

10.) The Economic Environment is largely uncontrollable as far as a business manager is concerned. Discuss the various components of the Economic Environment in detail as discussed in class. (5 marks)

Economic Environment

Involves • Consumerism

↳ meeting the needs & wants of the majority of the population

↳ led to company being more ethical.

• interest
• unemployment

Applying to current events

interest rate is currently at its low. Approximately 2.45%

↑

↳ this means that there will be an ↑ in mortgage & borrowing of money.

unemployment is at 8.8%

↳ this is higher because usual unemployment is 7-6%. This means that the amount of people looking for work has increased due to the drop of Canadian economy, however it is still doing well overall.

need & wants has shifted.

↳ this means that the demand of some goods will increase while some will decrease

Also important, ↑ the dollar of Canadian is almost as strong as American \$, 95/100 = \$1 US.
this will increase consumer buying.

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