Booth and S. Cleary are also helpful and listed as readings. This textbook is the required text for RSM 332/333. While students are not required to purchase this textbook for this course, it will serve as a good reference for some topics and students continuing in finance will need to have this text for future coursework.

Additional readings will be posted directly to Blackboard.

Evaluation and Grades

Grades are a measure of the performance of a student in individual courses. Each student shall be evaluated on the basis of the grading criteria below.

4 news article summaries (3% each)	12%	Due Sep 27, Oct 11, Nov 1 & Nov 15
Assignment 1:	10%	Due October 24
Assignment 2:	10%	Due December 5
Mid-Term:	25%	Friday October 17
Final Exam:	43%	TBA by Arts & Science

Course Format and Expectations

This course is primarily a descriptive course of capital markets and will be taught in a conventional lecture format. Two class sessions in the Rotman Financial Research and Trading Lab (FRTL) supplement the lectures and introduce students to key sources of data and financial information. Students must complete two assignments based on lecture material and data acquired in the trading lab.

It is very important that Rotman Commerce students be aware of what is happening in both the economy and the capital markets. To help you achieve that goal, each student group will submit electronically on four assigned dates (Sundays before Midnight):

1. A copy of a short article downloaded from the web (Yahoo, Google, NY Times, Economist, Reuters, Financial Post etc) dealing with some aspect of material covered in the **previous two classes and**
2. A brief explanation (**maximum one page, double spaced, 12 point font**) of why the article is important. Depending on time constraints, the instructor will call on some randomly selected groups at the beginning of class to explain why they thought this particular article was relevant and important.

Depending on time constraints, groups may be called upon to discuss their article and its relevance in class.

Examples of the required submission and additional instructions will be posted on Blackboard.

Late assignments will not be graded and receive a zero grade so please pay attention to the deadlines and times listed in the course schedule.

Written Assignments and News Article Summaries:

Please note that clear, concise, and correct writing will be considered in the evaluation of assignments. That is, you may lose points for writing that impedes communication: poor organization, weak paragraph development, excessive wordiness, hard-to-follow sentence structure, spelling mistakes and grammatical errors. Students who require additional support and/or tutoring with respect to their writing skills are encouraged to visit the Academic Success Centre (www.asc.utoronto.ca) or one of the College Writing Centres (www.writing.utoronto.ca/writing-centres). These centres are teaching facilities – not editing services, where trained staff can assist students in developing their academic writing skills. There is no charge for the instruction and support.

Group Work:

Both the newspaper and the two longer lab assignments require students to work in **teams of 2 to 4 members**. **You are required to gain professor approval if you cannot find a group meeting this range of team members**. For all group assignments, **please ensure a proper title page is provided listing all student names and student numbers and team name for the group**.

Learning to work together in teams is an important aspect of your education and preparation for your future careers. That said, project-based teamwork is often new to students and you are therefore reminded of the following expectations with respect to behaviour and contributions to your team project.

1. Read the document entitled, “Working in Teams: Guidelines for Rotman Commerce Students” which is available on the RC portal under the Academic Services tab.

2. When working in a team, Rotman Commerce students are expected to:

- Treat other members with courtesy and respect;
- Honour the ground rules established by the team;
- Contribute substantially and proportionally to the final project;
- Ensure enough familiarity with the entire contents of the group project/assignment so as to be able to sign off on it as original work;
- Meet the project timeline as established by the team.

3. Resolving conflicts:

Conflicts are part of the team’s process of learning how to work together effectively and when handled well can generate creativity and bring-multiple perspectives to the solution.

Student teams are collectively expected to work through their misunderstandings as soon as they arise (and prior to submission of the final project). In cases where teams are unable to arrive at a solution that works for all members, the team must meet with the Rotman Commerce Team Coach** as soon as possible. The Coach will listen to the team and help develop options for improving the team process. All members of the project team must commit to, and, utilize their action plans.

** For an appointment with a Rotman Commerce Team Coach, please contact Nikoleta Vlamis at nikoleta@nikoletaandassociates.com or Elaine Zapotoczny at elaine@nikoletaandassociates.com. Nikoleta and Elaine are highly skilled at facilitating team dynamics and collaboration. Note that the Team Coach’s role is to provide guidance, support and advice on team matters – not to formally evaluate or assess teamwork for academic purposes.

Important Considerations of Course Expectations

- 1) Readings may be added as we get closer to the time when the topics are covered.
- 2) PowerPoint slides will be posted on Blackboard for each instructor, but these are not notes. You will find them as terse as Cleary's book; their objective is to make sure that the instructor remembers what to say, not prep students for the exams.
- 3) Assignments and exam times are provisional and may be changed if conflicts arise. Please check classroom announcements regularly.

Currently the lab sessions are scheduled as follows:

Fixed Income

Wednesday	October 1; 6-8pm
Thursday	October 2; 11am-1pm & 4-6pm

Equities

Wednesday	Nov 12; 10am – noon; 4-6pm & 6-8pm
Thursday	Nov 13; 4-6pm

However, times are subject to change as they depend on the availability of the Rotman Finance research and trading lab.

Weekly Schedule

Date	Topic	Readings	Notes on Readings
Sep 10-11	Overview of Capital Markets	Cleary: Ch.1 & 2; Chapter 3, pages 21-24 Booth & Cleary: Ch. 1 & 2	Textbook (Optional reading) Optional Textbook
Sep 17-18	Money Market	Money Markets © Maureen Stapleton Cleary: Ch. 6 & Chapter 11 page 127-129	On Blackboard Textbook
Sep 24-25	Bond Market	Bonds © Maureen Stapleton Cleary: Ch. 7 & 11 (131-133) Booth & Cleary: Chapter 6	On Blackboard Textbook Optional Textbook
Sep 27	Newspaper Assignment #1 Due at 11pm (article related to Overview and/or Money Markets)		
Oct 1-2	Fixed Income Finance Lab Finance Trading Lab: Located at 105 St. George Street (North Building 2 nd Floor)		
Oct 8-9	Bank of Canada	Cleary Ch. 6 & 11 (pages 127 – 129)	
Oct 11	Newspaper Assignment #2 Due at 11pm (article related to Bond market and Bank of Canada)		
Oct 17	MIDTERM EXAM: 6 to 7:30 pm on Friday, October 17 in EX100		
Oct 22-23	Commercial Banks		On Blackboard
Oct 24	Assignment #2 Due at 4 pm		
Oct 29-30	Equity	Equities © Will Huggins Cleary: Ch. 3 (pages 24-28), 8 , 9, 11 (pages 130-134), 13, 14 (pages 165-166 & 172-174) Booth & Cleary: Chapter 7	On Blackboard Textbook Optional Textbook
Nov 1	Newspaper Assignment #3 Due at 11pm (article related to Commercial Banks and/or Equities)		
Nov 5-6	Mutual Funds	Cleary : Ch. 17 – 22; Ch. 24 (Omit LCVSS page 217-218, & split shares, page 272- 273)	Textbook Exchange Traded Funds & Mutual Funds (posted reading)
Nov 12-13	Equities Finance Lab Finance Trading Lab: Located at 105 St. George Street (North Building 2 nd Floor)		
Nov 19-20	Insurance & Derivatives	Cleary: Ch. 10 (omit page 115-117) & 20 Booth and Cleary Chapter 11	Textbook
Nov 15	Newspaper Assignment #4 Due at 11pm (article related to Mutual Funds and/or Insurance Products)		
Nov 26-27	Portfolios	Cleary: Ch. 15 &16	Textbook On Blackboard
Dec 5	Assignment #2 Due at 4 pm		

POLICY AND PROCEDURE

Missed Tests and Assignments (including midterm examinations)

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may submit a request for special consideration. Provided that notification and documentation are provided in a timely manner, and that the request is subsequently approved, no academic penalty will be applied.

In such cases, students must notify Rotman Commerce on the date of the missed test (or due date in the case of course work) and submit supporting documentation (e.g. [Verification of Student Illness or Injury form](#)) to the Rotman Commerce Program Office within **48 hours** of the originally scheduled test or due date. Students who do not provide Rotman Commerce or the instructor with appropriate or sufficient supporting documentation will be given a grade of 0 (zero) for the missed test or course deliverable.

Note that the physician's report must establish that the patient was examined and diagnosed at the time of illness, not after the fact. The Faculty will not accept a statement that merely confirms a later report of illness made by the student to a physician.

In case you miss the midterm examination for legitimate reasons, its weight will be transferred to the final exam (giving it a new weight of 68%).

Late Assignments

As solutions are provided for study purposes immediately after the due date, late assignments are not accepted and will receive a zero grade. In extenuating circumstances (ie. medical), the weight of assignments would be shifted to the respective exam or other assignments.

Accessibility Needs

The University of Toronto is committed to accessibility. If you require accommodations for a disability, or have any accessibility concerns about the course, the classroom or course materials, please contact Accessibility Services as soon as possible: disability.services@utoronto.ca or <http://www.accessibility.utoronto.ca/>.

Academic Integrity

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarships at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the UofT degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

The University of Toronto's Code of Behaviour on Academic Matters

<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm> outlines the behaviours that constitute academic misconduct, the process for addressing academic offences, and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.

- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to), medical notes.

All suspected cases of academic dishonesty will be investigated by the following procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other UofT resources such as College Writing Centres or the Academic Success Centre.

Email

At times, the course instructor may decide to communicate important course information by email. As such, all UofT students are required to have a valid UTMail+ email address. You are responsible for ensuring that your UTMail+ email address is set up AND properly entered on the ROSI system. For more information please visit <http://help.ic.utoronto.ca/category/3/utmail.html>

Forwarding your utoronto.ca email to a Hotmail, Gmail, Yahoo or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Hotmail, Gmail or Yahoo accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

Blackboard and the Course Page

The online course page for this course is accessed through Blackboard. To access the course page, go to the UofT Portal login at <https://portal.utoronto.ca/> and log in using your UTORid and password. Once you have logged in, look for the My Courses module where you'll find the link to all your course websites. If you don't see the course listed here but you are properly registered for the course in ROSI, wait 48 hours. If the course does not appear, go to the Information Commons Help Desk in Robarts Library, 1st floor, for help, or explore the Portal Information and Help at www.portalinfo.utoronto.ca/students and review the Frequently Asked Questions.

Recording Lectures

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted (note: students who have been previously granted permission to record lectures as an accommodation for a disability are, of course, excepted). This includes tape recording, filming, photographing PowerPoint slides, Blackboard materials, etc.

If permission is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in

anyway. It is absolutely forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.