RO2 LEARNING OUTCOME 2

Chapter 3
Economic Environment
(Learning outcome 2)

ECONOMIC AGENTS

1. Individuals or Consumers
2. Firms

TECHNOLOGICAL CHANGE

- ✓ Mobile Telecommunications
- ✓ Telecommunications (Data Messaging)
- ✓ E-Commerce
- ✓ Artificial Intelligence (AI)

INFLATION MESAURES

- ✓ CPI
- ✓ CPIH
- ✓ RPI

ECONOMIC CYCLES

1. Recovery followed by expansion or acceleration of economic growth
2. Boom
3. Slowdown or Contraction
4. Recession

THE UK'S OFFICIAL INTERNATIONAL RESERVES

- ✓ Foreign Currencies
- ✓ Gold
- ✓ International Monetary Fund (IMF)
- ✓ Special Drawing Rights (SDRs)
- ✓ The UK's Tranche Position at the IMF

KEY ECONOMIC INDICATORS

- ✓ Earnings Growth
- ✓ Gross Domestic Product (GDP)
- ✓ Consumer Prices Index (CPI)
- ✓ Producer Prices Indices (PPI)
- ✓ Purchasing Managers Index (PMI)
- ✓ Unemployment Rate

THE CURRENT ACCOUNT FOR THE UK

- ✓ Trade in Goods
- ✓ Trade in Services
- ✓ Investment Income
- ✓ Transfer Payments

TYPES OF ECONOMIC INDICATOR

- ✓ Leading Indicators
- ✓ Coincident Indicators
- ✓ Lagging Indicators

MEASURES OF THE MONEY SUPPLY

- ✓ MO 'Narrow Money'
- ✓ M4 'Broad Money'