

**Commerce 4FY3
Introduction to FinTech
Winter 2020 Course Outline**

**DeGroote School of Business
McMaster University**

COURSE OBJECTIVE

This course provides a broad introduction to Financial Technology (FinTech), and establishes a practical knowledge base, that enables a student to critically assess this rapidly growing and highly competitive industry. Students obtain a thorough business understanding of the nuts and bolts of the technology, and use both case studies and analytical templates, to obtain an understanding of the challenges and opportunities in this space.

INSTRUCTOR AND CONTACT INFORMATION

C01: Wed 14:30-17:30

Martin Butcher

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Telephone: (905) 403-8286

Class Location: **DSB B105**

COURSE ELEMENTS

Credit Value: 3	Leadership: Yes	IT skills: No	Global view: Yes
A2L: Yes	Ethics: Yes	Numeracy: no	Written skills: Yes
Participation: Yes	Innovation: Yes	Group work: Yes	Oral skills: Yes
Evidence-based: Yes	Experiential: Yes	Final Exam: No	Guest speaker(s): Yes

COURSE DESCRIPTION

Financial technology is at the forefront of economic development and is paving the way for tectonic shifts in long established orders. It is giving rise to rapid changes in the way we make, manage, interact with, and even define, money. And while this can mean uncertainty and upheaval for incumbents, it presents a world of possibility for those able to innovate and adapt. The course will provide a broad overview of the FinTech industry and lay the groundwork for students to analyze and identify opportunities in this emerging sector.

This course is based around education through experiential learning, inquiry and case studies. It will also involve readings, lectures, class discussions and collaborative group work. The subject matter will give you an understanding of Financial Technology and provide you with insight to critically assess the trajectory of the industry and develop new innovations in Financial Technology.

LEARNING OUTCOMES

The course will provide students with an introduction to Financial Technology. Specifically, it will enable students to understand the following:

- What FinTech is, why it is a game-changer, who this technology is affecting and how, the corporate social responsibility associated with its use, and the current stage of development.
- The nuts and bolts of blockchain, smart contracts, algorithms, and artificial intelligence.
- Assess existing FinTech applications through the use of case studies
- How to evaluate a proposed White Paper, and Fintech application.
- FinTech security, privacy, and the importance of information.
- Clear coin, coloured token, and FSCO financial regulation.
- Innovation strategies at large financial institutions.

COURSE MATERIALS AND READINGS

Avenue registration for course content, readings and case materials

- <https://avenue.mcmaster.ca/>

\$ FREE

EVALUATION

Learning in this course results primarily from case study, templated evaluation, and in-class discussion. The balance of the learning results from the lectures, assignments, and group projects. All work will be evaluated on an individual basis; except for group work where all group members will share the same grade adjusted by peer evaluation.

Missed tests/exams will receive a grade of zero unless the student has submitted and been approved for a Notification of Absence or MSAF. Late assignments will be penalized 10% for each day they are late. Your final grade will be calculated as follows:

Components and Weights

Assignment 1 (week 7)	FinTech Company Profile (individual)	20%
Assignment 2 (week 9)	Bitcoin Case Study (individual)	20 %
Assignment 3 (week 13)	FinTech Whitepaper Project (group)	40%
Participation	In-class Contribution (individual)	20%
Total		100%

Grade Conversion

At the end of the course your overall percentage grade will be converted to your letter grade in accordance with the following conversion scheme:

LETTER GRADE	PERCENT	POINTS
A+	90-100	12
A	85-89	11
A-	80-84	10
B+	75-79	9
B	70-74	8
B-	60-69	7
F	00-59	0

Communication and Feedback

Students who wish to correspond with instructors or TAs directly via email must send messages that originate from their official McMaster University email account. This protects the confidentiality and sensitivity of information as well as confirms the identity of the student. Emails regarding course issues should NOT be sent to the Area Administrative Assistants. Instructors are required to provide evaluation feedback for at least 10% of the final grade to students prior to Week #9 in the term.

Instructors may solicit feedback via an informal course review with students by Week #4 to allow time for modifications in curriculum delivery.

Course Deliverables

Assignment #1 (20%) – FinTech Company Assessment – Due Week 06

Individuals will identify a new (founded after 2012) FinTech company of interest and complete an assessment of the company's short-term and long-term success, against a standardized analytical template. This assessment will be used to conclude as to whether the company would be worthy of a venture capital investment, or acquisition.

Assignment #2 (20%) – Bitcoin Case Study – Due Week 09

Individuals will submit a short paper responding to questions related to the Bitcoin case, which will examine the various implications of Bitcoin protocol, against a standardized analytical template. This assessment will be used to draw conclusions as to a company's Corporate Social Responsibility, were it to implement this type of technology.

Assignment #3 (40%) – Group Innovation Project

As a group of 6, your group will propose a new FinTech innovation, and draft up a White Paper against a standardized template. Innovations can be wholly novel products/services not yet available in the market, or ventures positioned to compete with existing players.

You will be graded upon the rationale and justification behind your innovation, your strategy to bring it to market, and against a standardized template. Projects will require you to examine market need and demand, competitive landscape, regulatory and legal hurdles, market positioning, etc. The group innovation project will comprise of:

- ***A Group Presentation (10%)***: Your group will present an abbreviated version of the extended investor deck in a mock pitch to potential investors, entrepreneurs, executives and investors. You will be graded on the strength of the case made for your innovation, the quality of the pitch and your ability to address question from experts from the Canadian FinTech sphere. ***Due Week 13.***
- ***A White Paper (30%)*** presented as an extended investor deck. ***Due Week 14.***

Participation (20%)

Learning in this class will be driven by your class attendance, your participation in the weekly class discussion, and your active contribution within your group. Optimal participation is that perfect balance where you are able to make a valuable contribution to the discussion without commandeering the discourse. A detailed grading rubric will be posted on Avenue To Learn.

ACADEMIC DISHONESTY

You are expected to exhibit honesty and use ethical behaviour in all aspects of the learning process. Academic credentials you earn are rooted in principles of honesty and academic integrity.

Academic dishonesty is to knowingly act or fail to act in a way that results or could result in unearned academic credit or advantage. This behaviour can result in serious consequences, e.g.

the grade of zero on an assignment, loss of credit with a notation on the transcript (notation reads: “Grade of F assigned for academic dishonesty”), and/or suspension or expulsion from the university.

It is your responsibility to understand what constitutes academic dishonesty. For information on the various types of academic dishonesty please refer to the *Academic Integrity Policy*, located at: www.mcmaster.ca/academicintegrity

ONLINE COURSE COMPONENTS

In this course we will be using Avenue to Learn. Students should be aware that when they access the electronic components of this course, private information such as first and last names, user names for the McMaster e-mail accounts, and program affiliation may become apparent to all other students in the same course. The available information is dependent on the technology used. Continuation in this course will be deemed consent to this disclosure.

If you have any questions or concerns about such disclosure, please discuss this with the course instructor.

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

Students may request relief from a regularly scheduled midterm, test, assignment or other course components. Please refer to the policy and procedure on the DeGroot website at the link below;

<http://ug.degroot.mcmaster.ca/forms-and-resources/misled-course-work-policy/>

STUDENT ACCESSIBILITY SERVICES

Students who require academic accommodation must contact Student Accessibility Services (SAS) to make arrangements with a Program Coordinator. Academic accommodations must be arranged for each term of study. Student Accessibility Services can be contacted by phone 905-525-9140 ext. 28652 or e-mail sas@mcmaster.ca.

For further information, consult McMaster University’s Policy for Academic Accommodation of Students with Disabilities:

<http://www.mcmaster.ca/policy/Students-AcademicStudies/AcademicAccommodation-StudentsWithDisabilities.pdf>

POTENTIAL MODIFICATION TO THE COURSE

The instructor reserves the right to modify elements of the course during the term. There may be changes to the dates and deadlines for any or all courses in extreme circumstances. If either type of modification becomes necessary, reasonable notice and communication with the students will be given with explanation and the opportunity to comment on changes. It is the responsibility of the student to check their McMaster email and course websites weekly during the term and to note any changes.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce 4FY3 will be considered to be an implicit acknowledgement of the course policies outlined above, or of any other that may be announced during lecture and/or on A2L. **It is your responsibility to read this course outline, to familiarize yourself with the course policies and to act accordingly.**

Lack of awareness of the course policies **cannot be invoked** at any point during this course for failure to meet them. It is your responsibility to ask for clarification on any policies that you do not understand.

4FY3 – Winter 2020

**Commerce 4FY3
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Winter 2020 Course Schedule**

WEEK	DATE	LECTURE AND ASSIGNMENT
1	Week 01 Jan 08	Introduction and course overview. What is FinTech? Why is it a game-changer? Who is it affecting? When is it an issue? Where is it? Corporate Social Responsibility.
2	Week 02 Jan 15	Nuts and bolts of Blockchain, Smart Contracts, Artificial Intelligence. Security, privacy and the importance of information. Coin, Token, and FSCO.
3	Week 03 Jan 22	The Whitepaper. Whitepaper evaluation template. Fintech assessment template.
4	Week 04 Jan 29	Case Discussion: Lending Loop Alternative lending and investing – crowd funding and investing, P2P lending, financing in the new economy.
5	Week 05 Feb 05	Case Discussion: Robo-Advisors to Humans: We come in Peace Financial advice and wealth management. The emergence of robo- advisors, hybrid-robo, alternative investments.
6	Week 06 Feb 12	Open class to help people with assignment scoping, assessment templates, and ensuring delivery of a quality product. Assignment #1 (20%) due midnight Saturday Feb-15
7	Week 07 Feb 19	READING WEEK – NO CLASS
8	Week 08 Feb 26	Case Discussion: Bitcoin Blockchain and distributed ledgers. Crypto currencies, smart contracts, ICOs, smart wallets.
9	Week 09 Mar 04	Open class to help people with assignment scoping, assessment templates, and ensuring delivery of a quality product Assignment #2 (20%) due midnight Saturday Mar-07

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WEEK	DATE	LECTURE AND ASSIGNMENT
10	Week 10 Mar 11	Case Discussion: CIBC - Internalizing Open Innovation FinTech innovation at major Canadian financial institutions.
11	Week 11 Mar 18	Case Discussion: The Rise of Ant Financial. A Global Market: Implications for consumers, Canadian financial institutions and global competitiveness.
12	Week 12 Mar 25	Case Discussion: To be determined. To be determined.
13	Week 13 Apr 01	Open class to help people with scoping, assessment templates, and delivery of a quality product Assignment #3 Group Presentations (10%)
14	Week 14 Apr 08	Open class to help people with scoping, assessment templates, and delivery of a quality product Assignment #3 White Paper (30%) due midnight Friday Apr-10