

FINANCE:

FINANCE SECTOR IS BASICALLY THE SET OF INSTITUTIONS ,INSTRUMENTS AND MARKET MEANT TO APPLY FOR DEVELOPMENT GOAL OF ECONOMIC GROWTH AND REDUCING POVERTY .

IN OTHER WORDS IT REFERS TO SET OF INSTITUTIONS AND INSTRUMENTS MEANT FOR EXECUTIONS OF TRANSACTIONS , INFORMATION REGARDING THE SAME WITHIN SPECIFIED COST CONSTRAINTS, IN CONJUNCTION WITH DIFFERENT REGULATORIES.(LEGAL TAXATION SYSTEMS).

FINANCE SECTOR CAN BE REFERRED TO THAT THE FINANCIAL SECTOR IS A CATEGORY OF THE ECONOMY MADE UP OF FIRMS THAT PROVIDE FINANCIAL SERVICES TO COMMERCIAL AND RETAIL CUSTOMERS.

PART OF SECTOR THAT DEALS IN FINANCE:

THIS SECTOR INCLUDES BANKS, INVESTMENT FUNDS, INSURANCE COMPANIES AND REAL ESTATE ,FINANCIAL CONSULTING FIRMS. FINANCIAL SERVICES PERFORM BEST IN LOW-INTEREST-RATE ENVIRONMENTS. A LARGE PORTION OF THIS SECTOR GENERATES REVENUE FROM MORTGAGES AND LOANS, WHICH GAIN VALUE AS INTEREST RATES DROP.

Factors Affecting the Financial Sector

SOME OF THE POSITIVE FACTORS THAT AFFECT THE FINANCIAL SECTOR INCLUDE:

- **RIISING INTEREST RATES ON A MODERATE BASIS:** AS RATES RISE, IT MEANS THAT THESE COMPANIES CAN EARN MORE ON THE MONEY THEY HAVE AND ON CREDIT THEY ISSUE TO THEIR CUSTOMERS.
- **REDUCING REGULATION:** WHENEVER THE GOVERNMENT DECIDES TO CUT BACK ON THE RED TAPE, MEMBERS OF THE FINANCIAL SECTOR WILL BENEFIT, BECAUSE THAT MEANS IT COULD LESSEN THE BURDEN WHILE INCREASING PROFITS.
- **HELPING CONSUMERS WITH FINANCES:** AS CONSUMERS DECREASE THEIR DEBT LOADS, THEY LESSEN THE RISK OF DEFAULTS. THIS LIGHTER LOAD ALSO MEANS THAT THEY MAY HAVE A TOLERANCE FOR MORE DEBT, FURTHER INCREASING PROFITABILITY.

COMPANIES DEALING IN SECTORS

THE LARGEST COMPANIES WITHIN THE FINANCIAL SECTOR ARE SOME OF THE MOST RECOGNIZABLE BANKING INSTITUTIONS IN THE WORLD SUCH AS **JPMORGAN CHASE & CO., WELLS FARGO & COMPANY, BANK OF AMERICA CORPORATION AND CITIGROUP INC.**

