

# Bank first

Business



Bancfirst This paper responds to questions on of Bancfirst's, a banking business organization, external business environment. Major elements of external environment and the most significant to Bancfirst

Major elements of the company's external environment are regulatory factors and economic factors. Regulatory factors subject the bank to legal and economic rules that restrict its operations. The most evident is the monetary policy that regulates the amount of money that banks can lend. The general economic trend is another external environmental factor of people's economic potentials (Boyes and Melvin, p. 381- 384).

The more significant of the two factors is the economic environment. This is because the bank is more vulnerable to economic environments, such as recession, as compared to regulatory environment that is manageable through internal policies (Boyes and Melvin, p. 381- 384).

Forces that affected the demand curve and effects on equilibrium price  
Factors that influenced demand curve of houses to shift to the right are increased disposable income through mortgages and a consequential demand level. This increased the aggregate demand to raise the equilibrium price (Boyes and Melvin, p. 49- 50).

Factors that created a shift in supply curve and effects on equilibrium price  
Factors that caused a shift in supply curve are reduced consumer's financial capacity, the legal provision for foreclosures and the reduced number of people who could buy the available homes. This had an effect of lowering the equilibrium price (Boyes and Melvin, p. 54- 56).

Position of the U. S. economy when housing crisis began and the current position

The U. S. economy was at the depression stage during the housing crisis.

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This is because of the comparative condition that unlike previous poor economic conditions in which banks could resell foreclosed homes, the period was the worst, and such resale was not possible (Boyes and Melvin, p. 132).

The economy is currently at the recovery stage, a stage that follows depression towards restructuring. The recovery period is also identifiable by the transition that followed the crises such as government initiative to save the banking sector through bailing them. The banking industry has however not reached its peak performance (Boyes and Melvin, p. 132).

Opinion on the U. S. government move to bail banks

The government efforts to bail out the banks did not prevent depression.

This is because it played a microeconomic role to a single sector of the economy instead of ensuring a comprehensive approach to the macroeconomic problem. This is however not the proper role of the government whose responsibility covers all sectors of the economy, including protection of consumers.

Identified primary concerns in the Bancfirst latest annual report

The company's identified risk factors include inconsistency in " economic and financial environment" that sometimes adversely affect performance, lack of confidence in the government's ability to ensure a stable economic status, variation in interest rates that sometimes lowers profitability, and strict legal environments that restricts operations (Bancfirst, p.). Other risks include high insurance costs in the future and adversely varied tax rates (Bancfirst, p. 15).

Conclusion

Banks, like other types of business enterprises, are therefore susceptible to

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their external environments that can be economical, legal, or political.

#### Works cited

Boyes, William, and Melvin, Michael. *Macroeconomics*. Mason, OH: Cengage Learning, 2012. Print.

Bancfirst. Bancfirst corporation annual report on form 10-k. Bancfirst. 2012. Web. November 6, 2012. < [https://www.bancfirst.com/pdfs/BF2011\\_10K.html#tx281231\\_2](https://www.bancfirst.com/pdfs/BF2011_10K.html#tx281231_2)>.