

МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ
ХАРКІВСЬКИЙ НАЦІОНАЛЬНИЙ УНІВЕРСИТЕТ
імені В.Н. КАРАЗІНА

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**АНГЛІЙСЬКА МОВА
ДЛЯ ЕКОНОМІСТІВ**

**Навчальний посібник
для студентів
економічних спеціальностей**

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АНГЛІЙСЬКА МОВА ДЛЯ ЕКОНОМІСТІВ : навчальний посібник для студентів економічних спеціальностей / Олійник Н. А., Скрипник Т. І. – Х. : ХНУ імені В. Н. Каразіна, 2018. – 146 с.

Навчальний посібник є вступом до курсу англійської мови економічного спрямування. Він розрахований на студентів I курсів економічних спеціальностей. Посібник складається з 8 уроків, зміст яких відповідає теоретичному матеріалу, який студенти вивчають на заняттях зі спеціальності (економічна теорія, мікро- та макроекономіка тощо). Система вправ забезпечує ефективно й досконале засвоєння студентами лексики, синтаксичних конструкцій та вироблення стійких навичок і вмінь роботи з англомовними економічними текстами, писемної та усної англомовної комунікації за фахом. Посібник призначений як для самостійної роботи студентів вдома, так і для роботи в аудиторії під керівництвом викладача. При підготовці посібника було використано низку навчальних матеріалів із різноманітних джерел, список яких надано у кінці книги.

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ПЕРЕДМОВА

Даний навчальний посібник розроблено для студентів I курсу економічних спеціальностей відповідно до державного та галузевого стандартів викладання іноземної мови професійного спрямування з урахуванням «Загальноєвропейських Рекомендацій з мовної освіти, вивчення, викладання, оцінювання» щодо мовної освіти. Тематика автентичних текстових матеріалів співпадає з програмою фахових дисциплін, а саме «Економічна теорія», «Мікроекономіка» та «Макроекономіка» економічного факультету, відповідає програмі англійської мови для студентів, які навчаються за напрямом «фінанси, банківська справа та страхування», «економічна теорія», «міжнародна економіка» та ін.

Посібник пройшов апробацію з урахуванням побажань і зауважень головних учасників навчального процесу: студентів, викладачів вищих навчальних закладів. Експериментальна перевірка даного посібника, що відбувалася у 2013–2017 роках на економічному факультеті та факультеті МЕО і ТБ Харківського національного університету імені В. Н. Каразіна, показала, що його матеріал дозволяє сформувати стійкі базові мовні знання й вміння використання англійської мови в професійному середовищі (читання, переклад, анотування, реферування автентичних текстів академічного економічного дискурсу).

Посібник має 8 розділів (Units), кожен з яких складається з основного тексту, лексичних вправ, додаткового тексту для реферування і закінчується поурочним словником. Навчальний посібник розраховано на 120 годин аудиторної та 120 годин самостійної роботи студентів.

Структура посібника дає можливість викладачеві вибрати оптимальні шляхи організації як аудиторної, так і самостійної роботи студентів з урахуванням рівня їх знань та складається з двох взаємопов'язаних частин. Перша частина містить основний лексико-граматичний матеріал з тем «Science of Economics», «Types of Economic Systems», «Mixed Economy», «Utility», «Economic Resources», «Supply and Demand», «Market Studies», «Market

Structures». Друга частина – додаток, який містить матеріал для розвитку професійного спілкування англійською мовою у вигляді текстів для додаткового читання, таблицю назв країн світу англійською мовою, глосарій використаних аббревіатур та скорочень, поширених в економічному середовищі, а також додаткові вправи для відпрацювання лексико-граматичного матеріалу, наданого в основній частині.

Автори посібника глибоко вдячні рецензентам – доцентам кафедри педагогіки та іноземної філології Харківського національного економічного університету імені С. Кузнеця, кандидату філологічних наук Коваленко О. Ю., доцентам кафедри фінансів та кредиту ХНУ імені В. Н. Каразіна, кандидату економічних наук Глущенко О. В., а також колегам кафедри ділової іноземної мови та перекладу ХНУ імені В. Н. Каразіна, яку очолює доктор філологічних наук, професор Шевченко І. С., за уважне ознайомлення з рукописом посібника та цінні критичні зауваження. Ці зауваження й відгуки студентів значно сприяли удосконаленню змісту та структури посібника.

Думки та зауваження щодо посібника можна надсилати авторам на електронну адресу: dilovamova@karazin.ua.



– “*Why should I major in economics?*”

– *People study economics for lots of different reasons. Majoring in economics can open you up to a whole world of opportunity. Perhaps without realising it, you encounter economics everyday – deciding between a cup of tea or a deluxe caramel infused creamy latte. All of these can be explained using economics, of course, it also embraces bigger issues such as the current financial crisis, poverty reduction, the environment – the list is seemingly endless.*

So economics is all around you, you can almost guarantee you will find an area that interests you. Besides it will give you a stack of skills that are applicable to many work places: quantitative skills, the ability to analyse, to explain complex economic issues in simple, digestible forms and to understand the implications of economics. All of these skills are transferable allowing you to do all manner of things: development, teaching, finance, the government economic service – the list can go on. Economics is a fantastically diverse and interesting science that can open you up to many different opportunities, I would say, definitely major in economics [<http://whystudyeconomics.ac.uk>].

Unit 1 SCIENCE OF ECONOMICS



PRE-READING

1. Working in pairs discuss the following questions:

- Why do people work? Provide as many reasons as possible.
- Which jobs are considered to be the most popular/unpopular nowadays? Make up a list of possible reasons.
- What was your choice based on when deciding on your future profession?

READING

2. Read the following text:

Economics relates to every aspect of our lives, from the decisions we make as individuals or families to the structures created by governments and firms. But what is economics really like?

People have a wide **range of wants** and they are constantly growing. Economics is the science that studies how to satisfy all human needs and wants and advise people and societies what decisions to make in order **to get the most out of their limited resources**.

People work to **earn** their **living** and take part in **economic activities** to **provide** their families **with** everything they need: **essential** and **non-essential commodities**. Essential commodities are such **vitaly important** goods as food, clothes and **shelter** while non-essentials **are of secondary importance** (e.g. books, theater, travelling and other **luxuries**). The work that people do is their **economic activity** which **makes up** the **economic system** of a town, a city, a country or the entire world. Such an economic system is the **sum-total** of what people do and what they want.

Economists study the general life of the community in order to understand how it all works. Using objective and scientific methods they describe the facts of the **economy** in which we live and try **to solve** the basic **problem** of economics: how **to convert** limited resources **into** the goods and services that best **satisfy** their needs. They also explain how to maximize **productivity**, **create wealth** and **maintain** financial stability.

There are two main branches of economics: **macroeconomics** and **microeconomics**. **Microeconomics** focuses on individual people and individual businesses to explain how individuals make decisions about where to spend their money or how to invest their **savings**.

Macroeconomics, on the other hand, **takes** a much broader **view** by analyzing the economic activity of the country or the international market and concentrating on **economy-wide** factors such as **interest rates**, **inflation** and **unemployment**.

To sum up, economics is all about **scarcity** and choice. There is too little time and resources to satisfy all our desires, so people have **to make hard choices** about what to produce and **consume**. Economists analyse the decisions that people make on maximising their happiness in a world of scarcity [Tom McArthur. *A Rapid Course in English for Students of Economics* / Tom McArthur. – Oxford University Press, USA, 1997. – 138 p.; Peter Antonioni. *Economics For Dummies* / Peter Antonioni, Sean Masaki Flynn. ; [2nd Edition]. – Chichester : John Wiley & Sons, 2011. – 420 p.].



Consider just how nasty, irrational and short life used to be: standards of living were quite low, and people lived poor, short and painful lives until just a few centuries ago:

- **Life expectancy** was about 25 years.
- More than 30 per cent of newborns never reached their fifth birthdays.
- Women had a 10 per cent chance of dying during childbirth.
- Most people had personal experience of horrible diseases and/or *starvation*.
- The *standard of living* for one generation was no higher than that of previous generations. Except for the nobility, everybody lived at or near **subsistence level**, century after century.

Find some current data on the issues given above and report on how life has changed.

PRACTICE

Ex. 1. Find the words or word combinations in the text to substitute the following:

- | | |
|---------------------------------------|----------------------------------------|
| 1. any particular branch of knowledge | 8. to keep in proper or good condition |
| 2. to get money by working | 9. turn into |
| 3. continuously | 10. absolutely necessary |
| 4. a thing sold | 11. in terms of the country |
| 5. housing | 12. shortage |
| 6. use (v.) | 13. society |
| 7. variety | 14. total of numbers added together |

Ex. 2. Using the information in the text say whether the following statements are true or false:

1. _____ Most people work in order to get satisfaction and enjoy themselves.
2. _____ People are more interested in non-essential commodities because they provide them with particular personal satisfaction.
3. _____ Economists can use any methods to solve economic problems.
4. _____ Economic science deals with people's desires and needs to make their lives better and more comfortable.
5. _____ Microeconomics studies the general issues of the economy in terms of the country while macroeconomics analyses economic activities of a particular individual or a company.
6. _____ Economics is all about scarcity and satisfying needs of the society.
7. _____ The economists' concerns range from people's wages to the company's productivity and inflation in terms of the country.
8. _____ Standards of living have not changed a lot since the last century and people can hardly provide themselves with essential commodities.

Ex. 3. Look through the text again and give Ukrainian equivalents to the following English words and word combinations:

- | | |
|------------------------------------|--------------------------|
| 1. economy | 9. shelter |
| 2. satisfy human wants and needs | 10. on the other hand |
| 3. to earn one's living | 11. luxuries |
| 4. to convert smth into smth | 12. economy-wide factors |
| 5. non-essential commodities | 13. to solve the problem |
| 6. to maintain financial stability | 14. to sum up |
| 7. vitally important | 15. to relate to |
| 8. a wide range of wants | 16. unemployment |

Ex. 4. Look through the text again and give English equivalents to the following words and word combinations:

- | | |
|------------------------------------|--------------------------|
| 1. наука економіка | 9. економічна діяльність |
| 2. продуктивність | 10. відсоткова ставка |
| 3. суспільство | 11. наукові методи |
| 4. створювати матеріальні цінності | 12. нестача ч-н. |
| 5. товари першої необхідності | 13. приймати рішення |
| 6. вкладати заощадження | 14. споживати |
| 7. повсякденне життя | 15. рівень життя |
| 8. конкурувати з к-н. | 16. разом, у сукупності |

Ex. 5. Complete the following sentences with the words/word combinations from the text:

1. Schools, hospitals and banks provide people with important _____.
2. The money he earns is enough only for _____ _____.

3. Such goods like newspapers, toys for children are _____.
4. Economic _____ is the work that people do.
5. Economists' methods should be _____ and _____.
6. The science of _____ is concerned with _____ and choice.
7. Microeconomics studies _____ behaviour of a person or a company in the markets.
8. Macroeconomics deals with the economic activity of an _____ country.

Ex. 6. Complete the following sentences with prepositions where necessary:

1. People work in order to provide their families _____ everything they need.
2. You should work hard to get the most _____ your studies then in the future.
3. We take part _____ everyday life of our community to satisfy _____ our wants and needs.
4. The problem of the scarcity of natural resources is _____ the greatest importance _____ economists.
5. First we will focus _____ the issues of microeconomics and then you may concentrate _____ the studies _____ macroeconomics.
6. The professor made a pause to sum _____ the lecture and convert the theory _____ practice.
7. _____ the one hand our desires are unlimited and we have to learn how to satisfy them but _____ the other hand economic resources are limited and we must consume them economically.
8. Companies compete _____ each other to get maximum profit in the market.

Ex. 7. Paraphrase the following sentences using the words from your active vocabulary for the underlined words:

1. Bankers and lawyers give services. Farmers and coal-miners make goods.
2. People work to earn money and buy those things that bring them some special pleasure with the money they earn.
3. In the same garage you may not only buy a car but you can also buy a service which helps to keep that car working.
4. You can't live without food, clothes and shelter so economists consider them to be vitaly important goods.
5. This science explains how to use economic resources and where to keep money you saved.
6. This science can give reasons for the unstable economic situation in the country and the situation when there are not enough working places.
7. The work that people do makes up the economic system of a town, a city or a country.
8. Scientists work out the answers to the problems that people face in their everyday lives and make the structure of the economic life in the country more efficient.

Ex. 8.a. Make up the words which relate to the word “economy” and put them down into the last column:

	ECONOM	Y			<i>economy</i>
		ICS			
		IST			
UN		IC	AL	LY	
		IZE	ER		

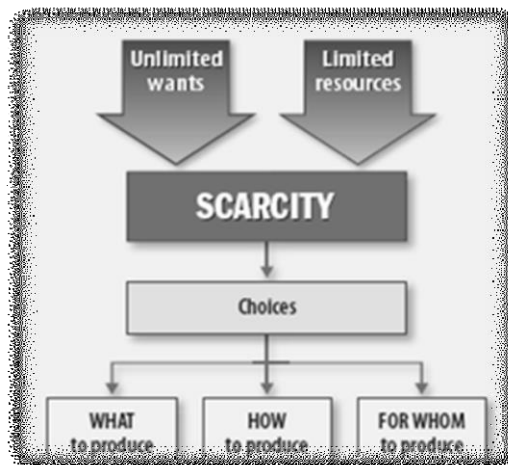
Ex. 8.b. Complete the following sentences with the words from the table:

1. Marx and Keynes are two famous _____ who lived in the 19th century.
2. We must be very _____ with the money we earn.
3. Inflation may cause a country to be in a bad _____ state.
4. The students of the School of _____ are working at a new project on _____ development of their region.
5. The _____ system of a country is usually called the national _____.
6. It is possible to _____ if one compares the prices of items before buying them.
7. It is usually more _____ to buy large amounts of a product than small ones.
8. The people in this town live very _____ due to their low income.
9. The national _____ is the system of the management and use of _____ resources of the country.
10. Politically and _____, the country is going through enormous changes.
11. A person is _____ free, if he can do what he wishes with his own money, time and property.
12. The principles of production and distribution of goods and services and the development of wealth are called _____.
13. If you want to go to the seaside in summer you should start to _____ right now.
14. A new president is rebuilding a solid _____ base for the future of the country.

Ex. 9. Match the beginning of the sentence in column A with its ending in column B:

- | A | B |
|-----------------------------------------------------------------------|---------------------------------------------------------------------|
| 1. Most people work in order to ... | a) to satisfy all human needs and wants. |
| 2. Economists try | b) the work which people do. |
| 3. Our range of wants | c) essential and non-essential |
| 4. Economics is the science that studies how | d) with everything they need to live happily. |
| 5. The economic activity is ... | e) individual economic activities of a person or a company. |
| 6. The sum-total of all economic activities and people's wants is ... | f) using scarce resources. |
| 7. The work which people do provides them ... | g) to solve the basic problem of scarce resources. |
| 8. People need both ... commodities. | h) the national and international economic activity of the country. |
| 9. Food, clothes and shelter are ... | i) is constantly growing. |
| 10. Macroeconomics focuses on ... | j) an economic system. |
| 11. Economic science is all about ... | k) essential commodities. |
| 12. Microeconomics studies ... | l) earn their living. |

Ex. 10. Give a small talk on the basic problem of economics using your active vocabulary and the diagram below.



Ex. 11. Translate the following into English:

- Де ви навчаєтесь? – У Харківському національному університеті імені В. Н. Каразіна на економічному факультеті. – А ви? – Я першокурсник факультету МЕО та ТБ/економічного факультету (повністю). Я буду економістом, щоб вивчати повсякденне життя людей і розуміти, як працює економічна система.

2. Ви знаєте, в чому загальна проблема науки економіки? – Так. Економісти вивчають, як задовольнити необмежені потреби за допомогою обмежених ресурсів. Потреби завжди зростають швидше від виробничих можливостей. – А чому вони так швидко зростають? – Річ у тому, що люди мають різноманітне коло бажань; їх бажання постійно змінюються. Виробництво не може задовольнити усі необмежені потреби населення.
3. Я багато працюю, щоб заробляти достатньо грошей і забезпечити свою родину усім необхідним. З одного боку, вони мають усі товари першої необхідності: їжу, житло та одяг, з другого ж боку, вони постійно потребують предметів розкоші, таких як дорогі електронні прилади, туристичні подорожі, розваги та інші.
4. Для того щоб купувати не тільки товари першої необхідності, а також товари, які надають певне задоволення, треба бути дуже ощадливими.
5. Вчені застосовують об'єктивні та наукові методи, щоб вирішити питання нестачі природних та економічних ресурсів та навчити людей економно їх використовувати.
6. Робота, яку виконують люди, забезпечує їх грошима. Економісти кажуть, що економічна діяльність, яку виконують люди, складає економічну систему країни, тобто економічна система – це сукупність економічної діяльності людей.
7. Людина або компанія може виробляти товари (сільсько-господарські чи виробничі) та надавати послуги. Наприклад, компанія «Самсунг» виробляє товари та надає послуги з їх обслуговування.

WRITING

Ex. 12. a. Write a magazine article under the headline: “Is any job better than no job at all?”

Ex. 12. b. Write a letter to your pen-friend in England and give reasons of your entering the School of Economics.

Ex. 13. Do the crossword:

1.						10		

Across:

1. things wear (pl);
2. to manage

which people

- economically;
- 3. based on facts;
- 4. pleasant;
- 5. as much as necessary;
- 6. society;
- 7. a branch of knowledge or study systematically arranged and showing the operation of general laws;
- 8. The scientist who studies our everyday lives.
- 9. Important

Down:

- 10. The study of how society uses its scarce resources.

QUESTIONS FOR DISCUSSION

1. Work in pairs. Ask each other the question ‘Why do people study economics?’ Give as many reasons as possible. Then compare your lists with the rest of the group.

2. Choose the statement you agree with and state your choice:

- a) ‘The purpose of studying economics is to acquire a set of answers to economic questions.’
- b) ‘The purpose of studying economics is to learn how not to be deceived by economists.’

VOCABULARY

English

be of secondary importance
community
concentrate on

create wealth

earn a living
economic (adj.)
economic activities

economic system
economical (adj.)

economics

Ukrainian

не мати важливого значення

суспільство
концентруватися;
зосереджуватися

накопичувати,
створювати матеріальні цінності/багатство

заробляти на життя
економічний
економічна діяльність

економічна система
заощадливий,
економний

економіка (навчальна та наукова дисципліна)

economist (n.)	економіст
economize (v.)	заощаджувати, економити
economy (n.)	економіка (країни), народне господарство; економія
economy-wide	у межах економіки країни
essential commodity	товар першої необхідності
everyday life	повсякденне життя
focus on sth.	зосереджуватися, зосередитися на ч-н.
generation	покоління, генерація
get the most out of sth.	отримувати, одержувати максимум
humanity	людство
invest	інвестувати гроші
life expectancy	середня тривалість життя
limited resources	обмежені ресурси
luxuries/luxurious goods	предмети розкоші
macroeconomics	макроекономіка
maintain	підтримувати у робочому стані
make up	створювати, складати
market	ринок
maximize	збільшувати до межі; мати користь
microeconomics	мікроекономіка
newborn	новонароджений
nobility	дворянство
non-essential commodities	товар не першої необхідності
produce	виробляти
productivity	продуктивність
provide smb with sth	забезпечити к-н., ч-н.
range of wants	коло бажань
relate to	мати відношення до ч-н.
satisfy	задовольнити
savings	заощадження
scarcity	недостача, нестача,

science	дефіцит
scientific	наука
shelter	науковий
society	житло
solve the problem	суспільство
standard of living	вирішувати проблему
starvation	рівень життя
subsistence level	голод; голодування
sum up	прожитковий рівень
sum-total	підсумовувати,
take a broad view of sth.	підбивати підсумки
take part in sth	у сукупності, разом
used to be	широко дивитися на речі
vitaly important	брати участь в ч-н.
	мати звичку; раніше
	життєво важливий

Unit 2 TYPES OF ECONOMIC SYSTEMS



PRE-READING

1. Working in pairs discuss the following questions:

- What economic systems do you know?
- What economic systems are prevailing in the developed countries?
- What do governments control in countries? Does it depend on the economic system of a country?
- What are the rights and duties of citizens? Do they vary from country to country?

READING

2. Read the following text and check your answers:

All communities have to **deal with** the same basic economic problem – how to satisfy people’s unlimited wants with limited **economic resources** (land, **labour**, capital). Different countries use different methods to deal with the problem. Depending on the **approaches** they use, economists **distinguish** several types of **economic systems**: market, command, traditional and mixed. In their **purest forms**, the three types of economy can be defined as follows:

□ **A market economy** is one in which almost all economic activity happens in markets with little or no **interference** by the government. Because of the lack of government control, this system is also often **referred to** as **laissez-faire**, economy which is French for ‘let well alone’. It is based on **private enterprise** with **private ownership** of the **means of production** and private **supplies of capital** (a **surplus income** available for investment in new business activities). In market economy countries **individual citizens** can **own private property** and can **exercise** considerable freedom of choice, they have right to **dispose of** property and other natural or **manufactured factors of production**, **set up** new businesses, firms are free to decide what to produce and **consumers** are free to spend their income as they wish.

□ **A command economy** is one in which all economic activity **is directed by** the government. Its main **feature** is **central planning**. The **central authority** has **complete power** to organise the whole economic effort of the nation. It decides what goods and services to produce, how to **distribute** them and what **prices to charge for** these goods. The government controls **economic resources**, and it is concerned with both **quality** and **quantity**. Another feature of the command economy is **public ownership of the means of production**. Private property is usually limited to private things such as houses, cars, etc.

□ **A traditional economy** is one in which production and distribution are organised according to long-standing cultural traditions. They are based on custom and tradition or command of community, family, or religion.

In the today's real world the result is that most societies **opt for** a mixture of two pure types: the command economy and the market economy, which is called mixed economy [Tom McArthur. A Rapid Course in English for Students of Economics / Tom McArthur. – Oxford University Press, USA, 1997. – 138 p.; Peter Antonioni. Economics For Dummies / Peter Antonioni, Sean Masaki Flynn. ; [2nd Edition]. – Chichester : John Wiley & Sons, 2011. – 420 p.].

PRACTICE

Ex. 1. Find the words or word combinations in the text to substitute the following:

- | | |
|-------------|----------------------|
| 1. stock | 7. extra |
| 2. earnings | 8. set a price |
| 3. use (v.) | 9. intervention |
| 4. method | 10. deliver |
| 5. personal | 11. right to possess |
| 6. choose | 12. amount |

Ex. 2. Using the information in the text say whether the following statements are true or false:

1. _____ The economists define economic systems by the economic resources used.
2. _____ There are limits on land, labour and capital in the world.
3. _____ Market economy is based on public ownership of the means of production.
4. _____ Government controls an essential part of the command economy.
5. _____ The central authority decides on the quantity, quality, price and place of sale of a commodity.
6. _____ Individuals are free to use their property, income and time as they wish in any economic system.
7. _____ Traditional economy is determined by historical background of the community.
8. _____ Collective needs are more important in a state with command economy than an individual's wants.

Ex. 3. Answer the questions:

1. What types of economic systems do economists classify?
2. Why is market economy referred to as a laissez-fair?
3. What are the main features of market economy?
4. What are the citizens free to do in a market economy country?
5. What do the governments control in the command economy countries?
6. What distinctive feature helps economists to differ market system from the command one?

Ex. 4. Look through the text again and give Ukrainian equivalents to the following English words and word combinations:

- | | |
|------------------------|---------------------------|
| 1. as follows | 9. long-standing |
| 2. opt for | 10. private ownership |
| 3. be concerned with | 11. central authority |
| 4. feature | 12. laissez-faire economy |
| 5. means of production | 13. lack of |
| 6. exercise freedom | 14. complete power |
| 7. dispose of | 15. manufactured |
| 8. consumer | 16. the purest form |

Ex. 5. Look through the text again and give English equivalents to the following Ukrainian words and word combinations:

- | | |
|----------------------------|------------------------------------|
| 1. праця | 9. запас капіталу |
| 2. підприємство | 10. володіти |
| 3. мати справу з | 11. підхід |
| 4. бути спрямованим | 12. посилатися |
| 5. призначати ціну | 13. майно |
| 6. розрізняти | 14. суспільна власність |
| 7. управляти | 15. командна економіка |
| 8. потрапляють в категорію | 16. промислові фактори виробництва |

Ex. 6. Complete the following sentences with the words/word combinations from the text:

1. In command economy states citizens can't _____ private property. All the property is _____ in these countries.
2. All _____ have to solve the same economic problems.
3. In market economy countries people are free to _____ their business.
4. Countries have limited amounts of land, _____ and _____ .
5. Private _____ of the means of production is the main feature of the market economy.
6. Citizens have freedom to spend their _____ as they wish on goods and services.

7. In the command economy the government decides how to _____ the whole economic effort of the state.
8. Traditional economy is based on _____ and _____.

Ex. 7. Complete the following sentences with prepositions where necessary:

1. An important form _____ capital is surplus income available _____ investment _____ new business companies.
2. Public ownership _____ the means of production is concerned _____ command economic system.
3. They charge quite a lot of money _____ the commodity.
4. The government dispose _____ economic resources in the command economy.
5. The economists referred _____ this method as uneconomic.
6. People usually spend money according _____ their income.
7. Management opted _____ setting _____ a new subsidiary.
8. Public property is limited _____ a minimum in the command economy countries.

Ex. 8.a. Change the listed adjectives into adverbs (ly or -ally as necessary)

- | | | |
|-----------------|---------------|---------------|
| a) usual | e) clear | h) systematic |
| b) regular | f) scientific | i) careful |
| c) considerable | g) complete | j) rapid |
| d) probable | | |

Ex. 8.b. Complete the following sentences with these adverbs:

1. The new government worked _____ to change the laws.
2. The central authority _____ controls the quality of goods.
3. The State _____ plans the economic effort of its citizens.
4. The economic system changed _____ over the thirty year period.
5. Work in economics always should be done _____ .
6. Their economic system is _____ capitalistic.
7. The employers will _____ discuss the use of new machines in the factory.
8. The city has changed _____ in the last few years.
9. These men work _____ from nine o'clock till five every day.

Ex. 9. Certain nouns can be formed from certain adjectives. Make a list of the nouns and put each word in its place. NOTE the loss of the letter *e* in *active*, *secure*, *mobile* and *productive*.

EXAMPLE: *active* □□ *activity*

1. The system was complex. Its _____ surprised him.
2. The movement of the products in the factory was rapid. The _____ of the work contributed to their success.
3. People who have cars are very mobile. This _____ is a useful thing.

4. The National Bank has a solid reputation. Its _____ in money is similar to the _____ of its buildings.
5. The national economy, like a man, should be active. Its _____ is a sign of its health.
6. Your money is secure in the National Bank. Its _____ is important both to you and to the bankers.
7. The workers in those factories are very productive. Their _____ is very useful to the national economy.
8. Those men arrive regularly at nine o'clock. Their _____ is well-known.
9. The American and British economic systems are very similar. This _____ is not surprising.
10. Those two men earn equal sums of money they have _____ in wages because they produce the same quantity of the goods.
11. The exchange of money should be as liquid as possible. The _____ of money helps economy to grow.

Ex. 10. The table shows how words are formed around the verb *produce*. List all the words you can make from the table and use them in the suitable blanks in the sentences.

PRODUC	E	R		<i>produce</i>
	T	IV(E)	ITY	
		ION		

1. The company _____ a new commodity every year.
2. The company's newest _____ is special blue soap powder.
3. The _____ of soap powders met last year to discuss prices.
4. That factory is not as _____ now as it was five years ago.
5. The _____ of that factory goes down.
6. The manager of the factory decided that they must increase their _____ of packets of soap powder.
7. The cars made in Germany roll down a _____ line.
8. They sell most of their farm _____ to the larger supermarket chains.

Ex. 11. In geography and economics we often refer to the parts of the world rather than list countries by name, e.g. *The Middle East*. Below there are 24 countries. List them under these five headings:

Latin-American	
North African	

South-East Asian	
Balkan	
North-East Asian	

Libya	Venezuela	Brazil	Albania
Japan	Argentina	Serbia	Morocco
Thailand	Philippines	Macedonia	Bosnia
Bulgaria	Mexico	Algeria	Egypt
China	Korea	Indonesia	Croatia
Romania	Ecuador	Vietnam	Colombia

Ex. 12. Work in pairs. Ask and answer the questions to find out the information on the following countries and complete the table:

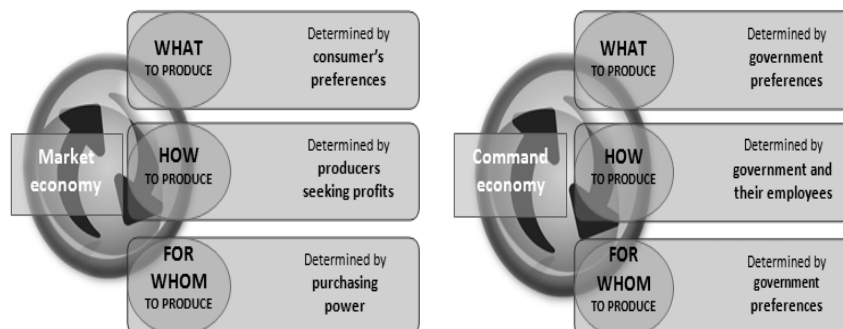
Country	Capital	Language	Nationality	Currency
Austria				
Belgium				
Canada				
China				
Denmark				
Finland				
France				
Germany				
Greece				
Hungary				
the Netherlands				
Italy				
Japan				
Norway				
Poland				
Spain				
Sweden				
Switzerland				

Turkey				
Ukraine				

Ex. 13. Translate the following into English:

1. В економічній науці існують різні підходи щодо класифікації економічних систем. Найбільш поширена класифікація базується на двох ознаках: за формою власності на засоби виробництва та за способом управління господарською діяльністю. Відповідно до цих класифікаційних ознак науковці виокремлюють традиційну, адміністративно-командну, ринкову та змішану економічні системи.
2. В країнах з командною економічною системою держава повинна володіти засобами виробництва та всією власністю, а також планувати народне господарство. Державне планування допомагає організувати зусилля заводів, визначати ціну за товар, його якість та кількість.
4. Командна економіка є системою з суспільною (державною) власністю на засоби виробництва та державним плануванням. Центральний уряд з необмеженою владою надає громадянам всі послуги, які вони потребують.
5. Ринкова система базується на приватній власності на засоби виробництва та на приватному підприємстві. Приватне підприємство належить громадянину і дозволяє йому обирати товар, методи його виробництва та його кількість.
6. В традиційній економіці методи та засоби виробництва, розподіл доходів базуються на звичаях і традиціях, які віками визначали виробничу та інші види діяльності людей. Наслідком такого стану основних складових традиційної економічної системи є соціально-економічний застій, бідність і низький рівень життя основної частини населення. Стійке зростання його чисельності порівняно з низькими темпами економічного розвитку супроводжується високим рівнем безробіття та низькою продуктивністю праці.

Ex. 14. Using the diagram given below explain the differences between these two economic systems. Provide examples where possible:



QUESTIONS FOR DISCUSSION

1. Which countries mentioned in the unit have the highest standard of living?
2. What countries provide the most favourable conditions to private entrepreneurs?
3. What country would you prefer to do business in? Explain why.

VOCABULARY

English

approach

as follows

be based on

be concerned with

define

be directed by

refer to

central planning

charge price for

command economy

complete power

consumer

deal with

dispose of

distinguish

distribute

economic resources

effort

exercise freedom

factors of production

fall into the category

feature

individual citizens

interference

lack of

laissez-faire

long-standing

manufactured

market economy

Ukrainian

підхід

наступне

базуватися

мати справу з

давати точне

визначення

бути спрямованим

посилатися

центральне планування

призначати ціну для

командна економіка

повна влада

споживач

мати справу з

розпоряджатися

майном

розрізняти

розподіляти

економічні ресурси

зусилля

використання свободи

фактори виробництва

потрапляти в категорію

особливість

окремі громадяни

втручання

відсутність

політика невтручання

довготривалий

промисловий

ринкова економіка

means of production	засоби виробництва
opt for	вибрати
own (v)	володіти
ownership	право власності
possessions	майно
private enterprise	приватне підприємство
private ownership	право приватної власності
private property	приватна власність
public ownership	суспільна власність
the purest form	у чистій формі
refer to	посилатися на; мати відношення до ч-н.
restrictions on	обмеження на
set up	засновувати
supplies of capital	накопичення капіталу
surplus income	надлишковий прибуток
traditional economy	традиційна економіка
venture	підприємство

Unit 3 MIXED ECONOMY



PRE-READING

1. Match these definitions with the words they refer to:

- | | |
|--------------------------|-------------------------------------------------------------------------------------------------------------|
| 1. mixed economy | a) economic system in which anyone can attempt to raise capital, form business, and offer goods or services |
| 2. free enterprise | b) economy with both private and public sectors |
| 3. long-term planning | c) industry owned by the government, for economic, social or strategic reasons |
| 4. nationalized industry | d) planning which extends beyond five years |

READING

2. Read the following text and check your answers:

A mixed economy is an economy with both private and government control and **reflects** characteristics of both capitalism and socialism. No state today is completely socialist, and **relies on** command economy, or completely capitalist, and **adopts** market economy. Various national economic systems **tend** generally **towards** one type or the other. It is rather difficult to **classify** many of them exactly.

The government regulation is concerned with the fact that the private sector cannot be well **equipped to address** such issue as **environmental protection, maintenance** of employment standards and maintenance of competition. In some mixed economies, it even includes various degrees of centralized **economic planning**, i.e., state ownership of some of the means of production for national or social objectives.

The **precise** nature of the mixture depends on the country, with the United Kingdom and the United States **featuring more emphasis on** markets, whereas France and Germany, for example, feature more emphasis on **government intervention**. On the other hand, a few totalitarian states, like North Korea, still continue running pure command economies as part of their **authoritarian regimes**.

Under-developed countries of the **globe** are usually interested in control and **long-term planning**, e.g. in Cuba a command economy **exists alongside** a small business economy, and other **states** such as China or Vietnam tend to free the business sector of their economies. India also **makes** a clear **distinction** between the **public sector** of its economy on the one hand and the private sector on the other hand.

In a typical mixed economy, the government may **run** such things as the postal service, rail lines, libraries, and in some cases, the **health care service**. Even in

industries which are not owned or run by the government, its influence is very **noticeable** in the form of **taxes** and regulations like **wage** controls.

Britain, for example, has a mixed economy. There are the nationalized industries like coal and steel, Directly Operated Railways and Eurostar International Limited, Lloyds Banking Group in the public sector of British economic life. The majority of large and small nation's industries are in the private sector. The private sector includes giant companies like Serco Group **plc*** and BP **plc*** as well as a great number of small family businesses.

Although the government plans national production and **sets up production targets** it is, however, a very difficult matter to **plan ahead** with any **certainty** not only in a mixed economy but even in a **rigidly** controlled economy, because **natural disasters**, political changes and other factors can **affect** the general plan in unexpected ways [Tom McArthur. A Rapid Course in English for Students of Economics / Tom McArthur. – Oxford University Press, USA, 1997. – 138 p.; Peter Antonioni. Economics For Dummies / Peter Antonioni, Sean Masaki Flynn. ; [2nd Edition]. – Chichester : John Wiley & Sons, 2011. – 420 p.].



* *Serco Group plc* – Serco Group plc is a British government services company based in Hook, North Hampshire in the United Kingdom. It is listed on the London Stock Exchange and is a constituent of the FTSE 250 Index. Serco operates in six sectors of public service provision: Health, Transport, Justice, Immigration, Defence, and Citizens Services. Among them are public and private transport and traffic control, aviation, military and nuclear weapons contracts, detention centres and prisons and schools.

BP plc*, sometimes referred to by its former name *British Petroleum*, is a British multinational oil and gas company headquartered in London, England, United Kingdom. It is the sixth-largest energy company by market capitalization, twelfth-largest company in the world measured by 2012 **revenues, and the sixth largest oil and gas company measured by 2012 production. As of 31 December 2016, BP had operations in 72 countries worldwide. It is one of the six oil and gas “supermajors”.

PRACTICE

Ex. 1. Find the words or word combinations in the text to substitute the following:

- | | |
|-----------------------------|-----------------------------------------------|
| 1. armed | 8. income |
| 2. not frequently occurring | 9. depend on |
| 3. important | 10. third world countries |
| 4. be likely to do | 11. weekly payment |
| 5. stress (v.) | 12. set up |
| 6. duty, charge | 13. aim (n) |
| 7. accurate | 14. relating to a dictatorial one-party state |

Ex. 2. Using the information in the text say whether the following statements are true or false:

1. _____ Some countries are completely capitalist and some countries are completely socialist.
2. _____ Economic systems can be easily classified.
3. _____ The UK finds it necessary to control national economic conditions to a certain extent.
4. _____ The interest of the under-developed countries in long-term planning is inevitable.
5. _____ Under-developed countries make a clear distinction between the two sectors of their economy.
6. _____ The nationalized industries are in the private sector of the economy.
7. _____ Giants like Serco plc and BP plc are not publicly owned.
8. _____ Planning ahead in any type of economy is not particularly difficult.

Ex. 3. Look through the text again and give Ukrainian equivalents to the following English words and word combinations:

- | | |
|------------------------------|------------------------|
| 1. under-developed countries | 9. public sector |
| 2. run a country | 10. reflect |
| 3. feature emphasis on | 11. long-term planning |
| 4. tend towards | 12. healthcare |
| 5. globe | 13. economic planning |
| 6. set up a target | 14. address (v) |
| 7. exist alongside sth | 15. tax |
| 8. plan ahead | 16. plc |

Ex. 4. Look through the text again and give English equivalents to the following Ukrainian words and word combinations:

- | | |
|-------------------------------------|------------------------------|
| 1. авторитарний режим | 8. привести у відповідність |
| 2. обладнаний | 9. ставити цілі |
| 3. впливати | 10. стихійне лихо |
| 4. підтримання | 11. повністю |
| 5. охорона навколишнього середовища | 12. довгострокове планування |
| 6. відрізняти | 13. вірогідність |
| 7. конкуренція | 14. виробничі цілі |
| | 15. жорстко контрольований |

Ex. 5. Complete the following sentences with the words/word combinations from the text:

1. It is difficult to _____ most economic systems.

2. The under-developed countries are interested in _____ and _____.
3. The government _____ may take different forms like nationalizing strategically important industries.
4. The majority of British industries is in the _____ sector.
5. The British government _____ an official body to control allocation of resources.
6. In socialist countries private _____ and private _____ are reduced to a minimum.
7. Economic systems with public and private sectors are neither _____ nor _____.
8. Goods like coal and iron are among the most important _____ industries in any economy.

Ex. 6. Match an adjective from column A with a noun from column B:

A	B
1. <i>private</i>	a) economy
2. under-developed	b) targets
3. mixed	c) <i>sector</i>
4. nationalized	d) countries
5. giant	e) disaster
6. official	f) industries
7. natural	g) company
8. production	h) body

Ex. 7. Work in pairs. Spot mistakes in the following sentences and correct them:

1. The nationalized industries are in the private sector of the British economic life.
2. Essential services like transport, education and medicine are in the private sector of many socialist economies.
3. The coal and steel industries are among the activities controlled by small family businesses.
4. The under-developed countries of the world are not interested in long-term planning and government control.
5. Britain today is an entirely capitalist country with public sector of the economy.
6. The government can plan ahead and set up production targets in a mixed economy.
7. Government regulation is justified by the fact that public sector can not deal with such economic issues as maintenance of employment standards.
8. All countries feature more emphasis on markets and authoritarian regimes.

Ex. 8. Supply the missing articles where necessary:

1. _____ food production and _____ distribution are perhaps _____ most basic activities in any economy.
2. Some countries make _____ distinction between _____ public sector and _____ private sector of _____ economy.
3. _____ central authority with _____ complete power decides what goods and services to produce.
4. If _____ person can do what he wishes with his property on _____ one hand, and he obeys _____ law on _____ other hand, then _____ economists say he is economically free.
5. _____ nationalized industries include _____ various types of transport, steel-production and coal-mining.
6. My friend is _____ leading economist. He works for _____ BP plc. _____ President of _____ company is _____ Mr Peterson.
7. _____ Natural disasters and _____ political changes can affect _____ the general plan in _____ unexpected way.
8. _____ Under-developed countries like _____ India tend to make _____ clear distinction between _____ public sector of their economies on _____ one hand and _____ private sector on _____ other hand.

Ex. 9. Complete the following sentences with prepositions where necessary:

1. The Chinese government set _____ an official body to control the distribution of goods all over the country.
2. The majority of national economic systems tends _____ either socialism or capitalism.
3. Both employers and employees of our company are interested _____ AGM.
4. Heavy industries are usually among the activities guided _____ the government.
5. The message includes _____ much important information.
6. Transport and education employ a large part _____ the national work force.
7. We can make _____ the general plan together with the leading economists of the company.
8. This company is based _____ Hook, North Hampshire _____ the United Kingdom and listed _____ the London Stock Exchange as the fifth-largest energy company _____ market capitalization and the fifth-largest company _____ the world measured _____ 2012 revenues.

Ex. 10. Change these sentences by modifying certain adjectives into verbs.

EXAMPLE: *They made the economy regular.* □ *They regulated the economy.*

- a) complicate b) liquidate c) nationalize d) activate
e) consolidate f) simplify g) internationalize h) re-activate

1. They made the subject complex.

2. They made the subject simple.
3. They made the businesses “solid” (by bringing them together).
4. They made the economy active.
5. They made the business “liquid” (by breaking it up or “dissolving” it)
6. They made the economy active again (or for a second time).
7. They made the industry national (or public).
8. They made the business international.

Ex. 11. Combine these pairs of sentences in the two ways shown in the example.

EXAMPLE: The government has set up an official committee. This committee must decide national economic policy.

1. *The government has set up an official committee, which must decide national economic policy.*
 2. *The government has set up an official committee to decide national economic policy.*
1. The economists have organized a commission. This commission must study the economic problems of Latin America.
 2. The workers have demanded an investigation. This investigation must find out what happened in the factory.
 3. The trade unions have asked for a new plan. This plan must regulate the flow of work.
 4. The government has proposed a new scheme. This scheme must come into operation next year.
 5. The employers have prepared a special scheme. This scheme must be approved by the government.

Ex. 12. It shows how words can be formed by adding first the suffix *-ify* (verbs), and then the suffix *-cation* (nouns) (with suitable changes in spelling). Use the table to complete the following sentences.

1. This plan is not *simple* enough. We must therefore _____ it. The _____ of the plan is essential.
2. The economy of that country belongs to the Marxist group or *class*. We must therefore _____ it as socialist. The _____ of the economy of that country is not difficult.
3. That water is not *pure* enough. It is necessary to _____ it. The _____ of the water is a matter of public health.
4. Please send a *note* to the members of the Council. You should _____ them of the date of the next meeting. The _____ should reach them this week.
5. The economics teacher tried to make the situation *clear*. He tried to _____ his description by making it simpler. When he had made this _____, his students understood the whole matter much better.

Ex. 13. Complete the following sentences with suitable words: *national (adj.), nation (n.), nationalize (v.), nationalism (n.), nationalist (n.)*

1. The USA is the homeland of the American _____ .
2. Most countries have _____ banks, such as the Bank of England.
3. The Socialist Party has plans to _____ various privately owned industries.
4. In the last twenty years _____ has been a strong political force leading to the formation of many new nations.
5. A person who is interested in the progress and history of his own country may be called a _____.

Ex. 14. Work in groups. Discuss the following questions:

1. What is an abbreviation?
2. Why do many professionals use abbreviations?
3. What abbreviations do you use?
4. What do the following abbreviations stand for: the USA, st., the former USSR?

Some most common abbreviations are:

CE – Council of Europe

DC – developed country

EC – European Community

EEC – European Economic Community

EUROSTAT – Statistical Office of the European Communities

ICC – International Chamber of Commerce

OSCE – The Organization for Security and Co-operation in Europe

SIM – subscriber identification module (card for mobile phone)

WTO – The World Trade Organization

NB: *Abbreviations are a shorter form of a word or phrase and they are an important part of the English language. They shorten words, which makes writing more precise, concise and simplified. You may abbreviate titles before and after names. You may also abbreviate familiar institutions, countries, corporations, days, months, states and more. Learning how to abbreviate words allows us to simplify our speaking and writing. For more information go to Supplement section (Unit 3).*

Ex. 15. Distribute the following abbreviations under the appropriate headings and think of three more examples to add to each category:

- | | | |
|----------------------------------|--------------------------------|----------|
| 1. Ms. | 9. Ave. | 18. i.e. |
| 2. P.S. | 10. MBA | 19. OSCE |
| 3. p.m. | 11. e.g. | 20. GDP |
| 4. VAT | 12. CA | 21. BC |
| 5. etc. | 13. AD | 22. SFO |
| 6. B4N (bye for now) | 14. SIM | 23. IT |
| 7. CE | 15. EUROSTAT | 24. a.m. |
| 8. KISS (keep it simple, stupid) | 16. ttyl8r (talk to you later) | 25. mph |
| | 17. Dr. | 26. VIP |
| | | 27. NB |

28.GNP
29.NY
30.EU

31.lol (laugh out
loud)

32.CD

1. People/titles	
2. Places	
3. Time	
4. Names of companies and organisations	
5. Professional terms	
6. Common objects and phrases	
7. Latin-based	
8. Text	

Ex. 16. Work with a partner. Match the following abbreviations with their Ukrainian equivalents and abbreviate them in Ukrainian:

- | | |
|-----------|---------------------------------------------------------------------------------|
| 1. the UK | a. товариство з обмеженою відповідальністю |
| 2. GDP | b. Сполучене Королівство |
| 3. OECD | c. Світова організація торгівлі |
| 4. WTO | d. Рада Європи |
| 5. CE | e. Організація з безпеки та співпраці в Європі |
| 6. EU | f. валовий внутрішній продукт |
| 7. UNO | g. Європейський Союз |
| 8. OSCE | h. Організація Об'єднаних Націй |
| 9. GNP | i. Акціонерне товариство з обмеженою відповідальністю |
| 10.EBRD | j. Організація Північноатлантичного договору (також Північноатлантичний альянс) |
| 11.PLC | k. валовий національний продукт |
| 12.Ltd | l. Європейський банк реконструкції та розвитку |
| 13.NATO | m. Генеральний директор |
| 14.CEO | n. Магістр ділового адміністрування |
| 15.MBA | o. Організація економічного співробітництва та розвитку |

Ex. 17. Look up in a dictionary what these abbreviations stand for and complete the sentences:

1. Just as Rd is short for Road, St and Sq are short for _____ and _____ .
2. #24 in the USA and №24 in Britain both mean _____ 24.
3. In a report or textbook e.g. means _____, i.e. stands for _____, etc. means _____ .
4. A British company's name may be followed by the abbreviation plc. or PLC (short for _____), Ltd (_____) or & Co. (_____).
5. An American firm's name may be followed by Corp. (_____) or Inc. (_____).
6. A leap year starting on Fri. (_____) is any year with 366 days (i.e. (_____) it includes 29 Feb (_____)) that begins on Friday, 1 Jan (_____), and ends on Sat. (_____), 31 Dec (_____).
7. With 57 States from Europe, Central Asia and North America, the OSCE (_____) is the world's largest regional security organization, bringing comprehensive and co-operative security from Vancouver to Vladivostok.

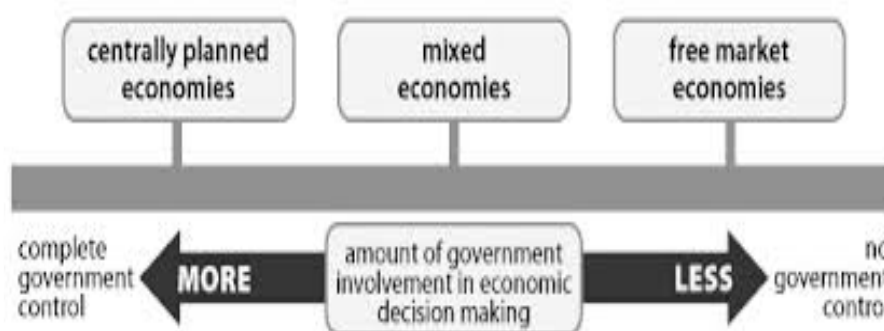
Ex. 18. Translate the following into English:

1. У світі існує багато розвинутих та слаборозвинутих капіталістичних і соціалістичних держав. Вони різні за ідеологією, але більшість з них мають змішану економіку. Змішана економіка заснована на різних формах власності: приватна власність взаємодіє з державною власністю, а держава, виробники і споживачі відіграють досить важливу роль у вирішенні головних питань економіки – «що», «як», «в якій кількості» і «для кого» виробляти.
2. В змішаній економіці державне управління економікою поширюється як на приватний, так і на державний сектори: підтримку системи охорони здоров'я, стандартів працевлаштування, охорону навколишнього середовища, а також підтримання конкуренції.
3. Співвідношення різних форм власності залежить від конкретних умов кожної країни на різних етапах її розвитку. Так, розвинуті країни світу, такі як США та Велика Британія, скоротили втручання держави в господарське життя країни, відводячи важливу роль ринковим методам регулювання економіки.
4. У Швеції підвищена увага приділяється профілактичним заходам, орієнтованим на підтримку регіональної економічної рівноваги, досягнення сприйнятливої стабільності цін, охорону навколишнього середовища, забезпечення роботою, співучасть у виробництві і зростання допомоги країнам, що розвиваються. Складовими елементами економічної політики є податкова, грошова політика на ринку праці та регіональна політика.
5. В економіці змішаного типу дуже важко планувати виробництво наперед. Голова нашого підприємства мав співпрацювати з чеськими

виробниками, але політичні зміни вплинули на цей план несподіваним чином.

6. Південнокорейська модель державного регулювання є прикладом унікального поєднання жорсткого державного планування та ринкового механізму: держава планує макроекономічні показники, кредитні і податкові заходи стимулювання експорту і обмеження імпорту.

Ex. 19. Using the diagram below give a talk on different types of economic systems (provide examples where possible):



VOCABULARY

English

address (v)

affect sth

allocative efficiency

authoritarian regime

be listed on

equipped with

certainty

classify

completely

competition

constituent

detention center

economic planning

environmental protection

Ukrainian

привести у відповідність;

звернутися; спрямувати

впливати на

ефективність розподілу

ресурсів

авторитарний режим

бути занесеним до

списку

обладнаний

впевненість

класифікувати

повністю

конкуренція

складова

центр для утримання під

вартою правопорушників

економічне планування

охорона навколишнього

середовища

exist alongside sth	існувати разом з
feature emphasizes on	відводити важливу роль
government intervention	державне втручання
government services	компанія, що надає
company	державні послуги
health care service	система охорони
	здоров'я
London Stock Exchange	Лондонська фондова
	біржа
long-term planning	довгострокове
	планування
maintenance	підтримання в
	належному стані
make a distinction	відрізнити
make a step	робити крок
natural disaster	стихійне лихо
noticeable	помітний
objective (n)	ціль
plan ahead	планувати наперед
plc (public limited	публічна компанія з
company)	обмеженою
	відповідальністю
precise	точний
production targets	виробничі цілі
public sector	державний сектор
	економіки, бюджетна
	сфера
rare	рідкісний
reflect	брати до уваги
revenue	річний дохід
rigidly controlled	жорстко контролюється
run a company	управляти компанією
set up a target	ставити цілі
tax	податок
tend towards	прагнути до ч-н.
under-developed country	слаборозвинута країна
wage	заробітна плата



Unit 4 UTILITY

*Nothing can have **value** without being an object of utility.*

Karl Marx

PRE-READING

1. Work with a partner. Answer the questions:

- What is your choice usually based on when you make a decision about a purchase? State your idea.
- Which of the following features of a product do you consider to be the most **valuable**: its price, quality or satisfaction?

READING

2. Read the text below:

Our basic needs are simple, but our additional individual wants are often very complex. When **purchasing** some goods the consumer follows his **willingness** to satisfy a want. Commodities of different kinds satisfy people's wants in relation to time, people and nations.

This characteristic of satisfying a want is known in economics as its '**utility**'. Economists say that utility **determines** 'the relationship between a consumer and a commodity'. Utility varies between different people and between different nations. A vegetarian does not want meat, but may **rate** the utility of bananas very highly, while a meat-eater may prefer steak. A mountain-republic like Switzerland has little interest in submarines, while **maritime** nations rate them highly.

Utility, however, should not be confused with usefulness, e.g. a submarine may or may not be useful in time of peace, but it satisfies a want.

In wartime, the utility of bombs is high, and the utility of pianos is low. Utility is therefore **related to** our decisions about priorities in production, e.g. the production of pianos falls sharply in wartime.

The utility of a commodity is also related to the quantity which is available to the consumer. If paper is freely available, people will not be so interested in buying too much of it. If there is an excess of paper, the relative demand for paper will go down. We can say that the utility of a commodity therefore **decreases** as the consumer's stock of that commodity increases.

Microeconomic models of **consumer behaviour** study how people choose to spend their money. **It is commonly assumed** that **consumers** act in ways that maximize their happiness but our actions are **constrained**, especially by limited

budgets, so we have to make choices. We do so **according to our scale of preferences** by **ranking** all relevant alternatives in order of preference. There is a **relationship** between a consumer and a commodity that tells us for any set of alternatives how much pleasure the consumer **derives from** buying an additional unit of a commodity or service.

The concept **implies** that the utility or benefit to a consumer of an additional unit of a product is **inversely** related to the number of units of that product he already owns. Usually, the more the person **consumes**, the larger his or her **total utility*** will be. **Marginal utility** is the additional satisfaction, or amount of utility, **gained from** each extra unit of **consumption**.

Take, for example, a chocolate bar. Let's say that after eating one chocolate bar your **sweet tooth** has been satisfied. Both marginal utility and total utility after eating one chocolate bar will be quite high. But if you eat more chocolate bars, the pleasure of each additional chocolate bar will be less than the pleasure you received from eating the one before – probably because you are starting to feel full or you have had too many sweets for one day or a point in time comes when the **financial sacrifice** is greater than the **satisfaction** of eating chocolate. Economists **refer to this phenomenon** as the **Law of Diminishing Marginal Utility** which states that the utility of a commodity decreases as the **consumer's stock** of that commodity **increases**.

It is clear that the **nature** of a commodity **remains** the same, but its utility changes. This change **indicates** that a special relationship exists between goods and services on the one hand, and a consumer and his money on the other hand: the consumer will stop buying chocolate **at the current price**. The higher the price is the fewer he buys. The lower the price is the more he buys. **Thus** this tendency and the concept of utility itself **underlie** the laws of **demand** and **supply** and explain how individuals and economies **aim** to gain optimal satisfaction in dealing with scarcity.

It should be noted, however, that this law doesn't work in case of money, knowledge, hobbies, fashion, health issues, etc. For example, if an item of clothes you bought is in fashion its utility for you is high and will remain so until it goes out of fashion [Tom McArthur. A Rapid Course in English for Students of Economics / Tom McArthur. – Oxford University Press, USA, 1997. – 138 p.; Peter Antonioni. Economics For Dummies / Peter Antonioni, Sean Masaki Flynn. ; [2nd Edition]. – Chichester : John Wiley & Sons, 2011. – 420 p.].

* *total utility – the sum of satisfaction or benefit we get from consuming a given amount of goods or services.*



*Economists imagine that if they were able to get inside your brain and measure utility, they'd do so using a unit that they call a **util**.*

Some people very naturally object to assigning specific numbers of utils to different things – e.g., 25 utils to the pleasure associated with eating a brownie, or 75 utils to the pleasure associated with watching a sunset.

*(Such method of measuring pleasure is called **cardinal utility** (like cardinal numbers: 1, 2 ...). There are doubts about whether people even make such*

assessments – after all, how many utils do you think you receive from a sunny day or a baby's smile? [Peter Antonioni. Economics For Dummies / Peter Antonioni, Sean Masaki Flynn. ; [2nd Edition]. – Chichester : John Wiley & Sons, 2011. – 420 p.].

PRACTICE

Ex. 1. Find the words or word combinations in the text to substitute the following:

- | | |
|-----------------------------------------------------------------------------------------------------|----------------------------------------------|
| 1. to arrange objects as a sequence | 7. the way in which two things are connected |
| 2. mean (v.) | 8. loss |
| 3. a strong liking for sweet foods | 9. basic quality or character |
| 4. likes (noun, pl.) | 10. use (n.) |
| 5. additional units added to a consumer's stock of a commodity give progressively less satisfaction | 11. pleasure |
| 6. limited | 12. suppose |
| | 13. go down |
| | 14. get |

Ex. 2. Using the information in the text say whether the following statements are true or false:

1. _____ There is a principle assumption in the consumer behaviour theory that consumers attempt to allocate their budget according to their preferences.
2. _____ People tend to buy anything they can afford.
3. _____ Utility is a characteristic of a commodity which shows how it satisfies a want.
4. _____ The consumer will probably buy more with each successive purchase.
5. _____ With each successive purchase the satisfaction gained from a commodity decreases.
6. _____ If the price remains the same, the consumer will reach a point when his financial sacrifice is greater than his satisfaction.
7. _____ 'The Law of Diminishing Marginal Utility' is a tendency for a consumer's desire to diminish as he buys more units of the commodity.
8. Utility of money changes according to the currency exchange rate.

Ex. 3. Answer the following questions:

1. What is the theory of consumer behaviour about?
2. What is the difference between total and marginal utility?
3. Under what conditions will a consumer go on buying a commodity? Provide your own example.
4. What happens with each successive purchase?
5. What goods or services can be used as an example of inefficiency of the Law of Diminishing Marginal Utility?

Ex. 4. Look through the text again and give Ukrainian equivalents to the following English words and word combinations:

- | | |
|---------------------------|-------------------------------|
| 1. indicate | 9. inversely |
| 2. It is commonly assumed | 10. to increase |
| 3. consumer behaviour | 11. the nature of a commodity |
| 4. to imply | 12. financial sacrifice |
| 5. to be constrained | 13. to remain the same |
| 6. phenomenon | 14. rank |
| 7. scale of preferences | 15. according to |
| 8. consumer's stock | 16. to underlie |

Ex. 5. Give English equivalents to the following words and word combinations from the text:

- | | |
|---------------------------------------|--------------------------|
| 1. посилатися (на щось) | 9. споживання |
| 2. зв'язок, взаємовідносини | 10. попит |
| 3. таким чином | 11. слід зазначити |
| 4. шкала переваг | 12. пропозиція |
| 5. бути доступним | 13. одержувати |
| 6. Закон спадної граничної корисності | 14. користь |
| 7. знижатися | 15. задоволення |
| 8. сукупна корисність | 16. приписувати, вважати |

Ex. 6. Complete the following sentences with words or word combinations from the text:

1. The theory of consumer _____ explains how people _____ their choices.
2. It is not possible to be completely free as our actions are always _____ by laws, budget and other people's freedom.
3. Our _____ of preferences indicates our priorities and helps us to _____ decisions.
4. The Law of Diminishing _____ utility says that the consumer's _____ diminishes with each successive purchase.
5. A consumer will stop buying a commodity or service when his financial _____ is more than the _____ he gains.
6. It should be _____ that the concept of utility _____ two other economic phenomena: supply and demand.
7. In economic theory the term _____ refers to a number of goods offered for sale.

Ex. 7. Complete the following sentences with prepositions where necessary:

1. When making a decision about a purchase we rank all possible options _____ order of preference.

2. _____ our scale of preferences essential commodities always go first.
3. _____ the one hand our benefit gained _____ each additional commodity tends to diminish but _____ the other hand if it's fashion or a matter _____ essential necessity we will go _____ buying such goods and services.
4. The Law of Diminishing Marginal Utility doesn't work _____ case of money or fashion: _____ soon _____ your bag goes _____ of fashion its utility is negative _____ you and you will want another bag.
5. People buy goods and services _____ current prices _____ they cannot change them. But they do affect _____ the consumer's choice: the higher the price is the fewer the consumer will buy.
6. The consumer's desire _____ a commodity depends very much _____ its stock, i.e. the more goods he has the less he wants.
7. In order to explain the consumer's behaviour economists refer _____ the term "utility" which implies the existence _____ a special relationship _____ a commodity and a consumer.

Ex. 8. Match a word from column A with an appropriate word/words from column B.

- | A | B |
|-------------------|-------------------------|
| 1. <i>sweet</i> | a) utility |
| 2. financial | b) assumed |
| 3. consumer | c) <i>tooth</i> |
| 4. It should be | d) alternatives |
| 5. to increase | e) behaviour |
| 6. scale | f) the consumer's stock |
| 7. It is commonly | g) sacrifice |
| 8. microeconomic | h) noted |
| 9. relevant | i) of preference |
| 10. marginal | j) models |

**SHOWING RELATIONSHIPS WITHIN
AND BETWEEN SENTENCES**

Transitional words and phrases connect and relate ideas, sentences, and paragraphs. They assist in the logical flow of ideas as they signal the relationship between sentences and paragraphs. The material is supported and conditioned not only by the ordering of the material (its position) but by **connectives** which signal order, relationship and movement.

Repetition of key words and phrases and the use of synonyms which echo important words both serve to establish connections with previous sentences.

Additionally, **pronouns can act as connectives** when they are used to refer to a noun in the preceding sentences.

Ex. 9. Read the most commonly used connectives listed below and note especially how these connections function to develop, relate, connect and move ideas in the text.

To signal addition of ideas	and, also, too, besides, as well as, nether ... nor, either ... or, both ... and, further, furthermore, moreover, in addition, then, of equal importance, equally important, another
to introduce the subject	It is generally assumed that, actually, as a matter of fact, to tell the truth, I think, I believe, I suppose, regarding (this)
To signal time	next, then, afterward, finally, later, last, lastly, at last, subsequently, when, soon, thereafter, after a short time, in the meantime, meanwhile, on the following day, ultimately
To signal order or sequence	first of all, firstly, secondly (etc.), finally, hence, next, then, from here on, to begin with, last of all, after, before, as soon as, in the end, gradually
To signal an example	for example, to illustrate, for instance, to be specific, such as, notably, just as important, in particular
To show results	as a result, hence, so, due to, accordingly, that is why, because of this, thus, as a consequence, consequently, since, therefore, for this reason and more, for this reason
To signal purpose	to this end, for this purpose, with this in mind, for this reason, for these reasons
To signal comparisons	like, in the same manner or way, similarly, as compared with/to, as against, in comparison with
To indicate contrast	but, in contrast, however, still, while, nevertheless, whereas, nonetheless, yet, on the other hand, on the contrary, or, in spite of this, despite, for all that, strangely enough, ironically
To dispute	people are wrong who say/deny that, be that as it may, no doubt, many people claim, many people suppose, in any case
To intensify	above all, first and foremost, indeed, in fact, as a matter of fact, as I have said, as has been noted, it should be noted
To summarize	as was previously stated, to put it briefly, to sum up, to repeat, briefly, in short, finally, on the whole, therefore, in conclusion, as you can see
To define, explain,	consist of, is a term that, involves, is called, is characterized

clarify	by, that is, occurs when, exists when, are those that, that is (to say), I mean, (to) put (it) another way
To assert a truth or acknowledge opposition	surely, of course, without a doubt, naturally, in fact, certainly, doubtless, no doubt

Ex. 10. Circle the letter of the word that correctly identifies the appropriate transition word or phrase.

- _____ the invention of television, people probably spent more of their leisure time reading.
a. Nevertheless **b.** Because **c.** Before
- If you're planning a purchase, try to get the most out of it. _____, compare the prices in different shops.
a. For instance **b.** In contrast **c.** Similarly
- _____ I'm temporarily unemployed, my boyfriend shares his profit with me.
a. Until **b.** Because **c.** Even though
- People usually want to get as much utility _____ possible.
a. after **b.** as **c.** as a result
- Using utils to measure a level of satisfaction that people derive from a commodity seems to be inefficient _____ there are countless examples of things that are not possible to measure _____ happiness of having good weather, etc.
a. moreover ... but **b.** just as ... as **c.** because ... such as

Ex. 11. Read the text and, for each blank, choose the correct alternative given below:

When students construct the portfolio of courses to study they need to strike a balance between their unique personal interests and subjects which are most practical and useful for their future (1) _____ at university _____ beyond.

(2) _____ each subject has its own merits, a strong foundation in basic economic theory provides students with an invaluable basis for making sound decisions in their everyday lives, for understanding the world around them, and for further education in a variety of areas. (3) _____, economics deserves consideration when deciding on what courses students should incorporate into their studies.

(4) _____ that there is much confusion over what exactly economics is. Many people (5) _____ that economics is the study of the stock market, or of money, or of commerce. While economics (6) _____ offers insights into each of these fields, its true power lies only (7) _____ in analyzing particular

aspects of the economy, _____ rather in developing a general way of seeing the world. Some people refer to economics as a “dismal science” (8) _____ they believe that its insights are dull realm of old, erudite men debating governmental fiscal and monetary policy. (9) _____ the truth is that economics offers much broader and applicable insights not only into areas of financial and academic inquiry, but also into social situations of our everyday lives. (10) _____ it is the study of scarcity and of how limited resources are allocated in response to unlimited wants and desires. In our own lives we all face scarcity in many forms, (11) _____ in terms of time and money. (12) _____ studying economics allows students to understand that nothing in life is free and that there are an infinite number of options in life that we have to choose from. Economics provides powerful tools for deciding how one should best respond to the challenges of scarcity.

(13) _____ benefit of studying economics is that it can help students develop intuition which will allow them to make sense of the complex and interrelated world in which we live.

(14) _____ studying economics provides a great foundation for further studies in a number of academic disciplines such as history, geography, sociology, law, political science, finance – and even – biology.

- | | | | |
|-----|------------------------------------|-----------------------|--------------------|
| 1. | a) not only ... but | b) neither ... nor | c) both ... and |
| 2. | a) due to | b) while | c) besides |
| 3. | a) For these reasons
and more | b) in fact | c) On the one hand |
| 4. | a) Certainly | b) It should be noted | c) Similarly |
| 5. | a) argue | b) guess | c) claim |
| 6. | a) certainly | b) of course | c) as a result |
| 7. | a) not only ... but | b) as well as | c) either or |
| 8. | a) due to | b) because | c) but |
| 9. | a) however | b) finally | c) in particular |
| 10. | a) on the contrary | b) hence | c) in fact |
| 11. | a) in particular | b) notably | c) that is |
| 12. | a) first of all | b) secondly | c) above all |
| 13. | a) on the whole | b) another | c) last |
| 14. | a) It is generally
assumed that | b) As you can see | c) Finally |

Ex. 12. Rearrange the information below and make logical paragraphs using the linking words given above:

DESIRE OF MONEY: This law is not applicable in case of money with an increase in wealth man wants to get more and more.

DESIRE OF KNOWLEDGE: Some experts say that man wants to get more and more knowledge so the law can not be applied in this case.

USE OF LIQUOR: With the additional use of liquor like wine marginal utility also goes on increasing.

PERSONAL HOBBY: In case of hobby also this law can not operate. For example, as the collection of tickets increases, its utility also increases.

FASHION: Utility also depends upon fashion. If the fashion of any commodity changes, its utility drops down to zero. On the other hand if fashion exists then utility increases.

Ex. 13. Define the following economic terms and provide your own examples to illustrate them using transitional words from the lesson:

Economics Concepts

Total utility	Utility
Marginal utility	Utility vs. usefulness
Cardinal utility	Scale of preferences
Consumer behaviour	Law of Diminishing Marginal Utility

Ex. 14. Using transition words write a summary of about 200 words on the economic concept of utility.

Ex. 15. Translate into English paying attention to the linking words:

1. Згідно із загальною думкою, товари та послуги задовольняють наші потреби. Слід зазначити, однак, що один і той самий товар чи послуга по-різному задовольняє потреби різних людей, тобто корисність одного й того ж товару змінюється відповідно до людини, часу, чи міста. У кожного з нас є своя шкала пріоритетів, згідно з якою ми й вимірюємо цінність речей.
2. Економісти вимірюють цінність речей, вживаючи терміни «гранична корисність» та «сукупна корисність». Остання визначає загальне задоволення від споживання певної кількості товарів чи послуг. В той час як гранична корисність позначає задоволення від кожної окремої одиниці товару. Чим більше задоволення приносить товар споживачу, тим вище гранична корисність цього товару.
3. Кожен споживач прагне забезпечити максимальний рівень корисності та одержати настільки багато, наскільки це можливо. Таким чином, він змушений діяти в межах певних можливостей, тобто його можливості обмежені бюджетом, асортиментом товарів чи послуг та ін., споживач

повинен розподіляти свої можливості між кількома благами, щоб максимально задовольнитися.

4. Отже, корисність вказує на наявність взаємозв'язку між товаром чи послугою з одного боку та споживачем з другого боку. Цей економічний феномен вимірює цінність речей та є основою таких понять, як попит та пропозиція, і дає можливість пояснювати поведінку споживача в умовах дефіциту ресурсів.
5. Закон спадної граничної корисності стверджує, що з кожною наступною покупкою зменшується гранична корисність товару чи послуги та раніше чи пізніше прийде час, коли це задоволення буде менше ніж бажання витратити гроші. Слід зазначити, що цей економічний закон не діє, якщо ми маємо справу, наприклад, з грошима. Чим більше грошей ми одержуємо, тим більше ми бажаємо, тобто гранична корисність грошей постійно висока та не залежить від їх кількості.
6. Функція корисності обернено пропорційно пов'язана з кількістю товарів та таким чином впливає на формування споживчого вибору, іншими словами, – на пропозицію та попит, які в свою чергу формують пріоритети виробництва.

QUESTIONS FOR DISCUSSION

1. Knowing the Law of Diminishing Marginal Utility how can it affect your choice when making purchases?
2. Is the characteristic of a commodity to satisfy a want enough for buying it? Why? Why not?

VOCABULARY

English

according to
assign
assume
cardinal utility
be constrained

consume
consumer

Ukrainian

відповідно до
приписувати, вважати
вважати, припускати
кількісна корисність
бути змушеним;
обмеженим
споживати
споживач

consumer behaviour	поведінка споживача (поведінка людини, що пов'язана з рішеннями щодо покупки товарів та послуг)
consumption	споживання
current exchange rate	курс обміну валют
current price	поточна ціна
demand	попит
derive from	одержувати
determine	визначати, встановлювати
diminish (v.)	спадати, зменшуватися
gain (from)	одержувати, домагатися; здобувати
imply	мати на думці (на увазі); натякати; містити в собі; значити, мати значення
indicate	вказувати; означати, бути ознакою
inversely	обернено пропорційно
It is commonly assumed	згідно з загальною думкою
It should be noted	слід зазначити
Law of Diminishing Marginal Utility	закон спадної граничної корисності
make assessments	оцінювати, оцінити
marginal utility	гранична корисність
maritime	морський
nature	природа; характер
objections (to)	заперечення
phenomenon (pl.-a)	феномен, явище
priority	першочерговість, пріоритет
purchase (v)	купувати
quality	якість
rank (verb)	класифікувати, розташувати в певному порядку

rate	оцінювати
refer (to)	посилатися на к-н., на що-н.
relationship	взаємозв'язок
relevant	доречний; що стосується справи
be related to	бути пов'язаним с ч-н.
remain	залишатися
sacrifice	жертва
satisfaction	задоволення
scale of preferences	шкала переваг
state	стверджувати
supply	пропозиція
sweet tooth	пристрасть, слабкість до солодкого
thus	таким чином, отже
total utility	сукупна корисність
underlie	лежати (бути) в основі ч-н.
usefulness	користь; придатність
utility function	функція корисності
valuable	цінний
value	цінність
willingness	бажання

Unit 5 ECONOMIC RESOURCES



“If God had meant there to be more than 2 factors of production, he would have made it easier for us to draw three-dimensional diagrams”

PRE-READING

1. Answer the following questions:

1. What kind of resources is of greatest importance nowadays? Give your reasons.
2. What qualities are needed in an effective entrepreneur?
3. What resources must be combined in order to start a business? Provide examples.

2. Match these definitions with the word combinations below:

- | | |
|------------------|----------------------------------------------------------------------------------------------------------------------------------|
| 1. profit | a) the money invested in a business |
| 2. self-employed | b) the difference between the price received for a product and its cost (the price of the factors of production used to make it) |
| 3. capital | c) the working population |
| 4. labour force | d) a person who works for himself, and is not paid a salary by someone else |

3. Read the following text and check your answers:

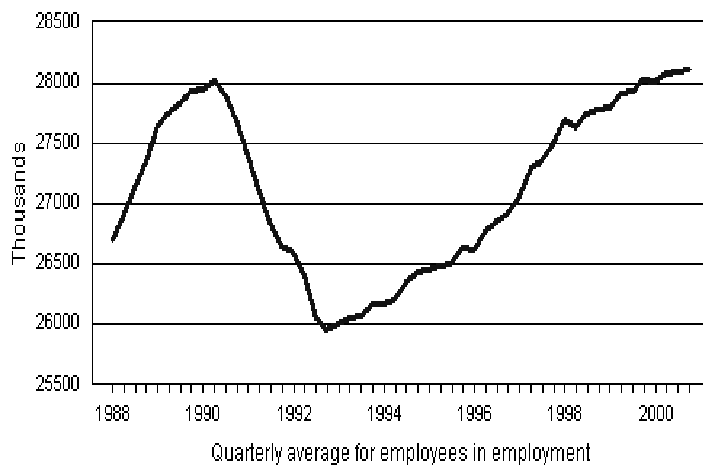
The production of goods and services requires resources. You can't get **output** without **inputs** of resources. Taking into account that economic resources are scarce relative to the **infinite** needs and wants of people and businesses **operating** in the economy, it is important to use these resources **efficiently** in order to maximise the **output** produced from them.

Economists traditionally divide inputs, or **factors of production**, into three classes: land, labour and capital.

To economists, land means a little more than just **real estate** or property. Land refers to the **natural resources** available for production and is used to produce things people want to consume. Land also includes the weather, plant and animal life, energy, etc. Some nations rich in natural resources **exploit** this by specialising in the **extraction** and production of these resources, for example – the development of the North Sea Oil and Gas, while others, resource-poor countries, have to constantly overcome the problem of resource scarcities to develop economically. There is only one major resource nowadays which is for the most part free – the air we breathe since its consumption by one person does not reduce the air available for others. The

rest are scarce, because there are not enough natural resources in the world to satisfy the demands of consumers and producers.

TOTAL EMPLOYMENT IN THE UK ECONOMY



Labour is the human input into the production process or in other words it is the work that people must do to produce things. All people who supply labour for the production of goods and services during a specified period including both the employed and the unemployed are called national labour force. In the UK, of about 59 million inhabitants,

only approximately 35 million are of working age (16–64 years for men and 16–59 for women), and of those about 28 million have paid jobs. The employment level for people in the UK economy is shown in the chart to the left.

As you can see there has been a steady increase in the employed labour force over the recent years, providing more labour resources with which to increase total output (GDP).

There are two important points to remember about labour as a resource:

- a housewife, a keen gardener and a DIY enthusiast do not get paid for their work so they produce non-marketed output and the output of these people is not included in Gross Domestic Product, and it is not therefore labour in the strict economic sense;

- not all labour is of the same quality. Some workers are more productive than others because of the education, training and experience they have received.

An important consequence is that skilled workers (high human capital) get paid more than unskilled workers (low human capital). Thus human capital refers to the quality of labour resources, which can be improved through investment in education, training and health.

Entrepreneurs are people who provide the initial ideas, organise other productive resources to make goods and services. Some economists regard entrepreneurs as a qualified labour input. Others believe that they deserve recognition as a separate factor of production. The success and/or failure of a business often depends critically on the quality of entrepreneurship. They risk their own resources in business ventures. They also organise the other 3 factors of production.

To an economist, capital has several meanings – including the finance raised to operate a business. But normally the term “capital” means investment in goods that can produce other goods in the future. Man-made machines, tools and structures, that aren’t directly consumed but are used to produce other things that people do, make up capital*. For example, a car that you drive for pleasure is a consumption good, whereas an identical car that you use to deliver bricks for your construction business

is capital. Capital includes factories, roads, machinery equipment, the Internet and so on. A modern industrialized economy **possesses** a large amount of capital, and it is **continually** increasing. **Increases to the capital stock** of a nation are called investment. Investment is important if the economy has to achieve economic growth **in the long run** [Tom McArthur. A Rapid Course in English for Students of Economics / Tom McArthur. – Oxford University Press, USA, 1997. – 138 p.; Peter Antonioni. Economics For Dummies / Peter Antonioni, Sean Masaki Flynn. ; [2nd Edition]. – Chichester : John Wiley & Sons, 2011. – 420 p.].



* **Fixed capital** includes **machinery, plant and equipment, new technology, factories and buildings** – all **man made** goods designed to increase the **productive potential** of the economy in future years.

We also include the **social capital** created from **Government investment spending**, i.e. the building of new schools, universities, hospitals and spending on **expanding** the national road network. **Working capital** includes stocks of finished and **semi-finished** goods (components, **raw materials**) that will be either consumed **in the near** or will be **made into** finished consumer goods [<https://www.investopedia.com/terms/f/fixed-capital.asp>].

Example: What resources go into making a car?

Focus on the main factor inputs:

Labour: Workers employed directly in the car industry; engineers, designers, paint sprayers, testers, management staff, transport & distribution workers, etc.

Land: Natural resources used in manufacturer, land for plant and equipment.

Capital: fixed capital: machinery, technology, buildings + working capital: i.e., stocks of raw materials and components.

Entrepreneurship (sometimes seen as a separate factor): management, risk-taker.

Ex. 1. Find the words or word combinations in the text to substitute the following:

- | | |
|----------------------------------|--------------------------------------------------------------------------|
| 1. about (not precise) | 11. individual |
| 2. make good use of | 12. have plenty of sth |
| 3. rely upon/on | 13. direct or control projects, businesses, etc. |
| 4. utilization of economic goods | 14. someone who organizes a business venture and assumes the risk for it |
| 5. make bigger or more | 15. consider |
| 6. seemingly boundless | 16. the action of taking out sth |
| 7. prepared or made artificially | |
| 8. the things produced | |
| 9. to own | |
| 10. acknowledgement | |

Ex. 2. Say whether these statements true (T) or false (F), and if they are false say why.

1. _____ Capital refers to the machines, roads, factories, schools and office blocks which human beings have produced in order to produce other goods and services.
2. _____ Labour represents the human effort needed to transform physical resources into consumer products.
3. _____ Capital represents only the monetary items used to produce goods or services.
4. _____ The entrepreneur carries no risks associated with turning his idea into a business.
5. _____ No nation is usually limited in the amount of physical resources they can produce in their economy.
6. _____ Workers are usually compensated for their services when companies pay wages.
7. _____ Natural resources include land, timber, fisheries, farms and other similar items.
8. _____ Labour doesn't differ in quality.

Ex. 3. Look through the text again and give Ukrainian equivalents to the following English words and word combinations:

- | | |
|---------------------------------|-----------------------------|
| 1. capital stock | 9. fixed capital |
| 2. factor inputs | 10. achieve economic growth |
| 3. employed labour force | 11. productive resources |
| 4. natural resources | 12. employment level |
| 5. in the strict economic sense | 13. working capital |
| 6. opportunity cost | 14. in the long run |
| 7. of about 5 inhabitants | 15. paid job |
| 8. semi-finished | 16. consumption good |

Ex. 4. Look through the text again and give English equivalents to the following Ukrainian words and word combinations:

- | | |
|-------------------------------------|-------------------------------|
| 1. державні витрати на інвестиції | 9. розробляти (родовища) |
| 2. покращувати за допомогою | 10. постійне збільшення |
| 3. перетворити на | 11. працездатний вік |
| 4. валовий внутрішній продукт | 12. безперестанку |
| 5. працювати, керувати | 13. видобуток |
| 6. безкоштовні товари | 14. підприємець |
| 7. сировина | 15. штучні |
| 8. суб'єкт господарської діяльності | 16. у найближчому майбутньому |

Ex. 5. Complete the following sentences with words or word combinations from the text:

The factors of production are resources that are the building blocks of the economy; they are what people use to produce (1)_____ and services. Economists divide the factors of (2)_____ into four categories: land, labour, capital, and entrepreneurship.

The first factor of production is (3)_____, but this includes any natural resource used to produce goods and services. This includes not just land, but anything that comes from the land. Some common land or natural resources are water, oil, copper, natural gas, coal, and forests. These resources can be renewable, such as forests, or non-renewable such as oil or natural gas. The (4)_____ that resource owners earn in return for land resources is called rent.

The second factor of production is labour. Labour is the (5)_____ that people contribute to the production of goods and services. Labour resources include the work done by the waiter who brings your food at a local restaurant as well as the engineer who designed the bus that transports you to some place. It includes an artist's creation of a painting as well as the work of the pilot flying the airplane overhead. If you have ever been paid for a job, you have contributed labour resources to the (6)_____ of goods or services. The income earned by labour resources is called wages and is the largest source of income for most people.

The third factor of production is (7)_____. Think of capital as the machinery, tools and buildings humans use to produce goods and services. Some common examples of capital include hammers, conveyer belts, computers, and delivery vans. Capital differs based on the worker and the type of work being done. For example, a doctor may use a stethoscope and an examination room to (8)_____ medical services. Your teacher may use textbooks, desks, and a whiteboard to produce education services. The income earned by owners of capital resources is interest.

The fourth factor of production is entrepreneurship. An entrepreneur is a person who combines the other factors of production – land, labour, and capital – to earn a profit. The most successful (9)_____ are innovators who find new ways to produce goods and services or who (10)_____ new goods and services to bring to market. Without the entrepreneur combining land, labour, and capital in new ways, many of the innovations we see around us would not exist. Think of the entrepreneurship of Henry Ford or Bill Gates. Entrepreneurs are a vital engine of economic growth helping to build some of the largest firms in the world as well as some of the small businesses in your neighbourhood. Entrepreneurs thrive in economies where they have the freedom to start businesses and buy resources freely. The payment to entrepreneurship is profit [<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-2-factors-of-production>].

Ex. 6. Make the words negative by using the prefix dis-:

EXAMPLE: *satisfaction* □ *dis* + *satisfaction* = *dissatisfaction*

ability

connect

approve

engaged

comfort

obey

pleasure

agree

qualify

Ex. 7. Combine these sentences by using *not only ... but also*. This combination creates a contrast.

EXAMPLE: Money is a means of exchange. Money is a means of measuring men's labour. □ *Money is not only a means of exchange, but also a means of measuring men's labour.*

1. The economic activity is the sum-total of our individual economic activities. The economic system is the general situation that influences our individual activities.
2. This scheme is acceptable to both the management and the trade unions.
This scheme has the government approval.
3. The factory is producing less every year.
The factory is losing valuable workers.
4. The government has set up a new economic commission.
The government has begun to consider a change in the law very seriously.
5. The situation interests economists considerably.
The situation has certain features that make it highly unusual.

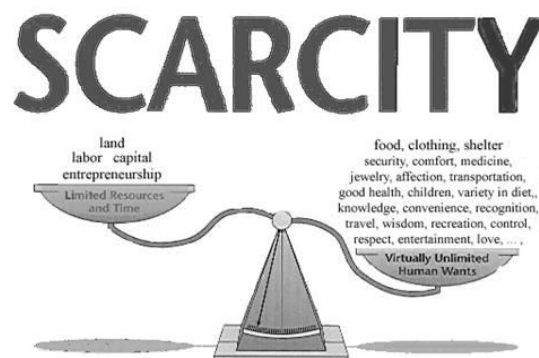
Ex. 8. Translate into English.

1. Фактори виробництва – ресурси, необхідні для виробництва товарів або послуг. Класичними факторами виробництва є робоча сила (всі розумові та фізичні здібності людей), земля (природні багатства), капітал (наявні, вироблені засоби виробництва, а також фінансовий капітал). Четвертим фактором вважається підприємливість, яка об'єднує попередні три фактори.
2. Робоча сила як фактор виробництва є фізичною та інтелектуальною діяльністю людини, спрямованою на виробництво економічних благ і надання послуг. Цей фактор характеризується такими показниками: загальною чисельністю працездатного населення, чисельністю зайнятих у різних сферах економічної діяльності, рівнем освіти, кваліфікацією робочої сили, продуктивністю праці тощо.
3. Земля як фактор виробництва включає в себе саму землю, а також лісові й водні ресурси та інші природні багатства, що використовуються у виробничому процесі. Природні ресурси – це все те, що людина бере з природи і за допомогою своєї праці перетворює на продукт задоволення власних потреб.
4. Капітал – це всі засоби виробництва, створені людиною: приміщення, обладнання, матеріали, а також кошти, тобто грошовий капітал, призначений для організації виробництва. Капітал може бути представлений машинами, станками, обладнанням, спорудами, транспортними засобами, сировиною, матеріалами, які задіяні у процесі виробництва. Крім того, капітал виступає у вигляді певної суми грошей, необхідної підприємцю, який розпочинає свою діяльність, для придбання засобів виробництва та наймання робочої сили.
5. Підприємницькі здібності – особливий, специфічний фактор виробництва, що відображає діяльність людини стосовно поєднання та ефективного

використання всіх інших факторів виробництва з метою створення благ та послуг.

6. Всі економічні ресурси (фактори виробництва) мають одну загальну властивість: вони або рідкісні, або наявні в обмеженій кількості. Внаслідок цього обмежені і обсяги виробництва товарів та послуг, тому суспільство в кожний даний момент не в змозі виготовити і спожити весь обсяг споживчих благ, який воно хотіло б отримати.

Ex. 9. Using the picture and the text below speak about the problem of scarcity in economics. Provide examples where possible.



Goods and services are scarce because the factors of production used to produce them are scarce. In case you have forgotten, scarcity is described as limited quantities of resources to meet unlimited wants. Consider a pair of denim blue jeans. The denim is made of cotton, grown on the land. The land and water used to grow the cotton is limited and could have been used to grow a variety of different crops. The workers who cut and sewed the denim in the factory are limited labour resources who could have been producing other goods or services in the economy. The machines and the factory used to produce the jeans are limited capital resources that could have been used to produce other goods. This scarcity of resources means that producing some goods and services leaves other goods and services unproduced [<https://www.stlouisfed.org/education/economic-lowdown-podcast-series/episode-2-factors-of-production>].

VOCABULARY

English	Ukrainian
achieve economic growth	досягти економічного зростання
approximately	приблизно
business venture	венчурний бізнес
capital stock	основний капітал
construction business	будівельна компанія
consumption	споживання
consumption good	споживчий товар

consequence	наслідок
continually	безперестанку
critically	важливо, критично
depend on	залежати від
deserve sth	заслужувати
efficiently	ефективно
employed labour force	зайнята робоча сила
employment level	рівень зайнятості
entrepreneur	суб'єкт господарської діяльності
entrepreneurship	підприємець
expand	розширювати
experience (n)	досвід
exploit (v)	розробляти
extraction	родовище
factor inputs	витрати факторів виробництва
fixed capital	основний капітал
free good	безкоштовні товари
Government investment spending	державні витрати на інвестиції
Gross Domestic Product (GDP)	валовий внутрішній продукт
human capital	людський капітал
improve through	покращувати за допомогою
in the long run	в кінцевому рахунку
in the near	у найближчому майбутньому
in the strict economic sense	в суворо економічному сенсі
increase (n) to infinite	збільшення до нескінченний, незліченний, неосягнений
initial idea	первісна ідея
machinery	техніка, устаткування
make into	перетворити на
man made	штучні
national labour force	національна робоча сила
natural resources	природні ресурси
non-marketed output	неринкові товари
of about 5 inhabitants	з приблизно 5 мешканців
operate	працювати
operate a business	управляти бізнесом

opportunity cost	витрати невикористаних можливостей
output	продукція
paid job	оплачувана робота
possess	володіти
productive potential	виробничий потенціал
productive resources	виробничі ресурси
raised capital	залучений капітал
raw material	сировина
real estate	нерухомість
recognition	визнання
regard as	вважати
semi-finished	напівфабрикат
separate (adj)	окремий
social capital	соціальний капітал
success	успіх
training	навчання; підготовка
working age	працездатний вік
working capital	оборотний капітал



Unit 6 SUPPLY AND DEMAND

PRE-READING

1. Match these definitions with the words they define:

- | | |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------------|
| 1. glut | a) the amount of something that can be produced and made available for people to buy; |
| 2. demand | b) the situation in which there is too much of something, especially goods or raw materials, so that not all of it can be sold or used; |
| 3. supply | c) the quantity of a good that people will buy at any time depending on its price. |

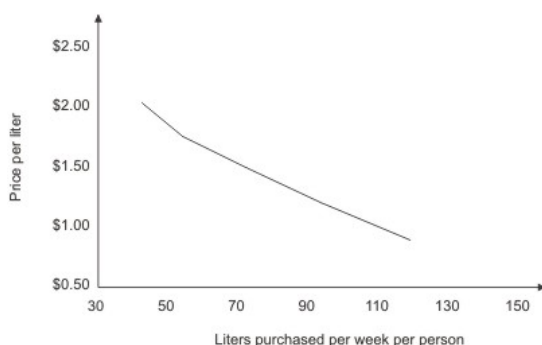
READING

2. Read the following text and check your answers:

Almost every holiday season the most popular “**must have**” thing is **in short supply**. And there is usually a **strong secondary market** for the item – with people paying well over the **retail price** just to make their close people happy. Then, in January, stores reduce the prices of their remaining holiday items – cards, decorations, and so on.

Why do people and stores behave this way? The answer is in the **laws of supply and demand**.

After all, we all have limited resources, and we all have to decide what we’re willing and able to purchase and at what price. Demand is defined as the **quantity** demanded at any given price over some **given period of time**. With very few exceptions, the quantity of the demanded good increases as the price decreases.



As an example, let’s look at a simple model of the demand for petrol. If the price of petrol is £2.00 per litre, people may be willing and able to purchase 50 litres per week, **on average**. If the price drops to £1.75 per litre, they may be able to buy 60 litres. At £1.50 per litre, they may be prepared to purchase 75 litres. Note that while some petrol usage is essential – driving to work, for example –

some is optional. Therefore, as petrol prices drop, people may choose to make more optional trips during weekends, etc.

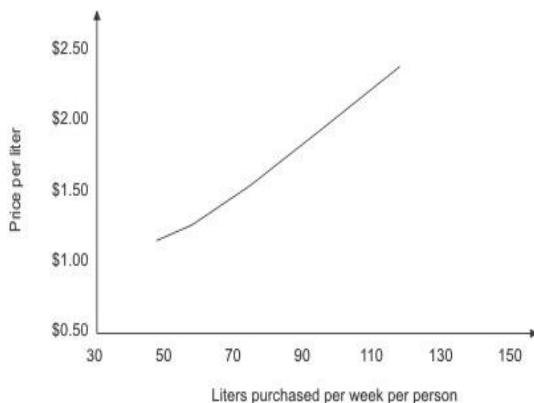
So there is an “**inverse**” **relationship** between price and quantity demanded. When you draw the relationship, you get a **downward-sloping line**, like the one above. The

Law of Demand states, '**Other things being equal**, more will be demanded at lower prices than at higher prices.'

While demand explains the consumer side of purchasing decisions, **supply** relates to the producer's desire to **make a profit** and is defined as the quantity of a commodity which is supplied at any given price over some given period of time.

The matter is that suppliers tend to have different **costs of production**: only the most **efficient** producers can make a profit at a low price. At a high price, even high cost producers can make a profit, so high prices encourage producers to make more while consumers will stop buying their goods sooner or later. This can lead to **over-production** and a **glut** on the market which may cause prices to **fall** sharply.

Figure 2: Supply of Gasoline



On the other hand, if prices fall either locally or throughout the world, producers will reduce their production which will result in a **shortage** of goods on the market. This may mean serious difficulties for manufacturers, and may **cause them to go out of business completely**.

Because suppliers want to provide their products at high prices, and consumers want to **purchase** the products at low prices, there is a "**direct**" **relationship** between the price and supply of goods. The supply curve shown above has an **upward slope** and demonstrates how the

Law of Supply works: "More will be supplied at higher prices than at lower prices."

Let's go back to our petrol example. If oil companies try to sell their petrol at £2.15 per litre, do you think they'll sell as much? Probably not. Yet, if oil companies lower the price to £1.20 per litre, consumers will be very happy, but will there be enough profit? And **furthermore**, will there be enough supply to **meet** the higher **demand** by consumers?

To answer all these questions and determine the price and quantity of goods in the market, we need to find the price point where consumer demand **equals** the amount that suppliers are willing to supply. This is what the economists call **the market "equilibrium"** [Tom McArthur. A Rapid Course in English for Students of Economics / Tom McArthur. – Oxford University Press, USA, 1997. – 138 p.; https://www.mindtools.com/pages/article/newSTR_69.htm].



Price elasticity also affects supply and demand. This term is used to see how sensitive the supply/demand of a good is to a price change. The higher the price elasticity, the more sensitive producers and sellers are to price changes. A very high price elasticity suggests that when the price of a good goes up, sellers will supply a great deal less of the good and when the price of that good goes down, sellers will supply a great deal more. A very low price elasticity implies just the opposite, that changes in price have little influence on supply/demand.

PRACTICE

Ex. 1. Find the words or word combinations in the text to substitute the following:

- | | |
|---------------------------------|---------------------------------------------------------|
| 1. to buy | 9. at the beginning |
| 2. a gain, benefit | 10. something pleasant and satisfying |
| 3. make (smb) realize the truth | 11. functioning effectively |
| 4. to the full or entire extent | 12. extreme excess |
| 5. deficit | 13. a price for a commodity sold in small quantities |
| 6. in addition | 14. sensitivity of demand for goods to changes in price |
| 7. inspire with confidence | |
| 8. make sb do sth (cause) | |

Ex. 2. Answer the questions:

1. What does the word 'Demand' refer to?
2. What does a rise in prices encourage?
3. What does the Law of Demand state?
4. What is the definition of 'Supply'?
5. How do market prices affect the amount of goods produced?
6. What does a fall in prices cause?
7. What does the Law of Supply state?
8. What examples can illustrate the laws of Supply and Demand?
9. What is important point for firms?

Ex. 3. Say whether these statements are true (T) or false (F), and if they are false say why.

1. _____ Supply does not refer to the amounts which traders are prepared to sell.
2. _____ Prices for "must have" are constantly high.
3. _____ Our decisions on how to use our money show what we need most and what we are willing to do without.
4. _____ The laws of Supply and Demand deal only with people's needs and wants.
5. _____ When people offer money for particular goods, they show that demand exists.
6. _____ Prices and quantity do not effect each other.
7. _____ Changes in prices lead to a change in the quality of a commodity.
8. _____ When there is a glut on the market, demand decreases and prices fall.
9. _____ Over-production encourages producers to make more of the commodity.
10. _____ According to the Law of Supply, a rise in prices tends to reduce people's needs and wants.

Ex. 4. Look through the text again and give Ukrainian equivalents to the following English words and word combinations:

- | | |
|--------------------------|---------------------------------|
| 1. supply | 8. furthermore |
| 2. convince of | 9. market equilibrium |
| 3. “direct” relationship | 10. upward slope |
| 4. a “must have” | 11. scale of preferences |
| 5. in response to | 12. strong secondary market for |
| 6. inelastic | 13. glut |
| 7. law of demand | 14. other things being equal |

Ex. 5. Look through the text again and give English equivalents to the following Ukrainian words and word combinations:

- | | |
|--------------------------|--------------------------------|
| 1. виробничі витрати | 8. користуватися правом вибору |
| 2. спадна лінія | 9. бути дефіцитом |
| 3. за даний час | 10. надвиробництво |
| 4. спочатку, перш за все | 11. зворотна залежність |
| 5. закон пропозиції | 12. купувати |
| 6. задовільняти попит | 13. заохочувати |
| 7. загальний попит | |

Ex. 6. Complete the following sentences with words or word combinations from the text:

- _____ is elastic when a small price _____ has a relatively large effect on the amount supplied.
- Sometimes it takes long to _____ your production to market conditions.
- _____ of any commodity can create difficulties.
- _____ to your letter I inform you that your order has been received.
- Supply is elastic when the amounts _____ for sale can be easily and quickly _____.
- _____ they are good suppliers but on the other they are bad payers.
- This commodity glut _____ many difficulties in the economy of the country.

Ex. 7. Change these sentences using the auxiliary verbs *do* or *did*. These verbs are used for *emphases*.

EXAMPLE: 1. These goods and services have a value.

These goods and services **do** have a value.

2. The people went to city to find work.

The people **did** go to the city to find work.

- These factors have an effect upon the economic system.
- The management tried to change the methods.
- The representatives of the employers and employees met last week.
- The decision made by the trade unions affects everyone in the industry.

5. Short-term economic anarchy has a bad effect on longterm stability and investment.
6. The surplus money provided capital for a new building scheme.
7. Stable conditions led to an improvement in the general state of the economy.
8. The government encourages new commercial enterprises.
9. A change in government usually means a change in policy.
10. The minister wanted to make a fundamental change in the national policy.

Ex. 8. Below are pairs of the sentences. In the first sentence there is a verb in italics. In the second sentence there is a blank. Make the italicized verb into a noun in order to fill the blank.

EXAMPLE: *manage* □ *manage* + *ment* □ *management*

1. It is sometimes necessary to *adjust* the quantity of goods flowing on to the market. This _____ is made according to market conditions.
2. He *arranged* the committee meeting. His _____ were very efficient.
3. The government *encourages* private enterprise. Their _____ sometimes takes the form of financial help.
4. Some economists are interested in *measuring* changes in the price of essential commodities. This _____ extends over a period of years.
5. The management tried to *assess* the amount of money needed for the plan. The _____ was to be made by a special committee.
6. He decided to *invest* his capital in the new enterprise. His _____ might be very profitable.

Ex. 9. Many words are formed by adding -able. Do the exercise.

EXAMPLE : Fruit can perish. □ *Fruit is perishable.*

NOTE that *can* is not always necessary in the first sentence.

1. The plan can work.
2. Market conditions can change.
3. Economic conditions can vary.
4. These policies suit (us).
5. Those products have a value.
6. Some investments make a profit.

Ex. 10. Supply the missing articles where necessary:

EXAMPLE: There is _____ supply of steel. _____ supply of steel is increasing.

There is a supply of steel. The supply of steel is increasing.

1. There is _____ shortage of bananas. _____ shortage of bananas will continue for some weeks.

2. There has been _____ change of government. _____ change in government will probably mean a change of policy. _____ change of policy may lead to _____ short period of instability. _____ short period of instability could create _____ feeling of insecurity.
3. The speaker suggested _____ special commission to study economic conditions. He said that _____ special commission should examine all aspects of national economic life. _____ commission should investigate _____ demands of _____ workers and _____ conditions under which they work. It should also hear _____ views of _____ employers. Such _____ commission would render _____ very valuable service to _____ nation.

Ex. 11. Translate into English.

1. Досвід країн, у яких функціонує ринкова економіка, свідчить, що вона являє собою механізм, який працює ефективно, і важливими елементами цього механізму є попит і пропозиція. Взаємодія попиту і пропозиції формує ціни на товари та послуги.
2. Кількість благ та послуг, які споживачі бажають та мають можливість придбати на даний момент та в даному місці, зветься попитом. Попит залежить не тільки від ціни, але й від кількості того товару на ринку. Щоб на ринку не було затоварювання, виробники контролюють кількість товару на ринку та пристосовують його до ринкових вимог. З одного боку, перевиробництво призводить до падіння цін та примушує виробників закривати свої підприємства, з іншого – це більше влаштовує покупців.
3. Пропозиція – це кількість продукту, яку виробники бажають та мають можливість поставити на ринок за певний період часу. Більш висока ціна стимулює підвищення пропозиції. Економісти розрізняють пропозицію окремих товарів, певної групи товарів і сукупну пропозицію. Суть закону пропозиції полягає в тому, що зростання цін зумовлює збільшення пропозиції товарів і, навпаки, зниження цін на товари веде до зменшення їх пропозиції.
4. Ціна попиту – це максимальна ціна, яку споживачі готові запропонувати за певний товар. Зниження ціни веде до відповідного збільшення попиту (за інших незмінних умов). Між ціною товару та обсягом його пропозиції існує пряма залежність. Чим вищою є ціна на товар, тим більшу його кількість постачальники готові запропонувати, оскільки від цього залежить їхній прибуток. Споживачі ж купують речі згідно зі своєю шкалою переваг, де перше місце займають товари першої необхідності, далі – предмети розкоші.
5. Ціни на нафту впали в цьому регіоні та по всьому світу, тому виробники продають свою продукцію за низькими цінами, за винятком тих видів палива, які не користуються попитом. Вони змушені запропонувати до продажу увесь запас свого товару, навіть якщо це не покриє їх витрати.

QUESTIONS FOR DISCUSSION

1. For each pair of commodities, state which you think is the more price elastic and give your reasons: perfume and salt; penicillin and ice-cream; cigarettes and books; ice-cream and chocolate ice-cream.
2. What will a rise in price do to total revenue when demand is elastic or inelastic? What will higher quantity do in these cases?

Extend the idea.

1. Demand is very essential for a firm's prosperity.
2. We exercise our choice according to our scale of preferences.
3. Even small changes in prices have effects on demand.

VOCABULARY

English

on average

be in short supply

cause (v)

completely

convince

costs of production

“direct” relationship

downward-sloping line

efficient

elasticity

encourage

exercise one's choice

fall (v)

furthermore

at given period of time

glut

in response to

inelastic

initially

“inverse” relationship

law of demand

law of supply

luxuries

Ukrainian

в середньому

бути дефіцитом

викликати

повністю

запевнювати

виробничі витрати,
собівартість

пряма залежність

спадна лінія

ефективний, дієвий,

продуктивний,

кваліфікований,

еластичність

заохочувати

користуватися правом

вибору

падати

більш того, до того ж

за даний час

перенасичення

у відповідь на

нееластичний

спочатку, перш за все

зворотна залежність

закон попиту

закон пропозиції

предмети розкоші

make a profit	отримувати прибуток
market equilibrium	ринкова рівновага
meet the demand	задовільняти попит
a “must have”	те, що треба обов’язково мати
other things being equal	за інших рівних умов
over-production	надвиробництво
purchase (v)	купувати
scale of preferences	шкала переваг
shortage	дефіцит, нестача
strong secondary market	сталий вторинний ринок
for	
total demand	загальний попит
upward slope	нахил вгору

Unit 7 MARKET STUDIES



*The market controls everything,
but the market has no heart.
Anita Roddick*

PRE-READING

1. Match the following dictionary definitions from column A with the appropriate type of market from column B:

- | A | B |
|----------------------------------------------|------------|
| 1. small food shops | a) covered |
| 2. sheltered markets | b) mini |
| 3. market places in the open air | c) flea |
| 4. markets that sell cheap second-hand goods | d) outdoor |

2. Working in pairs, discuss how markets have changed for the last century. Give examples and spot as many differences as you can.

READING

Read the text and check your answer:

In the modern economy, most economic activity takes place in **markets**, places where buyers and sellers come together **to trade money for** a good or service, i.e. **make transactions**. A market doesn't have to be a physical place; in fact, many markets nowadays are fully **computerised** and exist only in **cyberspace** (such as the world sugar market or online music stores, etc.). Such a market is simply a **set of conditions, permitting** buyers and sellers to work together. Each commodity market is **subject to** special conditions and **differ from** one another **in** a number of participants, nature of products and in ways of entering the market but they all tend to behave in the same way, which means we can study markets in general instead of having to study each one separately.

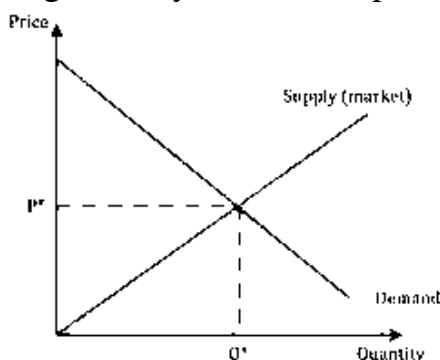


Figure 1 shows a demand **curve** and a supply curve on the same **axes**. We **label** the **market price** and **market quantity** as P^* and Q^* , **respectively**. What makes this price and this quantity special is that at price P^* , the quantity that buyers demand is **equal to** the quantity that producers want to supply, i.e. the quantity demanded equals the quantity supplied.

Economists use the model of the **equilibrium** of supply and demand to show how markets determine the market price and the market quantity (the prices and amounts of goods and services sold respectively).

This **inherent** stability is great because it means that markets are **self-correcting**, and when you know where the demand and supply curves are, you know where prices and quantities are going to end up. The **market participants** – buyers and sellers – **move** the market **towards** equilibrium without the need for any outside **intervention**, such as **government regulations**.

Remember though that governments often **interfere** in the market **to prevent** the market equilibrium **from** being reached. Such interventions happen because politically **influential** buyers think the market price is too high, or because politically influential sellers think the market price is too low. Sometimes the government **intervenes in** a market **to ensure** that the price stays below the **market equilibrium price**. It should be noted that prices below the **market equilibrium** normally rise, and therefore these policies are called **price ceilings**, because they prevent the price from rising too high. Prices **hit the ceiling** and then go no higher. The opposite sort of **market intervention** happens when the prices seem to be too low and there is **excess supply** on the market. To prevent the price from falling, the government **steps in** and **buys up** the excess supply to keep the price above its market equilibrium value. (*Go to p. 126 to read more on this*).

Classical economists developed the theory of perfect competition where **perfect competition** is the market where there is a large number of buyers and sellers, freedom to enter and leave markets, a complete flow of information, etc. Perfect competition exists when many firms within a given industry are all producing identical (or nearly identical) products using identical production technology. Every firm is a **price taker**, i.e. has to accept the market equilibrium price for what it produces – because its **output** is a very small **fraction** of the industry's **total output**.

Though there is no actual perfectly competitive market in the real world, a number of **approximations** exist: e.g. a large range of identical goods with all potential buyers and sellers present; a **stock exchange** resembles this by design but no markets may satisfy all requirements of the model. Anyway it is necessary to **build** such models **up** as they provide a **gold standard** against which we **judge** about all other economic institutions [Peter Antonioni. Economics for Dummies / Peter Antonioni, Sean Masaki Flynn. ; [2nd Edition]. – Chichester : John Wiley & Sons, 2011. – 420 p.].

PRACTICE

Ex. 1. Find the words or word combinations in the text to substitute the following:

1. share
2. define
3. rivalry
4. to make up
5. movement
9. under the influence of
10. to keep from happening
11. existing as an inseparable part
12. capable of regulating itself without external aid

- | | |
|-----------------------|-----------------------------------------------------------------------------|
| 6. allowing | 13. a line representing statistical data,
on a graph |
| 7. to exchange | |
| 8. a state of balance | 14. when operations within a system are
performed by means of a computer |

Ex. 2. Using the information in the text say whether the following statements are true or false:

1. _____ The ancient idea of a geographically fixed marketplace has been extended to cover a set of conditions, which permits buyers and sellers to work together.
2. _____ Markets vary in location, types, geographic range and size and tend to behave in different ways too.
3. _____ The model of equilibrium of supply and demand is used by economists to study real markets.
4. _____ Market transactions made by both buyers and sellers tend to destroy the market equilibrium.
5. _____ Government may set up price ceilings to keep market prices low.
6. _____ Competition in a perfect market is conducted in a completely free way and numerous buyers and sellers enjoy easy communications.
7. _____ There are no perfect markets in practice but economists need them to keep balance between supply and demand curves in real world markets.
8. _____ The lowest price which buyers will offer is the only price in a perfect market.

Ex. 3. Answer the questions:

1. What is the difference between the original and modern ideas of the market?
2. What is necessary to create a market?
3. Why is each commodity market subject to special conditions?
4. How can you prove that any market is a self-correcting system?
5. What measures do governments take to regulate market prices?
6. What is a perfect market like? Provide your own examples.
7. What conclusions can economists make studying the model of perfect competition?

Ex. 4. Look through the text again and give Ukrainian equivalents to the following English words and word combinations:

- | | |
|--------------------------|-------------------------|
| 1. to trade smth for | 9. make transactions |
| 2. respectively | 10. stock exchange |
| 3. total output | 11. expedient |
| 4. inherent | 12. approximation |
| 5. price ceilings | 13. flow of information |
| 6. requirement | 14. judge |
| 7. axis | 15. to equal |
| 8. production technology | 16. market equilibrium |

Ex. 5. Give English equivalents to the following words and word combinations from the text:

- | | |
|-----------------------|---------------------------------------------------------------------|
| 1. встановлювати ціни | 10. такий що задовольняє |
| 2. частка | 11. державне регулювання |
| 3. наближена версія | 12. еталон |
| 4. крива (лінія) | 13. різко зростати (про ціни) |
| 5. розрізняти | 14. маркувати; мітити |
| 6. чиста конкуренція | 15. економічний суб'єкт, який не справляє впливу на ціну (на ринку) |
| 7. набір умов | 16. надлишок пропозиції |
| 8. кіберпростір | |
| 9. рівноважна ціна | |

Ex. 6. Complete the following sentences with words or word combinations from the text:

1. When most people think of a _____, they think of a physical place, like their neighborhood supermarket, complete with shoppers and shelves stocked with a wide range of goods.
2. In economics, however, a market need not be a physical location. Where you have _____ and _____ of a particular product or service, you have a _____.
3. Producers have fixed too high prices, i.e. hit the _____ so the government will _____ to set up the market _____.
4. Market conditions permitting market _____ to make _____ depend on its location and economic situation in the country.
5. Though prices are _____ to sudden increases the conditions of the market are flexible so that the market can adjust to any changes and does not require any government _____.
6. The equilibrium of price and quantity happen where the demand _____ crosses the supply _____.

Ex. 7. Complete the following sentences with prepositions where necessary:

1. Monopoly and perfect competition differ _____ one another _____ many factors.
2. In a market economy a very strict competition takes place _____ buyers and sellers _____ the market.
3. Modern markets create such conditions that make hard for a new product to enter _____ a market.
4. The market equilibrium price shows that everyone who wants to buy _____ that price can do so, whereas everyone who wants to sell _____ that price can also do so.
5. Unless we introduce any outside forces demand and supply curves always move _____ the market equilibrium.

6. In case there is excess supply the government steps _____ and buys it all _____.
7. Supply and Demand model serves _____ the gold standard _____ which the market conditions are judged.

Ex. 8. Extend the idea:

1. On the one hand each commodity market is unique but on the other hand there is a general tendency that can be studied...
2. The government interferes to control prices...
3. Perfect competition is an ideal market structure...

Ex. 9. Translate into English:

1. Ринок – це реальне (фізичне) місце, де споживач має змогу купити або продати товари і послуги, тобто здійснити економічну діяльність, що пов'язана з обміном товарів і послуг на гроші. В такому вигляді ринок існує віртуально (у кіберпросторі), і всі операції комп'ютеризовані. Кожен ринок піддається особливим умовам і може відрізнитися кількістю учасників ринку, типом товарів і послуг і способами виходу на ринок.
2. Використовуючи модель рівноваги попиту і пропозиції, економісти вивчають можливі відхилення в ту або іншу сторону. Крім того, це дозволяє їм визначити ринкову ціну і кількість товарів на ринку в певний період. Коли ці показники перетинаються на кривій попиту і кривій пропозиції, можна говорити про рівновагу ринку.
3. Слід зазначити постійну тенденцію ринку до стабільності і саморегулювання, а будь-яке втручання уряду вважається небажаним.
4. В роки Другої світової війни в Англії ціна на масло дорівнювала 1,2 дол. за фунт. З однієї сторони, швидкий ріст цін на масло сприяв розвитку інфляції, з іншої – виключав із числа покупців масла сім'ї з низьким доходом. Тому з метою запобігання інфляції і з метою збереження масла на столах бідняків, уряд встановив потолок ціни на рівні 0,90 дол. Слід зауважити, що потолок ціни має сенс тоді, коли він є меншим рівноважної ціни, оскільки ціна в 1,50 дол. за фунт не дала б позитивного результату.
5. Нижній рівень ціни – мінімальна ціна, що встановлюється урядом і перевищує ціну рівноваги. Вона переважно застосовується в таких випадках, коли суспільству здається, що вільне функціонування ринкової системи не здатне забезпечити достатній рівень доходів певним групам постачальників ресурсів чи виробникам. Законодавство про мінімальний рівень зарплати, а також підтримка цін на сільськогосподарську продукцію – два найкращі приклади.
6. Хоча досконала конкуренція є швидше абстрактною моделлю, її аналіз дозволяє не лише зрозуміти, як формується поведінка фірм на ринку і як в

цілому функціонує ринкова економіка, але й порівняти «ідеальний» ринок з реальним.

7. Вільний вхід на ринок заважає фірмам отримувати економічні прибутки в довгостроковому плані. Цей же процес діє й у зворотному напрямі: коли попит на ринку знижується після досягнення рівноваги, фірми залишають ринок, оскільки скорочення попиту робить неможливим покриття економічних витрат.

VOCABULARY

English

approximation

axis (n., pl.axes)

be equal to smth

be subject to special conditions

build smth up

buy up

computerised

corner the market

curve

cyberspace

differ from smth/smb in smth

distinguish

to ensure

equal smth

excess supply

expedient

fix prices

flow of information

fraction

gold standard

government regulation

gratifying

hit the ceiling

influential

inherent

Ukrainian

наближення (наближена версія)

вісь

рівнятися; дорівнювати

підпадати під особливі умови; зазнавати особливих умов

створювати, складати

скуповувати

комп'ютеризований

монополізувати ринок

крива (лінія)

кіберпростір

відрізняти, відрізнити, розпізнавати, розпізнати

відрізняти

для забезпечення

рівнятися; дорівнювати

надлишкова пропозиція;

надлишок пропозиції

доцільний

встановлювати ціни

потік інформації

частка

золотий стандарт; еталон

державне регулювання;

державні постанови

приємний, такий що

задовольняє

різко зростати (про ціни)

впливовий

властивий, притаманний

interfere in	втручатися
intervene in	втручатися
judge	судити; оцінювати; скласти собі думку
label	маркувати; мітити
make transactions	здійснювати операції
market conditions	ринкові умови
market equilibrium	ринкова рівновага
market equilibrium price	рівноважна ціна (ціна, що забезпечує ринкову рівновагу)
market intervention	ринкова інтервенція
market participant	учасник ринку
market price	ринкова ціна
output	продукція; виробництво; обсяг виробництва
perfect competition	чиста конкуренція
permit	дозволяти
price ceiling	максимальна ціна; максимальний випуск продукції тощо
price taker	економічний суб'єкт, який не справляє впливу на ціну (на ринку)
requirement	вимога; необхідна умова; потреба
respectively	стосовно кожного зокрема; відповідно, у вказаному порядку
self-correcting	саморегулювальний
set of conditions	ряд умов
step (v) (in)	втручатися
stock exchange	фондова біржа
to prevent from	заважати, перешкоджати (чомуś)
to trade smth for	обмінювати що-н. на
total output	валова продукція



Unit 8 MARKET STRUCTURES

“We don’t have a monopoly. We have market share. There is a difference.”
Steve Ballmer, the CEO of Microsoft
(2000–2014)

PRE-READING

1. Work as a group. Look at the company logos given below and answer the following questions:

- What do you know about these companies?
 (location, products, etc.)
- What do they all have in common?




Microsoft





ГП НЭК «Укрэнерго»







READING

Read the text and identify the types of monopolistic arrangements that those companies present:

In some markets there may be only one seller or a very limited number of sellers working very closely together to control prices. Such a situation is called a ‘monopoly’. The target of such monopolistic activity is to fix prices at a level suitable to the seller, a level which may bring them **artificially** high profits. Some monopolies are legal. In practice, it is possible to distinguish, four kinds of monopoly.

State planning and central control of the economy often mean that a state

government has the monopoly of important goods and services. Some countries have **state monopolies** in basic commodities like steel and transport, while other countries have monopolies in such comparatively unimportant commodities as matches.

A different kind of monopoly arises when a country, through geographical and geological circumstances, has control over natural resources or important services, such as water, gas, electricity and telephones where it may not be economic to have a large number of competing companies which lay cables or pipes to the same consumers. Such monopolies can be called **natural monopolies**.

They are very different from **legal monopolies**, where the law of the country permits certain producers, authors and inventors to **have a full monopoly over** the production and sale of their own products.

But certain companies '**corner the market**' in order to obtain complete control over particular commodities. It is illegal in many countries so there are special **antitrust** or **competition laws** which operate to restrict such activities.

The European antitrust policy is based on two central rules stating the following:

- **to prohibit** any **agreements** between two or more independent **market operators** which restrict competition;
- to prevent the firms **holding a dominant position** on a determined market from **abusing** that position (e.g. by **charging** unfair **prices**, by limiting production, or by refusing to innovate **to the prejudice** of consumers).

The Competition Commission examines all special arrangements and **mergers** which may lead to undesirable monopolies and is **empowered to apply** these **prohibition** rules and **impose fines** on undertakings which **violate** the EU antitrust rules.

In some cases, however, the benefits of monopolies outweigh their costs and **public monopolies arise to** do society a lot of good. They serve the general public and their primary goal is not profit maximization, e.g. **public utility companies** (water, electricity and gas) and Internet service providers in **remote** areas.

This may also refer to natural monopolies or monopolies concerned with intellectual property, such as **copyright, trademarks, patents**. Patents give inventors the **exclusive right to market** their inventions for 20 years before they become public property. Monopolies are also vitally important in the context of **innovation** because without them inventors **are unlikely to** ever see any financial reward for their hard work: **copycats** are likely to steal their ideas and **flood the market** with **rip-offs**, thereby **collapsing** the price. Consequently, in a world without patents, far fewer people would bother **to put in** the time, effort and money required **to come up with** new inventions.

Apart from monopoly economists distinguish three more market structures, including perfect competition, **oligopoly** and **monopolistic competition**. Of the four market types, the one that has the most **market power** is monopoly. Such markets **are characterized** by an absence of economic competition, technological **superiority**, no substitute for goods sold and a seller having full control of **market power** (the ability **to lower** and **raise** the prices without losing **customers**).

A **monopolistic competition** is an industry infrastructure combining features of both competition and monopoly. The industry **comprises** many firms, which offer

substitute products, and many buyers. Although the products are substitutes, they are **differentiated** on the basis of **physical attributes**, image, **advertisements** and **accompanying services**. For example, Dominos and Pizza Hut offer pizza but it **differs in** ingredients, recipes and taste. Companies within the industry can **gain monopoly over** their **competitors** by offering **superior** products or service.

In many sectors of the economy there can be found oligopolies* where a few producers **dominate** the majority of the market selling similar or different products, e.g. tobacco companies or airlines. Sellers **compete** with each other by aggressive **advertising** and improved **service delivery**. An oligopoly **sets barriers** to make it difficult for new sellers to enter the market. Barriers include **patent rights**, financial **requirements** and legal barriers [Tom McArthur. A Rapid Course in English for Students of Economics / Tom McArthur. – Oxford University Press, USA, 1997. – 138 p.; Peter Antonioni. Economics For Dummies / Peter Antonioni, Sean Masaki Flynn. ; [2nd Edition]. – Chichester : John Wiley & Sons, 2011. – 420 p.].



* *It is a market in which only a few sellers operate, each one produces enough of the total output to be able to affect the market price. For example, there are two major producers of cola-flavoured fizzy drinks: Coke and Pepsi. These two corporations produce such large fractions of the total output that if one were suddenly to increase supply, the market price of cola-flavoured fizzy drinks would drop dramatically. An increase in output made by one company causes the price to decrease for other companies in the market as well* [Peter Antonioni. Economics For Dummies / Peter Antonioni, Sean Masaki Flynn. ; [2nd Edition]. – Chichester : John Wiley & Sons, 2011. – 420 p.].

PRACTICE

Ex. 1. Find the words or word combinations in the text to substitute the following:

- | | |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| 1. the exclusive right to produce copies and to control an original work, granted by law for a specified number of years | 7. the promotion of goods/services for sale |
| 2. the market condition that exists when there is only one seller | 8. the difference between the price received for a product and its cost |
| 3. to break the law | 9. characteristic |
| 4. located far away; distant | 10. supply of services |
| 5. person who buys and uses goods and services | 11. influence |
| 6. a public service | 12. to bring into operation or use |
| | 13. joining of two companies |
| | 14. to be authorised |

Ex. 2. Using the information in the text say whether the following statements are true or false:

1. _____ Sellers undertake monopolistic activity in order to get high profits.
2. _____ Monopolistic competition market creates highly competitive conditions permitting consumers to enjoy a wide range of goods and services at fair prices.
3. _____ In the monopolistic market companies attract new customers and stay ahead of their competitors by offering accompanying services and superior quality of goods.
4. _____ The term “monopoly” describes a market in which there is only one seller or a very limited number of sellers, tough competition and freedom to enter or leave market.
5. _____ Market operators undertake monopolistic activity in order to serve the public and increase living standards of the society.
6. _____ States usually monopolize important public utilities to control prices and get high profits.
7. _____ Legal monopolies encourage inventors to undertake their scientific research by allowing them to control the production and sale of those inventions.
8. Cornering the market is a usual business practice supported by the state and not prohibited by law.
9. The Competition Commission considers undesirable arrangements in order to restrict business mergers.
10. _____ In theory there are much more types of market structures than in the economic reality.

Ex. 3. Answer the questions:

1. What market structures are considered to be the most widely-spread?
2. What illegal actions do certain companies take to obtain complete control over particular commodities?
3. What is the main target of the monopolistic activity?
4. What measures do governments take to control monopolies?
5. What type of monopoly does the law permit inventors to have?
6. Which body is empowered to restrict monopolistic activities in EU countries?

Ex. 4. Look through the text again and give Ukrainian equivalents to the following English words and word combinations:

- | | |
|------------------------------|-----------------------------|
| 1. rip-off | 9. to corner the market |
| 2. competition laws | 10. substitute products |
| 3. to market | 11. to charge unfair prices |
| 4. technological superiority | 12. service delivery |
| 5. to be empowered to | 13. total output |
| 6. to gain monopoly over | 14. perfect competition |
| 7. to the prejudice of | 15. copycat |
| 8. accompanying services | 16. natural monopoly |

Ex. 5. Give English equivalents to the following words and word combinations from the text:

- | | |
|------------------------------|-----------------------------|
| 1. державна монополія | 9. ринкова влада |
| 2. обмежувати діяльність | 10. авторське право |
| 3. монополістичний | 11. встановлювати перешкоди |
| 4. накладати штраф | 12. конкурент |
| 5. рекламування | 13. злиття компаній |
| 6. винахід | 14. комунальне підприємство |
| 7. мати домінантне положення | 15. уповноважувати |
| 8. вимога | 16. наводнювати ринок |

Ex. 6. Complete the following sentences with words or word combinations from the text:

1. The situation in which a company has no competitors on the market is called a _____.
2. There is a large number of _____ in the computer _____. This doesn't allow producers to _____ high prices.
3. Giant companies _____ _____ in order to grow and control as much of a market as possible.
4. Ukrposhta and British Petroleum are examples of _____ monopolies.
5. The _____ Commission has complete power to _____ monopolistic activities in the market.
6. Public monopolies are granted to public _____ companies empowered to _____ essential public services like electricity, gas, water and others especially in _____ areas.
7. In a perfectly competitive market multiple suppliers offer _____ products to gain monopolies over these goods.
8. _____ creates extremely favourable conditions for a single buyer who can control and regulate market prices without any competitors.

Ex. 7. Complete the following sentences with prepositions where necessary:

1. A competitive market consists _____ many buyers and sellers, so that no single buyer or seller can affect _____ the market price.
2. Anti-monopoly Committee of Ukraine carries out its activities _____ the basis _____ the legislative acts concerning economic competition protection.
3. Oligopoly market operators compete _____ each other _____ profit and try to make their products as distinctive _____ their consumers as possible.
4. In case of any "dominant position abuse" there is a set _____ antitrust laws that impose fines _____ any illegal activities.
5. The inventors would stop to put _____ their time, effort and money in their innovative activities if the government didn't protect their rights _____ copycats who are likely to rip _____ their inventions to gain profit.

6. It was quite hard for a consumer to find a substitute _____ a good in the command economy where the problem of scarcity was extremely acute.
7. Economists are encouraged to come _____ _____ new ideas _____ more efficient disposal of economic resources.

Ex. 8.a. Complete the table with the appropriate derivatives from the words given where possible. In some cases there can be more than one word:

Noun	Verb	Adjective
addition		
	compete	
	consume	
		different
economy		
	invent	
	innovate	
market		
	manage	
monopoly		
profit		
	produce	
	satisfy	
	value	
		useful
utility		

Ex. 8.b. Make up sentences using the words from the table. Mind the usage of the parts of speech.

Ex. 9. Arrange these sentences in order to make a logical paragraph about the market and translate them into English:

1. Зараз ринок – це просто ряд умов, що дозволяють продавцю і покупцю працювати разом.
2. Економісти вважають, що в досконалому ринку має бути багато продавців і покупців і конкуренція має бути необмеженою (повністю вільною).
3. По-перше, сучасний ринок не має певного географічного положення.
4. Ми можемо виділити дві основні відмінності між сучасним ринком і стародавнім ринком.
5. Зазвичай на ринку присутня обмежена кількість продавців.

6. Деякі об'єднані промислові підприємства «завойовують ринок» для того, щоб контролювати якийсь один вид товару.
7. По-друге, їм не потрібно зустрічатися особисто, вони можуть спілкуватися по телефону або через своїх агентів.
8. Вчені називають таку ситуацію монополією.
9. Тому уряд змушений приймати спеціальні закони, спрямовані на обмеження таких дій.
10. Але це не завжди можливо у дійсності.

Ex. 10. Extend the idea:

1. In theory economists distinguish and study four kinds of market structures
2. EU Competition Commission vs. undesirable monopolistic arrangements.
3. Types of monopoly practices in real world market.

Ex. 11. Translate into English:

1. На поведінку кожної фірми впливає характер, тип ринку, на якому вона функціонує. Тип ринку залежить від типу продукції, кількості фірм, наявності або відсутності обмежень на вхід в галузь і вихід з неї, доступності інформації про ціни, нові технології та ін.
2. Абсолютна конкуренція та чиста монополія – два екстремальні випадки ринкової структури. І перше, і останнє буває надзвичайно рідко. Набагато реалістичнішою стадією є монополістична конкуренція. В цьому випадку фірми, хоча й мають справу з конкуренцією з боку інших фірм, що тільки входять в галузь, або вже існуючих продавців, але мають контроль над цінами на свої товари.
3. На ринку з монополістичною конкуренцією існує багата кількість продавців, що пропонують подібні (однорідні) товари, які відрізняються винятковою якістю, престижем або іміджем торгівельної марки. Тому виробники змушені конкурувати, виробляючи якісні товари, привертаючи увагу споживача сучасним дизайном та яскравою упаковкою.
4. Успішна рекламна кампанія підвищує попит та спонукає споживача віддати перевагу тій чи іншій продукції або знайти альтернативу бажаного товару.
5. У країнах з розвинутою ринковою економікою переважно існують ринки монополістичної конкуренції (виробництво одягу, взуття, сфера послуг, торгівля і так далі), а також олігополії (автомобільна промисловість, металургія).
6. Олігополія – тип ринкової структури, де зазвичай присутній ціновий лідер або невелика кількість виробників, які встановлюють бар'єри, що перешкоджають входу іншим компаніям. Олігополією називають ринок, де покупці, а не продавці контролюють ціни та регулюють попит. У такому разі чисельні продавці конкурують один з одним та змушені відповідати вимогам покупців.

7. Згідно зі статистикою багато компаній-гігантів порушують закон, намагаючись «захопити ринок», здобути повний контроль над виробництвом та продажем своїх товарів, але антимонопольні закони обмежують таку діяльність.
8. АМКУ (Антимонопольний комітет України) зосереджує увагу на проведенні досліджень і розслідувань на соціально важливих ринках України, зокрема на ринках з підключення об'єктів житлового будівництва до мереж електро-, газо-, тепло-, водопостачання та водовідведення та надання комунальних послуг.
9. Уряд призначив комісію для перевірки запланованого злиття компаній А та В. Економісти вважають, що ці компанії намагаються монополізувати продаж побутових приладів на західному ринку.
10. Як повідомляє прес-служба відділення Антимонопольного комітету України в Харківській області, ТОВ «Н Інкорпорейтед» вчинило порушення конкурентного законодавства, поширивши неправдиву інформацію про споживчі властивості продукту на упаковці, та сплатило штраф у розмірі 50 тис. грн за недобросовісну конкуренцію.

QUESTIONS FOR DISCUSSION

Work as a group. An expert economist is giving a talk in your town this evening. Write down five questions you will want to ask him: five things you have never really understood about economics. Discuss possible answers in pairs.

VOCABULARY

English	Ukrainian
abuse (v.)	зловживання
accompanying	супутні, супровідні
services	товари
advertisement	реклама
advertising	рекламування
affect market prices	мати вплив на ринкові ціни
agreement	угода
anti-trust laws	антимонопольні (амер. антитрестовські) закони
apply (to)	використовувати
artificially	штучно
attribute	атрибут, властивість

characterize	характеризувати
collapse (v)	привести до зниження
compete	конкурувати
competition	конкуренція
competition laws	закони конкуренції
competitor	конкурент
comprise	містити
copycat (n)	наслідувач
copyright (n., adj)	авторське право; охороняється авторським правом
corner the market	‘охоплювати’ ринок
differentiate	розрізнятися; диференціюватися
dominate	домінувати
duopoly	дуополія
duopsony	дуопсонія
empower	уповноважувати, поручати
exclusive right	ексклюзивне право
fix prices	встановлювати ціни
flood the market (with)	наводняти, наводнювати ринок
free market	вільний ринок
have control over smth	контролювати що-н.
hold a dominant position	мати домінуюче положення
impose fines	накладати штраф
Inventor	винахідник
lower	знижатися, зменшуватися
market (v.)	реалізувати, збувати; знаходити ринок збуту, торгувати на ринку
market power	ринкова влада
merger	злиття компаній
monopoly	монополія
monopsony	монопсонія
natural monopoly	натуральна монополія

oligopoly	олігополія
oligopsony	олігопсонія
on the contrary	навпаки
patent	патент
patent rights	патентні права
perfect competition (pure competition)	чиста конкуренція
profit maximization	максимізація прибутку
prohibit	забороняти
public monopoly	державна монополія
public utility company	комунальне підприємство
raise	підвищувати
remote	віддалений
restrict	обмежувати
rip-off (n)	злодійство; плагіат
service delivery	надання послуг
set barriers	встановлювати перешкоди
substitute products	товари-замінники
superior product	продукт кращої якості
superiority	перевага
to the prejudice	на шкоду
trademarks	торгівельна марка
undesirable	небажаний
violate	порушувати



Revision and Conclusion

One of the major tasks of economics is to understand the principles of consumer behaviour. Consumers depend on others to satisfy their most basic needs. They must enter into transactions to obtain food, energy for heat and light, clothing, medical assistance, transportation, communication services etc. Commodities of different kinds satisfy people's wants in different ways: in relation to time, people and nations. Economists explain consumer

demand by the concept of utility and with the Law of Diminishing Marginal Utility. Utility is a concept that represents the amount of usefulness or satisfaction that a consumer obtains from a commodity. The Law of Diminishing Marginal Utility states that as the amount of a commodity consumed increases, the marginal utility of the last unit consumed tends to decrease.

Consumers spend their incomes to maximize their satisfaction. Their choices are influenced by the prices of goods, income, and preferences. People tend to buy more of a good when it is cheap than when it is expensive.

Price elasticity of demand tends to be low for necessities like food and shelter and high for luxuries like snowmobiles and air travel. Other factors affecting price elasticity are the extent to which a good has ready substitutes and the length of time that consumers have to adjust to price changes.

The Law of Demand represents the relationship between the quantity of a good that people want to buy and the price of that good. The Law of Supply gives the relationship between the quantity that producers will be willing to sell – other things equal – and that good's price.

Money is the universally acceptable medium of exchange. People work and get payment. Under these conditions their work is labour and therefore people are called labour force. Some people invest capital, bear risk and receive profit if their business is successful.

Market is an arrangement whereby buyers and sellers interact to determine the prices and quantities of a commodity. Market structures range from perfect competition, oligopoly, monopolistic competition and monopoly.

Economists consider perfect competition as an ideal market structure where the number of perfectly competitive sellers and buyers is very large and the products offered by sellers are homogeneous. They have no power to affect the market price.

Monopoly is a market structure in which a commodity is supplied by a single firm which causes economists' concern: they provide regulation and antitrust policy to control such activities [Tom McArthur. A Rapid Course in English for Students of Economics / Tom McArthur. – Oxford University Press, USA, 1997. – 138 p.; Peter Antonioni. Economics For Dummies / Peter Antonioni, Sean Masaki Flynn. ; [2nd Edition]. – Chichester : John Wiley & Sons, 2011. – 420 p.].

I. Choose the correct answer:

1. To satisfy basic needs consumers should
 - a) not buy non-essentials;
 - b) learn English;
 - c) enter into transactions with other people;
 - d) ask their employers to pay more.

2. _____ make our life more pleasant.
 - a) Games
 - b) Food, clothes and shelter
 - c) Limits
 - d) Non-essentials

3. To produce 100,000 grey XXL coats every year is typical for ...
 - a) a mixed economy;
 - b) a command economy;
 - c) a market economy;
 - d) any economy.

4. Fluctuations of prices depend on
 - a) supply and demand;
 - b) quality and quantity of goods;
 - c) economic ideology of the country;
 - d) the exchange rate.

5. In the countries with mixed economic systems the authorities
 - a) decide what quantities of goods to produce;
 - b) have very few economic functions;
 - c) organize the whole economic effort of the nation;
 - d) control and regulate national economic conditions.

6. Mr Smith's cattle farm belongs to the
 - a) public sector of British economy;
 - b) NEDC;
 - c) private sector of British economy;
 - d) oil industry.

7. It is impossible to plan ahead with any certainty in the mixed economy due to:
 - a) a wide and very complex range of people's wants;
 - b) natural and political changes;
 - c) limited natural resources;
 - d) instability and unemployment.

8. Capitalist economic systems are based upon

- a) private ownership of the means of production;
- b) surplus income;
- c) public property;
- d) considerable economic freedom of choice.

9. Capital is...

- a) land, houses and shares;
- b) land, houses and clothes;
- c) land, entertainment and shares;
- d) food, clothes and shelter.

10. A consumer buys more of a commodity at a ...

- a) higher price;
- b) lower price;
- c) current price;
- d) price he charges.

11. Market in economics is a _____

- a) place where people buy and sell food, clothes for everyday lives;
- b) set of conditions permitting people meet each other;
- c) set of conditions permitting people work together;
- d) fixed place where businessmen come to buy sugar.

12. Economists consider _____ as a perfect market structure.

- a) free market;
- b) perfect competition;
- c) monopoly;
- d) 'cornered' market.

13. Surplus is the _____ of private enterprise.

- a) profit;
- b) loss;
- c) income;
- d) wages.

14. The rise in prices encourages producers to

- a) buy more of a commodity;
- b) produce more goods;
- c) stop selling goods;
- d) go out of the market completely.

15. Utility of a commodity tends to diminish as

- a) the usefulness of the commodity falls;
- b) the stock of the commodity decreases;
- c) the stock of the commodity increases;

- d) the consumer buys little of the commodity.
16. The Law of Demand says:
- a) more will be demanded at higher prices than at lower prices;
 - b) more will be demanded at lower prices than at higher prices;
 - c) people will buy more if the prices are higher than usually;
 - d) the demand for a commodity rises as the price for that commodity increases.
17. The prices of meat products in a competitive market are determined by:
- a) Government.
 - b) Business monopolies.
 - c) Supply and demand.
 - d) The Consumer Price Index.
18. One of the important conditions for perfect competition is that:
- a) products are heterogenous.
 - b) there are never any economic profits earned by the firms in the industry.
 - c) there are no barriers to entry and exit.
 - d) managers in the same industry discuss strategies with each other to perfect their pricing in the market.
 - e) the demand curve facing a firm is perfectly inelastic.
19. Economics can best be defined as the study of
- a) allocating finite resources to satisfy limitless wants.
 - b) spending your money wisely.
 - c) producing more goods and services.
 - d) maximising happiness.
20. Market economy is very similar to
- a) mixed economy
 - b) command economy
 - c) socialist economy
 - d) free enterprise economy

II. Read the following statements and say whether they are true or false:

1. If in the same garage you may buy a car or some service, which helps you maintain the car, it means that people working in the garage provide both goods and services.
2. Most people usually work to buy essential commodities.
3. The science of economics is concerned with all human material needs and wants.
4. Both American and British economic systems are capitalist. So they are based on the governmental control of land, labour and capital.

5. If individual citizens who live in the socialist country obey the law, they can have private property.
6. The country whose economic system is based on private enterprise with private ownership of the means of production is neither communist nor capitalist.
7. All individual citizens are required to conform to the laws made by their government.
8. Such developed countries as the USA and Great Britain have a mixed economy nowadays.
9. Food production and distribution are in the public sector of the national economy.
10. The members of the National Economic Development Council are responsible for planning national policies.

SUPPLEMENT



SUPPLEMENT TO UNIT 1

Choose the correct answer:

- Mad cow disease has had a serious _____ effect on beef producers.
a) economical c) uneconomic
b) economic d) economically
- If we want a holiday we'll have to _____, we are spending too much.
a) economical c) economics
b) economy d) economize
- The most _____ way of heating your house is by using solar energy.
a) uneconomical c) economical
b) economist d) economize
- _____ of the country has been improving steadily these past ten years.
a) economics c) economical
b) economy d) economizing
- Tourism contributes millions of euros to the country's _____.
a) economical c) uneconomic
b) economic d) economy .
- It is usually more _____ to shop in a supermarket than in a small shop.
a) economically c) economical
b) uneconomically d) uneconomical
- My daughter is in her third year of _____ at university.
a) economics c) economical
b) economy d) economist
- The minister maintained that the coal mines were _____ and would have to be closed.
a) economical c) economize
b) uneconomic d) economy
- Naturally the big boss has many professional _____ to advise him.
a) economical c) economists
b) economies d) economics
- An _____ is a mechanical device intended to reduce energy consumption.
a) economical c) economically
b) economizer d) economy

Read the following and be ready to discuss the ideas given in the text in class:

TEN ECONOMIC IDEAS TO HOLD DEAR

There are ten economic ideas that all informed people need to understand and be ready to use to evaluate the policy proposals made by the government.

1. SOCIETY IS BETTER OFF WHEN PEOPLE PURSUE THEIR OWN INTERESTS

This concept is basically Adam Smith's famous invisible hand. If all economic interactions in a society are voluntary on the parts of all parties involved, the only transactions that are going to take place are those in which all parties feel they are being made better off.

If you trade your gold for another person's bread, you're likely to do so because you value his bread more than your gold. You trade because trading makes you better off. Meanwhile, you can be sure that the other person values your gold more than his bread. So trading makes him better off too. You both pursue yourself interests, and you're both made better off.

This concept of what motivates people doesn't mean that charitable acts are bad for society. Instead, it means that even philanthropy is generated by self-interest. People give because they enjoy helping others. By doing so, both they and the people they help are made better off.

2. FREE MARKETS REQUIRE REGULATION

Economists firmly believe that voluntary transactions in free markets tend to work toward the common good. But they also believe that nearly every participant in the marketplace would love to rig the system in his or her own favour. Adam Smith, in particular, was quick to point this out and argue that for markets to work and serve the common good, the government has to fight monopolies, collusion and any other attempts to prevent a properly functioning market in which firms vigorously compete against each other to give consumers what they want at the lowest possible price.

3. ECONOMIC GROWTH DEPENDS ON INNOVATION

At any given moment, a fixed amount of wealth exists that can be divided equally among all people, like slicing a pie into equal pieces and giving each person one equal slice. But if living standards are to keep rising, you need a bigger pie to split up. In the short run, you can get a bigger pie by working harder or using up resources faster. But the only way to have sustained growth is to invent more efficient technologies that allow people to produce ever more from the limited supply of labour and physical resources.

4. FREEDOM AND DEMOCRACY MAKE US RICHER

Very good moral and ethical reasons exist for favouring freedom and democracy. But a more bottom line reason is that, in general, because freedom and democracy promote the free development and exchange of ideas, free societies have more innovation and, consequently, faster economic growth.

5. EDUCATION RAISES LIVING STANDARDS

Educated people not only produce more as workers – and hence get paid higher salaries – but also, more importantly, they produce innovative new technologies.

Sustained economic growth and higher living standards are only possible if you educate your citizens well. Of course, other good reasons exist for getting an education, including the ability to appreciate high art and literature. But even if all you care about is living in a country that has rising living standards, you should work hard to promote education in the sciences and engineering, sectors where revolutionary technologies are created.

(Notice that we don't say that lots of people should become economists. All economists can do for growth is to urge others to become engineers!)

6. PROTECTING INTELLECTUAL PROPERTY RIGHTS PROMOTES INNOVATION

People need incentives to encourage them to take risks. One of the biggest risks you can take is to leave a secure job in order to start a new business or work at developing a great new idea. Intellectual property rights, when deployed effectively, give you a bargaining chip to help ensure that the rewards are going to go to you and your associates rather than competitors. Without this assurance, fewer people would be willing to take the personal risks necessary to provide society with innovative new technologies and products.

7. WEAK PROPERTY RIGHTS CAUSE MANY ENVIRONMENTAL PROBLEMS

People always have to do some polluting. After all, even if you don't want gas-guzzling SUVs (sports utility vehicle) running around causing lots of pollution, you probably still want ambulances and fire engines to operate despite the fact that they too pollute the environment. The difference is that the overall benefit to society outweighs the cost of the pollution in the case of the emergency vehicles but not in the case of the SUVs.

Seen in this light, society's goal isn't to ban pollution completely, but to make sure that the benefit exceeds the cost for whatever pollution is generated.

Strong property rights are keys to ensuring that people weigh the complete costs and benefits of pollution. Property rights force people to take into account not only their personal costs of generating pollution, but also the costs that their actions impose on others.

All environmental problems tend to stem from poorly defined or non-existent property rights that allow polluters to ignore the costs that they impose on others. Therefore, economists favour the creation and enforcement of property rights systems that force people to take all costs into account.

8. INTERNATIONAL TRADE IS A GOOD THING

Opening your country to international trade means opening your country to new ideas and new innovations. Competition from foreign competitors causes local businesses to innovate to match the best offerings of companies from around the world.

Quite simply, throughout history, the richest and most dynamic societies have been the ones open to international trade. Countries that close themselves off from international trade grow stagnant and are quickly left behind. Of course, what economists have in mind when they think of the benefits of international trade is free trade, where companies compete across borders to provide people with the best goods

and services at the lowest prices. Economists strongly condemn the many government subsidies and trade restrictions that impede free trade and that try to rig the game in one country's favour.

9. FREE ENTERPRISE HAS A HARD TIME PROVIDING PUBLIC GOODS

Private firms can provide goods and services only if they can at least break even doing so. To break even (or make a profit), whatever a firm is selling has to be excludable, by which we mean that only those paying for the good or service receive it.

Some goods and services are non-excludable. For example, a lighthouse provides warning services to all ships in the vicinity regardless of whether they pay the lighthouse keeper. Because every ship knows that it can get the service without having to pay for it, the private lighthouse quickly goes bankrupt because only a few ships are fair-minded enough to pay for the service.

Goods and services that are non-excludable are called public goods because they're essentially open to the public and can't be kept private. Because private firms can't make a profit producing public goods, you typically need governments to provide them. Unlike private firms, governments can force people to pay for public goods. They do this by levying taxes and using the tax revenues to pay for public goods, such as the army, the police force, lighthouses, public fireworks displays, basic scientific research and so on.

Economists view the existence of public goods as one of the most important justifications for government intervention in the economy. Although private philanthropy can also provide some public goods, many public goods are so expensive that they can be provided only if the government uses its power of taxation to fund them. Consequently, public goods are typically publicly provided.

10. PREVENTING INFLATION IS EASY

Governments can cause high rates of inflation by increasing the money supply too rapidly. A growing economy always has a growing demand for money because with more stuff to buy, you need more money with which to buy it. If you want to keep the overall level of prices constant, the correct response is to increase the money supply at the same rate that demand is increasing. If the supply of money increases faster than the demand for money, the value of money falls, creating inflation. (In other words, it takes more money to buy the same amount of stuff as before, meaning that prices go up.)

One recent development has been to make central banks like the Bank of England independent. This move gets around the temptation to use monetary policy as an instrument of growth by making it the central banker's job to ensure that prices stay stable no matter what governments decide [Tom McArthur. *A Rapid Course in English for Students of Economics* / Tom McArthur. – Oxford University Press, USA, 1997. – 138 p.; Peter Antonioni. *Economics For Dummies* / Peter Antonioni, Sean Masaki Flynn. ; [2nd Edition]. – Chichester : John Wiley & Sons, 2011. – 420 p.].

SUPPLEMENT TO UNIT 2

COUNTRIES AND NATIONALITY

The word 'Nationality' is not often used in spoken English. It is a formal and official word and it appears more frequently in written English. You will find the word 'Nationality' is used a lot in the travel industry and for immigration.

We almost never say: What is your nationality?

We usually say: Where are you from? OR Where do you come from?

To tell someone your nationality you DON'T say: My nationality is Chilean.

You say: I'm Chilean

Look at the following example sentences: *She comes from France. She is French. She is a Frenchwoman. Her nationality is French. She drives a French car. She speaks French.*

! Note – in English all countries and adjectives describing the products, people or services from that country are proper nouns and as such start with a CAPITAL LETTER.

For example: *Ireland – Irish, Belgium – Belgian*

Country	Capital	Adjective	Person	Language
Afghanistan /æf,gæni'stɑ:ni/	Kabul /'kɒ:bul/	Afghan	an Afghan	Persian - Pashto
Albania /æl'beɪniə/	Tirana /ti'rɑ:nə/	Albanian	an Albanian	Albanian
Algeria /æl'dʒɪəriə/	Algiers /æl'dʒɪəz/	Algerian	an Algerian	Arabic
Andorra /æn'dɔ:rə/	Andorra la Vella /ən'dorə lə 'βelə/	Andorran	an Andorran	Catalan
Angola /æŋ'gəʊlə/	Luanda /lʊ'ændə/	Angolan	an Angolan	Portuguese
Argentina /ˌɑ:dʒən'ti:nə/	Buenos Aires /'bweɪnɒs 'aɪrɪz/	Argentinian	an Argentinian	Spanish
Armenia /ɑ:'mi:niə/	Yerevan /jɪrɪ'væn/	Armenian	an Armenian	Armenian
Australia /v'streɪliə/	Canberra /'kænbərə; -brə/	Australian	an Australian	English
Austria /'ɒstriə/	Vienna /vi'ɛnə/	Austrian	an Austrian	German
Azerbaijan /ˌæzəbaɪ'dʒɑ:n/	Baku /ba'ku/	Azerbaijani	an Azerbaijani	Azerbaijani
Bahamas /bə'hɑ:məz/	Nassau /'næsɔ:/	Bahamian	a Bahamian	English
Bahrain /ba:'reɪn/	Manama /mə'nɑ:mə/	Bahraini	a Bahraini	Arabic

Bangladesh /ˌbɑːŋɡləˈdeɪʃ/	Dhaka /ˈdækə/	Bangladeshi	a Bangladeshi	English
Barbados /bɑːˈbeɪdəs/	Bridgetown /ˈbrɪdʒˌtaʊn/	Barbadian	a Barbadian	English
Bangladesh /ˌbæŋɡləˈdeɪʃ/	Dacca /ˈdækə/	Bangladeshi	a Bangladeshi	English
Barbados /bɑːˈbeɪdəs/	Bridgetown /ˈbrɪdʒtaʊn/	Barbadian	a Barbadian	English
Belarus /beləˈrus/	Minsk /mɪnsk/	Belarusian / Belarusan	a Belarusian <i>or</i> a Belarusan	Belarusian, Russian
Belgium /ˈbeldʒəm/	Brussels /ˈbrʌsəlz/	Belgian	a Belgian	French / Flemish
Belize /bɪˈliːz/	Belmopan /ˌbɛlməʊˈpæn/	Belizean	a Belizean	English
Benin /beˈniːn/	Porto Novo /ˈpoːrtouˈnouvo/	Beninese	a Beninese	French
Bhutan /buˈtɑːn/	Thimphu /θɪmˈbuː/	Bhutanese	a Bhutanese	Dzongkha
Bolivia /bəˈlɪviə/	Sucre /ˈsuːkre/	Bolivian	a Bolivian	Spanish
Bosnia-Herzegovina /ˈboʊniə ənd ˌhɜrtsəɡouˈviːnə/	Sarajevo /ˌsɑːrəˈjevou/	Bosnian	a Bosnian	Bosnian, Croatian, Serbian
Botswana /botˈswɑːnɑː/	Gaborone /ˌɡɑːbəˈrouni/	Botswanan		Serbian
Brazil /brəˈzɪl/	Brasilia /brəˈziːliyə/	Brazilian	a Brazilian	Portuguese
Britain /ˈbrɪt(ə)n/	London /ˈlʌndən/	British	a Briton	English
Brunei /bruːˈnei/	Bandar Seri Begawan /ˈbɑːndərˈseri bəˈɡɑːwən/	Bruneian	a Bruneian	Malay, (Recognised English)
Bulgaria /bʌlˈɡeəriə/	Sofia /ˈsoufiə /	Bulgarian	a Bulgarian	Bulgarian
Burkina /bɜːˌkiːnə/	Ouagadougou /ˌwɑːɡəˈduːɡuː/	Burkinese	a Burkinese	French
Burma (official name Myanmar) /ˈbɜː.mə/ /mjəmà/	Naypyidaw /nèpjɪdà/	Burmese	a Burmese	Burmese
Burundi /bʊˈrʊndi /	Bujumbura /buːdʒəmˈbʊrə/	Burundian	a Burundian	Kirundi, French

Cambodia / kæm'bəʊdiə /	Pnompenh / 'nɒm 'pen /	Cambodian	a Cambodian	Cambodian
Cameroon / ,kæmə'ru:n /	Yaounde / ,jɑ:u:n'deɪ /	Cameroonian	a Cameroonian	French / English
Canada / 'kænədə /	Ottawa / 'ɒtəwə /	Canadian	a Canadian	English / French
Cape Verde Islands /keɪp 'vɜ:d 'aɪlənd/	Praia / 'prɪɪə /	Cape Verdean	a Cape Verdean	Portuguese
Chad /tʃæd/	N'Djamena /ənʤɑ:'meɪnə:/	Chadian	a Chadian	French, Arabic
Chile / 'tʃɪli /	Santiago / ,sæntɪ'ɑ:gəʊ /	Chilean	a Chilean	Spanish
China / 'tʃaɪnə /	Beijing / ,bei'dʒɪŋ/	Chinese	a Chinese	Chinese
Colombia /kə'lɒmbɪə /	Bogota / ,bɒgə'tɑ: /	Colombian	a Colombian	Spanish
Congo / 'kɒŋgəʊ /	Brazzaville / 'bræzə,vɪl /	Congolese	a Congolese	French
Costa Rica / ,kɒstə 'ri:kə/	San José [sɑŋ ho'se]	Costa Rican	a Costa Rican	Spanish
Croatia /krou'eɪʃə/	Zagreb [zɑ:greb]	Croat or Croatian	a Croat or a Croatian	Croatian
Cuba ['kʊbɑ]	Havana /hə'veənə/	Cuban	a Cuban	Spanish
Cyprus ['saɪprəs]	Nicosia / ,nɪkə'si:ə/	Cypriot	a Cypriot	Greek, Turkish
Czech Republic / 'tʃɛk rɪ'pʌblɪk/	Prague / 'prɑ:g/	Czech	a Czech	Czech
Denmark / 'denmɑ:rk/	Copenhagen / 'koupənheɪgən/	Danish	a Dane	Danish
Djibouti /dʒɪ'bu:ti/	Djibouti /dʒɪ'bu:ti/	Djiboutian	a Djiboutian	French, Arabic
Dominican Republic [də'mɪnɪkən-]	Santo Domingo / ,sæntəʊ də'mɪŋgəʊ/	Dominican	a Dominican	Spanish
Ecuador / 'ɛkwədɔ:r/	Quito ['ki:təʊ]	Ecuadorean	an Ecuadorean	Spanish
Egypt / 'i:dʒɪpt/	Cairo / 'kaɪrou/	Egyptian	an Egyptian	Arabic
El Salvador /ɛl 'sælvədɔ:r/	San Salvador / ,sæn 'sælvə,dɔ: /	Salvadorean	a Salvadorean	Spanish
England	London	English	an Englishman/	English

[ˈɪŋɡlənd]	<u>/ˈlʌndən/</u>		Englishwoman	
Eritrea <u>/ˌeriˈtreɪ.ə/</u>	Asmara <u>/æsˈmɑːrə/</u>	Eritrean	an Eritrean	Tigrinya, Arabic, English
Estonia <u>/ɛˈstɒniə/</u>	Tallinn <u>/'tɑːlɪn/</u>	Estonian	an Estonian	Estonian
Ethiopia <u>/iːθiˈoʊpiə/</u>	Addis Ababa <u>/ədˈdisˈabəbɑ/</u>	Ethiopian	an Ethiopian	Amharic
Fiji <u>/'fiː.dʒiː/</u>	Suva <u>/'suː.və /</u>	Fijian	a Fijian	English, Fijian, FijiHindi
Finland <u>/'fin.lənd /</u>	Helsinki <u>/'helsɪŋki/</u>	Finnish	a Finn	Finnish
France <u>/frɑːns /</u>	Paris <u>/'pær.ɪs/</u>	French	a Frenchman/ Frenchwoman	French
Gabon <u>/gæbˈɒn /</u>	Liberville <u>/'liːbreviːl/</u>	Gabonese	a Gabonese	French
Gambia <u>/'gæm.bi.ə/</u>	Banjul <u>/baːnˈdʒuːl/</u>	Gambian	a Gambian	English
Georgia <u>/'dʒɔː.dʒə/</u>	Tbilisi <u>/təbiˈliːsi/</u>	Georgian	a Georgian	Georgian
Germany <u>/'dʒɜː.mə.ni/</u>	Berlin <u>/bɜːˈlɪn/</u>	German	a German	German
Ghana <u>/'gɑː.nə/</u>	Accra <u>/əˈkraː/</u>	Ghanaian	a Ghanaian	English
Greece <u>/griːs/</u>	Athens <u>/'æθ.ənz/</u>	Greek	a Greek	Greek
Grenada <u>/grəˈnei.də/</u>	St George <u>/seɪntˈdʒɜːrdʒ/</u>	Grenadian	a Grenadian	English
Guatemala <u>/ˌgwɑː.təˈmɑː.lə/</u>	Guatemala <u>/ˌgwɑː.təˈmɑː.lə/</u>	Guatemalan	a Guatemalan	Spanish
Guinea <u>/'ɡɪn.i/</u>	Conakry <u>/'kɒnəkri/</u>	Guinean	a Guinean	French
Guyana <u>/ɡaɪˈæn.ə/</u>	Georgetown <u>/'dʒɜːdʒtaun/</u>	Guyanese	a Guyanese	Guyanese Creole
Haiti <u>/'heɪ.ti/</u>	Port-au-prince <u>/,pɔːtəuˈprɪns/</u>	Haitian	a Haitian	French / Creole
Holland (also Netherlands) <u>/'hɒl.ənd/</u>	Amsterdam <u>/,æm.stəˈdæm/</u>	Dutch	a Dutchman/ Dutchwoman	Dutch
Honduras <u>/hɒnˈdʒʊə.rəs/</u>	Tegucigalpa <u>/teuhgooh'si galˈpeuh/</u>	Honduran	a Honduran	Spanish
Hungary	Budapest	Hungarian	a Hungarian	Hungarian

/ˈhʌŋ.gər.i/	bju:d ə ˈpest			
Iceland /ˈaɪslənd/	Reykjavik /ˈreɪkjəvɪk/	Icelandic	an Icelander	Icelandic
India /ˈɪndiə/	New Delhi /nju: ˈdeli/	Indian	an Indian	Hindi, English
Indonesia /ˌɪndəˈni:ziə/	Jakarta /dʒəˈkɑ:tə/	Indonesian	an Indonesian	Indonesian
Iran /ɪˈrɑ:n / /aɪˈræən/	Tehran /ˌteˈrɑ:n/	Iranian	an Iranian	Persian
Iraq /ɪˈrɑ:k/ /ɪˈræk / /aɪˈræk/	Baghdad /bægˈdæd/	Iraqi	an Iraqi	Arabic, Kurdish
Ireland, Republic of /ˈaɪələnd/	Dublin /ˈdʌblɪn/	Irish	an Irishman, an Irishwoman	Irish / English
Italy /ˈɪtəli/	Rome /rəʊm/	Italian	an Italian	Italian
Israel /ˈɪzreɪl/	Jerusalem /dʒəˈru:sələm/	Israeli	an Israeli	Hebrew
Jamaica /dʒəˈmeɪkə/	Kingston /ˈkɪŋstən/	Jamaican	a Jamaican	English (Jamaican English)
Japan /dʒəˈpæn/	Tokyo /ˈtəʊkjəʊ/	Japanese	a Japanese	Japanese
Jordan /ˈdʒɔ:rdən/	Amman /ɑ:mˈmɑ:n/	Jordanian	a Jordanian	Arabic
Kazakhstan, /kɑ:zakˈstɑ:n/	Astana /æstəˈnɑ:ː/	Kazakh	a Kazakh	Kazakh (national), Russian
Kenya /ˈkenjə/	Nairobi /naɪˈrəʊbi/	Kenyan	a Kenyan	Swahili
Korea /kəˈriə/	Seoul /səʊl/	Korean	a Korean	Korean
Kuwait /kʊˈweɪt/	Kuwait City /kʊˈweɪt ˈsɪti/	Kuwaiti	a Kuwaiti	Arabic
Laos /ˈləʊs/ /ləʊs/	Vientiane /ˌvjɛnˈtjɑ:n/	Laotian	a Laotian	Laotian
Latvia /ˈlɑtviə/	Riga /ˈri:gə/	Latvian	a Latvian	Latvian
Lebanon /ˈleɪbənən/	Beirut /beɪˈru:t/	Lebanese	a Lebanese	Arabic

Liberia /lɪ'biəriə/	Monrovia /mɒn'rəʊviə/	Liberian	a Liberian	English
Libya /'li:biə/	Tripoli /'trɪpəli/	Libyan	a Libyan	Arabic
Liechtenstein /'liçtn,ʃtaɪn/ /'liktən,stʌɪn/	Vaduz /və'dɒts/	–	a Liechtensteiner	German
Lithuania /ˌliθ(j)u:'eɪniə/	Vilnius /'vɪlniəs/	Lithuanian	a Lithuanian	Lithuanian
Luxembourg /'lʌksəmbə:g/	Luxembourg /'lʌksəmbə:g/	-	a Luxembourger	French, German, Luxembourg ish
Macedonia /ˌmɑ:si'dəʊniə/	Skopje /'skɒpjeɪ/	Macedonian	a Macedonian	Macedonian
Madagascar /ˌmɑdə'gaskə/	Antananarivo /ˌɑntə,nənə'ri:və ʊ/	Malagasy or Madagascan	a Malagasy or a Madagascan	Malagasy, French
Malawi /mə'la:wi/	Lilongwe /lɪ'lɒŋweɪ/	Malawian	a Malawian	Chichewa,E nglish
Malaysia /mə'leɪzə/ /mə'leɪziə/	Kuala Lumpur /ˌkwa:lə 'lʊmpʊə/	Malaysian	a Malaysian	Malay / Malaysian
Mali /'mɑ:li/	Bamako /'bɑmækəʊ/	Malian	a Malian	French
Malta /'mɑ:ltə/	Valletta /və'letə/	Maltese	a Maltese	Maltese English
Mauritania /ˌmɒri'teɪniə/	Nouakchott /nʊwək'ʃɒt/	Mauritanian	a Mauritanian	Arabic
Mauritius /mə'ri:ʃəs/	Port Louis /'lu:i// 'lu:ɪs/	Mauritian	a Mauritian	Mauritian Creole, French, English
Mexico /'meksɪkəʊ/	Mexico City /'meksɪ,kou'sɪti/	Mexican	a Mexican	Spanish
Moldova /'mɒldəvə/	Chişinău /ˌkiʃɪ'naʊ/	Moldovan	a Moldovan	Moldovan (Romanian)
Monaco /'mɒnəkəʊ/	Monaco /'mɒnəkəʊ/	Monégasque /Monacan	a Monégasque or a Monacan	French
Mongolia /mɒŋ'gəʊliə/	Ulaanbaatar /ˌu:lɑ:n'ba:tə/	Mongolian	a Mongolian	Mongolian
Montenegro /ˌmɒntɪ'ni:grəʊ/	Podgorica /pɒd'gɔ:ritsə/	Montenegrin	a Montenegrin	Montenegrin

Morocco /mə' rɒkəʊ/	Rabat /rə' bat/	Moroccan	a Moroccan	Arabic French
Mozambique / , məʊzəm' bi:k/	Maputo /mə' pu:təʊ/	Mozambican	a Mozambican	Portuguese
Namibia /nə' mɪbiə/	Windhoek /' vɪnthɒk/ /' wɪnthɒk/	Namibian	a Namibian	English
Nepal /ni' pɔ:l/	Kathmandu / , katmən' du:/	Nepalese	a Nepalese	Nepali
the Netherlands (see Holland) /' nɛðələndz/	Amsterdam / , amstə' dam/ /' amstədəm/	Dutch	a Dutchman, a Dutchwoman, or a Netherlander	Dutch
New Zealand / ,nju:' zi:lənd / <i>New Zealand butter but not He is New Zealand</i>	Wellington /' welɪŋtən /	New Zealand (used attribut-ly)	a New Zealander	English Maori
Nicaragua / , nɪkə' ræŋjʊə/	Managua /mə' nɑ:gwə/	Nicaraguan	a Nicaraguan	Spanish
Niger /naɪ' dʒɪər/	Niamey /naɪ' meɪ/	Nigerien	a Nigerien	French
Nigeria /naɪ' dʒɪəriə/	Lagos /leɪgɒs/	Nigerian	a Nigerian	English
North Korea /nɔ:θ kə' riə/	Pyongyang /pɔŋŋ' jæŋ/	North Korean	a North Korean	Korean
Norway /' nɔ:weɪ/	Oslo /' ɒzləʊ/	Norwegian	a Norwegian	Norwegian
Oman /əʊ' mɑ:n/	Muscat /' mʌskæt/	Omani	an Omani	Arabic
Pakistan / , pɑ:kɪ'stɑ:n	Islamabad /ɪs' læmæbəd/	Pakistani	a Pakistani	English, Urdu
Panama /' pænəmə:/	Panama City /' pænəmə:' sɪti/	Panamanian	a Panamanian	Spanish
Papua New Guinea /' pæpjuə nju:' gni/	Port Moresby / , pɔ:t' mɔ:zbi /	Papua New Guinean or Guinean	a Papua New Guinean or a Guinean	Hiri Motu, Tok Pisin, English
Paraguay /' pærəgwai/	Asuncion /ə'sənʃən/	Paraguayan	a Paraguayan	Spanish
Peru /pə' ru:/	Lima /' li:mə/	Peruvian	a Peruvian	Spanish
The Philippines /' filə , pinz/	Manila /mə' nilə/	Philippine	a Filipino	Tagalog Filipino

	/mə'nɪlə/			
Poland /'pəʊlənd/	Warsaw /'wɔ:sə:/	Polish	a Pole	Polish
Portugal /'pɔ:tʃʊg(ə)l/	Lisbon /'lɪzbən/	Portuguese	a Portuguese	Portuguese
Puerto Rico /ˌpʊɜ:ˌtə 'ri:kəʊ/	San Juan /sæn 'hʌdʒən/	Puerto Rican	Puerto Rican	Spanish
Qatar /'kʌtə/ /ka'tɑ:/	Doha /'dəʊhɑ:/	Qatari	a Qatari	Arabic
Romania /ru:'meɪniə/ /rə(ʊ)'meɪniə/	Bucharest /ˌbu:kə'rest/	Romanian	a Romanian	Romanian
Russia /'rʌʃə/	Moscow /'mɒskəʊ/	Russian	a Russian	Russian
Rwanda /ru:'ændə/	Kigali /kɪ'gɑ:li/	Rwandan	a Rwandan	Kinyarwanda, French, English
Saudi Arabia /ˌsaudi ə'reɪbiə/	Riyadh /ri:'jɑ:d/ /'ri:ad/	Saudi Arabian or S audi	a Saudi Arabian or a Saudi	Arabic
Scotland /'skɒtlənd/	Edinburg /'edn,bɜ:g/	Scottish	a Scot	English, (Scottish Gaelic)
Senegal /'senə,gəl/ /'senə,gəl/	Dakar /dɑ'kɑr/ /dɑ'kɑr/	Senegalese	a Senegalese	French
Serbia /'sɜ:bēə/ /'sɜ:biə/	Belgrade /bel'greɪd/ /'belgreɪd/	Serb or Serbi an	a Serb or a Serbian	Serbian
Seychelles, the /sei'ʃel(z)/	Victoria /vɪk'tɔ:riə/	Seychellois	a Seychellois	French, English, Seychellois Creole
Sierra Leone /si,erə li'oun/ /sē,erə lē'ōn/	Freetown /'fritaʊn/ /'frētoun/	Sierra Leonian	a Sierra Leonian	English
Singapore /'sɪŋə,pɔ:r/	Singapore /'sɪŋə,pɔ:r/	Singaporean	a Singaporean	English, Malay, Mandarin, Tamil
Slovakia /slou'vakiə/ /slō'vākēə/	Bratislava /ˌbrædə'slævə/ /ˌbrædə'slævə/	Slovak	a Slovak	Slovakian
Slovenia	Ljubljana	Slovene or	a Slovene or	Slovene

/slō'vĕnĕə/ /sloʊ'vinɪə/	/,ljʊbli'anə/	Slovenian	a Slovenian	
Solomon Islands /'sɒləmən ,ʌɪləndz/	Honiara /,həʊni'ɑ:rə/	–	a Solomon Islander	English
Somalia /sə'mɑ:lɪə/	Mogadishu /,mɒgə'dɪʃu:/	Somali	a Somali	Somali, Arabic
South Africa /sauθ'ɑfrɪkə/	Pretoria /prɪ'tɔ:rɪə/	South African	a South African	11 languages
South Korea /sauθkə'riə/	Seoul /səʊl/	South Korean	a South Korean	Korean
Spain /speɪn/	Madrid /mæ'drɪd/	Spanish	a Spaniard	Spanish
Sri Lanka /sri 'lɑŋkə/	Colombo /kə'lʌmbəʊ/	Sri Lankan	a Sri Lankan	Sinhala, Tamil
Sudan /su:'dɑ:n/	Khartoum /kɑ:'tu:m/	Sudanese	a Sudanese	Arabic, English
Suriname /,sʊəri'nam/	Paramaribo /,parə'marɪbəʊ/	Surinamese	a Surinamer or a Surinamese	Dutch
Swaziland /'swɑ:zɪlənd/	Mbabane /,(ə)mba:'bɑ:ni/	Swazi	a Swazi	Swazi, English
Sweden /'swi:d(ə)n/	Stockholm /'stɒkhəʊm/	Swedish	a Swede	Swedish
Switzerland /'swɪtsələnd/	Berne /bɜ:n/	Swiss	a Swiss	Swiss
Syria /'sɪrɪə/	Damascus /də'maskəs/	Syrian	a Syrian	Arabic
Taiwan /tʌɪ'wɑ:n/	Taipei /tʌɪ'peɪ/	Taiwanese	a Taiwanese	Chinese
Tajikistan /tə,dʒi:ki'stɑ:n/	Dushanbe /du:'ʃɑnbeɪ/	Tajik or Tadjik	a Tajik or a Tadjik	Tajik (Persian)
Tanzania /tæn,zə'ni:ə/	Dodoma /dodo:'ma/	Tanzanian	a Tanzanian	Kiswahili, English
Thailand /'taɪlənd/	Bangkok /,bæŋ'kɒk/	Thai	a Thai	Thai
Togo /'təʊgəʊ/	Lomé /'ləʊmeɪ/	Togolese	a Togolese	French
Trinidad and Tobago /,θɪnɪdæd ənd tə'beɪ.gəʊ/	Port of Spain	Trinidadian Tobagonian/To bagonian	a Trinidadian a Tobagonian/ Tobagonian	English
Tunisia /tju:'nɪzɪə/	Tunis /'tju:nɪs/	Tunisian	a Tunisian	Literary Arabic; Spoken: Tunisian

				Arabic French Berber
Turkey /ˈtʊ:ki/	Ankara /ˈæŋkərə/	Turkish	a Turk	Turkish
Turkmenistan /ˌtɜ:kˈmenəˌsta:n/	Ashgabat /ˌɑ:ʃgɑ:ˈbɑ:t/	Turkmen or Turkoman	a Turkmen or a Turkoman	Turkmen
Tuvalu /tu:ˈvɑːlu:/	Funafuti /funaˈfuti/	Tuvaluan	a Tuvaluan	Tuvaluan, English
Uganda /u:ˈgændə/	Kampala /kəmˈpɑ:lə/	Ugandan	a Ugandan	Swahili, English
Ukraine /ju:ˈkreɪn/	Kyiv /ˈki:jɪf/	Ukrainian	a Ukrainian	Ukrainian
United Arab Emirates (UAE) /ju:ˌnaɪɪd arəb ˈemɪrəts/	Abu Dhabi /æbu:ˈdɑ:bi/	UAE or Emi rates (used attribut-ly only)	an Emirati	Arabic
United Kingdom (UK) <i>NB: UK time but not He is UK</i>	London /ˈlʌndən/	UK (used attributively only)	a Briton	English
United States of America (USA) <i>NB: US aggression</i>	Washington /ˈwɒʃɪŋtən/	US (used attribut-ly only)	a US citizen	English
Uruguay /ˈ(j)ʊrəˌɡwɑɪ/	Montevideo /ˌmʌn(t)əvəˈdeɪo ʊ/	Uruguayan	a Uruguayan	Spanish
Uzbekistan /ʊzˌbek.ɪˈstɑ:n/	Tashkent /ˌtæʃˈkɛnt/	Uzbek	an Uzbek	Uzbek
Vanuatu /væn.uˈɑ:tu:/	Port Vila /pɔ:rtˈvɛlə/	Vanuatuan	a Vanuatuan	Bislama, French, English
Vatican City /ˌvæt.ɪ.kənˈsɪt.i/	Vatican City /ˌvæt.ɪ.kən ˈsɪt.i/	–	–	Italian
Venezuela /ˌvenəzˈweɪlə/	Caracas /kəˈrækəs/	Venezuelan	a Venezuelan	Spanish
Vietnam /ˌvjetˈnæm/	Hanoi /hɑˈnoɪ/	Vietnamese	a Vietnamese	Vietnamese
Wales /weɪlz/	Cardiff /ˈkɑ:dɪf/	Welsh	a Welshman, a Welshwoman	Welsh / English
Western Samoa /ˈwestərn səˈmoʊə/	Apia /æˈpiə/	Western Samoan	a Western Samoan	Samoan, English
Yemen	Sana'a	Yemeni	a Yemeni	Arabic

/ˈjɛməŋ/	/sɑˈnɑ/			
Yugoslavia /ˌjʊɡəʊˈslɑviə/	Belgrade /bəlˈɡreɪd/ /ˈbɛlɡreɪd/	Yugoslav	a Yugoslav	Yugoslavian
Zaire /zɑˈɪr/	Kinshasa /kənˈʃɑsə/	Zairean	a Zairean	French, Lingala, Kongo, Swahili, Tshiluba
Zambia /ˈzæmbiə/	Lusaka /lʊˈsɑkə/	Zambian	a Zambian	English
Zimbabwe /zɪmˈbɑːb.weɪ/	Harare /həˈrɑrɪ/	Zimbabwean	a Zimbabwean	16 languages

SUPPLEMENT TO UNIT 3

I. Read the following to know more about abbreviated word in the English language:

Types of English abbreviations

There are **four** different types of abbreviations in English:

1. Initialism
2. Acronym
3. Shortening
4. Contraction

Initialism

An initialism is formed from the first letters of a group of words. We pronounce each letter individually, e.g.

CEO – Chief Executive Officer

FAQ – frequently asked questions

Rules for capital letters

If the first letters of the full form are capital letters, then we always write the abbreviation with capital letters, e.g., in the full form, we always write “**F**ederal **B**ureau of **I**nvestigation” with capital letters for the first letter of each word because it is the name of an official organisation. Therefore we write the abbreviated form in capitals: **FBI**

For the others (the full form is **not** in capital letters), both forms are acceptable. It is a style choice, e.g. “frequently asked questions” – the full form is **not** in capital letters, therefore we can choose: FAQ or faq

Rules for full stops (periods)

In BE, we do not usually use full stops between each letter for initialisms (FBI) though in AE, it is a question of style and using full stops is more common in AE (F.B.I.).

Acronyms

An acronym is formed from the first letters of a group of words and we pronounce the acronym as a word.

NATO – North American Treaty Organisation

SIM – subscriber identification module (card for mobile phone)

*VAT (value added tax) is a special case. It can be 2 types of abbreviation:

It can be an acronym and we pronounce it as one word /væt/

It can also be treated as an initialism and we pronounce each letter separately.

Rules for capital letters

This is the same rules as for the initialisms. If the first letters of the full form are capital letters, then we always write the acronym with capital letters, e.g., we always write “**N**orth **A**merican **T**reaty **O**rganisation” with capital first letters because it is the name of an official organization, therefore we also write the acronym in all capitals (**NATO**).

For the others (the full form is **not** in capital letters), both forms are acceptable. It is a style choice, e.g., “personal identification number” – the full form is **not** in capital letters, therefore we can choose: PIN or pin.

Rules for full stops (periods)

We do **NOT** use full stops after each letter of an acronym because we treat acronyms as words and pronounce them as words so we never write full stops in the middle of words, e.g., “personal identification number” – PIN.

Shortenings

A shortening is an abbreviation in which the beginning or end of the word has been omitted. There are 2 types:

<p>Type 1 shortenings (treated as real words, written and said as one word)</p> <p>app – application (software) blog – weblog (a type of website)</p> <p><i>Rules for capital letters</i> The first letter is a capital letter only if the full word starts with a capital letter: Example: full form is “Briton” (with a capital first letter) therefore the shortening also must start with a capital letter: “Brit” <i>There are lots of Brits living in Spain.</i></p> <p>Rules for full stops (periods) We do NOT use a full stop after type 1 shortenings</p>	<p>Type 2 shortenings (not treated as real words, only used in writing but when we say or read them, we say the full version of the word)</p> <p>Feb. – February Sat. – Saturday etc. – et cetera (Latin for “and the rest”) Writing: “<i>Please send me the Feb accounts.</i>” Speaking: “<i>Please send me the February accounts.</i>”</p> <p>Rules for full stops (periods) We have the choice to use full stops (periods) at the end of the abbreviation, e.g., <i>Feb. or Feb for February.</i></p> <p>Rules for capital letters The first letter of a type 2 shortening is a capital letter only if the full word starts with a capital letter.</p>
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Contractions

Contractions are abbreviations in which we omit letters from the middle of a word. We do **NOT** write a full stop at the end of a contraction. The first letter is a capital letter only if the full word starts with a capital letter.

<p>Type 1 contractions (missing letters from 1 word)</p> <p>Dr – Doctor govt – government St – Saint Mr – Mister</p>	<p>Type 2 contractions (missing letters from more than 1 word)</p> <p>We use an apostrophe to represent the missing letters: he’s – he is they’d – they would I’ve – I have</p>
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II. Here are the most common abbreviations used in texting, e-mailing and chatting:

Abbreviation	Meaning	Abbreviation	Meaning
1dRfl	wonderful	L8	late
2	to/too/two	L8r	later
2da	today	LMK	let me know
2moro	tomorrow	M8	mate
2nite	tonight	MOF	matter of fact
3dom	freedom	MT	empty
4	for	NAGI	not a good idea
4get	forget	Ne	any
4N	foreign	Ne1	anyone
ADN	any day now	No1	no one
ASAP	as soon as possible	nrg	energy
ATM	at the moment	OIC	oh i see
B	be	OK	okay
B4	before	ONNA	oh no! not again
B4N	bye for now	OTT	over the top
BB	bye bye	PAL	parents are listening
Bf	boyfriend	PCM	please call me
BION	believe it or not	Pls	please
BK	big kiss	Ppl	people
BTDT	been there, done that	R	are
BTW	by the way	Re	regarding
By	busy	RUOK	are you okay?
CB	call back	Spk	speak
CID	consider it done	Sry	sorry
CUL8R	see you later	SWAK	sealed with a kiss
CWUL	chat with you later	THX	thanks
DUZ	does	TTYL	talk to you later
DUZNT	doesn't	TXT	text

G2G	got to go	U	you
Gf	girlfriend	U@	you at? (where are you?)
Gr8	great	UOK	you okay?
Grr	angry	UR	your/you're
H2	how to	Usu	usually
HUH	have you heard?	W8	wait
IC	i see	W84M	wait for me
ICCL	i couldn't care less	W/	with
IK	i know	Wan2	want to
ILU (or ILY)	i love you	XLNT	excellent
in4ml	informal	Y	why
KISS	keep it short and simple (or keep it simple, stupid)	YR	yeah, right!

II. Using the list given above work out the meaning of the following:

Words in full	Abbreviations or SMS language	Words in full	Abbreviations or SMS language
	AFAIR		PAW or PW
	LUV		RAK
	THNX or THX		SEC
	2day		ASAP
	B4		OMG
	HAND		HAK or XOXO
	C U		LOL
	SWYP		CSB
	@		LTWT or LWT or LW
	TIME		ATM
	SWAK		SAL
	CHX		KISS
	GR8		XLNT

SUPPLEMENT TO UNIT 4

I. Read the text and be ready to discuss it in class:

COMPLEMENTARY GOODS AND SUBSTITUTE GOODS

Some things just go together: fish and chips; sausages and ketchup; shoes and shoelaces. In each of these pairs, the goods in question are more useful or more pleasing when consumed along with the other member of the pair. Because such goods complement each other, economists refer to them as *complementary goods*. An interesting thing about complementary goods is that changes in the price of one complement affect the other complement. For example, the price of the petrol you put in your car affects the demand for cars; if the price of petrol goes up, fewer cars are sold.

In contrast, consider *substitute goods*, which are goods that serve similar functions so that if the price of one goes up, people switch to the other one. For example, if the price of train travel goes up, more people drive cars. And if the cost of regular mail goes up, more people use email.

Both complementary goods and substitute goods are the result of cross-price effects. An increase in the price of a complement causes the quantity demanded of its pair to fall, whereas an increase in the price of a substitute causes the quantity demanded of its pair to rise.

As you look around the economy, make sure that you think of it as one great big organic whole, where things don't happen in isolation. When the price of one good changes, it doesn't affect just that good, but also many other goods that are substitutes or complements. And if the prices of the substitutes or complements change too, as a result of the initial price change, all their substitutes and complements are also affected, like a gigantic ripple effect [Peter Antonioni. *Economics For Dummies* / Peter Antonioni, Sean Masaki Flynn. ; [2nd Edition]. – Chichester : John Wiley & Sons, 2011. – 420 p.].

TRANSITION WORDS

II. Write two sentences using the words given for each type of transition.

Addition – another, moreover

1 _____

2 _____

Time– following, then

1 _____

2 _____

Contrast- on the other hand, unlike

1 _____

2 _____

Comparison – equally, similar

1 _____

2 _____

Example – for instance, to illustrate

1 _____

2 _____

Cause- Effect – because, reason

1 _____

2 _____

Classification – type, group

1 _____

2 _____

Generalization and Example – for example, such as

1 _____

2 _____

III. Complete the text with the correct transition word or phrase given below:

“WHO LEARNS FASTER – CHILDREN OR ADULTS?”

Small children seem to learn very quickly, _____ (1) adults sometimes appear to lose the ability to pick up new subjects such as languages, music, games, or computer programs. In this essay, I will discuss _____ (2) children or adults make the best learners.

It is _____ (3) that children seem to learn very quickly. In just a few years, they can learn how to play a musical instrument, speak one or even two new languages, and deal with many subjects at school. They _____ (4) have time for sports and hobbies, and become experts in their favorite pastimes. _____ (5), how much of this is social pressure and how much is genetic? I am convinced that while children’s brains have a natural ability to absorb new information as part of their developmental growth, much of their achievement is because of social pressure. Schools force them to take many subjects. Parents force them to practice new sports or to learn music. Even their playmates force them to become better at computer games or to read Harry Potter novels faster. _____ (6), children may enjoy learning, but their environment also is a big motivating factor.

Adults _____ (7) are supposed to be poor learners. _____ (8), I disagree with people who say that adults cannot learn quickly. Adults have many skills that compensate for the decline in the ability of the brain to grasp and remember new material. They can organize their learning by setting times for reading or practice. They can build on skills and experiences they know already. Adults usually cannot learn to do ballet or to play the violin, but _____ (9) these physical challenges, their motivation can often be higher than a child's. _____ (10), society does not encourage many adults to learn. People are busy with families and work, and some adults may feel that further learning is pointless, _____ (11) they have already achieved many goals at work or in their personal life.

_____ (12), I feel that we cannot generalize about children or adults being better learners. It depends on the situation and the motivation of the person, and the level of enthusiasm he or she has for learning [<http://www.eoioviedo.org/anacarmen/opinion/opinion.pdf>].

1	while	whereas	since
2	if	whereas	whether
3	obvious	undoubtedly true	completely truth
4	even	even though	also
5	despite	nevertheless	however
6	as regards	in summary	to sum up
7	on the contrary	opposite	on the other hand
8	however	although	nevertheless
9	even in spite of	even though	even despite
10	unfortunately	unluckily	unlikely
11	furthermore	since	due to the fact that
12	in summary	to cut a long story short	in conclusion

IV. Fill in each blank with a transition from the box. Use each transition only once. Then tell what pattern of organization is used.

after finally third first second

Steps to Stop Sexual Harassment

Sexual harassment is defined as any form of unwanted sexual attention. Most companies now have sexually harassment policies in place. If you feel you are being sexually harassed, there are several steps you can take. (1) _____, ask the harasser to stop. Be clear and direct. This may be the first time the person has ever been told such behavior is wrong. (2) _____, record the event. Having a record of exactly what occurred (and when and where) will be helpful in making your case. (3) _____, complain to a higher authority. Talk to your manager about what happened. (4) _____, remember that you have not done anything wrong. You will likely feel awful (5) _____ being harassed. However, you should feel proud that you are not keeping silent.

What pattern of organization is used in this paragraph? _____

difference despite however in contrast

Reading a book is always much better than watching a movie based on a book. (7) _____ the saying "A picture is worth a thousand words," a book is able to give much more information than a movie can give. The author can give the thoughts of characters; (8) _____, a movie usually conveys only the actions and words of the characters. A book can follow several characters and plot lines, but a movie usually has less than two hours to tell the story and must follow just a few characters or one plot line. The final (9) _____ is one of imagination. Each reader of a book can create a different mental picture of the characters and scenes. A movie, (10) _____, can offer only the vision of the director and actors.

What pattern of organization is used in this paragraph? _____

These kinds kinds one type two kinds another type

Laws That Protect Children

Unwanted infants are protected by (12) _____ of laws. Both (13) _____ deal with parents who are unable to cope with the pressures of parenthood. (14) _____ of law punishes neglect. Several states, such as Georgia and Massachusetts, will put parents in jail for several years if they leave

or abandon a child. (15)_____of law rewards parents for handing their unwanted children over to authorities. A number of states, such as South Carolina and California, have “safe haven” laws. (16)_____of laws allow parents to leave the unwanted child at a church or hospital without being charged with a crime. These laws are supposed to lead to better treatment for the unwanted children.

What pattern of organization is used in this paragraph? _____

[<http://www.mld.metu.edu.tr/sites/default/files/Transitions-Patterns-of-Organization-Pt1.pdf>]

SUPPLEMENT TO UNIT 7

I. Read the text about possible consequences of the government intervention in regulating the market price and be ready to discuss it in class. Provide your own examples.

FIRST WORLD SUPPORTS, THIRD WORLD SUFFERS

Undesirable result of agricultural price supports in rich countries like the United States and the nations of the European Union is the great damage those supports cause to developing nations. For example, the US price of sugar is three times the world price because the United States restricts imports of cheaper foreign sugar in order to help US food production giants. The result is that thousands of poor Third World farmers are left without a livelihood, instead of making a living selling sugar to Americans and Europeans.

Even worse is what the United States and Europe do with some of the many tons of excess agricultural products that pile up due to the agricultural price supports. Not wanting to sell the excess in the US or EU, and thereby depress US or EU prices, our governments often send the stuff free to developing countries as food aid. That sounds nice and friendly, but when all that free wheat hits Nigeria, Nigerian farmers are put out of business. You can see what the consequences may be for the local economy.

Interfering with markets can therefore be a very bad thing: unexpected side effects usually end up hurting people that the policy isn't expected to harm. Furthermore, such policies are also typically inefficient, costing the losers more than they benefit the winners. When you see a policy like this, it's worth thinking through very carefully where the hidden costs are falling.

Although we like to apply out of sight, out of mind to them, the hidden costs can be very real and add up significantly.

II. Study the following examples of the most approximate to perfect competition model structures and be ready to discuss them in class:

By design a stock exchange resembles this. The flaw in considering the stock exchange as an example of Perfect Competition is the fact that large institutional

investors (e.g. investment banks) may solely influence the market price. This, of course, violates the condition that “no one seller can influence market price”.

Horse betting is also quite a close approximation. When placing bets, consumers can just look down the line to see who is offering the best odds, and so no one bookie can offer worse odds than those being offered by the market as a whole, since consumers will just go to another bookie. This makes the bookies price-takers. Furthermore, the product on offer is very homogeneous, with the only differences between individual bets being the pay-off and the horse. Of course, there are not an infinite amount of bookies, and some barriers to entry exist, such as a license and the capital required to set up.

Free software works along lines that approximate perfect competition as well. Anyone is free to enter and leave the market at no cost. All code is freely accessible and modifiable, and individuals are free to behave independently. Free software may be bought or sold at whatever price that the market may allow.

Some believe that one of the prime examples of a perfectly competitive market anywhere in the world is street food in developing countries. This is so since relatively few barriers to entry/exit exist for street vendors. Furthermore, there are often numerous buyers and sellers of a given street food, in addition to consumers/sellers possessing perfect information of the product in question. It is often the case that street vendors may serve a homogenous product, in which little to no variations in the product’s nature exist.

Another very near example of perfect competition would be the fish market and the vegetable or fruit vendors who sell at the same place, the bars in “Le Carré” (Linge, Belgium) or the “kebab street” near the Grand Place in Brussels.

III. Read the following text on the approach to market studies used in marketing. Note the differences and be ready to discuss them in class:

THE MARKET, ITS DEFINITION AND STRUCTURE IN TERMS OF MARKETING RESEARCH

A market consists of all the consumers who purchase a particular type of good or service. The market may be sub-divided into separate segments each of which can be considered to be a separate market in its own right. It is very important for a business to be able to define its market:

- So that it can estimate the size of the market.
- So that it can forecast the growth of the market.
- To identify the competitors in the market.
- To break the market down into relevant segments.
- To create an appropriate marketing mix to appeal to customers in the market.

There are different types of markets, for example: Business-to-Business (B2B) markets in which businesses are customers for other businesses. Business to Consumer (B2C) markets in which businesses sell to other

customers. Some markets take place in a physical location e.g. a street market, whereas others may be virtual markets e.g. when people buy and sell through the medium of the Internet.

The size of the market can be calculated in terms of the number of customers that make up the market, or the value of sales in the market. A business can then calculate its market share in terms of the number of customers its sells to, or the total value of its sales.

Markets are typically structured into segments. Primary segmentation is between customers buying entirely different products. For example, an oil company manufactures a wide range of fuels and lubricants for road, rail, water and air transport and for industry, all of them for different groups of customers. Further segmentation can be based on demographic and psychographic factors. Demographics segments people by clearly ascertainable facts: their sex, their age, size of their family, etc.

Psychographics segments people by something less clearly ascertainable and often disputable: their 'life-style'. A person's lifestyle is built up from his or her attitudes, beliefs, interests and habits.

SUPPLEMENT TO UNIT 8

I. Study the following types of monopolies and think of similar monopolistic arrangements operating in your country:

TYPES OF MONOPOLY PRACTICES

- **Private Monopoly.** When production is owned, controlled and managed by the individual, or private body or private organization, it is called private monopoly. Such type of monopoly is profit oriented. e.g. Tata, Reliance, Bajaj groups in India.
- **Public monopoly:** is called public monopoly. It is also known as social monopoly. The entire operation is controlled either by central or state government. Their main motive is to provide welfare to the public.
- **Government monopoly (or Public monopoly)** is a monopoly firm owned and operated by public or state government and it is the sole provider of a particular good or service and competition is prohibited by law. It is a monopoly created by the government. Their main motive is to provide welfare to the public, e.g. the German Public Train System is entirely government run, there are no private competitors.
- **Perfect monopoly:** It is also known as **pure or absolute** monopoly. Such monopoly is practically very rare. There is absolutely zero level of competition. In this case, there is only a single seller of product having no close substitute; not even remote one. It

is also called as absolute monopoly. Bill Gates played Perfect Monopoly in US for MS Word.

- **Imperfect monopoly:**

It means in this market, a product may have a remote substitute. So, there is fear of competition to some extent. It refers to a single seller market having no close substitute. It is also called as relative monopoly. e.g. Vodafone is having competition from fixed landline phone service industry BSNL.

- **Simple or single monopoly:**

It is also called Single-Price Monopoly. It is a type of monopoly in which a single seller controls the entire market, by selling the commodity at a single price for all the consumer. There is no price discrimination in the market.

- **Discriminative Monopoly.** Such a monopoly firm charges different price to different customers for the same product. It prevails in more than one market. An example is an airline monopoly. Airlines frequently sell various seats at various prices based on demand.

- **Legal monopoly:**

When a firm enjoys then it is known as legal monopoly. Such monopoly rights are approved by the government.

- **Legal Monopoly.** It is a monopoly that is protected by law from competition. A government-regulated firm that is legally entitled to be the only company offering a particular service in a particular area. For example, AT&T operated as a legal monopoly until 1982 because it was supposed to have cheap and reliable service for everyone. Having exclusive rights like trade mark, copy right, patent right, etc. can be another example of a legal monopoly.

- **Natural Monopoly.** A type of monopoly that exists as a result of the high fixed or start-up costs of operating a business in a particular industry. Government often regulate certain natural monopolies to ensure that consumers get a fair deal. The utilities industry is a good example of a natural monopoly – gas, water, power.

- **Technological Monopoly.** When a firm enjoys monopoly power due to technical superiority over other products in the market, then it is called as technological monopoly. It emerges as a result of economies of large scale production, use of capital goods, new production methods, etc. E.g. engineering goods industry, automobile industry, software industry, etc. Internet Explorer was the only browser available to browse the web between 1995-2000.

- **Joint Monopoly** If two or more business firms acquire a monopoly position through mergers, cartels, syndicates, etc. then it becomes a joint monopoly. E.g., pizza making firm and burger making firm are competitors of each other in fast food industry. But when they combine their business that leads to reduction in competition so they can enjoy monopoly power in the market.

II. Read the text and be ready to discuss it in class:

ANTITRUST GOVERNMENT POLICY FOR DEALING WITH MONOPOLIES

Antitrust laws aim to stop abuses of market power by big companies and, sometimes, to prevent corporate mergers and acquisitions that would create or strengthen a monopolist. There have been big differences in antitrust policies both among countries and within the same country over time. This has reflected different ideas about what constitutes a monopoly and, where there is one, what sorts of behaviour are abusive.

In the United States, monopoly policy has been built on the Sherman Antitrust Act of 1890. This prohibited contracts or conspiracies to restrain trade or, in the words of a later act, to monopolise commerce. In the early 20th century this law was used to reduce the economic power wielded by so-called “robber barons”, such as JP Morgan and John D. Rockefeller, who dominated much of American industry through huge trusts that controlled companies’ voting shares. Du Pont chemicals, the railroad companies and Rockefeller’s Standard Oil, among others, were broken up. In the 1970s the Sherman Act was turned (ultimately without success) against IBM, and in 1982 it secured the break-up of AT&T’s nationwide telecoms monopoly.

In the 1980s a more laissez-faire approach was adopted, underpinned by economic theories from the Chicago school. These theories said that the only justification for antitrust intervention should be that a lack of competition harmed consumers, and not that a firm had become, in some ill-defined sense, too big. Some monopolistic activities previously targeted by antitrust authorities, such as predatory pricing and exclusive marketing agreements, were much less harmful to consumers than had been thought in the past. They also criticised the traditional method of identifying a monopoly, which was based on looking at what percentage of a market was served by the biggest firm or firms, using a measure known as the Herfindahl-Hirschman index*. Instead, they argued that even a market dominated by one firm need not be a matter of antitrust concern, provided it was a contestable market.

In the 1990s American antitrust policy became somewhat more interventionist. A high-profile lawsuit was launched against Microsoft in 1998. The giant software company was found guilty of anti-competitive behaviour, which was said to slow the pace of innovation. However, fears that the firm would be broken up, signaling a far more interventionist American antitrust policy, proved misplaced. The firm was not severely punished.

In the UK, antitrust policy was long judged according to what policymakers decided was in the public interest. At times this approach was comparatively permissive of mergers and acquisitions; at others it was less so. However, in the mid-1980s the UK followed the American lead in basing antitrust policy on whether changes in competition harmed consumers. Within the rest of the European union several big countries pursued policies of building up national champions, allowing chosen firms to enjoy some monopoly power at home which could be used to make them more effective competitors abroad. However, during the 1990s the European Commission became increasingly active in antitrust policy, mostly seeking to promote competition within the EU.

In 2000, the EU controversially blocked a merger between two American firms, GE and Honeywell; the deal had already been approved by America's antitrust regulators. The controversy highlighted an important issue. As globalization increases, the relevant market for judging whether market power exists or is being abused will increasingly cover far more territory than any one single economy. Indeed, there may be a need to establish a global antitrust **watchdog**, perhaps under the auspices of the World Trade Organisation.

**The Herfindahl index (also known as Herfindahl–Hirschman Index, or HHI, číáľěň Őđđóčíárě -Őčđřěříř) is a measure of the size of firms in relation to the industry and an indicator of the amount of competition among them. Named after economists Orris C. Herfindahl and Albert O. Hirschman, it is an economic concept widely applied in competition law, antitrust and also technology management.*

III. Read the following article and explain in terms of economics which laws were broken by Apple Inc. and what could be the possible best-case/worst-case scenario for the company.

APPLE IPHONE 'MONOPOLY' CHALLENGED

AGENCIES Oct 10, 2007

SAN FRANCISCO: A civil lawsuit filed in California accuses Apple of creating an unlawful iPhone monopoly and vindictively releasing a software update that turns hacked devices into "iBricks."

The lawsuit, filed by attorney Damian Fernandez on behalf of a California man, accuses Apple of creating a monopoly by barring US customers from choosing a cellphone service provider other than US telecom giant AT&T. The lawsuit also says Apple released last month a software update that disables iPhones that customers managed to unlock to choose another carrier.

Fernandez, who filed the lawsuit on October 5, is seeking "class action" status to expand the litigation to cover all US iPhone buyers. In court documents, Fernandez estimates that Apple has sold 1.28 million iPhones since they went on sale in the United States on June 29. Several hundred thousand of those phones were hacked to enable them to connect to service providers other than AT&T, which has a five-year deal to be the exclusive US telephone service for the devices.

The lawsuit says Apple has created a monopoly by forcing iPhone buyers to use AT&T and not "unlocking" the devices to allow service by rival carriers.

An update released September 27 for iPhone software disables hacked devices, turning the phones into "iBricks," the suit alleged.

"Apple punished consumers for exercising their rights to unlock their iPhones," Fernandez says in court documents. "Apple issued a software update that 'bricked' or otherwise caused iPhone malfunctions for consumers who unlocked their phones and installed the update."

The suit demands a jury trial and asks the court to order Apple to unlock iPhones and provide warranty service to hacked devices. It also demands Apple be forced to pay unspecified cash damages. “Apple’s unlawful trust with AT&T substantially lessens competition and tends to create a monopoly in trade and commerce throughout the entire United States,” Fernandez claims in the suit. Apple declined to comment.

VOCABULARY

English

abuse (v.)
accompanying services
according to
achieve economic growth
address (v.)

advertisement
advertising
affect market prices

affect sth
agreement
allocative efficiency

anti-trust laws

apply (to)
approach
approximately
approximation

artificially
as follows
assign
assume
at given period of time
attribute
authoritarian regime
axis (n., pl.axes)
be based on
be concerned with
be constrained

be directed by
be equal to smth
be in short supply
be listed on

Ukrainian

зловживання
супутні, супровідні товари
відповідно до
досягти економічного зростання
привести у відповідність;
звернутися;
спрямувати
реклама
рекламування
мати вплив на ринкові ціни
впливати на
угода
ефективність розподілу ресурсів
антимонопольні (амер. антитрестовські) закони
використовувати
підхід
приблизно
наближення
(наближена версія)
штучно
наступне
приписувати, вважати
вважати, припускати
за даний час
атрибут, властивість
авторитарний режим
вісь
базуватися
мати справу з
бути змушеним;
обмеженим
бути спрямованим
рівнятися; дорівнювати
бути дефіцитом
бути занесеним до списку

be of secondary importance	не мати важливого значення
be related to	бути пов'язаним з чимось
be subject to special conditions	підпадати під особливі умови; зазнавати особливих умов
build smth up	створювати, складати
business venture	венчурний бізнес
buy up	скуповувати
capital stock	основний капітал
cardinal utility	кількісна корисність
cause (v)	викликати
central planning	центральне планування
certainty	впевненість
characterize	характеризувати
charge price for	призначати ціну для
classify	класифікувати
collapse (v)	привести до зниження
command economy	командна економіка
community	суспільство
compete	конкурувати
competition	конкуренція
competition laws	закони конкуренції
competitor	конкурент
complete power	повна влада
completely	повністю
comprise	містити
computerised	комп'ютеризований
concentrate on	концентруватися; зосереджуватися
consequence	наслідок
constituent	складова
construction business	будівельна компанія
consume	споживати
consumer	споживач
consumer behaviour	поведінка споживача (поведінка людини, що пов'язана з рішеннями щодо покупки товарів та послуг)
consumption	споживання
consumption good	споживчий товар
continually	безперестанку
convince	запевнювати

copycat (n)	наслідувач
copyright (n., adj)	авторське право
corner the market	‘охоплювати’ ринок
costs of production	виробничі витрати, собівартість
create wealth	накопичувати, створювати матеріальні цінності/багатство
critically	важливо, критично
current exchange rate	курс обміну валют
current price	поточна ціна
curve	крива (лінія)
cyberspace	кіберпростір
deal with	мати справу з
define	давати точне визначення
demand	попит
depend on	залежати від
derive from	одержувати
deserve sth	заслужувати
detention center	центр для утримання під вартою правопорушників
determine	визначати, встановлювати
differ from smth/smb in smth	відрізняти, відрізнити, розпізнавати
differentiate	розпізнати; розрізнятися; диференціюватися
diminish (v.)	спадати, зменшуватися
direct relationship	пряма залежність
dispose of	розпоряджатися майном
distinguish	відрізняти
distribute	розподіляти
dominate	домінувати
downward-sloping line	спадна лінія
duopoly	дуополія
duopsony	дуопсонія
earn a living	заробляти на життя

economic (adj.)	економічний
economic activities	економічна діяльність
economic planning	економічне планування
economic resources	економічні ресурси
economic system	економічна система
economical (adj.)	заощадливий, економний
economics	економіка (навчальна та наукова дисципліна)
economist (n.)	економіст
economize (v.)	заощаджувати, економити
economy (n.)	економіка (країни), народне господарство; економія
economy-wide	у межах економіки країни
efficient	ефективний, дієвий, продуктивний, кваліфікований
efficiently	ефективно
effort	зусилля
elasticity	еластичність
employed labour force	зайнята робоча сила
employment level	рівень зайнятості
empower	уповноважувати, поручати
encourage	заохочувати
entrepreneur	суб'єкт господарської діяльності
entrepreneurship	підприємець
environmental protection	охорона навколишнього середовища
equal smth	рівнятися; дорівнювати
equipped with	обладнаний
essential commodity	товар першої необхідності
everyday life	повсякденне життя
excess supply	надлишкова пропозиція; надлишок пропозиції
exclusive right	ексклюзивне право
exercise freedom	використання свободи

exercise one's choice	користуватися правом вибору
exist alongside sth	існувати разом з
expand	розширювати
expedient	доцільний
experience (n)	досвід
exploit (v)	розробляти
extraction	родовище
factor inputs	видобуток, фактори виробництва
factors of production	фактори виробництва
fall (v)	падати
fall into the category	потрапляти в категорію
feature	особливість
feature emphasizes on	відводити важливу роль
fix prices	встановлювати ціни
fixed capital	основний капітал
flood the market (with)	наводняти, наводнювати
flow of information	потік інформації
focus on sth.	зосереджуватися, зосередитися на ч-н.
fraction	частка
free good	безкоштовні товари
free market	вільний ринок
furthermore	більш того, до того ж
gain (from)	одержувати, домагатися; здобувати
generation	покоління, генерація
get the most out of sth.	отримувати, одержувати максимум
glut	перенасичення
gold standard	золотий стандарт; еталон
government intervention	державне втручання
Government investment spending	державні витрати на інвестиції
government regulation	державне регулювання; державні постанови
government services company	компанія, що надає державні послуги
gratifying	приємний, такий що задовольняє

Gross Domestic Product (GDP)	валовий внутрішній продукт
have control over smth	контролювати щось
health care service	система охорони здоров'я
hit the ceiling	різко зростати (про ціни)
hold a dominant position	мати домінуюче положення
human capital	людський капітал
humanity	людство
imply	мати на думці (на увазі); натякати; містити в собі; значити, мати значення
impose fines	накладати штраф
improve through	покращувати за допомогою
in response to	у відповідь на
in the long run	в кінцевому рахунку
in the near	у найближчому майбутньому
in the strict economic sense	в суворо економічному сенсі
increase (n) to	збільшення до
indicate	вказувати; означати, бути ознакою
individual citizens	окремі громадяни
inelastic	нееластичний
infinite	нескінченний, незліченний, неосягнений
influential	впливовий
inherent	властивий, притаманний
initial idea	первісна ідея
initially	спочатку, перш за все
interfere in	втручатися
interference	втручання
intervene in	втручатися
inventor	винахідник
inverse relationship	зворотна залежність
inversely	обернено пропорційно
invest	інвестувати гроші

It is commonly assumed	згідно з загальною думкою
It should be noted	слід зазначити
judge (v)	судити; оцінювати; скласти собі думку
label	маркувати; мітити
lack of	відсутність
laissez-faire	політика невтручання
law of demand	закон попиту
Law of Diminishing Marginal Utility	закон спадної граничної корисності
law of supply	закон пропозиції
life expectancy	середня тривалість життя
limited resources	обмежені ресурси
London Stock Exchange	Лондонська фондова біржа
long-standing	довготривалий
long-term planning	довгострокове планування
lower	знижатися, зменшуватися
luxuries	предмети розкоші
luxuries/luxurious goods	предмети розкоші
machinery	техніка, устаткування
macroeconomics	макроекономіка
maintain	підтримувати у робочому стані
maintenance	підтримання в належному стані
make a distinction	відрізнити
make a profit	отримувати прибуток
make a step	робити крок
make assessments	оцінювати, оцінити
make into	перетворити на
make transactions	здійснювати операції
make up	створювати, скласти
man made	штучний
manufactured	промисловий
marginal utility	гранична корисність
maritime	морський
market	ринок
market (v.)	реалізувати, збувати;

market conditions	знаходити ринок збуту, торгувати на ринку
market economy	ринкові умови
market equilibrium	ринкова економіка
market equilibrium	ринкова рівновага
price	рівноважна ціна, ціна що забезпечує ринкову рівновагу
market intervention	ринкова інтервенція
market participant	учасник ринку
market power	ринкова влада
market price	ринкова ціна
maximize	збільшувати до межі; мати користь
means of production	засоби виробництва
meet the demand	задовольняти попит
merger	злиття компаній
microeconomics	мікроекономіка
monopoly	монополія
monopsony	монопсонія
must have	те, що треба обов'язково мати
national labour force	національна робоча сила
natural disaster	стихійне лихо
natural monopoly	натуральна монополія
natural resources	природні ресурси
nature	природа; характер
newborn	новонароджений
nobility	дворянство
non-essential commodities	товар не першої необхідності
non-marketed output	неринкові товари
noticeable	помітний
objections (to)	заперечення
objective (n)	ціль
of about 5 inhabitants	з приблизно 5 мешканців
oligopoly	олігополія
oligopsony	олігопсонія
on average	в середньому
on the contrary	навпаки
operate	працювати
operate a business	управляти бізнесом
opportunity cost	витрати

opt for other things being equal output	невикористаних можливостей вибрати за інших рівних умов продукція; виробництво; обсяг виробництва
over-production own (v) ownership paid job <u>patent</u> patent rights perfect competition (pure competition) permit phenomenon (pl.-a) plan ahead plc (public limited company)	надвиробництво володіти право власності оплачувана робота патент патентні права чиста конкуренція дозволяти феномен, явище планувати наперед публічна компанія з обмеженою відповідальністю
possess possessions precise price ceiling	володіти майно точний максимальна ціна; максимальний випуск продукції тощо
price taker	економічний суб'єкт, який не справляє впливу на ціну (на ринку)
priority	першочерговість, пріоритет
private enterprise private ownership	приватне підприємство право приватної власності
private property produce production targets productive potential productive resources productivity	приватна власність виробляти виробничі цілі виробничий потенціал виробничі ресурси продуктивність

profit maximization	максимізація прибутку
prohibit	забороняти
provide smb with sth	забезпечити к-н., ч-н.
public monopoly	державна монополія
public ownership	суспільна власність
public sector	державний сектор економіки, бюджетна сфера
public utility company	комунальне підприємство
purchase (v)	купувати
quality	якість
raise	підвищувати
raised capital	залучений капітал
range of wants	коло бажань
rank (v)	класифікувати, розташувати в певному порядку
rare	рідкісний
rate (v)	оцінювати
raw material	сировина
real estate	нерухомість
recognition	визнання
refer to	посилатися на; мати відношення до ч-н.
reflect	брати до уваги,
regard as	вважати
relate to	мати відношення до ч- н.
relationship	взаємозв'язок
relevant	доречний; що стосується справи
remain	залишатися
remote	віддалений
requirement	вимога; необхідна умова; потреба
respectively	стосовно кожного зокрема; відповідно, у вказаному порядку
restrict	обмежувати
restrictions on	обмеження на
revenue	річний дохід
rigidly controlled	жорстко контрольований
rip-off (n)	злодійство; плагіат

run a company	управляти компанією
sacrifice	жертва
satisfaction	задоволення
satisfy	задовольнити
savings	заощадження
scale of preferences	шкала переваг
scarcity	недостача, нестача, дефіцит
science	наука
scientific	науковий
self-correcting	саморегулювальний
semi-finished	напівфабрикат
separate (adj)	окремий
service delivery	надання послуг
set barriers	встановлювати перешкоди
set of conditions	ряд умов
set up	засновувати
set up a target	ставити цілі
shelter	житло
shortage	дефіцит, нестача
social capital	соціальний капітал
society	суспільство
solve the problem	вирішувати проблему
standard of living	рівень життя
starvation	голод; голодування
state	стверджувати
step (v) (in)	втручатися
stock exchange	фондова біржа
strong secondary market for	сталий вторинний ринок
subsistence level	прожитковий рівень
substitute products	товари-замінники
success	успіх
sum up	підсумовувати, підбивати підсумки
sum-total	у сукупності, разом
superior product	продукт кращої якості
superiority	перевага
supplies of capital	накопичення капіталу
supply	пропозиція
surplus income	надлишковий прибуток
sweet tooth	пристрасть, слабкість до солодкого

take a broad view of sth.	широко дивитися на речі
take part in sth	брати участь в ч-н.
tax	податок
tend towards	прагнути до ч-н.
the purest form	у чистій формі
thus	таким чином, отже
to ensure	для забезпечення
to prevent from	заважати, перешкоджати (чомусь)
to the prejudice	на шкоду
to trade smth for	обмінювати щось
total demand	загальний попит
total output	валова продукція
total utility	сукупна корисність
<u>trademarks</u>	торгівельна марка
traditional economy	традиційна економіка
training	навчання; підготовка; освіта
under-developed country	слаборозвинута країна
underlie	лежати (бути) в основі ч-н.
undesirable	небажаний
upward slope	нахил вгору
used to be	мати звичку; раніше
usefulness	користь; придатність
utility function	функція корисності
valuable	цінний
value	цінність
venture	підприємство
violate	порушувати
vitally important	життєво важливий
wage	заробітна плата
willingness	бажання
working age	працездатний вік
working capital	оборотний капітал

LIST OF ABBREVIATIONS

Abbreviation	Meaning
AGM	Annual General Meeting
BP	British Petroleum
CE	Council of Europe
CEO	Chief Executive Officer
Co.	company
Corp.	corporation
DC	developed country
e.g. (Lat.)	exempli gratia (for example)
EBRD	European Bank of Research and Development
EC	European Community
ECM	European Common Market
EDP	Electronic Data Processing
EEC	European Economic Community
etc. (Lat.) et cetera	and so on
EU	European Union
EUROSTAT	Statistical Office of the European Communities
HQ	Headquarters
i.e. (Lat.) id est	that is, in other words
ICC	International Chamber of Commerce
ILO	International Labour Organisation
Inc.	Incorporated
IT	Information Technologies
Ltd	limited liability
MBA	Master of Business Administration
NATO	North Atlantic Treaty Organisation
NB (Lat.) nota bene	прими к сведению, обрати особое внимание
OECD	Organisation for Economic Cooperation and Development
OSCE	The Organization for Security and

	Co-operation in Europe
plc	Public Limited Company
Rd	Road
SIM	subscriber identification module (card for mobile phone)
Sq	Square
St	Street
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNO	United Nations Organisation
VIP	Very Important Person
WHO	World Health Organisation
WIPO	World Intellectual Property Organisation
WTO	The World Trade Organization

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