

FIN 7240 (A01) (3.0 CH)
READINGS IN ACCOUNTING AND FINANCE
FALL 2020

INSTRUCTOR

Name:	Howard R. Harmatz	Office Location:	468 Drake
Phone:	204-474-6408	Office Hours:	W 9:30 - 10:00pm
Fax:			M & W 12:45 - 1:30pm
Email:	Harmatz@umanitoba.ca	Class Time:	W 6:15 - 9:30pm

COURSE TECHNOLOGY

Students require a computer with either built in or external webcams. For examination purposes computers must be running either Microsoft Windows or Apple OS X. In a graduate course it is important to have all faces visible all the time.

COURSE DESCRIPTION

We are focused on preparing students to be ethical in professional conduct in general, with specific focus on finance, and preparing students for the ethical component in CFA examinations. the actual class format is one of active class discussion. The first part of the course covers ethics in finance more generally, the second part of the course covers the CFA Code of Ethics and Standards of Practice. The heart of the course is the CFA Standards of Practice Handbook. The final part of the course will take in the legal framework of Canada and the United States.

COURSE OBJECTIVES

On course completion, you should be able to:

- Have detailed knowledge of the CFA Standards of Practice Handbook and the Code of Ethics
- Be well prepared to apply knowledge gained to the ethical component of the CFA examinations at all three levels.
- Be able to comprehend the ethical issues in any professional application.
- Be able to communicate effectively and persuasively your reasoning.

AACSB Assurance of Learning Goals and Objectives – Masters of Finance

The Asper School of Business is proudly accredited by AACSB. Accreditation requires a process of continuous improvement for the School and our students. Part of “student improvement” is ensuring that students graduate with the knowledge and skills they need to succeed in their careers. To do so, the Asper School has set the **learning goals and objectives** listed below for the **MFIN Program**. The checked goal(s) and objective(s) will be addressed in this course and done so by means of the items listed next to the checkmark.

	Goals and Objectives in the MFIN Program	Goals and Objectives Addressed in this Course	Course Item(s) Relevant to these Goals and Objectives
1	Proficiency in Asset Valuation: Knowledge and understanding of the principles, theories, and applications of asset valuation.		
	A. Demonstrate knowledge and ability to apply asset valuation models.		
	B. Demonstrate knowledge and ability to apply asset pricing models.		
2	Proficiency in Portfolio Construction and Management: Knowledge and understanding of the principles, theories, and applications of portfolio construction and management.		
	A. Demonstrate knowledge of theories and applications of asset allocation.		
	B. Demonstrate an understanding of the theories and approaches of risk management and its applications.		
	C. Demonstrate an understanding of financial markets, instruments, asset classes, and trading environment.		
	D. Demonstrate an ability to apply behavioural finance models in portfolio construction and management.		
3	Ethical Mindset: Consideration of ethical issues in financial analysis and management.		
	A. Demonstrate an understanding of the role of ethics in financial decision-making.		Entire course
	B. Demonstrate a knowledge of the CFA Institute's <i>Code of Ethics</i> and the <i>Standards of Professional Conduct</i> .		Entire course
4	Communication Ability: Ability to communicate effectively and clearly, both verbally and in writing, in a professional context.		
	A. Communicate in a clear and concise manner.		Term paper and oral presentation
	B. Communicate in a coherent and logical manner.		Term paper and oral presentation

COURSE MATERIALS

Required text purchase:

John R. Boatright, *Ethics in Finance*, 3rd edition (2014) John Wiley & Sons.

Other materials including the CFA Code of Ethics and CFA Standards of Practice are on UM Learn reserve for this course.

COURSE ASSESSMENT

Student progress will be assessed through:

- A paper on ethics in finance due November 1 (midnight) in a dropbox on Um Learn (20%)
- A group presentation on an assigned portion of Standards of Practice (15%)
- A flow chart summary of the Standards of Practice Handbook November 25th (midnight)
- Participation (20%)
- Final examination (35%)

Final grades will be assigned as follows;

Cumulative Marks	Grade	GPA	Performance
90-100	A+	4.5	Excellent
80-89.99	A	4.0	Very Good
75-79.99	B+	3.5	Good
70-74.99	B	3.0	Satisfactory
65-69.99	C+	2.5	Marginal
60-64.99	C	2.0	Unsatisfactory
50-59.99	D	1.0	Unsatisfactory
49.99 and below	F	0.0	Unsatisfactory

NOTE: Class attendance is required. Missing more than 20% of this course due to absences may result in a failing grade. It is your responsibility to inform your professor in advance of your absence and the reason for it (medical documentation or employer note if away for a work commitment) is required. The professor decides how to deal with the impact of missed classes on your final grade.

LATE SUBMISSIONS

There is a 20% loss of total possible points for every day or part thereof. While deadlines are set at midnight, there is also a 6-hour grace period before penalties are applied lest a small difference among clocks be blamed.

COURSE SCHEDULE

Tentative Schedule		Read before class
September 23	A need for ethics	<u>Boatright, Chapters 1& 2</u>
September 30	Ethics in Investment	<u>Boatright, Chapter 4</u> <u>CFA Code of Ethics</u> <u>Ethics and Financial Markets, the role of the Analyst</u> <u>CFA Standards of Professional Conduct</u> <u>"Professionalism"</u>
October 7	Ethics in Markets and Management	<u>Boatright, Chapters 5 &6</u> <u>CFA Standards of Professional Conduct "Integrity of Capital Markets"</u>
October 14	Ethical mindfulness MARGIN CALL (Movie)	<u>Ethical Mindfulness: a Guide for New Professional Services Professionals</u> <u>Trevino & Nelson, Chapter 3 "Deciding What is Right: A Psychological Approach" from Managing Business Ethics 7th Edition (2017)</u>
October 21	Client	<u>CFA Standards of Professional Conduct "Duties to Clients"</u>
October 28	Employer	<u>CFA Standards of Professional Conduct "Duties to Employers"</u>
November 4	Best advice	<u>CFA Standards of Professional Conduct "Investment Analysis, Recommendations, and Actions"</u>
November 11	NO CLASS	<u>Fall Break</u>
November 18	A balancing Act	<u>CFA Standards of Professional Conduct, "Conflicts of Interest"</u> <u>CFA Standards of Professional Conduct, CFA Institute Member or Candidate"</u>

November 25	Law and the political process; The broader environment	<u>https://www.sec.gov/answers/about-lawsshtml.html</u> <u>http://www.osc.gov.on.ca/documents/en/Securities-Category3/csa_20170511_33-319_proposals-enhance-obligations-advisers.pdf</u> <u>http://www.osc.gov.on.ca/en/SecuritiesLaw_legislation_index.htm</u>
December 2		<u>Film</u>
December 9		<u>Flow chart discussion and case discussion</u>
TBD		<u>Final Exam</u>

ACADEMIC REGULATIONS AND STUDENT SERVICES

HUMAN ETHICS APPROVAL FOR DATA COLLECTION

As part of coursework, if you will be collecting data from people who are not students in this class, you must obtain Human Ethics approval from the UofM's Research Ethics Board (REB) prior to data collection. This applies to data collection such as surveys, interviews, focus groups, experiments, video recording, etc., where a respondent is solicited for participation.

If the entire class will be working on the same project, your instructor will apply for human ethics approval from the REB. If individuals or small groups of students will be working on different projects, it is the responsibility of the students to obtain approval (only one group member needs to apply). Your instructor will tell you whether s/he will be or you need to. When in doubt, please talk to your instructor.

Instructions and forms to apply for human ethics approval can be found at:
http://umanitoba.ca/research/orec/ethics/human_ethics_REB_forms_guidelines.html.

In most cases, you will be using the "Protocol Submission Form" which is under the "REB Forms - Fort Garry Campus" heading.

It can take up to six weeks to process human ethics applications and obtain approval. Therefore, plan early. Note that approval must be obtained prior to data collection and cannot be obtained during the data collection phase or retroactively. Violation can get you, your instructor, and the Asper School in serious trouble with the REB.

If you will be collecting data only from other students in the class, you do not need REB approval. If you have any questions, please contact humanethics@umanitoba.ca or your instructor.

UNCLAIMED ASSIGNMENT POLICY

Pursuant to the FIPPA Review Committee's approved recommendations of August 15, 2007, all unclaimed student assignments will become the property of the faculty and will be subject to destruction six months after the completion of any given academic term.

STUDENT SERVICES AND SUPPORTS

The University of Manitoba provides many different services that can enhance learning and provide support for a variety of academic and personal concerns. You are encouraged to visit the below websites to learn more about these services and supports. If you have any questions or concerns, please do not hesitate to contact your instructor or the Graduate Program Office.

For Information on...	...follow this link
Course Outlines, Year-at-a-Glance, Concentrations, Textbooks, VW Dates and Final Exams	MFIN Course Information
Help with research needs such as books, journals, sources of data, how to cite, and writing	Library Resources
Tutors, workshops, and resources to help you improve your learning, writing, time management, and test-taking skills	Writing and Learning Support
Support and advocacy for students with disabilities to help them in their academic work and progress	Student Accessibility Services
Copyright-related questions and resources to help you avoid plagiarism or intellectual property violations	Copyright Office
Student discipline bylaws, policies and procedures on academic integrity and misconduct, appeal procedures	Academic Integrity
Policies & procedures with respect to student discipline or misconduct, including academic integrity violations	Student Discipline
Students' rights & responsibilities, policies & procedures, and support services for academic or discipline concerns	Student Advocacy
Your rights and responsibilities as a student, in both academic and non-academic contexts	Your rights and responsibilities
Full range of medical services for any physical or mental health issues	University Health Service
Information on health topics, including physical/mental health, alcohol/substance use harms, and sexual assault	Health and Wellness
Any aspect of mental health, including anxiety, stress, depression, help with relationships or other life concerns, crisis services, and counselling.	Student Counselling Centre
Support services available for help regarding any aspect of student and campus life, especially safety issues	Student Support Case Management
Resources available on campus, for environmental, mental, physical, socio-cultural, and spiritual well-being	Live Well @ UofM
Help with any concerns of harassment, discrimination, or sexual assault	Respectful Work and Learning Environment
Concerns involving violence or threats, protocols for reporting, and how the university addresses them	Violent or Threatening Behaviour

ACADEMIC INTEGRITY

I.H. Asper School of Business, The University of Manitoba

It is critical to the reputation of the I. H. Asper School of Business and of our degrees that everyone associated with our faculty behaves with the highest academic integrity. As the faculty that helps create business and government leaders, we have a special obligation to ensure that our ethical standards are beyond reproach. Any dishonesty in our academic transactions violates this trust. The University of Manitoba Graduate Calendar addresses the issue of academic dishonesty under the heading "Plagiarism and Cheating." Specifically, acts of academic dishonesty include, but are not limited to:

- using the exact words of a published or unpublished author without quotation marks and without referencing the source of these words
- duplicating a table, graph or diagram, in whole or in part, without referencing the source
- paraphrasing the conceptual framework, research design, interpretation, or any other ideas of another person, whether written or verbal (e.g., personal communications, ideas from a verbal presentation) without referencing the source
- copying the answers of another student in any test, examination, or take-home assignment
- providing answers to another student in any test, examination, or take-home assignment
- taking any unauthorized materials into an examination or term test (crib notes)
- impersonating another student or allowing another person to impersonate oneself for the purpose of submitting academic work or writing any test or examination
- stealing or mutilating library materials
- accessing tests prior to the time and date of the sitting
- changing name or answer(s) on a test after that test has been graded and returned
- submitting the same paper or portions thereof for more than one assignment, without discussions with the instructors involved.

Many courses in the I. H. Asper School of Business require group projects. Students should be aware that group projects are subject to the same rules regarding academic dishonesty. Because of the unique nature of group projects, all group members must exercise extraordinary care to insure that the group project does not violate the policy on Academic Integrity. Should a violation occur on a group project, all group members will be held jointly accountable, no matter what their individual level of involvement in the specific violation.

Some courses, while not requiring group projects, encourage students to work together in groups (or at least do not prohibit it) before submitting individual assignments. Students are encouraged to discuss this issue as it relates to academic integrity with their instructor to avoid violating this policy.

In the I. H. Asper School of Business, all suspected cases of academic dishonesty involving a graduate student (i.e. MBA, MFIN, MSc or PhD student) will be reported directly by the instructor to the Dean of the Faculty of Graduate Studies.

FACULTY BIOGRAPHY

I.H. Asper School of Business, The University of Manitoba

Howard R. Harmatz

Business Administration
I.H. Asper School of Business

Howard R. Harmatz is a lecturer in Business Administration, IH Asper School of Business, University of Manitoba. He holds a M.A. from Simon Fraser University, and has done further studies at the University of Manitoba in the Department of Economics. He holds a B.A. from Goddard College, Vermont. He has been teaching at the University of Manitoba since 1975 and is the 2011 Beatrice Stanton award winner in teaching excellence from the University of Manitoba. He has published in the areas of economic psychology and political science. Has spent much of the last fifteen years coaching academic competition teams, including debate, CFA Global Research Challenge, CFA Ethics Challenge, and others.