



Rotman Commerce
UNIVERSITY OF TORONTO

Course Outline

RSM230 H1S Financial Markets Winter 2018

Sections: L0101, L0201, L0301, L0401, L0501, L0601, L0701, L0801, L5101, L5201, L5202, L5301, L5401

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|------------|--|---------------------------------------|---|---|
| Mondays | L0101(1-3pm) in RW140 Dana Boyko | L0201 (4-6pm) in BL325 Dana Boyko | L5101 (6-8pm) in WW 119 Laurence Booth | |
| Tuesdays | L0301(10-12pm) in SS1070 Dana Boyko | L0401(12-2pm) in SS1070 Dana Boyko | L5201(6-8pm) in BL325 Ray Daroga | L5202(6-8pm) in SS 1071 Laurence Booth |
| Wednesdays | L0501(4-6pm) in BL313 Ray Daroga | L5301(6-8pm) in BL313 Ray Daroga | | |
| Thursdays | L0601(11-1pm) in SS1085 Dana Boyko | L0701(2-4pm) in OI2214 Dana Boyko | L0801(4-6pm) in BL313 Vikram Iyer | L5401(6-8pm) in BL313 Vikram Iyer |

Instructor: Laurence Booth (L5101, L5202)
E-Mail: Booth@Rotman.Utoronto.Ca
Office Hours: Tuesdays 2:00-4:00 in RSM 423C, or by appointment

Instructor: Dana Boyko (L0101, L0201, L0301, L0401, L0601, L0701)
E-Mail: Dana.Boyko@Rotman.Utoronto.Ca
Office Hours: Tuesdays 3:00-4:30 pm in RSM 434, or by appointment

Instructor: Ray Daroga (L0501, L5201, L5301)
E-Mail: Rayomand.Daroga@Rotman.Utoronto.Ca
Office Hours: By appointment (send email) in RT3050 (3rd floor of PhD House)

Instructor: Vikram Iyer (L0801, L5401)
E-Mail: vikram.iyer@utoronto.ca
Office Hours: TBA in RT3050 (3rd floor of PhD House), or by appointment

Head TAs: they are your first point of contact for course content or administrative matters.
Co-Head TA Contact Info: Adam Omran, adam.omran@mail.utoronto.ca
Co-Head TA Contact Info: Kyungmin (Kyle) Kim, jindo.kim@mail.utoronto.ca

Please remember to include “RSM230” at the beginning of the email subject line.

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 might also be interested in exploring the requirements for the CFA designation, which are posted on the Rotman Commerce portal.

Course Co-requisites: RSM100H1/RSM100Y1/MGT100H1

If you drop RSM100H1/RSM100Y1/MGT100H1 (the co-requisite) during the academic term, you must also drop this course. Contact Rotman Commerce Academic Program Services for academic advising if needed.

Required Textbooks: Laurence Booth, Sean Cleary and Ian Rakita, Introduction to Corporate Finance with WileyPLUS, 4th edition, John Wiley, 2016.

This textbook will likely also be used RSM332 and RSM333, so you will get a great deal of value out of it.

We also recommend that you read quality newspapers regularly, such as the Globe and Mail, the Financial Post, Wall Street Journal, or Financial Times. Weekly magazines such as the Economist are highly recommended.

Course Website: <http://portal.utoronto.ca>

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.

| Work | Weight | Due Date |
|----------------------------------|---------------|--|
| Newspaper Article 1 (Individual) | 7.5% | Sunday, January 28th (by 11:59 pm) |
| Assignment 1(Group Work) | 10% | Sunday, February 11th (by 11:59 pm) |
| Mid Term Exam | 30% | Monday, February 12th 5:00 pm (weeks 1-5) |
| Newspaper Article 2 (Individual) | 7.5% | Sunday, March 11th (by 11:59 pm) |
| Assignment 2 (Group Work) | 10% | Thursday, March 29th (by 11: 59 pm) |
| Final Exam | 35% | During Arts & Science Final Exam Period |

Individual Newspaper Articles: You will be required to write two short essays and prepare presentation slides 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 newspaper articles will be posted on the course website.

Group Assignments 1 & 2: 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 assignments will be posted on the course website.

Midterm Examination: The midterm examination for all sections will be held on Friday, February 16th at 9:00 am. Additional information will be posted on the course website. Midterm Examination will cover material from Classes 1 to 5. It may consist of multiple choice questions and short answer questions. If you have a conflict with this test, please email the Head TA a copy of your ROSI timetable by the 3rd class so that you may attend the Conflict Mid Term Sitting.

Aids Allowed (Final Exam): You will be allowed a silent, 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 may consist of multiple choice questions and short answer questions. It will focus on the material since the mid-term exam, so weeks 6 to 12.

Aids Allowed (Final Exam): You will be allowed a silent, non-programmable hand-held calculator.

COURSE FORMAT AND EXPECTATIONS

Turnitin.com:

Normally students will be required to submit their course essays to Turnitin.com 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 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 Assignment 1 and 2 as well as your Newspaper articles 1 and 2. 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 (<http://www.studentlife.utoronto.ca/asc>) 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.

For Group Work:

Assignments 1 and 2 require students to work in teams of 3-4 students. **Please see Blackboard on January 21st, 2018 for your assigned 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; 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.

Electronic Course Materials

This course will be using WileyPLUS for the required textbook (noted above) to complete certain assignments. There is a link to WileyPLUS on Blackboard. Students may purchase the textbook with WileyPLUS at the University of Toronto bookstore.

Access to the Assignments module of WileyPLUS is also available at no charge from the computer lab in Woodsworth College (119 St. George Street, Room 116). The use of these materials complies with all University of Toronto policies which govern fees for course materials.

Weekly Schedule - THURSDAY SECTIONS (L0601, L0701, L0801, L5401)

| Session/Date | Topic | Readings |
|---|---|------------------------------------|
| 1: Jan. 4th | Overview of the Financial Markets | BCR Chapter 1 |
| 2: Jan. 11th | The Money Market | BCR Chapter 18 |
| 3: Jan. 18th | The Bank of Canada | Posted Readings & Lecture Notes |
| 4: Jan. 25th | Time Value of Money | BCR Chapter 5 |
| Sunday, Jan. 28th | <i>Submit Newspaper Article 1 by 11:59 pm (Money market, Bank of Canada or central banks)</i> | |
| 5: Feb. 1st | The Bond Market | BCR Chapters 6 & 18 |
| 6: Feb. 8th | Canadian Banking | Posted Readings & Lecture Notes |
| Sunday, Feb. 11th | <i>Submit Assignment 1 (group work) by 11:59 pm</i> | |
| 7: Feb. 16th | Mid Term Exam Sitting: February 16th, 9:00-10:30 am (90-minute exam) | |
| Feb. 19 -23rd | FAMILY DAY AND STUDY BREAK - NO CLASSES | |
| 8: Mar. 1st | Equities and the Stock Market | BCR Chapters 17 & 19 |
| 9: Mar. 8th | Investment Funds and Indexes | BCR Chapter 8 |
| Sunday, Mar. 11th | <i>Submit Newspaper Article 2 by 11:59 pm (Canadian Banks, Equities or Mutual Funds)</i> | |
| 10: Mar. 15th | Derivative Securities | BCR Chapters 11 & 12 |
| 11: Mar. 22nd | The Insurance Industry | Posted Readings & Lecture Notes |
| Thursday, Mar. 29th | <i>Submit Assignment 2 (group work) by 11:59 pm</i> | |
| 12: Mar. 29th | Portfolio Management | Posted Readings & Lecture Notes |
| April 9th – April 30th FINAL EXAM PERIOD | | |

**Weekly Schedule – MONDAY, TUESDAY, WEDNESDAY SECTIONS
(L0101, L0201, L0301, L0401, L0501, L5101, L5201, L5202, L5301)**

| Session/Date | Topic | Readings |
|---|---|------------------------------------|
| 1: Jan. 8, 9, 10TH | Overview of the Financial Markets | BCR Chapter 1 |
| 2: Jan. 15, 16, 17th | The Money Market | BCR Chapter 18 |
| 3: Jan. 22, 23, 24th | The Bank of Canada | Posted Readings & Lecture Notes |
| Sunday, Jan. 28th | <i>Submit Newspaper Article 1 by 11:59 pm (Money market, Bank of Canada or central banks)</i> | |
| 4: Jan. 29, 30, 31st | Time Value of Money | BCR Chapter 5 |
| 5: Feb. 5, 6, 7th | The Bond Market | BCR Chapters 6 & 18 |
| Sunday, Feb. 11th | <i>Submit Assignment 1 (group work) by 11:59 pm</i> | |
| 6: Feb. 16th | Mid Term Exam Sitting: February 16th, 9:00-10:30 am (90-minute exam) | |
| Feb. 19 -23rd | FAMILY DAY AND STUDY BREAK - NO CLASSES | |
| 7: Feb. 26, 27, 28th | Canadian Banking | Posted Readings & Lecture Notes |
| 8: Mar. 5, 6, 7th | Equities and the Stock Market | BCR Chapters 17 & 19 |
| Sunday, Mar. 11th | <i>Submit Newspaper Article 2 by 11:59 pm (Canadian Banks, Equities)</i> | |
| 9: Mar. 12, 13, 14th | Investment Funds and Indexes | BCR Chapter 8 |
| 10: Mar. 19, 20, 21st | Derivative Securities | BCR Chapters 11 & 12 |
| 11: Mar. 26, 27, 28th | The Insurance Industry | Posted Readings & Lecture Notes |
| Thursday, Mar. 29th | <i>Submit Assignment 2 (group work) by 11:59 pm</i> | |
| 12: Apr. 2, 3, 4th | Portfolio Management | Posted Readings & Lecture Notes |
| April 9th – April 30th FINAL EXAM PERIOD | | |

POLICY AND PROCEDURE

Missed Tests and Individual 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.

Documentation submitted in support of petitions for missing tests and assignments must be original; no faxed or scanned copies will be accepted

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 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 the mid- term grade reallocated to their final exam. Students should make all effort to write the mid- term exam, otherwise **the final exam will carry a weight of 65%.**

Mid Term re-grade requests: You have 1 week after the midterm is returned to bring any questions to the Lead TAs' attention. Any re-grade requests received after this time period will not be considered. Please re-submit the mid term with a written explanation of your concerns.

Late Assignments: Group Work

No accommodation will be made for late group assignments. Problems in group work should be worked out according to the procedures on page 4.

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.studentlife.utoronto.ca/as>.

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 additional Portal Information for Students at <http://portalinfo.utoronto.ca/content/information-students>.

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.