**BBC Sounds - Understand: the economy**

[Understand - The Economy - The Economy: 4. Bonds, Gilts, Stocks and Shares - BBC Sounds](https://www.bbc.co.uk/sounds/play/m001dxv3)

**4: Bonds, gilts, stocks and shares**

Who lends the government money and why? And what exactly does the stock market do? All those people in the movies shouting at the screens are buying and selling something, but what? Tim Harford explains why government debt isn’t always a bad thing and why the prices agreed in a room in London affect the prices you pay for petrol and food. Economic Historian Victoria Bateman tells the story of the East India Company, one of the first companies to ask for money and in return, give people a share of their profits.

What is a bond?

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Why is it easy for governments to raise finance by selling bonds?

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Why do governments look to borrow money?

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Should we be worried if governments borrow money?

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Why did the mini budget of Liz Truss and Kwasi Kwarteng lead to a bond price crash?

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Why did the Bank of England step in and buy up bonds?

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How did the East India Tea Company lead to the eventual establishment of the London Stock Exchange?

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How do movements in the FSTE 100 impact on pension funds?

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Keep abreast of UK and global bond and stock markets here:

[Government Bond 10y - Countries - List (tradingeconomics.com)](https://tradingeconomics.com/bonds)

[Stock Market - Countries - List (tradingeconomics.com)](https://tradingeconomics.com/stocks)