

Case study on balance of payment

Business



Balance of Payment Case Study:

Balance of payment is the indicator which reflects the actual condition of the financial transactions between the chosen country and other countries of the world.

The indicator of balance of payment is extremely important because it demonstrates the economic condition of the country and its interrelation with the other countries. It is natural that a country does not exist in isolation, because it requires intensive and active relations with other countries of the world. The economic growth is possible only due to the cooperation and financial transactions with other countries which invest money into the development of various spheres of economics, borrow money and export and import goods and services. If the balance of payment is positive, it means that the country becomes richer and its financial reserves increase. The balance is negative, it means that the country loses money and wastes its reserves in order to survive. The positive balance is possible only if the country trades intensively with other countries, if it exports more goods and services than imports, and if it lends more money than borrows.

Nowadays the country which lends money can live due to the credit percents and on the other hand, the borrower country which only takes money for its own development but does not return it, fails and wastes its financial reserves and moves close to bankrupting. The same thing happens if the country imports more than exports and as a result the reserves are wasted. Finally, balance of payment influences the stability and the value of the currency. Balance of payment is the indicator which illustrates the

effectiveness of the country's financial transactions with the rest of the world. The young professional is able to research the problem in the appropriate way and explain the relevance and importance of the topic for the knowledge about economics and business. The student can observe the balance of payment on the definite example of a chosen case suggested by the professor.

The student's job is to dwell on the reasons of the problem which is associated with balance of payment and its consequences for the country's economics. In addition, the student is able to reveal his knowledge and try to solve the problem efficiently. A case study is a quality and scrupulous research of a narrow topic and the student is supposed to pay much attention to the professional free example case study on balance of payment of India written by the qualified experts online. The student is able to succeed in the process of writing and learn about the right norms of formatting if he looks through a free sample case study on Mexico's balance of payments problem.