

FIN 620 Milestone One Guidelines and Rubric

Overview: For the final project, you will respond to the following scenario:

Imagine you are the chief financial officer (CFO) of the Fortune 500 company you chose in Module One (JPMorgan Chase & Co., AT&T, or Qualcomm). Given the positive macroeconomic trends, including improvements in labor market conditions, the Federal Reserve recently increased the federal funds rate. With the continued improvement in economic outlook, the Federal Reserve is poised to increase the federal funds rate again in the near future. The Fed believes that with the gradual increase in monetary policy, the economic activities and labor market will strengthen and inflation will remain consistent. As the CFO of your company, you must analyze and evaluate the likely impacts of the aforementioned Federal Reserve monetary policy actions to the wider economy (and specifically, to capital markets), as well as the resulting implications for your firm. Based on your assessment, you will put forth various recommendations to the company's board for improving their financial position while safeguarding against corporate risk.

Prompt: This milestone will help you complete Section III of the final project by identifying the role, functions, and operational mechanics of the Federal Reserve System. You will also discuss the Federal Reserve's impact on capital markets.

Your work must address these **critical elements**:

III. The Federal Reserve System

- A. Illustrate the primary **role and functions** of the Federal Reserve System using specific examples. For example, what are its key macro-activities and their economic consequences?
- B. Explain the **operational mechanics** of the Federal Reserve System in terms of its structures and governance using specific details. In other words, how does the system work on a day-to-day basis?
- C. Illustrate the potential for the Federal Reserve's monetary policies to impact **capital markets** using specific examples. For example, how can the Federal Reserve "make waves" in capital markets through their communications or lack thereof?

Rubric

Guidelines for Submission: Your submission should be 3 to 4 pages in length and should use double spacing, 12-point Times New Roman font, and one-inch margins. Sources should be cited according to APA style.

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Critical Elements	Proficient (100%)	Needs Improvement (70%)	Not Evident (0%)	Value
The Federal Reserve System: Role and Functions	Accurately illustrates the primary role and functions of the Federal Reserve System using specific examples of its key macro-activities and their economic consequences	Illustrates the primary role and functions of the Federal Reserve System, but there are inaccuracies or fails to use specific examples of key macro-activities and their economic consequences	Does not illustrate the primary role and functions of the Federal Reserve System	30
The Federal Reserve System: Operational Mechanics	Accurately explains the operational mechanics of the Federal Reserve System in terms of its structures and governance with specific details	Explains the operational mechanics of the Federal Reserve System, but there are inaccuracies or fails to fully address its structures and governance with specific details	Does not explain the operational mechanics of the Federal Reserve System	30
The Federal Reserve System: Capital Markets	Accurately illustrates the potential for the Federal Reserve's monetary policies to impact capital markets using specific examples	Illustrates the potential for the Federal Reserve's monetary policies to impact capital markets, but there are inaccuracies or fails to use specific examples	Does not illustrate the potential for the Federal Reserve's monetary policies to impact capital markets	30
Articulation of Response	Submission has no major errors related to citations, grammar, spelling, syntax, or organization	Submission has major errors related to citations, grammar, spelling, syntax, or organization that negatively impact readability and articulation of main ideas	Submission has critical errors related to citations, grammar, spelling, syntax, or organization that prevent understanding of ideas	10
Total				100%