



## Student worksheet 6: Accumulation of capital (Group 5)

Production is created by the availability of capital funding. This comes from the capital market, which consists of banks, stock markets, bond markets, mutual fund markets and other financial institutions, as well as from governments. Governments provide capital funding for infrastructure projects, such as highways, harbours and airports, which contribute directly and indirectly to economic gains. Other important factors in economic gain include increasing the quantity of capital goods for production gains, increased quality and productivity of capital through technological change (inventions and innovations) and more efficient organization of production.

Fill in your answers, observations and conclusions.

Sources	Tasks and questions	Answers, observations and conclusions
Table 36: General statement of chartered banks, 1868 to 1916, <i>Canada Year Book 1916/1917</i> , page 558.	<ol style="list-style-type: none"> <li>1. Look at the "Total on deposit" column.</li> <li>2. What percentage increase in deposits took place between 1868 and 1900?</li> <li>3. What percentage increase took place between 1900 and 1916?</li> <li>4. What is significant about these rates in relation to economic gains during these years?</li> </ol>	
Table 6: Investors index numbers of common stocks, by month, 1946, <i>Canada Year Book 1947</i> , page 931.	<ol style="list-style-type: none"> <li>1. Look at the "Machinery and Equipment" column. How would you describe growth in this area since 1939, the index year?</li> <li>2. What can you infer about capital formation from these statistics?</li> </ol>	

<p>Table 13: Investors index numbers of common stocks, by month, industrial stocks, 1964 to mid-1966, <i>Canada Year Book 1967</i>, page 951.</p>	<ol style="list-style-type: none"> <li>1. Look at the "Investors Composite Index" column at the far right. By what percentage have average stock prices increased between 1956, which is the base year and not on the table, and 1964? Between 1964 and mid-1966?</li> <li>2. Compare these periods of growth. Why is the comparison significant?</li> </ol>	
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