6 Economic influences – Part 1 —Answers

Answers

Work through these after trying the questions yourself.

6.1 Something outside a business's control that affects it (e.g. the economy, the government, the law).
6.2 It costs more —loans become more expensive.
6.3 A general rise in prices.
6.4 A time when the economy shrinks (a downturn).
6.5 They usually fall.

6.6 (1) Any **loans** the business has cost more to repay, raising its costs. (2) **Customers** also borrow and spend less (e.g. on credit), so the business's **sales fall**.