

**Commerce 3FM3
The History of Finance
Winter 2025 Course Outline**

**Finance and Business Economics Area
DeGroot School of Business
McMaster University**

INSTRUCTOR AND CONTACT INFORMATION

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TBA
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Course website: Avenue to Learn, Microsoft Teams

COURSE ELEMENTS

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

COURSE INFORMATION

Seminars: 3hr x1/wk

Tutorials: N/A

Course Delivery Mode: In-person. Classes are in a seminar format with students expected to prepare for discussions by reviewing assigned videos and slides ahead of time. There are no lectures.

Course Description: This course explores the emergence, evolution, and future of the tools and organizations that make modern finance possible. By studying the history of payments, debt, banking, corporations, markets, derivatives, pensions, insurance companies and investment funds, students will learn why such institutions are organized as they are today and how we might design better versions to tackle the challenges of the twenty-first century. This course will also be useful for students interested in fintech as it explores the core functions of financial institutions and their modern innovations.

MEETING DETAILS

Class meets every Monday from 2:30-5:20.

Punctuality is the sign of a true professional and shows self-discipline and respect for others.

IMPORTANT LINKS

- [Mosaic](#)
- [Avenue to Learn](#)
- [Student Accessibility Services - Accommodations](#)
- [McMaster University Library](#)

COURSE LEARNING OUTCOMES

Upon successful completion of this course, students will be able to complete the following key tasks:

- Explain the core functions of financial institutions in plain language
- Identify the key roles and processes required to complete those functions
- Analyze the priorities and concerns of various stakeholder groups
- Evaluate how existing institutions and their processes meet the needs of their stakeholders
- Make reasoned arguments in discussions around the design of financial institutions and programs
- Propose innovations that improve outcomes for the both users of a system and society at large

REQUIRED MATERIALS AND TEXTS

REQUIRED:

1. "Relentless Change: A Casebook for the Study of Canadian Business History", Joe Martin (2011) University of Toronto Press. ISBN: 978-0-8020-9559-6

RECOMMENDED:

1. "Money Changes Everything: How Finance Made Civilization Possible", William Goetzmann (2016) Princeton University Press. ISBN: 978-0691143781
2. (There is a reading list of recommended titles and the topics included in each on A2L)

CLASS FORMAT

This is an in-person 3-hour class. Organized as a seminar, it presumes that students will complete the appropriate readings (slides) and watch the prepared videos before coming to class. These resources replace a textbook but are considered the equivalent of **required reading for the course**. During these sessions we will discuss fundamental design issues around modern iterations of established financial technologies. Participation is expected and graded - attendance is insufficient.

There will be a short break (or two) part way through at a convenient time based on what we are working on. Please use this time to take care of personal needs of various kinds and maintain focus on our discussions while in class. Each of the case studies will be discussed in class as well.

COURSE EVALUATION

Learning in this course results primarily from the recorded lectures, the provided course notes, in-class seminar discussions, and researching your cases. Your final grade will be calculated as follows:

Components and Weights

Case Studies	4 cases (groups of 4-5), 10% each	40%
Participation	In-class and via Teams (discussions)	20%
Final Exam	Schedule TBA	40%
Total		100%

COURSE DELIVERABLES

Case Studies (4 x 10% = 40%)

All case studies are available in the required text “Relentless Change” but may include additional questions as provided in specific instructions on A2L. Final reports are to be submitted to electronic drop boxes set up on Avenue (only one submission per group is required) by 11:59pm EST on the dates listed below. Late submissions cannot be accepted. **You should make every attempt to form a group within the first two weeks of class so you can begin working together by mid-January.**

Final Exam (40%)

The final exam will be a series of short answer questions (open book/note) covering materials from the videos, readings, and class discussions. It will cover all 12 topics in the course.

Participation (20%)

Engagement with the course content will involve thinking deeply and critically about a number of issues related to the form and function of finance and its attendant tools. **Students are expected to participate in-class by joining in the discussion with their views and beliefs regarding various ethical and philosophical issues under consideration.** Seminar slides will be posted ahead of time along with the questions and external resources for you to consider. You should attempt to make 2-4 valuable contributions throughout each half of the semester (I use the full grade range here, 0-20).

LATE ASSIGNMENTS

There will be NO make-up for any missed assessment activity and NO extra credit work will be offered under any circumstance. Marks for all pre-final exam evaluation activities will be posted on Avenue.

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.

Students who have concerns about the course content, evaluation methods, or delivery should first reach out to the course instructor. If your concern remains unresolved after speaking with the instructor, you may then reach out to the relevant Area Chair for further consideration.

REQUESTING RELIEF FOR MISSED ACADEMIC WORK

In the event of an absence for medical or other reasons, students should review and follow the Academic Regulation in the Undergraduate Calendar [“Requests for Relief for Missed Academic Term Work”](#) and the link below*;

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

* Non-Commerce students must follow the Missed Course Work protocols outlined by their home faculty and Program Office.

COURSE MODIFICATION

From time to time there may be a need to remove/add topics or to change the schedule or the delivery format. If these are necessary, you will be given as much advance notice as possible.

GENERATIVE AI

USE PROHIBITED

Students are not permitted to use generative AI in this course. In alignment with [McMaster academic integrity policy](#), it “shall be an offence knowingly to ... submit academic work for assessment that was purchased or acquired from another source”. This includes work created by generative AI tools. Also state in the policy is the following, “Contract Cheating is the act of “outsourcing of student work to third parties” (Lancaster & Clarke, 2016, p. 639) with or without payment.” Using Generative AI tools is a form of contract cheating. Charges of academic dishonesty will be brought forward to the Office of Academic Integrity.

ACADEMIC INTEGRITY

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. **It is your responsibility to understand what constitutes academic dishonesty.**

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. For information on the various types of academic dishonesty please refer to the [Academic Integrity Policy](#).

The following illustrates only three forms of academic dishonesty:

- plagiarism, e.g. the submission of work that is not one’s own or for which other credit has been obtained.
- improper collaboration in group work.
- copying or using unauthorized aids in tests and examinations.

AUTHENTICITY/PLAGIARISM DETECTION

This course uses a web-based service (Turnitin.com) to reveal authenticity and ownership of student submitted work. Students will be expected to submit their work electronically via Avenue to Learn so it can be checked for academic dishonesty. Students who do not wish their work to be submitted through the plagiarism detection software must inform the Instructor before the assignment is due. No penalty will be assigned to a student who does not submit work to the plagiarism detection software. **All submitted work is subject to normal verification that standards of academic integrity have been upheld** (e.g., on-line search, other software, etc.). For more details about McMaster’s use of Turnitin.com please go to www.mcmaster.ca/academicintegrity.

COURSES WITH AN ON-LINE ELEMENT

This course uses Avenue to Learn. Students should be aware that, when they access the electronic components of a course using these elements, 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 a course that uses on-line elements will be deemed consent to this disclosure. If you have any questions or concerns about such disclosure please discuss this with the course instructor.

CONDUCT EXPECTATIONS

As a McMaster student, you have the right to experience, and the responsibility to demonstrate, respectful and dignified interactions within all of our living, learning and working communities. These expectations are described in the [Code of Student Rights & Responsibilities](#) (the “Code”). All students share the responsibility of maintaining a positive environment for the academic and personal growth of all McMaster community members, **whether in person or online**.

It is essential that students be mindful of their interactions online, as the Code remains in effect in virtual learning environments. The Code applies to any interactions that adversely affect, disrupt, or interfere with reasonable participation in University activities. Student disruptions or behaviours that interfere with university functions on online platforms (e.g. use of Avenue 2 Learn, WebEx or Zoom for delivery), will be taken very seriously and will be investigated. Outcomes may include restriction or removal of the involved students’ access to these platforms.

ACADEMIC ACCOMMODATION OF STUDENTS WITH DISABILITIES

Students with disabilities who require academic accommodation must contact [Student Accessibility Services](#) (SAS) at 905-525-9140 ext. 28652 or sas@mcmaster.ca to make arrangements with a Program Coordinator. For further information, consult McMaster University’s [Academic Accommodation of Students with Disabilities](#) policy.

ACADEMIC ACCOMMODATION FOR RELIGIOUS, INDIGENOUS OR SPIRITUAL OBSERVANCES (RISO)

Students requiring academic accommodation based on religious, indigenous or spiritual observances should follow the procedures set out in the [RISO](#) policy. Students should submit their request to their Faculty Office **normally within 10 working days** of the beginning of term in which they anticipate a need for accommodation or to the Registrar’s Office prior to their examinations. Students should also contact their instructors as soon as possible to make alternative arrangements for classes, assignments, and tests.

COPYRIGHT AND RECORDING

Students are advised that lectures, demonstrations, performances, and any other course material provided by an instructor include copyright protected works. The Copyright Act and copyright law protect every original literary, dramatic, musical and artistic work, **including lectures** by University instructors.

The recording of lectures, tutorials, or other methods of instruction may occur during a course. Recording may be done by either the instructor for the purpose of authorized distribution, or by a student for the purpose of personal study. Students should be aware that their voice and/or image may be recorded by others during the class. Please speak with the instructor if this is a concern for you.

EXTREME CIRCUMSTANCES

The University reserves the right to change the dates and deadlines for any or all courses in extreme circumstances (e.g., severe weather, labour disruptions, etc.). Changes will be communicated through regular McMaster communication channels, such as McMaster Daily News, Avenue to Learn and/or McMaster email.

ACKNOWLEDGEMENT OF COURSE POLICIES

Your enrolment in Commerce 3FM3 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.

COURSE SCHEDULE

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Date	Topics	Due Dates
Jan 6	Course Introduction: why study history, institutions, institutional design	
Jan 13	Payment Systems: gifts, barter, ledgers, currency, fiat, digital money	
Jan 20	Debt: risks and safeguards, debt as money, bonds, peer-to-peer lending	
Jan 27	Banking: risks, governance, history, credit unions, offshore, microfinance	Case 1 – Feb 1 (Bank Act 1871)
Feb 3	Central Banking: liquidity, monetary policy, independence, network centrals	
Feb 10	Companies: financing, control, family firms, public equity, governance, SOEs	Case 2 – Feb 15 (Coyne Affair)
Feb 17	READING WEEK – NO CLASS	
Feb 24	Stock Markets: economics of markets, margin trading, bubbles and panics, regulation	Case 3 – Feb 29 (HBC)
Mar 3	Derivatives: conditional payoffs, forwards, futures, options, quantitative finance	
Mar 10	Insurance: risk estimates, multi-line firms, actuarial science, specialty lines, corporate failure	
Mar 17	Trusts: endowments, sovereign wealth funds, mutual and hedge funds	Case 4 – Mar 21 (Confed Life)
Mar 24	Pensions: annuities, sponsors, funding, design principles, the Canada model	
Mar 31	The State: political economy, market shaping, welfare state, demographics	
Apr 7	NO CLASS – PREPARE FOR YOUR FINALS!	