

Student 4 – High Achieved

Financial Sector	Relationship/Interdependence
Firm name: ASB Bank	An interdependent relationship exists when there is a two-way mutual reliance where two parties are reliant on each other for success. ASB Bank relies on the Household to have money in their bank so that ASB can give out loans to other people. The Household relies on ASB Bank to store their money so they don't have to have it at home also they rely on ASB Bank for loans.
Government Sector	Relationship/Interdependence
We give to the government: PAYE (tax) What we get from the government: Education/Healthcare	An interdependent relationship exists when there is a two-way mutual reliance where two parties are reliant on each other for success. The government relies on the Household to pay tax so they have money to pay for healthcare, schools, roading. The Household relies on the government to help pay for Education and Healthcare.

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An interdependent relationship exists when there is a two-way reliance where two sectors or two firms rely on each other. The household relies on the producer to get goods and services and payment for resources (e.g. interest, wages/salary, profit). The producer relies on the household sector to get payment for goods and services (e.g. consumer spending) and resources (e.g. Capital, Labour, Natural, Entrepreneur). My family relies on the producer sector for work, clothes, a phone line and the internet. Therefore the household and producer sectors are interdependent.

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The household sector relies on the government to get transfer payments (benefit), payment for resources and public goods and services (e.g. healthcare and education). The government sector relies on the household sector to get direct taxes (e.g. PAYE) and resources. Therefore the household and government sectors are interdependent.

The household sector relies on the financial sector to get interest on savings and borrow money, and earn interest on savings and pay interest on loans to the financial sector. Therefore the financial sector and households are interdependent. We rely on the financial sector for a place we can put all of our money and earn interest, and they rely on us to put our savings in the bank and get loans so they also earn interest and make profit by loaning the money out to others for a higher rate of interest.