



Rotman Commerce UNIVERSITY OF TORONTO

Course Outline

RSM230H1S
Financial Markets
Winter 2017

Sections	L0301	Tuesday	10am-12pm	OI G162	David Goldreich
	L0401	Wednesday	9am-11am	OI G162	David Goldreich

	Instructor	Email*	Office	Office Hours**
Instructor Contact Info	David Goldreich (Course Instructor)	david.goldreich@rotman.utoronto.ca	RT449	W: 12:30-2pm R: 9:30-11am
	Amy Kwan (Course Coordinator)	amyk.kwan@utoronto.ca	RT562	T: 12-1pm R: 6-7pm
	<i>*Please remember to include "RSM230" at the beginning of the email subject line</i> <i>**To schedule an appointment, please send an e-mail in advance to let instructor know what you would like to discuss.</i>			
Head TA Contact Info	Keith Yuen (kaiho.yuen@utoronto.ca) <i>please remember to include "RSM230" at the beginning of the email subject line</i> Note: the Head TA or Course Coordinator should be your first point of contact for course content or administrative matters.			

Course Scope and Mission

This course is an introduction to financial securities and financial markets. We will discuss the nature of stock (equities), bonds, and other financial securities. We will discuss the structure and function of financial markets, financial institutions and market participants, as well as some tools for market analysis. While the main context is the Canadian market, we will also discuss markets in a global context. The objective of the course is to provide students with basic knowledge required to understand the nature of financial securities and markets, and be able to talk intelligently about current financial issues.

The 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 in Canada. Students should also explore the requirements for the CFA designation, which are posted on the Rotman Commerce portal.

Course Website

Course Co-requisites

RSM100H1/RSM100Y1/MGT100H1

Required Textbooks

Laurence Booth, Sean Cleary and Ian Rakita, Introduction to Corporate Finance with WileyPLUS, 4th edition, John Wiley, 2016. (*This textbook is also used in RSM332 and RSM333*)

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

Note: Both textbooks can be purchased as a “bundle” package from the University of Toronto bookstore. The ISBN for this package is 9781119390503. The package price is at a lower cost than purchasing the books individually.

Introduction to Corporate Finance is also used as the textbook in RSM332 and RSM333, so you will get a great deal of value out of it. The Canadian Securities Exam book is a study guide for the CSC Exam, so it is written tersely – don't get discouraged if you don't understand parts. There will also be supplementary readings posted as necessary.

Recommended: A Random Walk Down Wall Street by Burton Malkiel. I also recommend that you start getting used to reading financial newspapers regularly, such as the Globe and Mail, or the Financial Post.

EVALUATION AND GRADES

Grades are a measure of the performance of a student in individual courses. Each student shall be judged on the basis of how well he or she has command of the course materials.

Assignment	Weight	Date(s)
Individual Essays	10%	see deliverables schedule (last page)
Online Homework	10%	see deliverables schedule (last page)
Video Assignment	5%	see deliverables schedule (last page)
Group Cases	15%	see deliverables schedule (last page)
Midterm Test	20%	Fri Feb 17, 9am-11am*
Final Examination	40%	During Final Examination period

*The conflict midterm will be held Fri Feb 17, 11am-1pm.

Individual Essays

You will be required to write two short essays related to financial news items. The purpose is to develop your ability to analyze financial topics and to communicate your ideas clearly in written form. Details for the individual essays will be posted on the course website.

Online Homework

Homework problem-sets are accessed through your WileyPLUS account on Blackboard.

Homework will be accessible 9 days before the due date (i.e., on Wed at 2pm, and due the following Fri at 10pm). Homework must be completed individually and may consist of different types of questions (e.g., multiple choice, short-answer, essay, etc.).

There will be two marked problem sets to complete over the term, as well as unmarked/optional weekly problem-sets starting in week 2.

Video Assignment

Like the individual essays (above), you will be required to create a video essay discussing a financial topic. The purpose is to develop your ability to analyze financial topics and to communicate your ideas orally. You will also be required to review your video at a later date and write a reflection on your performance. Details for the video assignment will be posted on the course website.

Group Cases

Group work is very important in business. There will be two group assignments. You will be assigned to a group by the Rotman Commerce Office. You are expected to work well with your group, and all members are expected to fully participate in each assignment. Details for the group cases will be posted on the course website.

NB: Late submissions for any assignments will not be accepted and failure to successfully compete and submit before the deadline will result in a mark of zero. Given that you have sufficient time and notice to complete and submit your assignments, missed submissions will be considered only in extreme situations (and marks may be reallocated).

Midterm Examination

The midterm examination will be held on Friday February 17 from 9am-11am. Additional information will be posted on the course website. Midterm Examination will cover material from Class 1 to 6. **If you have a conflict with this test, please email the Head TA a copy of your ROSI timetable by 3rd class so we can make alternative arrangements.**

Aids Allowed

You will be allowed one double-sided letter-size (8.5" x 11") page of notes. You may use a non-programmable hand-held calculator.

Final Examination

The final examination will be held during the formal examination period. The date and time of the final examination will be announced by the Faculty of Arts and Science. It will be three hours in duration and may consist of multiple choice questions, short answer questions, problems, and/or a case. It will cover all materials from the entire course.

Aids Allowed

You will be allowed one double-sided letter-size (8.5" x 11") page of notes in the exam. You may use a non-programmable hand-held calculator.

COURSE FORMAT AND EXPECTATIONS

Turnitin.com:

Normally students will be required to submit their course essays to Turnitin.com (or similar service) for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Turnitin.com (or similar service) reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the university's use of the Turnitin.com service are described on the Turnitin.com website.

For Written Assignments:

Please note that clear, concise, and correct writing will be considered in the evaluation of Written 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.

Course assignment requires students to work in teams

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; to work well in teams, it helps to follow a set of core expectations to best succeed at 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 conflicts:

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

Student teams are expected to work through their misunderstandings as soon as they arise (and prior to submission of the final project). When 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 Nouman Ashraf at nouman.ashraf@rotman.utoronto.ca Nouman 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.

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. Rotman Commerce will not accept a

statement that merely confirms a report of illness made by the student and documented by the physician.

Students who follow the above procedures may have his or her individual marks reallocated to the final exam. Group assignment(s) will need to be discussed with the course instructor on a case by case basis. If you fail to provide the required documentation, you will be assigned a mark of zero. There will be no make-up tests or assignments.

Late Assignments

All assignments are due on the date specified in the course outline or posted on the course site, unless otherwise announced in class and posted on Blackboard. Late submissions will normally be penalized by 20% if the assignment is not received on the specified date, at the specified time. A further penalty of 10% will be applied to each subsequent day.

Students who, for reasons beyond their control, are unable to submit an assignment by its deadline must obtain approval from the instructor for an extension. Supporting documentation will be required as per the policy on missed tests and 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:

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.

Saving Paper in Courses

"Each year at U of T, an estimated 10 million sheets of paper are used in the printing of lecture slides, tests, assignments, and other course materials in 1st and 2nd year courses alone" (Sustainability Office, University of Toronto). Please do your part in helping to conserve paper in this (and all other) courses. Consider the following ideas:

- Avoid printing electronic documents – get used to working with them from digital format (you will need to do this in your professional careers);
- Make your own notes in electronic documents (e.g. MS Word, MS Excel, Google Docs, etc);
- If you are printing, make sure you select double-sided printing (available at all libraries);
- Take leadership and share your concerns and ideas with all of us so we can improve our practices.

RSM230 – Winter 2017 Weekly Schedule*

Class	Week of	Topic(s)	Readings	Deliverables due
1	Jan. 09	Introduction to Financial Markets	BCR: 1 (skim 2) Cleary: 1, 2	
2	Jan. 16	Present Value	BCR: 5	
3	Jan. 23	Using Present Value	BCR: 14.1, 14.5, 13.2 (<i>only</i> NPV/IRR)	Jan 23 (10pm): Individual essay
4	Jan. 30	Financial Data	Yahoo Finance	Jan 30 (10pm): Group project
5	Feb. 06	Equities	BCR: 7.1, 7.2, 7.3 (<i>only</i> first 3 subsections) Cleary: 8, 9	Feb 10 (10pm): Online problems (class 1-5 content)
6	Feb. 13	Bond Markets	BCR: 6.1, 6.2, 18.4, 18.5 Cleary: 7 (<i>not</i> term structure)	
	Feb. 17	Midterm Test (Location: EX; rooms to be posted on Bb)**		
		February 20 – 24: No Classes (Family Day & Reading Week)		
7	Feb. 27	Portfolios	BCR: 8.1, 8.2, 8.3 (<i>not</i> statistical math) Cleary: 15	
8	Mar. 06	Derivatives	BCR: 12.1, 12.2 Cleary: 10 (<i>only</i> options)	Mar 6 (10pm): Individual essay
9	Mar. 13	Money Markets	BCR: 18.1, 18.2, 18.3	Mar 13 (10pm): Video assign
10	Mar. 20	Investment Funds	Cleary: 18, 19, 21	Mar 20 (10pm): Group project
11	Mar. 27	Bank of Canada	Cleary: 5	Mar 31 (10pm): Online problems (class 7-11 content)
12	Apr. 03	Review / Buffer		Apr 3 (10pm): Video assign ctd. (reflection)

*Tentative Schedule (subject to revision). Topics may be adjusted depending on classroom discussion. Last day to drop course without academy penalty is Monday March 13, 2017.

****NB:** The midterm is scheduled outside normal class time; as a result, one class may be canceled. I have indicated this by designating the final class as "Review/Buffer", but the actual date to be canceled will be determined at a later date, and the schedule will be adjusted accordingly.