

Course Outline

Course Code	RSM 230 H1F
Course Name	Financial Markets
Term, Year	Fall 2026
Course Meets	Mondays, 9:10-11am, WO 25
Web page URL	https://q.utoronto.ca

Instructor Details

Name	Alexandra MacKay, RT 453
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Office Hours & Virtual Office Hours Links	Monday September 14, 2026, 11:30am-12:30pm (in person) Monday September 21, 2026, 11:30am-12:30pm (in person) Monday September 28, 2026, 11:30am-12:30pm (in person) Monday October 5, 2026, 11:30am-12:30pm (in person) Monday October 19, 2026, 11:30am-12:30pm (in person) Monday November 2, 2026, 11:30am-12:30pm (in person) Monday November 16, 2026, 11:30am-12:30pm (in person) Monday November 23, 2026, 11:30am-12:30pm (in person) Monday November 30, 2026, 11:30am-12:30pm (in person) Monday December 7, 2026, 11:30am-12:30pm (in person) Please remember to check Quercus regularly: If it becomes necessary to reschedule office hours, notice will be posted there. There will be no office hours on Monday October 12, 2026 or on Monday October 26th, 2026. If you have questions or concerns outside of scheduled office hours, you are encouraged to send me an email message.

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 Derivative Securities:** Describe the structure and key features of financial derivative securities.
- **Assess Market Efficiency:** Assess concepts related to price discover / 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 AI in Decision Making:** Use AI tools to assist with basic financial decision making while maintaining critical oversight to ensure comprehension of the concepts.
- **Critically Evaluate AI in Writing:** Critically evaluate the use of AI for drafting and editing written work, reflecting on its impact on the writing process and the development of clear, original ideas.

Course Materials

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. 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, 10th Canadian edition, McGraw-Hill Education, 2025.

There are different options available for acquiring the textbook. Note that some of these include access to McGraw-Hill Education **Connect** resources. There are features of **Connect** that may be advantageous to your learning. One of the textbook options grants you access to the eBook + Connect for a specific time period (with an option to extend the time period for an additional fee). Access to the eBook (either lifetime access or for a stated period) without access to Connect is another option available for purchase. A print copy of the book is available for purchase, and the print copy of the book plus access to Connect is also available for purchase. If you choose a textbook option that includes access to **Connect**, you must register to get access to McGraw-Hill **Connect**. If you wish to register, please contact me via email and I will provide the appropriate link.

This textbook is not required but it is an excellent resource for learning fundamentals in finance – i.e. for RSM230H as well as for RSM332H and RSM333H. A textbook that introduces Corporate Finance and is a Canadian edition will be a useful reference for the three mandatory finance courses of the degree.

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
Quizzes	15%	ongoing
Syllabus Quiz	1%	Tues Sep 22, 2026
Survey	1%	Tues Sep 22, 2026
Video Introduction	1%	Tues Sep 22, 2026
Individual Essay #1	4%	Tues Sep 29, 2026
Group Project Team Charter	1%	Tues Oct 6, 2026
Group Project Part 1	3%	Fri Oct 23, 2026
Group Project Part 2	2%	Fri Nov 6, 2026
Midterm Test	10% or 21%	Mon Nov 9, 2026
Individual Essay #2	4%	Fri Nov 27, 2026
Reflection on Individual Essays	2%	Mon Dec 7, 2026
Final Examination	45% or 56%	TBD

Course Format and Expectations

Use of Artificial Intelligence

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

[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.

In this course:

- You are actively encouraged to use AI for individual essay #1 and for individual essay #2. The specific ways in which 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 AI for Group Project Part 1. The specific ways in which AI is to be used for this deliverable will be detailed in the assignment. Please read carefully and follow those instructions.
- You may choose to use AI to help you learn and understand course content. If you do so, be mindful that the AI may make errors.
- You may not use AI for any other take-home deliverables in the course. This includes the syllabus quiz, the video introduction and the reflection on the individual essays.
- You may not use AI for the in-class quizzes, the midterm examination or the final examination at all in any way.

In this course, you may use artificial intelligence (AI) tools, including ChatGPT, Microsoft Copilot, as learning aids. You will not be permitted to use AI on the in-class quizzes, the midterm examination or the final examination. While some AI tools are currently available for free in Canada, please be warned that these tools have not been vetted by the University of Toronto and might not meet University guidelines or requirements for privacy, intellectual property, security, accessibility, and records retention. AI may produce content that is incorrect or misleading, or inconsistent with the expectations of this course. These tools may be subject to service interruptions, software modifications, and pricing changes during the semester.

AI is required to complete specific deliverables in this course with a specific learning objective related to the use of AI in those contexts. You are cautioned not to rely on these tools to complete your coursework, beyond where required in specific assignments. Instead, it is recommended that you treat AI as a supplementary tool for exploration. Ultimately, you (and not any AI tool) are responsible for your own learning in this course, and for all the work you submit for credit. It is your responsibility to evaluate critically the content generated, and to assess regularly your own learning independent of AI tools. Overreliance on AI may give you a false sense of how much you have actually learned, which can lead to poor performance on the midterm test or final examination, in later courses, or in future work or studies after graduation.

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 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](#).

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 or by emailing rotmancommerce.teamworkhelp@utoronto.ca. Teamwork mentors can help you resolve or mitigate conflict, strategize on planning, or improve team communication.

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.

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

Quizzes

The quizzes are intended to help keep you up to date with the course content. The quizzes will help you identify which topics you have understood well and potential areas where you have not. This gives you the opportunity to assess topics where you may need assistance. Please consider office hours as a source of assistance. The identification of topics you have not understood well allows you to devote effort to better comprehending challenging topics ahead of an examination.

Some of the quizzes are individual. The individual in-class quizzes will begin promptly at the start of class.

Some of the in-class quizzes allow you to work in a team of up to three people. The teams will not be pre-determined, i.e. you can form your own team. The most expedient way to form a team is with people sitting near you. Instructions on how to navigate team quizzes will be provided.

You may NOT use AI for any quiz. Aids that are permitted and aids that are not specified for each quiz. You will always be permitted to use a calculator, Excel, class notes and the textbook for in-class quizzes.

Each week (except September 14 and November 9), there will be a short quiz. The best 6 will count toward your final grade, i.e. 2.5% each. If you miss 4 or fewer quizzes, you will still have completed at least 6 quizzes and the top 6 grades will count. If you write fewer than 6 quizzes and have demonstrated acceptable rationale (as per Request for Special Consideration above) for one or more of the missed quizzes, I will either re-weight the quizzes that you have completed or shift the weight of the missed quiz(es) to the midterm test or final examination.

Midterm Test

The midterm test will be held in person on Monday November 9, 2026 from 9:10am to 11am. Since this is your regular class time, there are no conflicts. The location for the midterm test will be announced on Quercus.

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

If you are unable to write the midterm test 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 test. (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 10 December to 22, 2026. 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 permitted one double-sided letter-size (8.5" x 11")

page of notes and/or formulae as an aid for the final examination. You will be permitted the use of your silent hand-held calculator that does not connect to the internet as an aid for the final examination.

Grade Weight for the Midterm Test and Final Examination

If your grade on the final examination is higher than your grade on the midterm test, then the midterm grade will contribute 10% to your final grade in the course and the final examination grade will contribute 56% to your final grade in the course. If your midterm grade exceeds your grade on the final examination, then the midterm grade will contribute 21% to your final grade and the final examination will contribute 45% to your final grade.

Rotman Commerce Attendance Policy

Rotman Commerce students are expected to make every effort to attend each class. Infrequently, students may miss term work, e.g., quizzes, assignments, etc., due to unplanned and extenuating circumstances and must follow the Request for Special Consideration process as outlined in their course outlines. However, Rotman Commerce will not approve any Request for Special Consideration for participation marks for missed classes. Any such request will be denied.

Missed Tests 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](#), [Verification of Illness Form](#) 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.

Quizzes: There will be no opportunities to 'make up' for missed quizzes. There will be (at least) 10 quizzes during the course. The best 6 will count toward your final grade, i.e. 2.5% each. If you miss 4 or fewer quizzes, you will still have completed at least 6 quizzes and the top 6 grades will count. If you take fewer than 6 quizzes and have demonstrated acceptable rationale (as per Request for Special Consideration above) for one or more of the quizzes missed, I will either re-weight the quizzes that you have completed or shift the weight of the missed quiz(zes) to the midterm test or final examination.

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. 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. **Note that an extension on Group Project Part 2 will not be possible. The solutions to Group Project Part 2 need to be released ahead of the midterm examination therefore an extension on the due date will not be permitted.**

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.

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 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 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	Suggested Readings from the Textbook
1	14 September	Introduction to Financial Markets	Ross - skim Chapters 1 and 2
2	21 September	Present Value	Ross - Chapter 5 Optional: Ross – Chapter 4
Due Date Alert - 22 September: Syllabus Quiz			
Due Date Alert - 22 September: Survey			
Due Date Alert - 22 September: Video Introduction			
3	28 September	Present Value and NPV	Ross – Chapter 5 (continued)
Due Date Alert – 29 September: Individual Essay #1			
4	5 October	Present Value – annuities and perpetuities	Ross – Chapter 5 (continued)
Due Date Alert – 6 October: Group Project Team Charter			
Thanksgiving holiday: no class 12 October 2026			
5	19 October	Net Present Value	Ross – Chapter 7, sections 7.1 & 7.5 Ross – Chapter 8, section 8.1
Reading Week - 26 to 30 October 2026: no class 26 October 2026			
6	2 November	Bonds (Debt)	Ross – Chapter 6, sections 6.1, 6.2, 6.3
Due Date Alert - 23 October: Group Project Part 1			
Due Date Alert – 6 November: Group Project Part 2			
	9 November	Midterm Test	
7	16 November	Stocks (Equity); Portfolios	Ross – Chapter 6, section 6.5 Ross – Chapter 10, sections 10.1-10.4
8	23 November	Price Discovery (Market Efficiency) – Part 1	Ross – Chapter 14
9	30 November	Price Discovery – Part 2	Ross – Chapter 14
Due Date Alert – 27 November: Individual Essay #2			
10	7 December	Financial Derivative Securities	Ross – Chapter 23, sections 23.1-23.4, 23.6
Due Date Alert – 7 December: Reflection on Individual Essays			
11	8 December	Course Review	
Final Examination – During Arts & Science December examination period (December 10-22, 2026)			

Please note that the last day you can drop this course without academic penalty is Tuesday November 17, 2026.



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
- 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>