



# Rotman Commerce UNIVERSITY OF TORONTO

## Course Outline RSM 411H1F

Course Name: The Canadian and American Financial Systems: Historical Comparisons and Contrasts  
Term: Fall 2015  
Course Meets: Wednesdays 2 pm – 4 pm, RTN 142

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Instructor: Christopher Kobrak and Joe Martin  
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Teaching Assistant: Jonathan McQuarrie

### Course Scope and Mission

The main objective of the course is to assist the student in understanding the Canadian and American financial systems and how public policy shapes those systems and also to understand how two North American systems, both rooted in British tradition, have evolved in such a different fashion.

In order to accomplish this Mission, key turning points in each country's financial system will be examined in order to compare, contrast and to draw conclusions about the reasons why the systems differ.

The student will be expected to understand the advantages and disadvantages of the two systems as well as the sub systems, e.g. banking and how history has affected the appropriateness of each country's financial policies.

In addition the course will facilitate understanding of how the 19<sup>th</sup> century development of the North American financial systems can provide useful guidance to both emerging markets and to Europe with their current financial issues.

**Course Prerequisites:** *Must have completed 14.0 credits or more*

### **Required Readings**

- *From Wall Street to Bay Street (draft chapters), Christopher Kobrak and Joe Martin (to be provided on Blackboard Portal.)*
- *A few selected readings have been assembled in a **course package**, found at the U of T Bookstore.*
- *Other readings, including chapters of the text book, will be available on the portal.*

### **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.

<u>Work</u>		<u>Due Date</u>
Class Participation/Attendance	20%	Ongoing
Class Assignment	10%	October 28
Group Presentation	15%	November 18
Case Write Up	15%	November 25
Final Exam	40%	During Faculty of Arts & Science Final Examination period

### **COURSE FORMAT AND EXPECTATIONS**

This course is divided into two parts. The first is a narrative dealing with the historical development of the Canadian and American systems. It will begin with the basic elements of each country's political culture and how that culture affected economic institutions. Through lectures, case study discussions and other reading, students will be exposed to the key events and actors in both countries banking system, capital markets, and insurance services.

The second part will deal with specific aspects of each country's financial system. These topics include housing, regulation, crises, corporate governance, venture capital, pensions, mutual funds and private equity.

Students will be assigned groups early in the course. Each group will be expected to report on one case study from the case packet. The assignment will require both an individual written paper (five pages) and group oral presentation.

History is a subject that is meant to be read. Lectures and discussions will be more fun and useful if students come to class with a fund of information provided by the texts. These readings will allow the student to examine issues and form well-reasoned opinions. There are approximately 500 pages of texts. That means 50 per week as class preparation. Reasonable!!!

#### **To Use 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 your 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](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.

### **For Group Work:**

Case analysis requires students to work in teams of 3-4.

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 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

Session	Date	Topic	Readings
1	Sep. 16	Overview of the key historical events and cultural turns in the early history of both countries	Introduction and Chapter I, <i>From Wall Street to Bay Street</i> (on Portal)
2	Sep. 23	Foreign Influences; Political and Economic	Chapter II (on Portal)
3	Sep. 30	Banking in Both Countries	Chapter III (on Portal)
4	Oct. 7	Banking in Both Countries (cont.)	"Creation of the Bank of Canada," "The Impact of the 'Little Bang' 1987," (on Portal)
5	Oct. 14	Insurance	American and Canadian Insurance (on Portal)
6	Oct. 21	Insurance (cont.)	"Armstrong Investigation," Case book and "Collapse of Confederation Life," (on Portal)
7	Oct. 28	Financial System and Housing <b>Class Assignment due (worth 10%)</b>	"American Housing Construction" and "Fannie Mae Public or Private" (Case package)
8	Nov. 4	Managing Crises	Chapter IV (on Portal)
9	Nov. 11	Presentation Prep Appointments with Professor (TBA)	Team Preparation
10	Nov. 18	<b>Class Presentations – Mid-term (worth 15%)</b>	"The Pecora Hearings" and "Federal Reserve and Banking Crisis" (Casebook) and "RBC and the LDC Crisis of the 1980s" and "The Forgotten Credit Crisis of 1907"
11	Nov. 25	<b>Case write ups (worth 15%)</b> Finance after WWII: Equity, Private Equity, Pensions and Corporate Governance	Chapter V
12	Dec. 2	Session 10 (cont.) Review of Major Themes	Same as Above
<b>Final Exam</b>	<b>TBA by FAS</b>	<b>Final Exam (worth 40%)</b>	

## **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.**

### **Late Assignments:**

*All assignments are due at the beginning of class on the date specified in the course outline.* 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](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.