

**WILMINGTON UNIVERSITY**  
**COLLEGE OF BUSINESS**  
**BASIC COURSE INFORMATION**

**COURSE TITLE:** Economic and Financial Environment of Business

**COURSE NUMBER:** MBA 6400

**PREREQUISITE:** ECO 105 or equivalent

**COURSE DESCRIPTION:**

MBA 6400 provides exposure to all the key aspects of the financial system including capital markets, monetary policy, banking and securities markets, and the impact of interest rates on these markets. Factors that affect the macroeconomic and financial environments of business are very important for the formulation of corporate strategic planning and policies that ensure stability throughout the business cycles.

**MAJOR INSTRUCTIONAL GOALS:**

**GOAL A:**

Students will gain an awareness of the different components of the U.S. economy and markets, how they are related and directly and indirectly affect one another.

**Learning Objectives:** The student will:

- A-1 Define money markets and capital markets and the key fundamental aspects of these financial markets.
- A-2 Explain the determinants of interest rates and their role in valuation of securities.
- B-1 Define how interest rate risk and term structure affect impact financial markets and monetary policy.

**GOAL B:**

Students will develop an understanding of the role of the Federal Reserve and its impact on monetary and fiscal policy.

**Learning Objectives:** The student will:

- B-1 Recognize the role of the Federal Reserve and its impact on monetary policy and interest rates.
- B-2 I

**GOAL C:**

Students will learn the categories of financial institutions and their functions in the U.S. economy.

**Learning Objectives:** The student will:

- C-1 Explain the importance and characteristics of each category of financial institutions in the financial markets.
- C-2 Define the function and role of the Federal Reserve and influence on the stability of the U.S. financial system.
- C-3 Identify money and its equivalents with their uses in financial institutions.

**GOAL D:**

Students will define and examine the role of interest rates on macroeconomic adjustment policy, and the workings of financial markets in particular banking and short-term paper markets.

**Learning Objectives:** The student will:

- D-1 Describe the role of interest rates as they apply to the adjustment mechanisms.
- D-2 Summarize bank ratings and how such ratings impact the banking industry.
- D-3 Recognize how stock markets and over the counter (OTC) markets operate.
- D-4 Define the characteristics and functions of the Savings Associations, Credit Unions, Mutual Fund Industry, Insurance Companies and Pension Funds.
- D-5 Analyze the various Federal Reserve banking regulations.

**GOAL E:**

Students will understand the technique of risk analysis and its importance in managing and minimizing financial risk in the U.S. financial system.

