

# Course Outline

<b>Course Code</b>	RSM 230 H1F
<b>Course Name</b>	Financial Markets
<b>Term, Year</b>	Fall, 2024
<b>Course Meets</b>	Mondays, 9:10-11am, WO
<b>Web page URL</b>	<a href="https://q.utoronto.ca">https://q.utoronto.ca</a>

## Instructor Details

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<b>Office Hours &amp; Virtual Office Hours Links</b>	<p>Monday, 11:30am-12:30pm</p> <p>Not Oct 14 or Oct 28</p> <p>Zoom: <a href="https://utoronto.zoom.us/j/87563925554">https://utoronto.zoom.us/j/87563925554</a></p> <p>Please check Quercus regularly: If it becomes necessary to reschedule office hours, notice will be posted there.</p>

## Course Description

This course provides an introduction to financial securities and financial markets. We will discuss the nature of bonds (debt securities), stocks (equity securities) and other financial securities. We will discuss the structure and function of financial markets, financial institutions, and financial market participants. Though the main context will be Canadian markets, we will also discuss financial markets in a global context. The objective of the course is to provide Rotman Commerce students with basic knowledge required to understand the nature of financial securities and financial markets, and to be able to discuss current financial issues from an informed standpoint.

## Learning Outcomes

By the end of this course, students will be able to:

- **Understand Financial Market Structures:** Describe the structure of financial markets and the various participants involved.
- **Apply Time-Value-of-Money Concepts:** Calculate present value and net present value and apply time-value-of-money concepts to the valuation of debt and equity financial securities and to the analysis of financial decisions.
- **Evaluate Bond and Stock Valuation:** Analyze and discuss factors that impact bond valuation and stock valuation.
- **Understand Financial Options:** Describe the structure and key features of financial options.

- **Assess Market Efficiency:** Assess the concept of market efficiency and evaluate the implications of the efficient market hypothesis in the context of interpreting financial news and its impact on stock prices.
- **Integrate Generate AI in Decision Making:** Use generative AI tools to assist with basic financial decision making while maintaining critical oversight to ensure comprehension of the concepts.
- **Critically Evaluate Generate AI in Writing:** Critically evaluate the use of generative AI for drafting and editing written work, reflecting on its impact on the writing process and the development of clear, original ideas.

## Course Materials

### Required Readings

**Course Quercus webpage:** Students are expected to refer to the course Quercus page on a regular basis. It can be found at [q.utoronto.ca](http://q.utoronto.ca). Course information and readings will be posted regularly to the course webpage.

#### Course Textbook:

Ross, S. A., R W. Westerfield, J.F. Jaffe, G.S. Roberts and H. Driss, Corporate Finance, 9<sup>th</sup> Canadian edition, McGraw-Hill Education, 2022.

McGraw-Hill Connect online resources, that are ‘bundled’ with the textbook, will be required for homework assignments. (McGraw-Hill Connect also provides various other helpful resources including practice questions.)

McGraw-Hill offers a deal (available only via the [U of T Bookstore](#)) that includes the digital edition of the textbook, access to McGraw-Hill Connect, and all updated editions for four years. Because you will likely use this same textbook for your future required finance courses in the RC BCom, RSM332H1 and RSM333H1, this offer works out to be an excellent deal.

**Option #1** (recommended): Digital package includes four-year access to textbook and to McGraw-Hill Connect – ISBN 9781264830961

**Option #2** (minimal requirement): Access to McGraw-Hill Connect for 180 days, excluding textbook access – ISBN 9781264832033

**Option #3** (hard copy): Hard copy of the textbook including access to McGraw-Hill Connect – ISBN 9781264831302

Once you purchase a code from the U of T Bookstore, you must register at <https://connect.mheducation.com/class/a-mackay-fall-2024> to get access to McGraw-Hill Connect. You must use the same name to register for McGraw-Hill Connect as you use on Quercus. Please see instructions on the Quercus page for this course.

#### Electronic Course Materials

This course will use the following electronic course materials:

##### McGraw-Hill Connect

These materials cost \$60 if purchased as a stand-alone or can be obtained as part of a package with the textbook. The use of these materials complies with all University of Toronto policies that govern fees for course materials.

## Additional Readings

Additional readings may be posted to the Quercus page for this course.

## Evaluation and Grades

Grades are a measure of the knowledge and skills developed by a student within an individual course. Each student will receive a grade on the basis of how well they have command of the course materials, skills and learning objectives of the course.

Work	Percentage of Grade	Due Date
Syllabus Quiz	1%	17 Sep 2024
Survey	1%	17 Sep 2024
Video Introduction	2%	22 Sep 2024
Personal Code of AI Use & Its Revision	3%	24 Sep & 3 Dec 2024
Individual Essay #1	4%	24 Sep 2024
Group Project Part 1	4%	22 Oct 2024
Online Homework #1	5%	4 Nov 2024
Group Project Part 2	2%	6 Nov 2024
Midterm examination	21%	11 Nov 2024
Individual Essay #2	4%	2 Dec 2024
Reflection on Individual Essays	2%	3 Dec 2024
Online Homework #2	5%	3 Dec 2024
Final Examination	46%	TBD

## Course Format and Expectations

### Use of Generative Artificial Intelligence / ChatGPT

You are actively encouraged to learn more about the responsible use of generative artificial intelligence, particularly in the context of you as a student at the University of Toronto. See [here](#) for further information.

Microsoft Copilot is available to all U of T students. This is an enterprise version of an AI-powered chatbot and search engine that better protects the privacy and security of end users (when users are signed into their U of T account). Copilot, like other generative AI tools, may provide information that is not correct ('hallucinations') and it is up to each individual user to determine if the results are acceptable. For information and instructions on accessing the enterprise edition, please read and adhere to the [Microsoft Copilot guidelines for use](#).

In this course:

- You are actively encouraged to use generative AI for individual essay #1 and for individual essay #2. Specific ways in which generative AI is to be used for these deliverables will be detailed in the assignment. Please read carefully and follow those instructions.
- You are actively encouraged to use generative AI for Group Project Part 1. The specific ways in which generative AI is to be used for this deliverable will be detailed in the assignment. Please read carefully and follow those instructions.
- You may use generative AI for your Personal Code of AI Use (and its revision). If you do so, you must indicate that you did so and how you did, and you must provide the transcript (prompts etc.) of that interaction as an appendix to your submission of this deliverable.
- You may choose to use generative AI as a 'study buddy'. If you do so, always be mindful of the possibility of 'hallucinations'.

- You may not use generative AI for any other take-home deliverables in the course. This includes the syllabus quiz, the video introduction, online homework #1, online homework #2, and the reflection on the individual essays.
- You may not use generative AI for the midterm examination or the final examination at all in any way.

## Individual Essays

You are required to write two short essays, at least one of which will be related to a financial news item. The purpose is to develop your ability to analyze financial topics and to communicate your thinking intended to help you develop your communication skills. How well you communicate your ideas will be considered in the evaluation of the assignment. In your written assignments, you should aim for clarity, strong organization, concision, professionalism, and correct grammar. Sources should always be correctly attributed.

Detailed instructions will be available for each of the two individual essays. For each, you are encouraged to use generative AI, but in specific ways that are not the same for each essay. Please read the instructions carefully and follow closely.

Support is available through the RC Centre for Professional Skills (CPS) for students who would like help or feedback on their writing or speaking (presentations). CPS offers both individual and group appointments with trained writing instructors and presentation coaches who are familiar with the RC program and common types of business assignments. You can also access your college Writing Centres for help with written assignments.

You can book an appointment with a writing or presentation coach through the RC Centre for Professional Skills Writing Centre. For more information about writing centres, student supports, and study resources, see the [Writing and Presentation Coaching academic support page](#).

Note that as part of the assigned work for the Individual Essay #1, you are required to meet with a writing coach at the RC-CPS. Further specific detail will be posted on the course website.

## Group Project, Parts 1 and 2

There is a two-part group project that requires students to work in teams. You will be assigned to a group by the Rotman Commerce Office. You are expected to work well with your group and all group members are expected to participate fully in the two parts of the project. Details for the two parts of the group project will be posted on the course website.

Learning to work together in teams is a crucial transferrable skill you will use not only in your coursework, but also in your future careers. Support is available if you encounter common teamwork challenges such as:

- Team members feeling left out of the team.
- Team members not responding in a timely manner to communication.
- Division or quality of work among team members being unequal or unfair.

Consult the [Centre for Professional Skills Teamwork Resources page](#) for tips, strategies, and best practices. You can also [book an appointment with a teamwork mentor](#) through the RC Centre for Professional Skills Writing Centre. Teamwork mentors can help you resolve or mitigate conflict, strategize on planning, or improve team communication.

For Part 1 of the Group Project, you will be encouraged to use generative AI in a very specific way. Detailed instructions will be provided. Please read these carefully and follow them closely.

If you are a student registered with Accessibility Services, and extensions are one of your academic accommodations, consult with your Accessibility Advisor about the teamwork in this course.

## Online Homework

The two online homework assignments are accessed via your McGraw-Hill Connect account. Please see the Course Textbook section of this syllabus for information on accessing McGraw-Hill Connect. Please remember to register on McGraw-Hill Connect using the same name as you have on Quercus.

Each online homework assignment is worth 5% of your final grade. You may be tempted to use generative AI to help you work through the problems on McGraw-Hill Connect. Let me strongly encourage you not yield to that temptation. By attempting the problems yourself, you will learn much more and you will be better prepared for the midterm examination and final examination in this course (for which you cannot use generative AI) and you will be better prepared for RSM332H and for RSM333H.

Grading of the homework assignments will work as follows. If you achieve a score of 50% or more, I will round up to 100%. If you achieve at least 25% but less than 50%, I will round up to 50%. If you achieve less than 25%, there will be no rounding.

## Midterm Examination

The midterm examination will be held in person on Monday, 11 November 2024 from 9:10am to 11am. Since this is your regular class time, there are no conflicts. The location for the midterm examination will be announced on the course webpage.

You will be permitted one double-sided letter-sized (8.5" x 11") page of notes to support you in the midterm examination. You may use a hand-held calculator that does not connect to the internet.

If you are unable to write the midterm examination due to illness or emergency, please contact Rotman Commerce Academic Services to submit the required documentation and to gain approval to write an alternative midterm. (Please see below for Missed Tests and Assignments.)

## Final Examination

The final examination will be held during the formal Arts & Science December examination period. This is from 6 December to 21 December, 2024. The precise date and time of the final examination will be announced by the Faculty of Arts & Science later in the fall term.

The final examination is cumulative – it covers the entire course content. The final examination will be two hours in duration and may consist of multiple-choice questions, short answer questions and/or problem solving. You will be allowed one double-sided letter-size (8.5" x 11") page of notes in the final examination. You may use a hand-held calculator that does not connect to the internet.

## Missed Examinations and Assignments

Students who miss a term test or assignment for reasons entirely beyond their control (e.g. illness) may request special consideration **within 2 business days** of the missed midterm/test/assignment due date.

In such cases, students must:

1. Complete the Request for Special Consideration form: <https://uoft.me/RSMConsideration>
2. Provide documentation to support the request, eg. Absence Declaration from [ACORN](#), medical note etc.

**Please note:** As of September 2023, students may use the Absence Declaration on ACORN **\*one time per term\*** to report an absence and request consideration. **Any subsequent**

absence will require a [Verification of Illness form](#) or other similar relevant documentation.

Students who do not submit their requests and documentation within 2 days may receive a grade of 0 (zero) on the missed course deliverable.

**Final Examination:** If you miss the final examination in this course for a legitimate reason (illness, etc.) you will need to contact your College Registrar to file a petition for a deferred exam. This deferred examination will be written at a later date as established by the Faculty of Arts & Science. Instructions can be found here: <https://www.artsci.utoronto.ca/current/faculty-registrar/petitions-appeals/preparing-petition>

## Late Assignments

Late submissions for any assignment / deliverable will not be accepted. Failure to complete and submit successfully by the deadline will result in a grade of zero. Some deliverable due dates are close together. Generally in such cases, one or more of the deliverables has low weight and/or the deliverables are related or are timed to help prepare you for the midterm or final examination. Given that there is sufficient time and notice to complete and submit your deliverables on time, late submissions will be considered only in extreme situations (and marks may be reallocated). Students who, for reasons beyond their control, are unable to submit a deliverable by its deadline must obtain approval from the instructor for an extension. Supporting documentation will be required as per the policy on missed examinations and assignments.

## Statement on Equity, Diversity and Inclusion

The University of Toronto is committed to equity, human rights and respect for diversity. All members of the learning environment in this course should strive to create an atmosphere of mutual respect where all members of our community can express themselves, engage with each other, and respect one another's differences. U of T does not condone discrimination or harassment against any persons or communities.

## Commitment to Accessibility

The University is committed to inclusivity and accessibility, and strives to provide support for, and facilitate the accommodation of, individuals with disabilities so that all may share the same level of access to opportunities and activities offered at the University.

If you require accommodations for a temporary or ongoing disability or health concern, or have any accessibility concerns about the course, the classroom or course materials, please [email Accessibility Services](#) or visit the [Accessibility Services website](#) for more information as soon as possible. Obtaining your accommodation letter may take up to several weeks, so get in touch with them as soon as possible. If you have general questions or concerns about the accessibility of this course, you are encouraged to reach out to your instructor, course coordinator, or Accessibility Services.

## Plagiarism Detection

Normally, students will be required to submit their course essays to the University's plagiarism detection tool 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 tool's reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the University's use of this tool are described on the [University's Plagiarism Detection Tool FAQ](#) page from Centre for Teaching Support & Innovation.



## Academic Integrity

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarship at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the U of T 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](#) 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 examinations

- 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 procedures outlined in the [Code of Behaviour on Academic Matters](#). If you have any questions 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 U of T or RC resources such as the RC Centre for Professional Skills, the 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 U of T 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 ACORN. For more information visit the [Information Commons Help Desk](#).

Forwarding your utoronto.ca email to a Gmail or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Gmail 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.

## 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. Students who have been previously granted permission to record lectures as an accommodation for a disability are excepted. This includes tape recording, filming, photographing PowerPoint slides, Quercus materials, etc.

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



## Weekly Schedule

Session	Date	Topic	Readings
1	9 September	Introduction to Financial Markets	Ross - skim Chapters 1 and 2
2	16 September	Present Value	Ross - Chapter 5 Optional: Ross – Chapter 4
<b>Due Date Alert - 17 September: Syllabus Quiz</b>			
<b>Due Date Alert - 17 September: Survey due</b>			
<b>Due Date Alert - 22 September: Video Introduction due</b>			
3	23 September	Present Value and NPV	Ross – Chapter 5 (continued)
<b>Due Date Alert – 24 September: Personal Code of AI Use</b>			
<b>Due Date Alert – 24 September: Individual Essay #1</b>			
4	30 September	Present Value – annuities and perpetuities	Ross – Chapter 5 (continued)
5	7 October	Net Present Value	Ross – Chapter 7, sections 7.1 & 7.5 Ross – Chapter 8, section 8.1
<b>Thanksgiving holiday: no class 14 October 2024</b>			
6	21 October	Bonds (debt)	Ross – Chapter 6, sections 6.1, 6.2, 6.3
<b>Due Date Alert - 22 October: Group Project Part 1</b>			
<b>Reading Week 28 October – 1 November 2024: no class 28 October 2024</b>			
<b>Due Date Alert - 4 November: Online Homework #1</b>			
7	4 November	Stocks (equity)	Ross – Chapter 6, section 6.5
8	11 November	Midterm examination	
9	18 November	Portfolios	Ross – Chapter 10, sections 10.1-10.4
10	25 November	Options (Financial Derivatives)	Ross – Chapter 23, sections 23.1-23.4
<b>Due Date Alert – 2 December: Individual Essay #2</b>			
11	2 December	Market Efficiency	Ross – Chapter 14
<b>Due Date Alert – 3 December: Reflection on Individual Essays</b>			
<b>Due Date Alert – 3 December: Revision of Personal Code of AI Use</b>			
<b>Due Date Alert – 3 December: Online Homework #2</b>			
12	3 December	Course Review	
<b>Final Examination – During Arts &amp; Science December examination period (6 -21 December)</b>			

Please note that the last day you can drop this course without academic penalty is November 4, 2024.

## Other Useful Links

- [Become a volunteer note taker](#)
- [Accessibility Services Note Taking Support](#)
- [Credit / No-Credit in RSM courses](#)
- [Rotman Commerce Academic Support](#)
- [Where to find teaching assistant opportunities](#)

## URL links for print

- ACORN: <http://www.acorn.utoronto.ca/>
- Email Accessibility Services: [accessibility.services@utoronto.ca](mailto:accessibility.services@utoronto.ca)
- Accessibility Services website: <http://studentlife.utoronto.ca/as>
- University's Plagiarism Detection Tool FAQ: <https://uoft.me/pdt-faq>
- The University of Toronto's Code of Behaviour on Academic Matters: <http://www.governingcouncil.utoronto.ca/policies/behaveac.htm>
- Information Commons Help Desk: <http://help.ic.utoronto.ca/category/3/utmail.html>
- Become a volunteer note taker: <https://studentlife.utoronto.ca/program/volunteer-note-taking/>
- Accessibility Services Note Taking Support: <https://studentlife.utoronto.ca/service/note-taking-support/>
- Credit / No-Credit in RSM courses: <https://rotmancommerce.utoronto.ca/current-students/degree-requirements/credit-no-credit-option/>
- Rotman Commerce Academic Support: <https://rotmancommerce.utoronto.ca/current-students/academic-support/>
- Book an appointment with a writing or presentation coach: <http://uoft.me/writingcentres>
- Writing and Presentation Coaching academic support page: <https://rotmancommerce.utoronto.ca/current-students/academic-support/writing-and-presentation-coaching/>
- Centre for Professional Skills Teamwork Resources page: <https://rotmancommerce.utoronto.ca/teamwork-resources>
- Book an appointment with a Teamwork Mentor: <http://uoft.me/writingcentres>