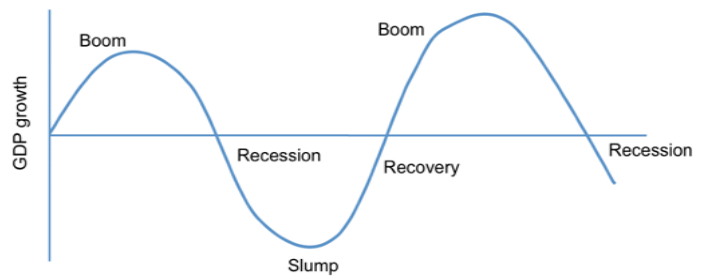


Technology	Ethical Influences	Environmental Influences	Economic Influences																																																																																																														
<p>Types of technology used by businesses:</p> <ul style="list-style-type: none">DatabasesSpreadsheetsWord ProcessingDesktop Publishing <p>Businesses can use technology for:</p> <ul style="list-style-type: none">AdministrationStock ControlCommunicationRecruitment <p>CAD (Computer Aided Design): When a business uses ICT in the design process. These are then fed into a computer for the CAM process to begin.</p> <p>CAM (Computer Aided Manufacture): When a business uses CAD to automatically produce products using automation.</p> <p>Automation – the use of technology in place of humans by business, when producing goods and services.</p> <p>Buying and selling on the internet: E-Commerce: The buying and selling of good, electronically, using the Internet M-Commerce: The buying and selling of good, electronically, using Mobile Phones</p> <table><tr><th colspan="2">Buying and selling on the internet</th></tr><tr><th>Benefits</th><th>Drawbacks</th></tr><tr><td>✓ Advertising</td><td>✗ Jobs</td></tr><tr><td>✓ Loyalty</td><td>✗ Shops</td></tr><tr><td>✓ Targeted adverts</td><td>✗ Cost</td></tr><tr><td>✓ Social media</td><td>✗ Security</td></tr></table>	Buying and selling on the internet		Benefits	Drawbacks	✓ Advertising	✗ Jobs	✓ Loyalty	✗ Shops	✓ Targeted adverts	✗ Cost	✓ Social media	✗ Security	<p>Ethics: Distinguishing between what society believes to be right and wrong.</p> <p>How can a business behave ethically?</p> <p>Supplier – ethical ‘supply chain’. Example ‘Fairtrade’.</p> <p>Workers rights – above minimum wage, use of child labour, safe factories etc.</p> <p>Environmentally – dumping of waste, emissions, carbon footprint etc.</p> <p>Taxes – Don’t avoid taxes!</p> <p>Food labelling – label food correctly and offer lots of information</p> <p>Human Rights – promote human rights</p> <p>Health – To promote good health in society</p> <p><i>All these go beyond the legal requirements of businesses.</i></p> <p>Reasons for acting ethically:</p> <ul style="list-style-type: none">Brand imageAttract better employeesReduced change of legal issues – cost!Attract investors‘Future Proof’Be good! <p>Reasons for not acting ethically:</p> <ul style="list-style-type: none">Increased cost of raw materialsConstantly under scrutiny – if the business does something ‘bad’ it is highlighted!Consumers may not care!May be difficult to advertise and communicateProfits may be affected <p>Pressure Group: An organisation that pressurises businesses to act in an ethical manner. Example - Greenpeace</p>	<p>Sustainability: Ensuring the Earth’s resources are indefinitely (forever) productive and will not be depleted (run out).</p> <p>Impact on the environment:</p> <ul style="list-style-type: none">Noise PollutionLight PollutionWater PollutionAir PollutionClimate changeCongestionDepletion of resourcesDumping of wasteOveruse of water <p>What can businesses do:</p> <ul style="list-style-type: none">FairtradeWater EfficiencyReduced the amount of packaging on products (e.g. Easter eggs).Using alternative sources of energy (e.g. solar panels).Reducing their carbon footprint (e.g. through the miles products travel).	<p>Disposable Income: is the amount of money that households have available for spending and saving after income taxes and other mandatory costs have been deducted.</p> <p>Income Tax: is a tax on a person’s income, this form of tax is a statutory (this must be paid) deduction from an employee’s wages.</p> <p>National Insurance: Individuals have to pay National Insurance contributions in order to pay for state benefits (NHS, welfare, unemployment, pension, disability benefit).</p> <p>VAT: VAT is a tax on the purchase of goods and services (20%). VAT is charged on most goods and services.</p> <p>Corporation Tax: is a tax on company profits, it is paid before shareholders are paid their dividend. UK corporation tax is 20%.</p> <p>Business Rates: are a tax paid by businesses which is based on the property where the business takes place.</p> <p>Indirect Taxation: tax on spending – examples include VAT and business rates.</p> <p>Direct Taxation: tax on income – examples include national insurance, income tax and corporation tax.</p> <p>Unemployment people looking for work but for some reason they are unable to get a job.</p> <p>Impact of Unemployment:</p> <ul style="list-style-type: none">Consumers – reduction in income if they become unemployedBusinesses – fall in salesGovernment – a fall in revenue from Income Tax, VAT and Corporation Tax and an increase in welfare payments <p>The interest rate is the price of borrowing or saving money from a bank, building society or other lender. Examples: Cars, Mortgages, Overdrafts, Loans</p> <table><tr><th colspan="2">Impact of interest rates on businesses</th></tr><tr><th>Interest rates increase</th><th>Interest rates decrease</th></tr><tr><td><ul style="list-style-type: none">Cost of borrowing increasesConsumer demand falls (pay more for their mortgages)Businesses borrow less for investment</td><td><ul style="list-style-type: none">Cost of borrowing decreasesConsumer demand increases (pay less for their mortgages)Businesses borrow more for investment</td></tr></table> <p>Inflation is the rate at which the general level of prices is rising. It is measured through the ‘basket of goods’ which reflects the spending habits of consumers. 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Economic Influences – The Business Cycle	Legislation	Globalisation	EU																																																																																																														
<p>Business Cycle: This is the cyclical change of ‘good times’ and ‘bad times’ that businesses experience – it is something that happens nationally, sometimes globally, and is out of their control. The measure of the business cycle is GDP.</p> <p>GDP: Gross Domestic Product – the total value of all goods and services traded.</p>  <p>1. BOOM: When the business cycle is at a peak. Lots of goods and services are being produced employment is high.</p> <p>2. RECESSION: Two consecutive months of falling output, consumption and employment.</p> <p>3. SLUMP: When the business cycle is in a trough. Less goods and services are being produced.</p> <p>4. GROWTH: When inflation begins to increase – demand increases and in turn, the price of goods increases.</p> <table><tr><th>Impact of an economic boom</th><th>Impact of an economic recession</th></tr><tr><td><ul style="list-style-type: none">Decreased unemploymentRising wagesIncreased demand for goods/servicesHigher profitsHigh interest ratesPrices are rising = inflation</td><td><ul style="list-style-type: none">Increased unemploymentFalling wagesFalling demand for goods and servicesLower profitsLow interest ratesLow inflation – prices are stable</td></tr></table>	Impact of an economic boom	Impact of an economic recession	<ul style="list-style-type: none">Decreased unemploymentRising wagesIncreased demand for goods/servicesHigher profitsHigh interest ratesPrices are rising = inflation	<ul style="list-style-type: none">Increased unemploymentFalling wagesFalling demand for goods and servicesLower profitsLow interest ratesLow inflation – prices are stable	<p>Legislation: laws set by the UK government that businesses must follow.</p> <p>Employment Law: regulate the relationship between employers and employees.</p> <p>Consumer Law: This is aimed at making sure that businesses act fairly towards their consumers – especially since consumers are sometimes in a much weaker financial position.</p> <p>Intellectual property refers to creative work such as inventions, literary and artistic works and designs, symbols, names and images used in business.</p> <table><tr><th colspan="2">Types of Employment Law</th></tr><tr><td>Health and Safety Law</td><td>Employers have a legal responsibility to ensure that working environments are safe and that employees are able to understand and are trained to deal with the risks involved in their jobs.</td></tr><tr><td>Employment Rights</td><td>Employees have to be provided with a written statement of employment within two months of starting employment. 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Patents	A trademark is a distinctive design, graphic, logo, symbol, figure, letter words or phrase that uniquely identifies a business and/or its goods or services.	<p>International trade is the buying and selling of exports and imports between countries.</p> <p>Imports are goods/services bought from other countries</p> <p>Exports are goods/services sold to other countries</p> <p>Why does international trade take place?</p> <ul style="list-style-type: none">Some products we can't produce ourselvesOther countries can produce products cheaper than usConsumers receive a wider choice of products <table><tr><th colspan="2">Advantages of international trade</th><th colspan="2">Disadvantages of international trade</th></tr><tr><td>✓ Access to new markets</td><td></td><td>✗ Language barriers</td><td></td></tr><tr><td>✓ Increased sales and profits</td><td></td><td>✗ Issue with suppliers</td><td></td></tr><tr><td>✓ Spread risk</td><td></td><td>✗ Currency issues</td><td></td></tr><tr><td>✓ Benefit from economies of scale</td><td></td><td></td><td></td></tr></table> <p>Exchange rates are simply the cost of switching from one currency to another.</p> <table><tr><th colspan="2">SPICED</th><th colspan="2">WPIDEC</th></tr><tr><td>S</td><td>Strong</td><td>W</td><td>Weak</td></tr><tr><td>P</td><td>Pound</td><td>P</td><td>Pound</td></tr><tr><td>I</td><td>Imports</td><td>I</td><td>Imports</td></tr><tr><td>C</td><td>Cheap</td><td>D</td><td>Dear</td></tr><tr><td>E</td><td>Exports</td><td>E</td><td>Exports</td></tr><tr><td>D</td><td>Dear</td><td>C</td><td>Cheap</td></tr></table> <p>Globalisation involves the increased interdependency of people around the world as a result of increased trade and cultural exchange. It has led to an increased worldwide production of goods and services.</p> <p>Multinational Corporations (MNCs): businesses that have their headquarters in one country but operate in many countries, this means that they may have offices and factories around the world.</p> <table><tr><th colspan="2">Impact of MNCs on the UK</th></tr><tr><th>Positive</th><th>Negative</th></tr><tr><td>✓ Provide employment</td><td>✗ British businesses may shut</td></tr><tr><td>✓ Pay taxes to UK government</td><td>✗ Jobs could be low paid</td></tr><tr><td>✓ Increased customer choice</td><td>✗ Profits won't stay in the UK (will go back to the MNC home country).</td></tr><tr><td>✓ Help the UK economy grow</td><td></td></tr></table>	Advantages of international trade		Disadvantages of international trade		✓ Access to new markets		✗ Language barriers		✓ Increased sales and profits		✗ Issue with suppliers		✓ Spread risk		✗ Currency issues		✓ Benefit from economies of scale				SPICED		WPIDEC		S	Strong	W	Weak	P	Pound	P	Pound	I	Imports	I	Imports	C	Cheap	D	Dear	E	Exports	E	Exports	D	Dear	C	Cheap	Impact of MNCs on the UK		Positive	Negative	✓ Provide employment	✗ British businesses may shut	✓ Pay taxes to UK government	✗ Jobs could be low paid	✓ Increased customer choice	✗ Profits won't stay in the UK (will go back to the MNC home country).	✓ Help the UK economy grow		<p>European Union (EU):</p> <ul style="list-style-type: none">An economic and political union28 member states (2013)Established in 1993Operates as a single market<ul style="list-style-type: none">Free movement of people, goods, services & capitalEuro was introduced in 199919 countries use the EuroApprox. 7.3% of world population <table><tr><th colspan="2">Impact of EU on customers</th></tr><tr><th>Benefits</th><th>Drawbacks</th></tr><tr><td>✓ Increased choice</td><td>✗ UK spends money to be in the EU</td></tr><tr><td>✓ Lower prices</td><td></td></tr><tr><td>✓ More employment opportunities in EU countries</td><td>✗ Less independent/local businesses</td></tr></table> <table><tr><th colspan="2">Impact of EU on businesses</th></tr><tr><th>Benefits</th><th>Drawbacks</th></tr><tr><td>✓ Increased demand</td><td>✗ Smaller businesses can lose out to large European businesses</td></tr><tr><td>✓ Lower costs – economies of scale</td><td>✗ EU has set employment law and consumer law</td></tr><tr><td>✓ Lower costs – cheaper raw materials</td><td></td></tr><tr><td>✓ Larger amount of potential employees</td><td></td></tr></table>	Impact of EU on customers		Benefits	Drawbacks	✓ Increased choice	✗ UK spends money to be in the EU	✓ Lower prices		✓ More employment opportunities in EU countries	✗ Less independent/local businesses	Impact of EU on businesses		Benefits	Drawbacks	✓ Increased demand	✗ Smaller businesses can lose out to large European businesses	✓ Lower costs – economies of scale	✗ EU has set employment law and consumer law	✓ Lower costs – cheaper raw materials		✓ Larger amount of potential employees	
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