

# Role Of Companies In Macroeconomic Stability

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## Abstract

A company in an economy is started by the **investors** to make profit by buying the inputs from the **suppliers** and converting the inputs in to outputs for their **customers** using **employees and operation process**.

Companies in the economy are struggling to find the balance between the following company variables

1. Customers price
2. Suppliers price
3. Investors profit
4. Employees salary or wages

Variations in the above variables of the companies in the economy is controlling the following macroeconomic variables of an economy

1. Inflation
2. Un-employment
3. Debt
4. Economic growth

There is a direct relationship between the company variables each companies in the economy and macroeconomic variables of an economy.

We can control the macroeconomic variables of an economy by creating a perfect balance between the company variables of each companies in the economy to maintain a macroeconomic stability in an economy.

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## I. Introduction

### COMPANY

A company in an economy is started by the **investors** to make profit by buying the inputs from the **suppliers** and converting the inputs in to outputs for their **customers** using **employees and operation process**. Factors influencing the company's performance can be categorised in to external and internal factors.

### EXTERNAL FACTORS

#### 1. CUSTOMERS

Customers in an economy expect the company to sell their goods and services for affordable price in the market.

**Customers price = suppliers price + investors profit or loss + employees salary or wages + operating expenses**

#### 2. SUPPLIERS

Suppliers in an economy expect the company to buy their goods and services for a fair price in the market.

**Suppliers price = customers price – (employees salary or wages + operating expenses + investors profit or loss)**

#### 3. INVESTORS

Investors in an economy expect the company to make profit.

**Investors profit or loss = customers price – (suppliers price + employees salary or wages + operating expenses)**

### INTERNAL FACTORS

#### 1. EMPLOYEES

Employees of the company works for the investors to convert the inputs bought from the suppliers in to outputs for their customers.

### **Employees salary or wages**

#### **2. OPEARTION PROCESS**

Operation process of the company convert the inputs bought from the suppliers in to outputs for their customers.  
**operating expenses**

#### **ECONOMY**

Companies in the economy are struggling to find the balance between the external factors and internal factors that affects the company's performance in the economy.

Imbalance between the external factors and internal factors of companies in the economy create the following macroeconomic problems in an economy

1. Inflation
2. Un-employment
3. Debt
4. Economic growth

And above macroeconomic problems are being controlled by the following internal and external variables of the companies in the economy.

1. Customers price
2. Suppliers price
3. Investors profit
4. Employees salary or wages

Variations in the above internal and external variables of the companies in the economy control the following macroeconomic problems of an economy

5. Inflation
6. Un-employment
7. Debt
8. Economic growth

Changes in any one or more of the internal and external variables of the companies in the economy will influence all the macroeconomic problems of an economy.

## **II. Macroeconomic Problems**

### **Inflation**

changes in any one or more of the internal and external variables of the companies in the economy will control the inflation in the economy, which further changes the following macroeconomic problems

1. Un-employment
2. Debt
3. Economic growth

### **Un-employment**

changes in any one or more of the internal and external variables of the companies in the economy will control the un-employment in the economy, which further changes the following macroeconomic problems

1. Inflation
2. Debt
3. Economic growth

### **Debt**

changes in any one or more of the internal and external variables of the companies in the economy will control the debt in the economy, which further changes the following macroeconomic problems

1. Inflation
2. Un-employment
3. Economic growth

### **Economic growth**

changes in any one or more of the internal and external variables of the companies in the economy will control the economic growth in the economy, which further changes the following macroeconomic problems

1. Inflation
2. Un-employment
3. Debt

We must find the relationship between the external factors and internal factors of the company to control the performance of the companies in the economy to control the macroeconomic problems like inflation, unemployment, debt and economic growth for the growth and development of the country's economy.

### **III. Relationship Between The External Factors And Internal Factor**

#### **External factors**

Companies in an economy are struggling to maintain the balance between their external factors

1. customers
2. Suppliers
3. Investors

#### **Customers**

Customers in an economy expect the company to sell their goods and services for affordable price in the market.

**Customers price = suppliers price + employees salary or wages + operating expenses + investors profit or loss**

**Customers price for the goods and services of the company is determined by following items.**

- **Suppliers price**
- **Employees salary or wages**
- **Operating expenses**
- **Investors profit or loss**

#### **Suppliers price**

1. Increase in suppliers price will increase the customers price.
2. Decrease in suppliers price will decrease the customers price.

#### **Employees salary or wages**

1. Increase in employees salary or wages will increase the customers price.
2. Decrease in employees salary or wages will decrease the customers price.

#### **Operating expenses**

1. Increase in operating expenses will increase the customers price.
2. Decrease in operating expenses will decrease the customers price.

#### **Investors profit or loss**

1. Increase in investors profit will increase the customers price.
2. Decrease in investors profit will decrease the customers price.

#### **Suppliers**

Suppliers in an economy expect the company to buy their goods and services for a fair price in the market.

**Suppliers price = customers price – ( operating expenses + employees salary or wages + investors profit or loss )**

**Suppliers price for their good and services is determined by following items.**

- **Customers price**
- **Employees salary or wages**
- **Operating expenses**
- **Investors profit**

#### **Customers price**

1. Increase in customers price will increase the suppliers price.
2. Decrease in customers price will decrease the suppliers price.

#### **Employees salary or wages**

1. Increase in employees salary or wages will decrease the suppliers price.
2. Decrease in employees salary or wages will increase the suppliers price.

#### **Operating expenses**

1. Increase in operating expenses will decrease the suppliers price.
2. Decrease in operating expenses will increase the suppliers price.

#### **Investors profit or loss**

1. Increase in investors profit will decrease the suppliers price.
2. Decrease in investors profit will increase the suppliers price.

#### Investors

Investors in an economy expect the company to make profit.

**Investors profit or loss = customers price – ( suppliers price + employees salary or wages + operating expenses )**

**Investors profit or loss of the company is determined by the following items.**

- **Customers price**
- **Suppliers price**
- **Employees salary or wages**
- **Operating expenses**

#### Customers price

1. Increase in customers price will increase the investors profit or decrease the investors loss.
2. Decrease in customers price will decrease the investors profit or increase the investors loss.

#### Suppliers price

1. Increase in suppliers price will decrease the investors profit or increase the investors loss.
2. Decrease in suppliers price will increase the investors profit or decrease the investors loss.

#### Employees salary or wages

1. Increase in employees salary or wages will decrease the investors profit or increase investors loss.
2. Decrease in employees salary or wages will increase the investors profit or decrease the investors loss.

#### Operating expenses

1. Increase in operating expenses will decrease the investors profit or increase the investors loss.
2. Decrease in operating expenses will increase the investors profit or decrease the investors loss.

#### Internal factors

##### Employees

Employees of the company works for the investors to convert the inputs bought from the suppliers in to outputs for their customers.

**Employees salary or wages = customers price – (suppliers price + investors profit + operating expenses)**

#### Employees salary or wages

Increase in employees salary or wages of the company will

1. Decrease the profit or increase the loss of investors
2. Decrease the suppliers price of suppliers.
3. decrease the customers price of customers.

Decrease in employees salary or wages of the company will

1. Increase the profit or decrease the loss of investors.
2. increase the suppliers price of suppliers.
3. Increase the customers price of customers.

#### Operation process

Operation process of the company convert the inputs bought from the suppliers in to outputs for their customers.

#### Operating expenses

Increase in operating expenses of the company will

1. Decrease the profit or increase the loss of investors
2. Decrease the suppliers price of suppliers.
3. decrease the customers price of customers.

Decrease in operating expenses of the company will

- Increase the profit or decrease the loss of investors.
- increase the suppliers price of suppliers.
- Increase the customers price of customers.

## **IV. Company In Favours Of External Factors And Internal Factors**

### **EXTERNAL FACTORS**

#### Company in favour of customers

Companies in favour of customers will do one or more of the below things to sell their goods and services at an affordable price in the market.

1. Decrease the suppliers price
2. Decrease the investors profit

3. Decrease the employees salary
4. Decrease the operating expenses

Company in favour of suppliers

Companies in favour of suppliers will do one or more of the below things to buy the suppliers goods and services at an affordable price in the market.

1. Increase customers price
2. Decrease the investors profit
3. Decrease the employees salary
4. Decrease the operating expenses

Company in favour of investors

Companies in favour of investors will do one or more of the below things to earn more profits to their investors.

1. Increase the customers price
2. Decrease in suppliers price
3. Decrease in employees salary
4. Decrease the operating expenses

#### INTERNAL FACTORS

Companies in favour of employees

Companies in favour of employees will do one or more of the below things to offer better salary or wages to their employees.

1. Increase in customers price
2. Decrease suppliers price
3. Decrease investors profit
4. Decrease the operating expenses

Companies in favour of operating expenses

Companies in favour of operating expenses will use the efficient operating process to decrease the operating expenses of the company.

### V. Macroeconomic Problems

Imbalance between the external factors and internal factors of companies in the economy create the following macroeconomic problems in an economy

1. Inflation
2. Un-employment
3. Debt
4. Economic growth

This macroeconomic problem makes an economy un-stable. And above macroeconomic problems are created by following internal and external factors of the companies in an economy.

1. Customers price
2. Suppliers price
3. Investors profit or loss
4. Employees salary or wages

Customers price

customers price for the goods and services in the market.

**Customers price = suppliers price + employees salary or wages + operating expenses + investors profit or loss**

Increase in customers price for the goods and services of a company is due to changes in any one or more of following items.

1. Increase in suppliers price of the company

Increase in customers price is due to increase in the suppliers price for the input goods and services used by the company.

2. Increase in investors profit of the company

Increase in customers price is due to increase in investors profit margin of the company.

3. Increase in employees salary or wages of the company

Increase in customers price is due to increase in employees salary or wages of the company.

Decrease in customers price for the goods and services of a company is due to any one or more of following items.

1. Decrease in suppliers price of the company

decrease in customers price is due decrease in the suppliers price for the inputs goods and services used by the company.

2. decrease in investors profit of the company

decrease in customers price is due to decrease in investors profit margin of the company.

3. decrease in employees salary or wages of the company

decrease in customers price is due to decrease in employees salary or wages of the company.

suppliers price

Suppliers price for the goods and services in the market.

**Suppliers price = customers price – ( operating expenses + employees salary or wages + investors profit or loss )**

Increase in suppliers price for the goods and services will be due to any one or more of the following items.

1. Increase in customers price of another company

Increase in suppliers price is due to increase in customers price of another company, because input of one company is the output for another company. Which will increase the suppliers price for the inputs of the company.

2. Increase in investors profit of another company

Increase in suppliers price is due to increase in investors profit margin of another company, because investors of the another company are selling their goods and services for higher profit margin. Which will increase the suppliers price for the inputs of the company.

3. Increase in employees salary or wages of another company

Increase in suppliers price is due to increase in employees salary or wages of another company, because employees of the another Company are offered higher salary or wages. Which will increase the suppliers price for the inputs of the company.

decrease in suppliers price for the goods and services will be due to changes in any one or more of the following items.

1. Decrease in customers price of another company

Decrease in suppliers price is due to decrease in customers price of another company, because input of one company is the output for another company. Which will decrease the suppliers price for the inputs of the company.

2. Decrease in investors profit of another company

Decrease in suppliers price is due to decrease in investors profit margin of another company, because investors of the another company are selling their goods and services at lower profit margin. Which will decrease the suppliers price for the inputs of the company.

3. Decrease in employees salary or wages of another company

Decrease in suppliers price is due to decrease in employees salary or wages of another company. because employees of the another Company are offered lower salary or wages. Which will decrease the suppliers price for the inputs of the company.

Investors profit

investors profit of the company.

**Investors profit or loss = customers price – ( suppliers price + employees salary or wages + operating expenses )**

Increase in investors profit of the company is due to change in any one or more of the following items.

1. Increase in customers price of the company

Increase in investors profit is due to increase in customers price for the goods and services of the company in the market.

2. decrease in suppliers price of the company

Increase in investors profit is due to decrease in suppliers price for the input goods and services of the company, so investors profit margin of the company is increased.

3. decrease in employees salary or wages of the company

Increase in investors profit is due to decrease in employees salary or wages, because employees of the company are offered lower salary or wages. So investors profit margin of the company is increased.

Decrease in investors profit of the company is due to changes in any one or more of the following items.

1. decrease in customers price of the company

decrease in investors profit is due to decrease in customers price for the goods and services of the companies in the economy.

2. Increase in suppliers price of the company

decrease in investors profit is due to increase in suppliers price for the inputs goods and services of the company, so investors profit margin of the company is decreased.

3. increase in employees salary or wages of the company

decrease in investors profit is due to increase in employees salary or wages, because employees of the company are offered higher salary or wages. So investors profit margin of the company is decreased.

Employees salary or wages

Employees salary or wages of the company.

**Employees salary or wages = customers price – (suppliers price + investors profit + operating expenses)**

Increase in employees salary or wages of the company is due to any one or more of the following items.

1. Increase in customers price of the company

Increase in employees salary or wages is due to increase in customers price for the goods and services of the company in the market. So employees will get higher salary or wages.

2. decrease in suppliers price of the company

increase in employees salary or wages of the company is due to decrease in suppliers price for the input goods and services of the company, so employees will get higher salary or wages.

3. Decrease in investors profit of the company

Increase in employees salary or wages of the company is due to decrease in investors profit of the company, so employees will get higher salary or wages.

decrease in employees salary or wages of the company is due to changes in one or more of the following items.

1. Decrease in customers price of the company

decrease in employees salary or wages is due to decrease in customers price for the goods and services of the company in the market. So employees will get lower salary or wages.

2. Increase in suppliers price of the company

decrease in employees salary or wages of the company is due to increase in suppliers price for the input goods and services of the company, so employees will get lower salary or wages.

3. increase in investors profit of the company

decrease in employees salary or wages of the company is due to increase in investors profit of the company, so employees will get lower salary or wages.

## **VI. Role Of Companies In Economic Stability**

Imbalance between the external factors and internal factors of companies in the economy create the following macroeconomic problems in an economy and makes the economy un-stable.

1. Inflation

2. Un-employment

3. Debt

4. Economic growth

Inflation

Companies in an economy create inflation in the economy due to the changes in the below variables of the company.

1. Increase in Customers price

2. Increase in Suppliers price

3. Increase in Investors profit

4. Increase in Employees salary or wages

Role of customers price in Inflation

Inflation in an economy is created by increase in customers price for the goods and services of the companies in the economy.

Increase in customers price of the companies in an economy is due to changes in any one or more of the following items of the company

1. Increase in suppliers price of the company

2. Increase in investors profit of the company

3. Increase in employees salary or wages of the company

**Customers price = suppliers price + employees salary or wages + investors profit or loss + operating expenses**

Increase in suppliers price of the company

Increase in customers price is due to increase in the suppliers price for the input goods and services used by the company.

Increase in suppliers price of the company is due to increase in one or more of the following items of another companies in the economy.

1. Increase in customers price of another company

Increase in suppliers price of the company is due to increase in the customers price of another companies in the economy.

2. Increase in investors profit of another company

Increase in suppliers price of the company is due to increase in the investors profit of another companies in the economy.

3. Increase in employees salary or wages of another company

Increase in suppliers price of the company is due to increase in employees salary or wages of another companies in the economy.

Increase in investors profit of the company

Increase in customers price is due to increase in investors profit margin of the company.

Increase in investors profit of the company is due to change in one or more of the following items of the companies in the economy.

1. Increase in customers price of the company

Increase in investors profit is due to increase in customers price for the goods and services of the company in the market.

2. Decrease in suppliers price of the company

Increase in investors profit is due to decrease in suppliers price for the input goods and services of the company, so investors profit margin of the company is increased.

3. Decrease in employees salary or wages of the company

Increase in investors profit is due to decrease in employees salary or wages, because employees of the company are offered lower salary or wages. So investors profit margin of the company is increased.

Increase in employees salary or wages of the company

Increase in customers price is due to increase in employees salary or wages of the company.

Increase in employees salary or wages of the company is due to change in one or more of the following items of the companies in the economy.

1. Increase in customers price of the company

Increase in employees salary or wages of the company is due to increase in customers price for the goods and services of the company in the market. So employees will get higher salary or wages.

2. Decrease in suppliers price of the company

increase in employees salary or wages of the company is due to decrease in suppliers price for the input goods and services of the company, so employees will get higher salary or wages.

3. Decrease in employees salary or wages

Increase in employees salary or wages of the company is due to decrease in investors profit of the company, so employees will get higher salary or wages.



#### Role of supplier price in inflation

Inflation in an economy is created by increase in suppliers price for the input goods and services of the companies in the economy.

Increase in suppliers price of the companies in an economy is due to changes in any one or more of the following items of the company

1. Increase in customers price of another company
2. Increase in investors profit of another company.
3. Increase in employees salary or wages of another company

**Suppliers price = customers price – ( operating expenses + employees salary or wages + investors profit or loss )**

Increase in customers price of another company

Increase in suppliers price of the companies in an economy is due to increase in customers price of another company, because input of one company is the output for another company. Which will increase the suppliers price for the inputs goods and services of the company.

Increase in customers price of another company is due to increase in one or more of the following items of the companies in the economy.

1. Increase in suppliers price of the company

Increase in the customers price of the company is due to increase in the suppliers price for the inputs goods and services of the company.

2. Increase in investors profit of the company

Increase in customers price of the company is due to increase in investors profit margin in the output goods and services of the company.

3. Increase in employees salary or wages of the company

Increase in customers price of the company is due to increase in employees salary or wages of the company.

Increase in investors profit of another company

Increase in suppliers price of the companies in an economy is due to increase in the investors profit margin of another company, because investors of another company are selling their goods and services for higher profit margin. Which will increase the suppliers price for the inputs of the company.

Increase in investors profit of another company is due to changes in one or more of the following items of the companies in the economy.

1. Increase in customers price of the company

Increase in investors profit of the company is due to increase in customers price for the goods and services of the company in the market.

2. decrease in suppliers price of the company

Increase in investors profit of the company is due to decrease in suppliers price for the input goods and services of the company, so investors profit margin of the company is increased.

3. decrease in employees salary or wages of the company

Increase in investors profit of the company is due to decrease in employees salary or wages, because employees of the company are offered lower salary or wages. So investors profit margin of the company is increased.

Increase in employees salary or wages of another company.

Increase in suppliers price of companies in an economy is due to increase in employees salary or wages of another company, because employees of the another Company are offered higher salary or wages. Which will increase the suppliers price for the inputs of the companies in the economy.

Increase in employees salary or wage of another company is due to changes in one or more of the following items of the companies in the economy.

1. Increase in customers price of the company

Increase in employees salary or wages of the company is due to increase in customers price for the goods and services of the company.

2. Decrease in suppliers price of the company

Increase in employees salary or wages of the company is due to decrease in suppliers price for their inputs goods and services.

3. Decrease in investors profit of the company

Increase in employees salary or wages of the company is due decrease in in the investors profit margin of the company.

Role of investors profit in inflation

Inflation in an economy is created by increase in investors profit margin for the goods and services of the companies in the economy.

Increase in investors profit of the companies in an economy is due to changes in any one or more of the following items of the company

1. Increase in customers price of the company
2. Decrease in suppliers price of the company
3. Decrease in employees salary or wages company

**Investors profit or loss = customers price – ( suppliers price + employees salary or wages + operating expenses )**

Increase in customers price of the company.

Increase in investors profit of the companies in the economy is due to increase in customers price for the goods and services of the companies in the economy.

Increase in customers price of the company is due to changes in one or more of the following items of the companies in the economy.

1. Increase in suppliers price of the company

Increase in customers price of the company is due to increase in the suppliers price for the input goods and services used by the company.

2. Increase in investors profit of the company

Increase in customers price is due to increase in investors profit margin of the company.

3. Increase in employees salary or wages of the company

Increase in customers price is due to increase in employees salary or wages of the company.

Decrease in suppliers price of the company

Increase in investors profit of the companies in the economy is due to decrease in suppliers price for the inputs goods and services the companies in the economy.

Decrease in suppliers price of the company is due to changes in one or more of the following items of the companies in the economy.

1. Decrease in customers price of another company

Decrease in suppliers price is due to decrease in customers price of another company, because input of one company is the output for another company. Which will decrease the suppliers price for the inputs of the company.

2. Decrease in investors profit of another company

Decrease in suppliers price is due to decrease in investors profit margin of another company, because investors of the another company are selling their goods and services at lower profit margin. Which will decrease the suppliers price for the inputs of the company.

3. Decrease in employees salary or wages of another company

Decrease in suppliers price is due to decrease in employees salary or wages of another company. because employees of another Company are offered lower salary or wages. Which will decrease the suppliers price for the inputs of the company.

Decrease in employees salary or wages of the company

Increase in investors profit of the companies in the economy is due to decrease in employees salary or wages of the companies in the economy.

decrease in employees salary or wages of the company is due to changes in one or more of the following items.

1. Decrease in customers price of the company

decrease in employees salary or wages is due to decrease in customers price for the goods and services of the company in the market. So employees will get lower salary or wages.

2. Increase in suppliers price of the company

decrease in employees salary or wages of the company is due to increase in suppliers price for the input goods and services of the company, so employees will get lower salary or wages.

3. increase in investors profit of the company

decrease in employees salary or wages of the company is due to increase in investors profit of the company, so employees will get lower salary or wages.

Role of employees salary or wages in inflation

Inflation in an economy is created by the increase in employees salary or wages of the companies in the economy. Increase in employees salary or wages of the companies in an economy is due to changes in any one or more of the following items of the company

1. increase in customers price of the company
2. decrease in suppliers price of the company
3. decrease in investors profit of the company

**Employees salary or wages = customers price – (suppliers price + investors profit + operating expenses)**

increase in customers price of the company

increase in employees salary or wage of the company is due increase in customers price for the goods and services of the companies in the economy.

increase in customers price of the company is due to changes in one or more of the following items of the companies in the economy

1. Increase in suppliers price of the company

Increase in customers price is due to increase in the suppliers price for the input goods and services used by the company.

2. Increase in investors profit of the company

Increase in customers price is due to increase in investors profit margin of the company.

3. Increase in employees salary or wages of the company

Increase in customers price is due to increase in employees salary or wages of the company.

Decrease in suppliers price of the company

Increase in employees salary or wages of the company is due to decrease in suppliers price for the inputs goods and services of the companies in the economy.

Decrease in suppliers price of the company is due to changes in one or more of the following items of the companies in the economy.

1. Decrease in customers price of another company

Decrease in suppliers price is due to decrease in customers price of another company, because input of one company is the output for another company. Which will decrease the suppliers price for the inputs of the company.

2. Decrease in investors profit of another company

Decrease in suppliers price is due to decrease in investors profit margin of another company, because investors of the another company are selling their goods and services at lower profit margin. Which will decrease the suppliers price for the inputs of the company.

3. Decrease in employees salary or wages of another company

Decrease in suppliers price is due to decrease in employees salary or wages of another company. because employees of the another Company are offered lower salary or wages. Which will decrease the suppliers price for the inputs of the company.

Decrease in investors profit of the company.

Increase in employees salary or wages of the company is due to decrease in investors profit margin for the goods and services of the companies in the economy.

Decease in investors profit of the company is due to changes in any one or more of the following items of the companies in the economy.

1. decrease in customers price of the company

decrease in investors profit is due to decrease in customers price for the goods and services of the companies in the economy.

2. Increase in suppliers price of the company

decrease in investors profit is due to increase in suppliers price for the inputs goods and services of the company, so investors profit margin of the company is decreased.

3. increase in employees salary or wages of the company

decrease in investors profit is due to increase in employees salary or wages, because employees of the company are offered higher salary or wages. So investors profit margin of the company is decreased.

#### Un-employment

Companies in an economy create un-employment in the economy due to the changes in the below variables of the company.

1. Decrease in Customers price
2. Increase in Suppliers price
3. Decrease in Investors profit
4. Increase in Employees salary or wages

#### Role of customers price in un-employment

Un-employment in an economy is created by decrease in the customers price for the goods and services of the companies in the economy.

Decrease in customers price of the companies in an economy is due to changes in any one or more of the following items of the company

1. Decrease in suppliers price of the company
2. Decrease in investors profit of the company
3. Decrease in employees salary or wages of the company.

#### **Customers price = suppliers price + employees salary or wages + investors profit or loss + operating expenses**

##### Decrease in supplies price of the company

Decrease in customers price for the goods and services of the companies in the economy is due to the decrease in suppliers price for the inputs goods and services of the companies in the economy.

Decrease in suppliers price for the inputs goods and services of the companies in the economy is due to changes in any one or more of the following items of the companies in the economy.

1. Decrease in customers price of another company

Decrease in suppliers price is due to decrease in customers price of another company, because input of one company is the output for another company. Which will decrease the suppliers price for the inputs of the company.

2. Decrease in investors profit of another company

Decrease in suppliers price is due to decrease in investors profit margin of another company, because investors of the another company are selling their goods and services at lower profit margin. Which will decrease the suppliers price for the inputs of the company.

3. Decrease in employees salary or wages of another company

Decrease in suppliers price is due to decrease in employees salary or wages of another company. because employees of the another Company are offered lower salary or wages. Which will decrease the suppliers price for the inputs of the company.

##### Decrease in investors profit of the company

Decrease in customers price for the goods and services of the companies in the economy is due to the decrease in investors profit for the goods and services of the companies in the economy.

Decrease in investors profit of the goods and services of the companies in the economy is due to changes in any one or more of the following items of the companies in the economy.

1. decrease in customers price of the company

decrease in investors profit is due to decrease in customers price for the goods and services of the companies in the economy.

2. Increase in suppliers price of the company

decrease in investors profit is due to increase in suppliers price for the inputs goods and services of the company, so investors profit margin of the company is decreased.

3. increase in employees salary or wages of the company

decrease in investors profit is due to increase in employees salary or wages, because employees of the company are offered higher salary or wages. So investors profit margin of the company is decreased.

##### Decrease in employees salary or wages of the company

Decrease in customers price for the goods and services of the companies in the economy is due to the decrease in employees salary or wages of the companies in the economy.

Decrease employees salary or wages of the companies in the economy is due to changes in any one or more of the following items of the companies in the economy.

1. Decrease in customers price of the company

decrease in employees salary or wages is due to decrease in customers price for the goods and services of the company in the market. So employees will get lower salary or wages.

2. Increase in suppliers price of the company

decrease in employees salary or wages of the company is due to increase in suppliers price for the input goods and services of the company, so employees will get lower salary or wages.

3. increase in investors profit of the company

decrease in employees salary or wages of the company is due to increase in investors profit of the company, so employees will get lower salary or wages.

Role of suppliers price in un-employment

Un-employment in an economy is created by increase in the suppliers price for the inputs goods and services of the companies in the economy.

Increase in suppliers price for the inputs goods and services of the companies in the economy is due to changes in any one or more of the following items of the companies in the economy.

1. Increase in customers price of another company

2. Increase in investors profit of another company

3. Increase in employees salary or wages of another company

**Suppliers price = customers price – ( operating expenses + employees salary or wages + investors profit or loss )**

Increase in customers price of another company

Increase in suppliers price of the companies in an economy is due to increase in customers price of another company, because input of one company is the output for another company. Which will increase the suppliers price for the inputs goods and services of the company.

Increase in customers price of another company is due to increase in one or more of the following items of the companies in the economy.

1. Increase in suppliers price of the company

Increase in the customers price of the company is due to increase in the suppliers price for the inputs goods and services of the company.

2. Increase in investors profit of the company

Increase in customers price of the company is due to increase in investors profit margin in the output goods and services of the company.

3. Increase in employees salary or wages of the company

Increase in customers price of the company is due to increase in employees salary or wages of the company.

Increase in investors profit of another company

Increase in supplies price of the companies in an economy is due to increase in the investors profit margin of another company, because investors of another company are selling their goods and services for higher profit margin. Which will increase the suppliers price for the inputs of the company.

Increase in investors profit of another company is due to changes in one or more of the following items of the companies in the economy.

1. Increase in customers price of the company

Increase in investors profit of the company is due to increase in customers price for the goods and services of the company in the market.

2. decrease in suppliers price of the company

Increase in investors profit of the company is due to decrease in suppliers price for the input goods and services of the company, so investors profit margin of the company is increased.

3. decrease in employees salary or wages of the company

Increase in investors profit of the company is due to decrease in employees salary or wages, because employees of the company are offered lower salary or wages. So investors profit margin of the company is increased.

Increase in employees salary or wages of another company.

Increase in suppliers price of companies in an economy is due to increase in employees salary or wages of another company, because employees of the another Company are offered higher salary or wages. Which will increase the suppliers price for the inputs of the companies in the economy.

Increase in employees salary or wage of another company is due to changes in one or more of the following items of the companies in the economy.

1. Increase in customers price of the company

Increase in employees salary or wages of the company is due to increase in customers price for the goods and services of the company.

2. Decrease in suppliers price of the company

Increase in employees salary or wages of the company is due to decrease in suppliers price for their inputs goods and services.

3. Decrease in investors profit of the company

Increase in employees salary or wages of the company is due decrease in in the investors profit margin of the company.

Role of investors profit in un-employment

Un-employment in an economy is created by the decrease in the investors profit margin for the companies in the economy.

Decrease in investors profit of the companies in the economy is due to changes in any one or more of the following items of the companies in the economy.

1. Decrease in customers price of the company

2. Increase in suppliers price of the company

3. Increase in employees salary or wages of the company

**Investors profit or loss = customers price – ( suppliers price + employees salary or wages + operating expenses )**

Decrease in customers price of the company

Decrease in investors profit of the companies in the economy is due to decrease in customers price for the goods and services of the companies in the economy.

Decrease in customers price of the companies in the economy is due to changes in any one or more of the following items of the companies in the economy.

1. Decrease in suppliers price of the company

decrease in customers price is due decrease in the suppliers price for the inputs goods and services used by the company.

2. decrease in investors profit of the company

decrease in customers price is due to decrease in investors profit margin of the company.

3. decrease in employees salary or wages of the company

decrease in customers price is due to decrease in employees salary or wages of the company.

Increase in suppliers price of the company

Decrease in investors profit of the companies in the economy is due to increase in the suppliers price for the input goods and services used by the company.

Increase in suppliers price of the company is due to changes in any one or more of the following items of another companies in the economy.

1. Increase in customers price of another company

Increase in suppliers price of the company is due to increase in the customers price of another companies in the economy.

2. Increase in investors profit of another company

Increase in suppliers price of the company is due to increase in the investors profit of another companies in the economy.

3. Increase in employees salary or wages of another company

Increase in suppliers price of the company is due to increase in employees salary or wages of another companies in the economy.

Increase in employees salary or wages of the company

Decrease in investors profit of the companies in the economy is due to increase in the employees salary or wages of the companies in the economy.

Increase in employees salary or wages of the companies in the economy is due to changes in any one or more of the following items of the companies in the economy.

1. Increase in customers price of the company

Increase in employees salary or wages is due to increase in customers price for the goods and services of the company in the economy. So employees will get higher salary or wages.

2. decrease in suppliers price of the company

increase in employees salary or wages of the company is due to decrease in suppliers price for the input goods and services of the companies in the economy, so employees will get higher salary or wages.

3. Decrease in investors profit of the company

Increase in employees salary or wages of the company is due to decrease in investors profit of the companies in the economy, so employees will get higher salary or wages.

Role of employees salary or wages in un-employment

Un-employment in an economy is created by the increase in employees salary or wage of the companies in the economy.

Increase in employees salary or wages of the companies in an economy is due to changes in any one or more of the following items of the company

1. increase in customers price of the company

2. decrease in suppliers price of the company

3. decrease in investors profit of the company

**Employees salary or wages = customers price – (suppliers price + investors profit + operating expenses)**

increase in customers price of the company

increase in employees salary or wage of the company is due increase in customers price for the goods and services of the companies in the economy.

increase in customers price of the company is due to changes in one or more of the following items of the companies in the economy

1. Increase in suppliers price of the company

Increase in customers price is due to increase in the suppliers price for the input goods and services used by the company.

2. Increase in investors profit of the company

Increase in customers price is due to increase in investors profit margin of the company.

3. Increase in employees salary or wages of the company

Increase in customers price is due to increase in employees salary or wages of the company.

Decrease in suppliers price of the company

Increase in employees salary or wages of the company is due to decrease in suppliers price for the inputs goods and services of the companies in the economy.

Decrease in suppliers price of the company is due to changes in one or more of the following items of the companies in the economy.

1. Decrease in customers price of another company

Decrease in suppliers price is due to decrease in customers price of another company, because input of one company is the output for another company. Which will decrease the suppliers price for the inputs of the company.

2. Decrease in investors profit of another company

Decrease in suppliers price is due to decrease in investors profit margin of another company, because investors of the another company are selling their goods and services at lower profit margin. Which will decrease the suppliers price for the inputs of the company.

3. Decrease in employees salary or wages of another company

Decrease in suppliers price is due to decrease in employees salary or wages of another company. because employees of the another Company are offered lower salary or wages. Which will decrease the suppliers price for the inputs of the company.

Decrease in investors profit of the company.

Increase in employees salary or wages of the company is due to decrease in investors profit margin for the goods and services of the companies in the economy.

Decrease in investors profit of the company is due to changes in any one or more of the following items of the companies in the economy.

1. decrease in customers price of the company

decrease in investors profit is due to decrease in customers price for the goods and services of the companies in the economy.

2. Increase in suppliers price of the company

decrease in investors profit is due to increase in suppliers price for the inputs goods and services of the company, so investors profit margin of the company is decreased.

3. increase in employees salary or wages of the company

decrease in investors profit is due to increase in employees salary or wages, because employees of the company are offered higher salary or wages. So investors profit margin of the company is decreased.

#### Debt

Companies in an economy create debt in the economy due to the changes in the below variables of the company.

1. Increase in Customers price

2. Increase in Suppliers price

3. Decrease in Investors profit

4. Increase in Employees salary or wages

Role of customers price in debt

Debt in an economy is created by increase in the customers price for the goods and services of the companies in the economy.

Increase in customers price of the companies in an economy is due to changes in any one or more of the following items of the company

1. Increase in suppliers price of the company

2. Increase in investors profit of the company

3. Increase in employees salary or wages of the company

**Customers price = suppliers price + employees salary or wages + investors profit or loss + operating expenses**

Increase in suppliers price of the company

Increase in customers price is due to increase in the suppliers price for the input goods and services used by the company.

Increase in suppliers price of the company is due to increase in one or more of the following items of another companies in the economy.

1. Increase in customers price of another company

Increase in suppliers price of the company is due to increase in the customers price of another companies in the economy.

2. Increase in investors profit of another company

Increase in suppliers price of the company is due to increase in the investors profit of another companies in the economy.

3. Increase in employees salary or wages of another company

Increase in suppliers price of the company is due to increase in employees salary or wages of another companies in the economy.

Increase in investors profit of the company

Increase in customers price is due to increase in investors profit margin of the company.

Increase in investors profit of the company is due to change in one or more of the following items of the companies in the economy.

1. Increase in customers price of the company

Increase in investors profit is due to increase in customers price for the goods and services of the company in the market.

2. Decrease in suppliers price of the company

Increase in investors profit is due to decrease in suppliers price for the input goods and services of the company, so investors profit margin of the company is increased.



3. Decrease in employees salary or wages of the company

Increase in investors profit is due to decrease in employees salary or wages, because employees of the company are offered lower salary or wages. So investors profit margin of the company is increased.

Increase in employees salary or wages of the company

Increase in customers price is due to increase in employees salary or wages of the company.

Increase in employees salary or wages of the company is due to change in one or more of the following items of the companies in the economy.

1. Increase in customers price of the company

Increase in employees salary or wages of the company is due to increase in customers price for the goods and services of the company in the market. So employees will get higher salary or wages.

2. Decrease in suppliers price of the company

increase in employees salary or wages of the company is due to decrease in suppliers price for the input goods and services of the company, so employees will get higher salary or wages.

3. Decrease in employees salary or wages

Increase in employees salary or wages of the company is due to decrease in investors profit of the company, so employees will get higher salary or wages.

Role of suppliers price in debt

debt in an economy is created by increase in the suppliers price for the inputs goods and services of the companies in the economy.

Increase in suppliers price of the companies in an economy is due to changes in any one or more of the following items of the company

1. Increase in customers price of another company

2. Increase in investors profit of another company.

3. Increase in employees salary or wages of another company

**Suppliers price = customers price – ( operating expenses + employees salary or wages + investors profit or loss )**

Increase in customers price of another company

Increase in suppliers price of the companies in an economy is due to increase in customers price of another company, because input of one company is the output for another company. Which will increase the suppliers price for the inputs goods and services of the company.

Increase in customers price of another company is due to increase in one or more of the following items of the companies in the economy.

1. Increase in suppliers price of the company

Increase in the customers price of the company is due to increase in the suppliers price for the inputs goods and services of the company.

2. Increase in investors profit of the company

Increase in customers price of the company is due to increase in investors profit margin in the output goods and services of the company.

3. Increase in employees salary or wages of the company

Increase in customers price of the company is due to increase in employees salary or wages of the company.

Increase in investors profit of another company

Increase in supplies price of the companies in an economy is due to increase in the investors profit margin of another company, because investors of another company are selling their goods and services for higher profit margin. Which will increase the suppliers price for the inputs of the company.

Increase in investors profit of another company is due to changes in one or more of the following items of the companies in the economy.

1. Increase in customers price of the company

Increase in investors profit of the company is due to increase in customers price for the goods and services of the company in the market.

2. decrease in suppliers price of the company

Increase in investors profit of the company is due to decrease in suppliers price for the input goods and services of the company, so investors profit margin of the company is increased.

3. decrease in employees salary or wages of the company

Increase in investors profit of the company is due to decrease in employees salary or wages, because employees of the company are offered lower salary or wages. So investors profit margin of the company is increased.

Increase in employees salary or wages of another company.

Increase in suppliers price of companies in an economy is due to increase in employees salary or wages of another company, because employees of the another Company are offered higher salary or wages. Which will increase the suppliers price for the inputs of the companies in the economy.

Increase in employees salary or wage of another company is due to changes in one or more of the following items of the companies in the economy.

1. Increase in customers price of the company

Increase in employees salary or wages of the company is due to increase in customers price for the goods and services of the company.

2. Decrease in suppliers price of the company

Increase in employees salary or wages of the company is due to decrease in suppliers price for their inputs goods and services.

3. Decrease in investors profit of the company

Increase in employees salary or wages of the company is due decrease in in the investors profit margin of the company.

Role of investors profit in debt

Debt in an economy is created by the decrease in the investors profit margin for the companies in the economy.

Decrease in investors profit of the companies in the economy is due to changes in any one or more of the following items of the companies in the economy.

1. Decrease in customers price of the company

2. Increase in suppliers price of the company

3. Increase in employees salary or wages of the company

**Investors profit or loss = customers price – ( suppliers price + employees salary or wages + operating expenses )**

Decrease in customers price of the company

Decrease in investors profit of the companies in the economy is due to decrease in customers price for the goods and services of the companies in the economy.

Decrease in customers price of the companies in the economy is due to changes in any one or more of the following items of the companies in the economy.

1. Decrease in suppliers price of the company

decrease in customers price is due decrease in the suppliers price for the inputs goods and services used by the company.

2. decrease in investors profit of the company

decrease in customers price is due to decrease in investors profit margin of the company.

3. decrease in employees salary or wages of the company

decrease in customers price is due to decrease in employees salary or wages of the company.

Increase in suppliers price of the company

Decrease in investors profit of the companies in the economy is due to increase in the suppliers price for the input goods and services used by the company.

Increase in suppliers price of the company is due to changes in any one or more of the following items of another companies in the economy.

1. Increase in customers price of another company

Increase in suppliers price of the company is due to increase in the customers price of another companies in the economy.

2. Increase in investors profit of another company

Increase in suppliers price of the company is due to increase in the investors profit of another companies in the economy.

3. Increase in employees salary or wages of another company

Increase in suppliers price of the company is due to increase in employees salary or wages of another companies in the economy.

Increase in employees salary or wages of the company

Decrease in investors profit of the companies in the economy is due to increase in the employees salary or wages of the companies in the economy.

Increase in employees salary or wages of the companies in the economy is due to changes in any one or more of the following items of the companies in the economy.

1. Increase in customers price of the company

Increase in employees salary or wages is due to increase in customers price for the goods and services of the company in the economy. So employees will get higher salary or wages.

2. decrease in suppliers price of the company

increase in employees salary or wages of the company is due to decrease in suppliers price for the input goods and services of the companies in the economy, so employees will get higher salary or wages.

3. Decrease in investors profit of the company

Increase in employees salary or wages of the company is due to decrease in investors profit of the companies in the economy, so employees will get higher salary or wages.

Role of employees salary or wages in debt

debt in an economy is created by the increase in employees salary or wage of the companies in the economy.

Increase in employees salary or wages of the companies in an economy is due to changes in any one or more of the following items of the company

1. increase in customers price of the company

2. decrease in suppliers price of the company

3. decrease in investors profit of the company

**Employees salary or wages = customers price – (suppliers price + investors profit + operating expenses)**

increase in customers price of the company

increase in employees salary or wage of the company is due increase in customers price for the goods and services of the companies in the economy.

increase in customers price of the company is due to changes in one or more of the following items of the companies in the economy

1. Increase in suppliers price of the company

Increase in customers price is due to increase in the suppliers price for the input goods and services used by the company.

2. Increase in investors profit of the company

Increase in customers price is due to increase in investors profit margin of the company.

3. Increase in employees salary or wages of the company

Increase in customers price is due to increase in employees salary or wages of the company.

Decrease in suppliers price of the company

Increase in employees salary or wages of the company is due to decrease in suppliers price for the inputs goods and services of the companies in the economy.

Decrease in suppliers price of the company is due to changes in one or more of the following items of the companies in the economy.

1. Decrease in customers price of another company

Decrease in suppliers price is due to decrease in customers price of another company, because input of one company is the output for another company. Which will decrease the suppliers price for the inputs of the company.

2. Decrease in investors profit of another company

Decrease in suppliers price is due to decrease in investors profit margin of another company, because investors of the another company are selling their goods and services at lower profit margin. Which will decrease the suppliers price for the inputs of the company.

3. Decrease in employees salary or wages of another company

Decrease in suppliers price is due to decrease in employees salary or wages of another company. because employees of the another Company are offered lower salary or wages. Which will decrease the suppliers price for the inputs of the company.

Decrease in investors profit of the company.

Increase in employees salary or wages of the company is due to decrease in investors profit margin for the goods and services of the companies in the economy.

Decrease in investors profit of the company is due to changes in any one or more of the following items of the companies in the economy.

1. decrease in customers price of the company

decrease in investors profit is due to decrease in customers price for the goods and services of the companies in the economy.

2. Increase in suppliers price of the company

decrease in investors profit is due to increase in suppliers price for the inputs goods and services of the company, so investors profit margin of the company is decreased.

3. increase in employees salary or wages of the company

decrease in investors profit is due to increase in employees salary or wages, because employees of the company are offered higher salary or wages. So investors profit margin of the company is decreased.

Economic growth

Companies in an economy create economic growth in the economy due to the changes in the below variables of the company.

1. Decrease in Customers price

2. Decrease in Suppliers price

3. Increase in Investors profit

4. Increase in Employees salary or wages

Role of customers price in economic growth

Economic growth in an economy is created by decrease in the customers price for the goods and services of the companies in the economy.

Decrease in customers price of the companies in an economy is due to changes in any one or more of the following items of the company

1. Decrease in suppliers price of the company

2. Decrease in investors profit of the company

3. Decrease in employees salary or wages of the company.

**Customers price = suppliers price + employees salary or wages + investors profit or loss + operating expenses**

Decrease in supplies price of the company

Decrease in customers price for the goods and services of the companies in the economy is due to the decrease in suppliers price for the inputs goods and services of the companies in the economy.

Decrease in suppliers price for the inputs goods and services of the companies in the economy is due to changes in any one or more of the following items of the companies in the economy.

1. Decrease in customers price of another company

Decrease in suppliers price is due to decrease in customers price of another company, because input of one company is the output for another company. Which will decrease the suppliers price for the inputs of the company.

2. Decrease in investors profit of another company

Decrease in suppliers price is due to decrease in investors profit margin of another company, because investors of the another company are selling their goods and services at lower profit margin. Which will decrease the suppliers price for the inputs of the company.

3. Decrease in employees salary or wages of another company

Decrease in suppliers price is due to decrease in employees salary or wages of another company. because employees of the another Company are offered lower salary or wages. Which will decrease the suppliers price for the inputs of the company.

Decrease in investors profit of the company

Decrease in customers price for the goods and services of the companies in the economy is due to the decrease in investors profit for the goods and services of the companies in the economy.

Decrease in investors profit of the goods and services of the companies in the economy is due to changes in any one or more of the following items of the companies in the economy.

1. decrease in customers price of the company

decrease in investors profit is due to decrease in customers price for the goods and services of the companies in the economy.

2. Increase in suppliers price of the company

decrease in investors profit is due to increase in suppliers price for the inputs goods and services of the company, so investors profit margin of the company is decreased.

3. increase in employees salary or wages of the company

decrease in investors profit is due to increase in employees salary or wages, because employees of the company are offered higher salary or wages. So investors profit margin of the company is decreased.

Decrease in employees salary or wages of the company

Decrease in customers price for the goods and services of the companies in the economy is due to the decrease in employees salary or wages of the companies in the economy.

Decrease employees salary or wages of the companies in the economy is due to changes in any one or more of the following items of the companies in the economy.

1. Decrease in customers price of the company

decrease in employees salary or wages is due to decrease in customers price for the goods and services of the company in the market. So employees will get lower salary or wages.

2. Increase in suppliers price of the company

decrease in employees salary or wages of the company is due to increase in suppliers price for the input goods and services of the company, so employees will get lower salary or wages.

3. increase in investors profit of the company

decrease in employees salary or wages of the company is due to increase in investors profit of the company, so employees will get lower salary or wages.

Role of suppliers price in economic growth

Economic growth in an economy is created by decrease in the suppliers price for the inputs goods and services of the companies in the economy.

Decrease in suppliers price of the goods and services of the companies in the economy is due to changes in any one or more of the following items of the company

1. Decrease in customers price of another company

2. Decrease in investors profit of another company

3. Decrease in employees salary or wages of another company

**Suppliers price = customers price – ( operating expenses + employees salary or wages + investors profit or loss )**

Decrease in customers price of another company

Decrease in suppliers price of the companies in the economy is due to decrease in customers price of another company, because input of one company is the output for another company. Which will decrease the suppliers price for the inputs of the company.

Decrease in customers price of another company is due to changes in any one or more of the following items of the companies in the economy.

1. Decrease in suppliers price of the company

Decrease in customers price of the company is due to decrease in suppliers price for the inputs goods and services of the company.

2. Decrease in investors profit of the company

Decrease in customers price of the company is due to decrease in investors profit margin for the output goods and services of the company.

3. Decrease in employees salary or wages of the company.

Decrease in customers price of the company is due to decrease in employees salary or wages of the company.

Decrease in investors profit of another company

Decrease in suppliers price of the companies in the economy is due to decrease in investors profit margin of another company, because investors of the another company are selling their goods and services at lower profit margin. Which will decrease the suppliers price for the inputs goods and services of the company.

Decrease in investors profit of another company is due to changes in any one or more of the following items of the companies in the economy.

1. Decrease in customers price of the company

Decrease in investors profit of the company is due to decrease in the customers price for the output goods and services of the company.

2. Increase in suppliers price of the company

Decrease in investors profit of the company is due to increase in the suppliers price for the input goods and services of the company. So investors profit margin of the company is decreased.

3. Increase in employees salary or wages of the company

Decrease in investors profit of the company is due increase in employees salary or wages of the company, because employees of the company are offered higher salary or wages. So investors profit margin is decreased.

Decrease in employees salary or wages of another company

Decrease in suppliers price of the companies in the economy is due to decrease in employees salary or wages of another company, because employees of the another Company are offered lower salary or wages. Which will decrease the suppliers price for the inputs of the company.

Decrease in employees salary or wages of another company is due to changes in any one or more of the following items of the companies in the economy.

1. Decrease in customers price of the company

Decrease in employees salary or wages of the company is due decrease in the customers price for the output goods and services of the company.

2. Increase in suppliers price of the company

Decrease in employees salary or wages of the company is due to increase in the suppliers price for the input goods and services of the company.

3. Increase in investors profit of the company

Decrease in employees salary or wages of the company is due to increase in investors profit margin for the goods and services of the company.

Role of investors profit in economic growth

Economic growth in an economy is created by the increase in the investors profit margin for the companies in the economy.

Increase in investors profit of the companies in an economy is due to changes in any one or more of the following items of the company

1. Increase in customers price of the company

2. Decrease in suppliers price of the company

3. Decrease in employees salary or wages company

**Investors profit or loss = customers price – ( suppliers price + employees salary or wages + operating expenses )**

Increase in customers price of the company.

Increase in investors profit of the companies in the economy is due to increase in customers price for the goods and services of the companies in the economy.

Increase in customers price of the company is due to changes in one or more of the following items of the companies in the economy.

1. Increase in suppliers price of the company

Increase in customers price of the company is due to increase in the suppliers price for the input goods and services used by the company.

2. Increase in investors profit of the company

Increase in customers price is due to increase in investors profit margin of the company.

3. Increase in employees salary or wages of the company

Increase in customers price is due to increase in employees salary or wages of the company.

Decrease in suppliers price of the company

Increase in investors profit of the companies in the economy is due to decrease in suppliers price for the inputs goods and services the companies in the economy.

Decrease in suppliers price of the company is due to changes in one or more of the following items of the companies in the economy.

1. Decrease in customers price of another company

Decrease in suppliers price is due to decrease in customers price of another company, because input of one company is the output for another company. Which will decrease the suppliers price for the inputs of the company.

2. Decrease in investors profit of another company

Decrease in suppliers price is due to decrease in investors profit margin of another company, because investors of the another company are selling their goods and services at lower profit margin. Which will decrease the suppliers price for the inputs of the company.

3. Decrease in employees salary or wages of another company

Decrease in suppliers price is due to decrease in employees salary or wages of another company. because employees of another Company are offered lower salary or wages. Which will decrease the suppliers price for the inputs of the company.

Decrease in employees salary or wages of the company

Increase in investors profit of the companies in the economy is due to decrease in employees salary or wages of the companies in the economy.

decrease in employees salary or wages of the company is due to changes in one or more of the following items.

1. Decrease in customers price of the company

decrease in employees salary or wages is due to decrease in customers price for the goods and services of the company in the market. So employees will get lower salary or wages.

2. Increase in suppliers price of the company

decrease in employees salary or wages of the company is due to increase in suppliers price for the input goods and services of the company, so employees will get lower salary or wages.

3. increase in investors profit of the company

decrease in employees salary or wages of the company is due to increase in investors profit of the company, so employees will get lower salary or wages.

Role of employees salary or wages in economic growth

Economic growth in an economy is created by the increase in employees salary or wage of the companies in the economy.

Increase in employees salary or wages of the companies in an economy is due to changes in any one or more of the following items of the company

1. increase in customers price of the company

2. decrease in suppliers price of the company

3. decrease in investors profit of the company

**Employees salary or wages = customers price – (suppliers price + investors profit + operating expenses)**

increase in customers price of the company

increase in employees salary or wage of the company is due increase in customers price for the goods and services of the companies in the economy.

increase in customers price of the company is due to changes in one or more of the following items of the companies in the economy

1. Increase in suppliers price of the company

Increase in customers price is due to increase in the suppliers price for the input goods and services used by the company.

2. Increase in investors profit of the company

Increase in customers price is due to increase in investors profit margin of the company.

3. Increase in employees salary or wages of the company

Increase in customers price is due to increase in employees salary or wages of the company.

Decrease in suppliers price of the company

Increase in employees salary or wages of the company is due to decrease in suppliers price for the inputs goods and services of the companies in the economy.

Decrease in suppliers price of the company is due to changes in one or more of the following items of the companies in the economy.

1. Decrease in customers price of another company

Decrease in suppliers price is due to decrease in customers price of another company, because input of one company is the output for another company. Which will decrease the suppliers price for the inputs of the company.

2. Decrease in investors profit of another company

Decrease in suppliers price is due to decrease in investors profit margin of another company, because investors of the another company are selling their goods and services at lower profit margin. Which will decrease the suppliers price for the inputs of the company.

3. Decrease in employees salary or wages of another company

Decrease in suppliers price is due to decrease in employees salary or wages of another company. because employees of the another Company are offered lower salary or wages. Which will decrease the suppliers price for the inputs of the company.

Decrease in investors profit of the company.

Increase in employees salary or wages of the company is due to decrease in investors profit margin for the goods and services of the companies in the economy.

Decrease in investors profit of the company is due to changes in any one or more of the following items of the companies in the economy.

1. decrease in customers price of the company

decrease in investors profit is due to decrease in customers price for the goods and services of the companies in the economy.

2. Increase in suppliers price of the company

decrease in investors profit is due to increase in suppliers price for the inputs goods and services of the company, so investors profit margin of the company is decreased.

3. increase in employees salary or wages of the company

decrease in investors profit is due to increase in employees salary or wages, because employees of the company are offered higher salary or wages. So investors profit margin of the company is decreased.

## **VII. Relationship Between The Macroeconomic Problems**

### **Inflation**

changes in any one or more of the below internal and external variables of the companies in the economy

1. Increase in Customers price

2. Increase in Suppliers price

3. Increase in Investors profit

4. Increase in Employees salary or wages

will control the inflation in the economy, which further changes the following macroeconomic problems

1. Un-employment

2. Debt

3. Economic growth



#### Un-employment

##### 1. Increase in customers price

Increase of inflation in the economy by increase in the customers price for the output goods and services of the companies in the economy will decrease the un-employment in the economy, because companies in the economy will hire more employees due to increase in revenues and outputs of the companies in the economy.

##### 2. Increase in suppliers price

Increase of inflation in the economy by increase in the suppliers price for the input goods and services of the companies in the economy will increase the un-employment in the economy by increasing the expenses of the companies in the economy, which will lead to decrease in workforce of the companies to maintain the profitability of the companies in the economy.

##### 3. Increase in investors profit

Increase of inflation in the economy by increase in investors profit margin for the output goods and services of the companies in the economy will decrease the un-employment in the economy by increasing the companies expenses towards employees salary or wages in the company.

##### 4. Increase in employees salary or wages

Increase of inflation in the economy by increase in employees salary or wages of the companies in the economy will increase the un-employment in the economy by increasing the companies expenses towards the employees salary or wages in the company, which will lead to decrease in workforce of the companies in the economy.

#### Debt

##### 1. Increase in customers price

Increase of inflation in the economy by increase in the customers price for the output goods and services of the companies in the economy will increase the debt of individuals by increasing the cost of livings and increase the debt of companies by increasing the expenses of the companies in the economy.

##### 2. Increase in suppliers price

Increase of inflation in the economy by increase in the suppliers price for the input goods and services of the companies in the economy will increase the debt in the economy by increasing the expenses of the companies in the economy, so companies in the economy will borrow more money to cover their expenses.

##### 3. Increase in investors profit

Increase of inflation in the economy by increase in the investors profit margin for the output goods and services of the companies in the economy will decrease the debt in the economy, because increase in profit of the companies in the economy will decrease the company's debt as additional profits can be used to pay the debts of the company.

##### 4. Increase in employees salary of wages

Increase of inflation in the economy by increase in the employees salary or wages of the companies in the economy will increase the debt in the economy by increasing the employees salary or wages expenses of the companies in the economy, so companies in the economy will borrow more money to cover their expenses.

#### Economic growth

##### 1. Increase in customers price

Increase of inflation in the economy by increase in the customers price for the output goods and services of the companies in the economy will decrease the economic growth in the economy by reducing the purchasing power of the consumer, leading to decreased demand for goods and services, which will ultimately slow down the production and investment in the economy.

##### 2. Increase in suppliers price

Increase of inflation in the economy by increase in the suppliers price for the input goods and services of the companies in the economy will decrease the economic growth in the economy by increasing the cost of production of the companies in the economy, which will lead to reduced output and less investment and ultimately decrease the economic growth of the economy.

3. Increase in investors profit

Increase of inflation in the economy by increase in investors profit margin for the output goods and services of the companies in the economy will increase the economic growth in the economy by encouraging the companies in the economy to re-invest more capital in to business, which increases the economic growth due to higher production levels and job creation in the economy.

4. Increase in employees salary or wages

Increase of inflation in the economy by increase in employees salary or wages of the companies in the economy will increase the economic growth in the economy by increasing the purchasing power of the consumers, leading to increased demand for goods and services, which will ultimately increases the production and investment in the economy towards economic growth.

**Un-employment**

changes in any one or more of the below internal and external variables of the companies in the economy

1. Decrease in Customers price

2. Increase in Suppliers price

3. Decrease in Investors profit

4. Increase in Employees salary or wages

will control the un-employment in the economy, which further changes the following macroeconomic problems

1. Inflation

2. Debt

3. Economic growth

**Inflation**

1. Decrease in customers price

Increase of un-employment in the economy by decrease in the customers price for the output goods and services of the companies in the economy will decrease the inflation in the economy by decreasing the purchasing power of the customers in the economy due to increase of un-employment

2. Increase in suppliers price

Increase of un-employment in the economy by increase in suppliers price for the input goods and services of the companies in the economy will increase the inflation in the economy by increasing the expenses of the companies in the economy, which will increase the price for the output goods and services of the companies in the economy.

3. Decrease in investors profit

Increase of un-employment in the economy by decrease in investors profit margin for the goods and services of the companies in the economy will decrease the inflation in the economy by decreasing the customers price for the output goods and services of the companies in the economy.

4. Increase in employees salary or wages

Increase of un-employment in the economy by increase in the employees salary or wages of the companies in the economy will increase the inflation in the economy by increasing the expenses of the companies in the economy, which will increase the price for the output goods and services of the companies in the economy.

**Debt**

1. Decrease in Customers price

Increase of un-employment in the economy by decrease in the customers price for the output goods and services of the companies in the economy will increase the debt in the economy by decreasing the revenue of the companies in the economy, so companies in the economy will borrow more money to cover their expenses and increase of un-employment in the economy will increase the debt of individuals in the economy.

2. Increase in Suppliers price

Increase of un-employment in the economy by increase in suppliers price for the input goods and services of the companies in the economy will increase the debt in the economy by increasing the expenses of the companies in the economy, so companies in the economy will borrow more money to cover their expenses.

3. Decrease in Investors profit

Increase of un-employment in the economy by decrease in investors profit margin for the goods and services of the company will increase the debt in the economy by decreasing the profit of the companies in the economy, so companies in the economy will borrow more money to cover their expenses.

4. Increase in Employees salary or wages

Increase of un-employment in the economy by increase in employees salary or wages of the companies in the economy will increase the debt in the economy by increasing the expenses of the companies in the economy, so companies in the economy will borrow more money to cover their expenses.

Economic growth

1. Decrease in Customers price

Increase of un-employment in the economy by decrease in customers price for the output goods and services of the companies in the economy will decrease the economic growth in the economy by reducing the purchasing power of the consumer, leading to decreased demand for goods and services, which will ultimately slow down the production and investment in the economy.

2. Increase in Suppliers price

Increase of un-employment in the economy by increase in the suppliers price for the input goods and services of the companies in the economy will decrease the economic growth in the economy by increasing the cost of production of the companies in the economy, which will lead to reduced output and less investment and ultimately decrease the economic growth of the economy.

3. Decrease in Investors profit

Increase of un-employment in the economy by decrease in the investors profit margin for the goods and services of the company in economy will decrease the economic growth of the economy by discouraging the companies in the economy to re-invest more capital in to the business, which decreases the economic growth due to reduced production levels and reduced job creation in the economy.

4. Increase in Employees salary or wages

Increase of un-employment in the economy by increase in employees salary or wages of the companies in the economy will decrease the economic growth in the economy by decreasing the purchasing power of the consumers, leading to decreased demand for goods and services, which will ultimately decreases the production and investment in the economy towards economic growth.

**Debt**

changes in any one or more of the below internal and external variables of the companies in the economy

1. Increase in Customers price

2. Increase in Suppliers price

3. Decrease in Investors profit

4. Increase in Employees salary or wages

will control the debt in the economy, which further changes the following macroeconomic problems

1. Inflation

2. Un-employment

3. Economic growth

Inflation

1. Increase in Customers price

Increase of debt in the economy by increase in customers price for the output goods and services of the companies in the economy will increase the inflation in the economy due to increased purchasing power of the customers in the economy, because of increased borrowings of the customers in the economy.

2. Increase in Suppliers price

Increase of debt in the economy by increase in supplier price for the input goods and services of the companies in the economy will increase the inflation in the economy by increasing the expenses of the companies in the economy, which will increase the price for the output goods and services of the companies in the economy.

3. Decrease in Investors profit

Increase of debt in the economy by decrease in investors profit margin for the goods and services of the companies in the economy will decrease the inflation in the economy by decreasing the customers price for the output goods and services of the companies in the economy.

4. Increase in Employees salary or wages

Increase of debt in the economy by increase in employees salary or wages of the companies in the economy will increase the inflation in the economy by increasing the expenses of the companies in the economy, which will increase the price for the output goods and services of the companies in the economy.

Un-employment

1. Increase in Customers price

Increase of debt in the economy by increase in customers price for the output goods and services of the companies in the economy will decrease the un-employment in the economy, because companies in the economy will hire more employees due to increase in revenues and outputs of the companies in the economy.

2. Increase in Suppliers price

Increase of debt in the economy by increase in supplier price for the input goods and services of the companies in the economy will increase the un-employment in the economy by increasing the expenses of the companies in the economy, which will lead to decrease in workforce of the companies to maintain the profitability of the companies in the economy.

3. Decrease in Investors profit

Increase of debt in the economy by decrease in investors profit margin for the goods and services of the companies in the economy will increase the un-employment in the economy by decreasing the companies expenses towards employees salary or wages in the company.

4. Increase in Employees salary or wages

Increase of debt in the economy by increase in employees salary or wages of the companies in the economy will increase the un-employment in the economy by increasing the companies expenses towards the employees salary or wages in the company, which will lead to decrease in workforce of the companies in the economy.

Economic growth

1. Increase in Customers price

Increase of debt in the economy by increase in customers price for the output goods and services of the companies in the economy will decrease the economic growth in the economy by reducing the purchasing power of the consumer, leading to decreased demand for goods and services, which will ultimately slow down the production and investment in the economy.

2. Increase in Suppliers price

Increase of debt in the economy by increase in supplier price for the input goods and services of the companies in the economy will decrease the economic growth in the economy by increasing the cost of production of the companies in the economy, which will lead to reduced output and less investment and ultimately decrease the economic growth of the economy.

3. Decrease in Investors profit

Increase of debt in the economy by decrease in investors profit margin for the goods and services of the companies in the economy will decrease the economic growth in the economy by discouraging the companies in the economy to re-invest more capital in to the business, which decreases the economic growth due to reduced production levels and reduced job creation in the economy.

4. Increase in Employees salary or wages

Increase of debt in the economy by increase in employees salary or wages of the companies in the economy will decrease the economic growth in the economy by decreasing the purchasing power of the consumers, leading to decreased demand for goods and services, which will ultimately decreases the production and investment in the economy towards economic growth.

**Economic growth**

changes in any one or more of the internal and external variables of the companies in the economy

1. Decrease in Customers price
2. Decrease in Suppliers price
3. Increase in Investors profit
4. Increase in Employees salary or wages

will control the economic growth in the economy, which further changes the following macroeconomic problems

1. Inflation
2. Un-employment
3. Debt

#### Inflation

1. Decrease in Customers price

Increase of economic growth in the economy by decrease in customers price for the output goods and services of the companies in the economy will decrease the inflation in the economy by decreasing the customers price for the output goods and services of the companies in the economy.

2. Decrease in Suppliers price

Increase of economic growth in the economy by decrease in supplier price for the input goods and services of the companies in the economy will decrease the inflation in the economy by decreasing the expenses of the companies in the economy, which will decrease the price for the output goods and services of the companies in the economy.

3. Increase in Investors profit

Increase of economic growth in the economy by increase in investors profit margin for the goods and services of the companies in the economy will increase the inflation in the economy by increasing the customers price for the output goods and services of the companies in the economy.

4. Increase in Employees salary or wages

Increase of economic growth in the economy by increase in employees salary or wages of the companies in the economy will increase the inflation in the economy by increasing the expenses of the companies in the economy, which will increase the price for the output goods and services of the companies in the economy.

#### Un-employment

1. Decrease in Customers price

Increase of economic growth in the economy by decrease in the customers price for the output goods and services of the companies in the economy will increase the un-employment in the economy, because companies in the economy will lay-offs more employees due to decrease in revenues and outputs of the companies in the economy.

2. Decrease in Suppliers price

Increase of economic growth in the economy by decrease in supplier price for the input goods and services of the companies in the economy will decrease the un-employment in the economy by decreasing the expenses of the companies in the economy, which will lead to increase in the workforce of the companies in the economy.

3. Increase in Investors profit

Increase of economic growth in the economy by increase in investors profit margin for the goods and services of the companies in the economy will decrease the un-employment in the economy by increasing the companies expenses towards employees salary or wages.

4. Increase in Employees salary or wages

Increase of economic growth in the economy by increase in employees salary or wages of the companies in the economy will increase the un-employment in the economy by increasing the companies expenses towards the employees salary or wages in the company, which will lead to decrease in workforce of the companies in the economy.

#### Debt

1. Decrease in Customers price

Increase of economic growth in the economy by decrease in the customers price for the output goods and services of the companies in the economy will increase the debt in the economy by decreasing the revenue of the companies in the economy, so companies in the economy will borrow more money to cover their expenses.

2. Decrease in Suppliers price

Increase of economic growth in the economy by decrease in supplier price for the input goods and services of the companies in the economy will decrease the debt in the economy by decreasing the expenses of the companies in the economy, so companies in the economy will borrow less money to cover their expenses.

3. Increase in Investors profit

Increase of economic growth in the economy by increase in investors profit margin for the goods and services of the companies in the economy will decrease the debt in the economy by increasing the profit of the companies in the economy, so companies in the economy will borrow less money to cover their expenses.

4. Increase in Employees salary or wages

Increase of economic growth in the economy by increase in employees salary or wages of the companies in the economy will increase the debt in the economy by increasing the expenses of the companies in the economy, so companies in the economy will borrow more money to cover their expenses.

### VIII. Controllability Of Companies Variables

External factors of the company can be controlled by the internal factor of the companies in the economy.

Company expects the employees to convert the inputs in to outputs using efficient operation process at optimum operating expenses, so company as to create and use an operating process which will **decreases the operating expenses** of the company.

External factors of the company are controllable by transferring the benefit of **decrease in operating expenses** generated by the internal factor employees and operation process to external factors.

The benefit of **decrease in operating expenses** generated by the internal factor employees and operation process should be transferred to external factor and internal factors in following order

1. Customers
2. Suppliers
3. Investors
4. employees

To create the additional benefits at each stage of transfer.



#### STAGE 1 – CUSTOMERS

Customers in an economy buy the outputs of the company and they create the revenue for the company.

**Customers price = suppliers price + employees salary or wages + operating expenses + investors profit or loss**

Input benefit

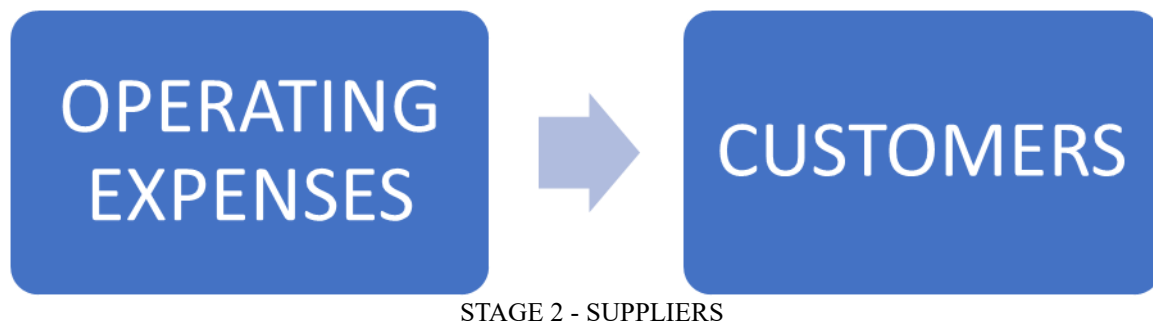
**Decrease in operating expenses** benefit is transferred to **customers**.

Conversion of benefit

Full or partial benefit of **decrease in operating expenses** is transferred to customers by decreasing the customers price to the level of affordable price in the market.

Output benefit

Selling the goods and services of the company at an affordable price in the market will **increase the sales** of the company and **increase in sales** is the output benefit.



Suppliers in an economy sell the inputs to the company and generates revenue from the sales.

**Suppliers price = customers price – ( operating expenses + employees salary or wages + investors profit or loss )**

Input benefit

**Increase in sales** benefit is transferred to **suppliers**.

Conversion of benefit

**Increase in sales** benefit is transferred to suppliers by increasing the consumption of inputs of the suppliers at fair price in the market.

Output benefit

Increased consumption of inputs from the suppliers will decrease the suppliers price offered to the company and **decrease in suppliers price** is the output benefit.



STEP 3 – INVESTORS

Investors in an economy makes the investments in a company which earns more profit.

**Investors profit or loss = customers price – ( suppliers price + employees salary or wages + operating expenses )**

Input benefit

**Decrease in suppliers price, decrease in operating expenses** and **increase in sales** is transferred to investors.

Conversion of benefits

**Decrease in suppliers price** and **decrease in operating expenses** benefits are transferred to investors by decreasing the expenses of the company.

**Increase in sales** benefit is transferred to investors by increasing the revenue of the company.

Output benefit

Increased revenue and decreased expenses of the company will increase the profit of the company and **increase in profit** is the output benefit.



#### STEP 4 - EMPLOYEES

Employees of the companies in the economy convert the inputs bought from the suppliers into outputs for their customers.

**Employees salary or wages = customers price – (suppliers price + investors profit + operating expenses)**

Input benefits

**Decrease in operating expenses, decrease in suppliers price, increase in sales and increase in profit** is transferred to employees.

Conversion of benefits

**Decrease in suppliers price** and **decrease in operating expenses** benefits are transferred to employees by increasing the expenses of the company towards employees benefits.

**Increase in sales** benefit is transferred to employees by increasing the expenses of the company towards employees benefits.

**Increase in investors profit** benefit is transferred to employees increasing the expenses of the company towards employees benefits.

Output benefit

Increased revenue, decreased expenses and increased profit of the company will increase the employee benefits of the company and **increase in employee benefits** is the output benefit.



#### IX. Controllability Of Macroeconomic Variables

We can control the macroeconomic variables of an economy by creating a perfect balance between the company variables of each company in the economy to maintain a macroeconomic stability in an economy.

**Operating expenses** of the companies in an economy should be **decreased** by creating a **cost- effective operation process**.

The benefit transfer of **decrease in operating expenses** generated by the internal factor **employees and operation process** should be transferred to external factor and internal factors of the company in following order

1. Customers
2. Suppliers
3. Investors
4. employees

To create the additional benefits at each stage of transfer.

There is a circular relationship between the company variables and they are interdependent to each other.

##### 1. CUSTOMERS

Customers in an economy will buy their goods and services for affordable price in the market.

**Customers price = suppliers price + investors profit or loss + employees salary or wages + operating expenses**

##### 2. SUPPLIERS

Suppliers in an economy will sell their goods and services for a fair price in the market.

**Suppliers price = customers price – ( employees salary or wages + operating expenses + investors profit or loss )**

##### 3. INVESTORS

Investors in an economy will make profit.

**Investors profit or loss = customers price – ( suppliers price + employees salary or wages + operating expenses )**



#### 4. EMPLOYEES

Employees of the companies in an economy will earn better salary or wages.

**Employees salary or wages = customers price – (suppliers price + investors profit + operating expenses)**

