

Macroeconomics: economics and groceries assignment

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It is important to understand how these activities affect different aspects of our lives to do our best to prevent them and decrease their negative effects.

Purchasing Groceries The purchasing of groceries can affect the government, households and businesses in several different ways. This purchase can affect businesses because stores that supply groceries must supply the demand of certain products. The demand of certain products raises the demand for the business and therefore allows it to grow.

Purchasing groceries affects households because in order to sustain a normal household in today's times, you must provide groceries for your family. The prices of the groceries and how many you purchase are determined by how well your family income is and also the demand for certain groceries.

Purchasing groceries affects the government because it keeps the economy running smoothly with a normal amount of growth. The flow of the resources for groceries, like items such as fruits and vegetables, from one entity to another can be seen in the people who are consuming the groceries.

It can also be seen in the way that purchasing groceries sustains the economy. One current event that relates to the purchase of groceries is the movement to get people to stop throwing away product on the date of expiration. The dates solely indicate freshness, and are used by manufacturers to convey when the product is at its peak" (Suffering, 2013).

Massive Layoff of Employees A massive layoff of employees can also affect the government, households and businesses in several different ways.

This activity can affect the government because with a massive layoff, incomes are going to go down and therefore loans will be needed, which in

turn can decrease the function of an economy. Massive layoffs can affect households because people are not able to have stable incomes to purchase supplies in which case the demand for products will decrease. Businesses can be affected by massive layoffs because if they are not employing people, then there are not as many to help produce the products that they need to sell in order to keep up demand.

The flow of these resources, which would be labor and production, can be seen from one entity to another in that households must be employed to sustain their income, businesses must have laborers and employees to sustain their products and the government must have a growing economy with people making money and businesses making products to sustain a healthy economy. One current event that relates to the massive layoff of employees is the layoff of many teachers in varying school districts. To cut education budgets and save money on the front is causing suffering for children and parents alike.

Decrease in Taxes A decrease in taxes can affect the government, households and businesses in several different ways, also. With a decrease in taxes, the government will see a major return with people being able to afford more and purchase more. Households would be affected by a decrease in taxes because people would be able to purchase more products. Businesses would be affected by a decrease in taxes because with the economy running more productively, then they would be able to afford more laborers to make more products.

The flow of resources from one entity to another in the decrease in taxes can be seen first in households and their ability to purchase more products, then in businesses with their ability to employ more people, and finally in government with their ability to stimulate and grow the economy with the excess of supply and demand. One current event that relates to the decrease in taxes is Obama cutting taxes. "The main proposal for reform would slash the corporate tax rate to 28% from 35%" (Shade, 2012).

Conclusion As we can see, the purchasing of groceries, the massive layoff of employees, and a decrease in taxes can all affect entities such as households, businesses and the government. Not only are these entities affected, but they are also linked together. When the economy is not being stimulated with growth, then all three entities will suffer. We can especially see this being true in a lot of the current events that are currently taking place. It is important that we all understand this to do what we can to prevent a decrease in economic growth.