Class discussions will include consideration of appropriate managerial decisions under each of a variety of these conditions. Financial markets are important in determining economic conditions. Students learn how the interest rate yield curve and other financial market indicators give insight into expectations about credit conditions and economic change. Financial markets also play important roles in determining availability and costs of funds. Economic policy is the effort of government to change the economic environment. An important part of the course is the study of these policies. Fiscal policies consist of the use of taxation and government spending to shape the environment. Monetary policy is the effort to influence credit conditions and interest rates for the purpose of achieving a specific environmental change. Domestic economic conditions are increasing shaped by global conditions. Therefore, a significant part of the course is devoted to analysis of foreign exchange rates, interest rates, and monetary policies of other nations. In addition, students will analyze the impacts of barriers to international trade (primarily quotas and tariffs and foreign exchange controls) and investment. The course concludes with examination of government regulation and its effect on business. Many regulations are designed to counter-act negative external effects of decisions made by private profit-pursuing firms, especially with regard to pollution of the natural environment. Anti-trust policies, patent and copyright laws. These regulations provide constraints and opportunities for business managers. Students demonstrate achievement through completion of short cases, class discussions, and an examination.

**Prerequisite:** admission to the MBA program or the MSIS program