

Micheal kors

Business



BUSINESS The term business refers to as an association that is concerned with the trade of goods and services, where consumers do exchange goods and services with other goods and services, using various tools of trade. The result of active business operations is determined by organization plan and model. Business plan is involved in the setting of goals in particular business, the way to attain them and how to reach those goals. On the other hand, business model illustrates how an organization produces, delivers and captures values such as economic, social and cultural values in the business.

The Role of Business in the Economy Business plays a great role in the economy. Besides, the economy of the country depends on the services that are provided by big and small businesses that produce goods and services; the services that we do require on our daily lives. Moreover, businesses pay taxes to the government thus allowing the government to work on the taxes collected, which help in the development of the country; hence, the business plays a fundamental role in the economy. Businesses make significant contribution to economy by facilitating exploitation of factors of production. In this case, these factors of production relate inputs and finished goods that are obtained through business operations. On the other hand, businesses play a significant role in production of goods and services that are consumed by customers. Businesses play a role of being tax agents for the government, whereby through the goods and services produced, the government obtains revenue from taxes such as VAT and income from employees working in these businesses.

Roles of For-Profit and Nonprofit Organizations in the Economy The relationship between Nonprofit and For-profit organizations has been confronted from various avenues with old approaches arguing that they operate independently, while modern

approaches argue that they do coexist. Nonprofit organizations should be there in the economy to produce and provide those services and goods, which are essential to the people but are not advantageous to the companies that create them. On the other hand, for-profit organizations pay taxes to the government hence make it possible for them to accomplish their responsibility.

Impact of current fiscal and monetary policy on the economy

The monetary system is responsible for the fluctuations experienced in the economy. For example, the economic crisis experienced during the late 2000's and late last year were as a result of the failure in the monetary policy. Moreover, the economic recovery experienced in late 2009 and early 2010, was mainly due to the stabilization of the financial system, greater improvement in the fiscal and monetary policies as well as the recovery of various business enterprises that had collapsed during the recession. This clearly indicates that the impact of fiscal policy on the economy cannot be underestimated.

Global market venture

Due to the tremendous development of the internet and other facilities that hasten business operations and open up new businesses, opening new channels of trade in foreign land where competition is low has been the main aim of various business organizations. Despite this, there have been challenges due to contradicting trade policies as well as cultures. Moreover, much has been achieved in ensuring uniformity in foreign trade policies in a bid to attract new investors, and thus open up some countries, which is beneficial to both the host country and the investor. In this regard, Michael Kors has specialized in the trade of fashionable clothing in the American market, but with proper management, venturing into foreign markets may be beneficial. In this regard, it is important to understand the cultures in the countries in which the company

<https://assignbuster.com/micheal-kors/>

wants to venture, evaluate the current state of the market as well as evaluate the status of the organization using measures such as the porters five forces. In this regard, the organization will get clear information on whether venturing into the market would be beneficial, or it will have to seek for alternative markets.

Michael Kors Corporate Social Responsibility

Corporate social responsibility is the act of an organization giving back to the society; the organizations are indulged in activities that ensure that its neighbor and surrounding benefit from it. In this regard, Michael Kors has been active in its corporate social responsibilities activities such as the donations it made to " God's loves we deliver." In this regard, the company is observed to be in good terms with its surroundings, which make it more appealing to consumers and thus, economic progress is realized through increased sales.

Economic Systems

There are different types of economic systems that are evident in different economies: Capitalist, Socialist and mixed economy. In the capitalist system, the private sector has almost the ultimate control over the factors of production, while the government is observed to be dormant (Ferrante, 2010). On the contrary, socialist economy depicts the government with the control over the factors of production with the private sector being dormant. Conclusively, the mixed economy presents both the government and the private investors with some control over the factors of production.

Global economic environment and USA businesses

Currently, it is evident that no economy can operate on its own as it has to export and import various goods and services. In this regard, the economic recession that has been experienced in Europe has had adverse effects on American business through destabilizing the monetary policy. On the other hand, the rise of other manufacturing hubs such as china has brought

<https://assignbuster.com/micheal-kors/>

intense competition to American firms and more improvement of the business operations as well as the international trade policies need to be made. This is because China has been imposing restriction on the sale of American imports in its markets, which have adversely affected American businesses. In this regard, since technology is an economic driver, its integration in various business activities will ensure that American businesses operate efficiently, and are thus able to present their products at competitive rates at the global market. References Ferrante, J. (2010). *Sociology: A Global Perspective*. Stamford, Connecticut, U. S.: Cengage Learning