

Indirect impact.

Multiplier means that each time an amount of government spending that's added on the economy is re-spent, the result will be an increase in spending. When the government increases spending on NHS staff and staff by £1000 million, three quarters of it gets spent in shops, one of these being included would be PC World. The spending upon these shops would be increased by £750 million, which would also raise PC World's sales greatly and the stability of the company. Businesses such as the NHS, would usually be given £1000 by the government to spend on issues involving the business, such as paying their business wages and ordering stock. But they probably wouldn't use it this way. Instead they would use £250 million on tax and spend the other $\frac{3}{4}$ of it in the shops. Around £25 million of this £750 million would be spent on PC World for certain IT equipment. The main effect made on PC World from this would be the increase in sales and revenue. Also, in order to complete this order for over a year, PC World would probably hire more temporary staff and extend the working times for their regular staff and purchase extra materials from their suppliers. But PC World will need to ensure NHS' order is met fully and properly, because the NHS would re-spend about £10 million in the beginning of the request. This is called the knock on effect, which is when the money does not get given to them, but instead increases more and more through different stages of their performance on the order. If PC World fully completes the order, they would have gained the full £25 million and will receive it afterwards, rising their profits. The knock on effect can either rise in the short term, where more is given after each stage, or the long term where the other, full £15 million is added after the entire order is met. PC World would be more beneficial in the long term, because they are more reliable when considering such a large amount of profit, they will have gained more orders because of their efforts with the NHS. Because such a large amount of income is involved, even their suppliers will gain higher sales and revenue due to the greater number of ordered materials made with PC World's enhanced profits.

Conclusion.

To conclude, there are many different impacts upon PC World with government spending. These involve short term and long term, between part time and permanent staff, high and low expenses of suppliers, profits and losses on their sales and revenues, and the great income made from direct and indirect deals. PC World will have great benefits from increase of government spending, mainly much higher sales and revenue. This is because of the number of business customers who are willing to place orders and arrange contracts, making PC World gain higher popularity and progress further as a business.