



# RSM230H1S

**Course Meets:**

Mondays	L0101 4pm - 6pm in W020 L5101 6pm - 8pm in W020
Thursdays	L0201 2pm – 4pm in WW119

**Web Page:** <http://portal.utoronto.ca>  
**Tutorials:** **Fridays, time TBA**, starting week 4 (see Blackboard for schedule)  
**Communication:** Instructor prefers to be contacted by email and will respond within 24 hours. **Please include “RSM230” in your subject line.**

The course will briefly highlight the nature of financial securities, the major players that buy and issue them and the regulations and procedures that govern their transfer. It 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 during the academic year 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](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 Pre-requisite:** RSM100Y

**Course Exclusions :** None

### **Course Materials and Required Readings**

The course will be taught from one required textbook, two supplementary textbooks and a series of light readings from current sources. The posted readings are an integral part of this course. Please check Blackboard frequently as additional readings not included in this course outline will be posted during the semester. **All posted articles are required readings and may be covered in the exam.**

### **Required Textbook:**

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

***Note: This a relatively new edition of the Cleary textbook. The old 3<sup>rd</sup> edition is very similar but the chapter numbers differ. If you use the 3<sup>rd</sup> edition, please use the Weekly Schedule that is posted separately on Blackboard.***

### **Supplementary Textbooks:**

Laurence Booth and Sean Cleary, Introduction to Corporate Finance, 3<sup>rd</sup> edition, John Wiley, 2012. (This textbook is used in RSM 332 and 333)

Canadian institutional details are covered in the Cleary study guide for the CSC exam and the Booth-Cleary text, which is used in RSM332-333. Note that the Cleary text is essentially a prep book and the information is very terse, so the posted readings are important to achieve an understanding of the material.

### **Evaluation and Grades**

4 news articles & summaries (2.5% each)	10% (See schedule on Blackboard for due dates)
Two assignments:	20% (Due on February 25 <sup>th</sup> and March 31 <sup>st</sup> )
Mid-Term:	35% (Friday, March 4 <sup>th</sup> )
Final Exam:	35% (TBA by Arts & Science)

The two assignments and the submission of articles should be done in groups of no more than five and no less than three students. **There is a strong preference for the groups to consist of students from the same section of RSM230.** The only exception is if a group disintegrates after the drop date.

### **Course Announcements**

Slides, announcements, assignments and additional reading materials will be posted on Blackboard.

### **Course Format and Expectations:**

This course is primarily descriptive and will be taught in a conventional lecture format supplemented with two class sessions in the ***BMO Finance Research and Trading Lab (FRTL)*** where students will learn to use and apply key sources of financial data and information.

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

1. A copy of a short article from the web (Yahoo, Google, NY Times, Reuters, Economist, Financial Post etc) dealing with the material covered in the ***previous*** week's class **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.

### **Written Assignments and News Article Summaries:**

Please note that clear, concise, and correct writing will be considered in the evaluation of your assignments and news article summaries. 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](http://www.asc.utoronto.ca)) or one of the College Writing Centres ([www.writing.utoronto.ca/writing-centres](http://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:**

Assignments and news article submissions require you to work in teams of 3 to 5 students.

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 projects.

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 differences:

Conflicts can – and do – occur. Conflicts are part of the team's process of learning how to work together effectively and can actually generate exciting debate and creative solutions – if managed appropriately.

Student teams are collectively expected to resolve disputes or misunderstandings as soon as they arise (and prior to submission of assignments and news articles). In cases where teams are unable to reach a mutually agreeable solution, the entire 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 Elaine Zapotoczny at [elaine@nikoletaandassociates.com](mailto:elaine@nikoletaandassociates.com). Elaine is 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.

### Weekly Schedule - ALL SECTIONS L0101-0201-5101

Week of	Topic and Readings
1: Jan 11	<b><u>Capital Markets and the Financial System</u></b> Cleary Chapters 1 & 2; Chapter 3, pages 21-24; <i>Supplementary:</i> Booth-Cleary Chapter 1
2: Jan 18	<b><u>The Canadian Economy and the Bank of Canada</u></b> Cleary Chapter 4 (pages 33 to 38): Chapter 5 Bank of Canada Fact Sheets & other readings ( <i>Posted on Blackboard</i> )
3: Jan 25	<b><u>Fixed Income Securities &amp; the Money Market</u></b> Cleary Chapter 6 & Chapter 11 page 127 – 129 A note on the Canadian Money Market © M.Stapleton ( <i>Posted on Blackboard</i> ) <b>Submit Article 1 – Money markets, Bank of Canada or central banks – by midnight, Sunday, Jan 31<sup>st</sup></b>
4: Feb 1	<b><u>The Bond Market</u></b> Cleary, Chapter 7 A note on the Canadian Bond Market © M.Stapleton ( <i>Posted on Blackboard</i> )
5: Feb 8	<b><u>Finance Lab Class - Fixed Income Securities</u></b> <b>Class will be held in the BMO Finance Research and Trading Lab, 105 St. George Street, 2<sup>nd</sup> fl.</b> <b>Submit Article 2- Bond Market- by midnight Sunday February 14<sup>th</sup></b>
<b>February 15 – 19<sup>th</sup> Reading Week – No Classes</b>	
6: Feb 22	<b><u>Canadian Banking</u></b> Readings TBA ( <i>Posted on Blackboard</i> )
<b>Assignment 1 is due on Thursday, Feb 25 by 4 pm in the Rotman Commerce Office</b>	
7: Feb 29	<b>MID TERM EXAM- Friday, March 4<sup>th</sup></b> <i>(There will be no classes or tutorial held during the week of the exam)</i>

8: Mar 7	<b><u>Equities &amp; the Stock Market</u></b> Cleary, Chapter 3, pages 24-28; Cleary, Chapter 8 (Omit Convertibles, Retractable Preferreds, COPrS & Other Preferreds) Cleary, Chapter 9, Chapter 11 (pages 130,131,133, 134) Cleary, Chapter 13, Chapter 14 (165-166, 172-174) <b><i>Submit Article 3 –Equities or Stock Markets – by midnight Sunday, Mar 13th</i></b>
9: Mar 14	<b><u>Mutual Funds &amp; Managed Products</u></b> Cleary Chapters 17, 18 ( <i>omit LSVCCs</i> ); Chapter 19; Chapters 20, 21 & 22; Chapter 24 ( <i>omit split shares, page 272, 273</i> ) <b>“Exchange Traded Funds – FAQ” &amp; “Mutual Funds” (<i>posted articles</i>)</b>
10: Mar 21	<b><u>Finance Lab Class - Valuing Equities</u></b> <b>Class will be held in the <i>BMO Finance Research and Trading Lab, 105 St. George Street, 2<sup>nd</sup> fl.</i></b> <b><i>Submit Article 4 – Mutual Funds, ETFs or Insurance Products - by midnight Sunday, Mar 27th</i></b>
11: Mar 28	<b><u>Derivative Securities</u></b> Cleary Chapter 10 ( <i>Omit “Rights and Warrants</i> ) <b>Understanding PPN’s” (<i>article posted on Blackboard</i>)</b>
<b>Assignment 2 is due on Thursday, March 31<sup>st</sup> by 4 pm in the Rotman Commerce Office</b>	
12: Apr 4	<b><u>Portfolio Management</u></b> Cleary Chapters 15 and 16
<b><u>April 12 – 29 Final Exam Period, Arts &amp; Science</u></b>	

## **POLICIES AND PROCEDURES**

### **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.**

**Missed Mid Term Exams: There will be no make-up midterm exam.** Students who miss the midterm exam for valid documented reasons will have grades reallocated to their final exam.

**Late Submission of Assignments and News Article Summaries** - Late submissions will not be accepted unless there are valid medical reasons supported by a doctors' note. Students must email their instructor on the due date and provide supporting documentation to the Rotman Commerce Office within 48 hours.

### **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: [accessibility.services@utoronto.ca](mailto:accessibility.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 <http://www.portalinfo.utoronto.ca/content/information-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.