

Unit 39 Assignment 6/7

- a) Describe and assess the impact of changes in:
- i) The global and European economies; and
 - ii) Global and European political factors
- on PC World.
- b) Analyse how PC World might adjust or react to these changes.

Introduction

The Global and European economies are the current amount of wealth within each international country, totalling to Europe and the whole globe, where sometimes it may change for some nations due to lending and loans between them. The Global and European political factors are when separate countries that make up Europe and the World, make decisions on who gets what, when they get them, why, how, etc, discuss the relations between nations, and talk about their rights. These might change other worldwide businesses because of the decisions made, which affects the business within each country.

If either global and European economies or political factors change, it can change the way UK businesses are run. I will be answering this question by first portraying the impact made upon PC World when both the European and global economies change, next the political factors, and then assessing them. Then I will be analysing how PC World would respond/amend to these very changes to these factors.

a.)

i.)

Name of factor	Meaning, details	Affect on PC World
The credit crunch	A crisis in the worldwide banking industry caused by overlending and trading in 'derivatives' leading to excessive bad debts and losses, in turn leading to an unwillingness and inability to lend to consumers and businesses. Banks also unwilling to lend to each other.	PC World will be increasingly unable to borrow, or to obtain a low rate of interest. Consumers also find it difficult to borrow, so its business sales fall.
Global demand	When each of the world's countries demands for goods and services from each other. This would mainly consist of importing them through international businesses.	This would affect PC World with the amount of goods and services provided through import. This can also leave a more direct effect by competing directly with foreign companies.