

Cause and effect loops are used in the NEW Literacy Works for Business Studies books

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Cause and effect loops activity: why can inflation cause a business to fail

1. Students create loops that show the explanatory thinking. The loops use a conjunction 'so' to link events in a chain so that students understand HOW not just why.



Inflation increases

so

products and services are more expensive

so

consumers have less discretionary income

so

they cut back on eating out and holiday travel

so

businesses have fewer customers and they spend less

so

revenue declines

so

profits decrease

so

businesses fail

Expert writers do not write like this, with all the repeated conjunctions. This activity is a 'tool for thinking with' so that students understand fully.

2. Next, students write like a business expert by using a range of cause and effect language.

Cause and effect language includes:

conjunctions	because, so, since
nouns	cause, factor, reason, influence
verbs	leads to, results in
text connectives	As a consequence

Inflation **generates** higher costs for products and services which reduces consumers' discretionary income. **Since** consumers have less money to spend, they cut back on dining out and travel, **resulting in** fewer customers and lower spending for businesses. This **leads to** lower revenue and reduced profits which **causes** businesses to fail.