

МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ
КИЇВСЬКИЙ НАЦІОНАЛЬНИЙ ЕКОНОМІЧНИЙ УНІВЕРСИТЕТ
імені ВАДИМА ГЕТЬМАНА

ENGLISH FOR STUDENTS IN FINANCE

**АНГЛІЙСЬКА МОВА ДЛЯ СТУДЕНТІВ
ФІНАНСОВИХ СПЕЦІАЛЬНОСТЕЙ**

Навчальний посібник

У 2 частинах

Частина I

За загальною редакцією Е. І. Щукіної

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English for students in finance, Part I. Англійська мова для студентів фінансових спеціальностей [Електронний ресурс] : навч. посіб. з англ. мови : друге видання, доповнене та перероблене: у 2 ч. – Ч. I. [Мендрух Ю.М., Остапенко Е.О., Максименко О.О., Кузьменко Д.В., Іщенко Т.М., Кузнєцова О.О., Ходакевич О.Г.] / **За загальною редакцією Е. І. Щукіної.** – Київ : КНЕУ, 2025. – 263 [1] с.
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Навчальний посібник розроблено на принципах сучасної методики та передових методів викладання іноземної мови професійного спілкування (ESP). Укладачами посібника враховані загально-європейські рекомендації з мовної освіти щодо рівнів володіння мовою, компетенцій тих, хто навчається, та можливих контекстів користування мовою. Посібник спрямований на розвиток та вдосконалення у студентів професійно орієнтованих комунікативних мовленнєвих компетенцій для забезпечення ефективного спілкування в академічному та професійному середовищі.

Навчальний посібник призначений для студентів першого курсу фінансових спеціальностей, а також може становити значний інтерес для широкого кола осіб, які самостійно вивчають професійну англійську мову і прагнуть її опанувати.

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Contents

Передмова	4
UNIT ONE. UNIVERSITY EDUCATION	5
Section I. Text A. Higher Education	6
Section II. Text B. Higher Education in America	21
Useful English. Comparing and contrasting information	
UNIT TWO. ECONOMICS AND ITS MAIN CONCEPTS	42
Section I. Text A. What economics is all about?	44
Section II. Text B. Basic Concepts of Economics	60
Useful English. Expressing views and opinions	
UNIT THREE. FACTORS OF PRODUCTION	73
Section I. Text A. Resources are Scarce	74
Section II. Text B. Labour.	86
Useful English. Academic writing. Expressing opinions	
UNIT FOUR. ECONOMIC SYSTEMS	106
Section I. Text A. Types of Economic Systems	
Traditional and Command Economies	109
Section II. Text B. A Market Economy	121
Useful English. Asking for opinions. Giving Opinions	
Agreeing and disagreeing. Making suggestions	
UNIT FIVE. THE ECONOMIC INDICATORS	139
Section I. Text A. The main Economic Indicators	139
Section II. Text B. Business cycles: Characteristics and Causes	154
Section III. Text C. Governmental Policies Aiming at Stabilizing the Economy	162
Useful English. Making presentations	
UNIT SIX. THE ECONOMY OF THE USA	184
Section I. Text A. The Economy of the USA	193
Section II. Text B. The Economy of the USA by Sector	208
Useful English. Reading numbers in English. Describing and making up pie charts	
Annex I. Glossary of economic terms	232
Annex II. Making presentations	251
References	259

Передмова

Даний навчальний посібник є першою частиною посібника “English for Students in Finance”. Посібник призначений для студентів першого курсу фінансових спеціальностей, а також може становити значний інтерес для широкого кола осіб, які самостійно вивчають англійську мову і прагнуть опанувати професійною англійською мовою.

Мета посібника – забезпечити розвиток усіх чотирьох видів мовленнєвої діяльності (читання, письма, говоріння, аудіювання), вдосконалення умінь та навичок перекладу автентичних текстів та роботи з літературою за фахом.

Посібник є модульним за своєю організацією і складається з 6 тематичних розділів (Units) та додатків. До вивчення пропонуються шість тем професійного спрямування: “Вища Освіта” (University Education); “Що таке Економіка та її основні поняття” (What economics is all about?); “Фактори виробництва” (Factors of Production); “Економічні системи” (Economic Systems); “Економічні показники” (The Economic Indicators); “Економіка США” (The Economy of the USA).

Теми посібника організовані за принципом послідовності та передбачають розвиток різних видів мовленнєвої діяльності. Тексти, що увійшли до складу посібника, дібрані з оригінальних фахових наукових праць за відповідною тематикою з урахуванням інтересів аудиторії.

Додатки містять:

- глосарій економічних термінів (Glossary of economic terms)
- як створити презентацію (Making Presentations)

Автори посібника висловлюють подяку професору Т.І. Петровій, доцентам Ю.М. Друзю, М.М. Гавришу, Г.Е. Борецькій за позитивну оцінку даного навчального посібника.



UNIT ONE

UNIVERSITY EDUCATION

Section I	Text A. Higher Education
Section II	Text B. Higher Education in America
Useful English	Comparing and contrasting information

LEARNING OBJECTIVES

In this unit you will practise the following skills and strategies:

- applying reading skills to comprehend, analyze, summarize and interpret texts related to the characteristic features of higher education systems in different countries and major aspects of students' life;
- identifying the main idea; reading for detail, a specific fact or piece of information; dealing with unknown vocabulary;
- using strategies to reinforce comprehension skills (i.e. using graphic organizers, answering comprehension questions);
- evaluating information; drawing conclusions; formulating questions;
- making predictions; comparing and contrasting;
- talking about higher education and students' life: give spontaneous and prepared monologues, dialogues, and group interaction using topical vocabulary;
- summarizing and translating texts related to the issues covered in the unit.

LEAD-IN

1. Discuss these questions with your partner.

- Why did you decide to get higher education?
- You are students of Kyiv National Economic University named after Vadym Hetman. Why did you choose this university?
 - What are the most popular higher educational establishments in the UK, the USA and Ukraine? Would you like to study abroad?
 - What do you expect from studying at the university?

2. Choose one of the following quotations about education; discuss it with your partner. What do the authors mean? Do you agree or disagree with them?



- “If you have a college degree you can be absolutely sure of one thing... you have a college degree.”

Author unknown
- “A child without education is like a bird without wings.”

Tibetan proverb
- “Tell me and I’ll forget. Show me, and I may not remember. Involve me, and I’ll understand.”

Native American saying

SECTION I

KEY TERMS

I. Before reading text A study the key terms and their definitions. While reading the text, you should pay attention to the academic terms. They will become the basics of your academic vocabulary.

1. **Admission** – *прийм (вступників)* – the act of accepting sb into an institution, organization etc. **Admission requirements** – *вимоги до вступу*.

2. **Applicant** – *вступник (що вже подав заяву про вступ)* – a person who makes a formal request for sth (applies for it), especially for a job, a place at a college or university. **Application fee** – *вступний внесок (покриває витрати, пов'язані з опрацюванням вступних документів)*; **application form** – *бланк (форма) заяви про вступ*; **application** – *заява (про вступ, на участь у програмі)*; **apply** *v* – *подати заяву*.

3. **Assess** *v* – *оцінювати* – to make a judgement about the nature or quality of somebody/something. **Assessment** – *оцінка*.

4. **Assignment** – *завдання* – a task that someone is given to do, usually as part of their job or studies.

5. **College** – *коледж. Окремий навчальний заклад або ж частина університету (university college), чії випускники отримують ступінь бакалавра; окремий навчальний заклад, навчання в якому не веде до отримання ступеню)* – a place where students go to study or to receive training after they have left school.

6. **Credit, credit hour** – *кредитний бал. В системі вищої освіти за кожен успішно закінчений курс студентові нараховують певну кількість кредитних балів. Щоб здобути ступінь (бакалавра, магістра), студент повинен набрати за всі роки навчання встановлену кількість кредитних балів* – a unit of study at a college or university; the fact of having successfully completed a unit of study.

7. **Degree** – *учений ступінь; диплом (про вищу освіту)* – an academic rank conferred by a college or university after examination or after completion of a course of study. **A Bachelor's degree** – *ступінь бакалавра*; **a Master's Degree** – *ступінь магістра*; **a Doctor's Degree** – *ступінь доктора наук*.

8. **Education** – *освіта* – a process of teaching, training and learning, especially in schools or colleges; **tertiary** ['tɜːʃ(ə)rɪ] ~ *освіта після закінчення середньої школи*, **higher** ~ *вища освіта*, **further** ~ *подальша (професійно-технічна) освіта (навчання не завершується здобуттям ступеня)*, **adult, continuing** ~ *освіта дорослих (курси для дорослих на базі університету, освітнього центру, але навчання не завершується здобуттям ступеня)*. **Educational institution** – *навчальний заклад*.

9. **Graduate** – **1.** *випускник (особливо той, хто отримав перший ступінь)* – one who has received a university degree; **2.** **graduate student** (*AmE*), **postgraduate student** (*BrE*) *магістрант або докторант (студент, який отримав перший ступінь і навчається далі щоб отримати ступінь магістра або*

доктора філософії); **3. high-school graduate** (*AmE*), **school-leaver** (*BrE*) *випускник середньої школи*

10. Student – **1.** *студент (вищого навчального закладу)*
2. (*esp AmE*) *учень (школи)* – one who is enrolled or attends classes at a school, college, or university.

11. Undergraduate – *студент, який навчається щоб отримати ступінь бакалавра* – a person studying in a university for a first degree.

II. Give the right terms for the following definitions.

1.	an academic title conferred by universities and colleges as an indication of the completion of a course of study	
2.	the act of accepting sb into an institution	
3.	a person who applies for a job, a place at a college or university, etc.	
4.	a task allotted	
5.	the educational level following the completion of a school providing secondary education	
6.	a unit of measurement used to quantify the amount of academic work completed by a student, typically based on hours of instruction or coursework completed	
7.	evaluate or estimate the nature, quality, ability, extent, or significance of	
8.	a place where students go to study after they have left school; one of the main divisions of some large universities	
9.	a person studying in a university for a first degree	
10.	one who has received a degree or a diploma	

PRONUNCIATION GUIDE

tertiary [ˈtɜːʃ(ə)rɪ]
 result [rɪˈzʌlt]
 occur [əˈkɜː]
 awareness [əˈweɪəns]

bachelor [ˈbætʃ(ə)lə]
 Bologna [bəˈlɒnjə]
 society [səˈsaɪəti]
 comparable [ˈkɒmp(ə)rəbl]

III. Read text A and be ready to complete the table with the information from the text.

Types of educational institutions of tertiary education	
Types of degrees	

Advantages of higher education	
Aims of Bologna Process	
Forms of international cooperation in higher education	

Text A. Higher Education

Tertiary education, also referred to as third level or post-secondary education, is the educational level following the completion of secondary education. Often delivered at universities, academies, colleges, seminaries, and institutes of technology, tertiary education is also available through certain college-level institutions, including vocational schools, trade schools, and other career colleges. Completion of a tertiary education program of study generally results in the awarding of certificates, diplomas, or academic degrees. Tertiary education at non-degree level is sometimes referred to as further education as distinct from higher education. Higher education is a component of tertiary education leading to the award of an academic degree. Higher education includes both the undergraduate level, leading towards Bachelor's degrees, and beyond that, the graduate-level (or postgraduate level in the UK), for those seeking Master's or PhD degrees.

The general higher education and training usually includes significant theoretical and abstract elements, as well as applied aspects (e.g. internship). In contrast, the vocational education and training usually concentrates on practical applications, with very little theory.

In most societies higher education is perceived as extremely important, and for most people a college education has become the necessary admission ticket to good jobs and a middle-class lifestyle. After going to college one may have better career opportunities, receive higher pay, experience greater cultural awareness and have a life with more choices and possibilities.

These days higher education in Ukraine as well as across Europe is undergoing drastic changes. In 1999 the Ministers of Education and university leaders of 29 countries launched the Bologna Process that aims to create a European Higher Education Area; it has further developed into a major reform encompassing 48 countries including Ukraine. The European Higher Education Area implements tools to facilitate recognition of degrees and academic qualifications, mobility,

and exchanges between institutions. Thus, all participating countries have agreed on a comparable three cycle degree system for undergraduates (Bachelor's degrees) and graduates (Master's and PhD degrees). Another feature that facilitates recognition of degrees and mobility of students is implementation of the European Credit Transfer System (ECTS).

One of the notable aspects of the Bologna Process is the intent to foster cross-country cooperation among higher educational institutions (HEIs). As a rule, international cooperation is based on partnership agreements signed by HEIs. Usually HEIs organize joint events, students' exchanges, participate in joint research projects, prepare joint publications etc. Various international educational programmes are open to Ukrainian HEIs. For instance, Erasmus and Erasmus Mundus Programs are initiatives of the European Union to promote the mobility of students and teachers. Numerous scholarships and grants to study abroad and set up collaboration strengthen international collaboration between HEIs.

WORDS AND PHRASES TO BE REMEMBERED

tertiary education – освіта після закінчення середньої школи

to deliver education – надавати освіту

vocational school – заклад професійної освіти

to award a degree – надати ступінь

completion – завершення, закінчення

to be referred to as – мати назву

applied – прикладний

practical application – практичне застосування

to seek a degree – намагатися, прагнути отримати ступінь

awareness – усвідомлення, усвідомленість; обізнаність

to undergo drastic changes – зазнавати докорінних змін

to launch – розпочати щось робити

to encompass – містити в собі, охоплювати

to facilitate – полегшувати; допомагати, просувати, сприяти

tool – знаряддя, інструмент; засіб

to implement – виконувати, здійснювати; забезпечувати

виконання

recognition – визнання

comparable – порівнянний, гідний порівняння

intent – намір, мета

to foster – заохочувати, сприяти

VOCABULARY PRACTICE

I. Find in the text English equivalents for the following word combinations.

Професійна освіта; вища освіта; зазнавати докорінних змін; надавати освіту; надавати ступінь; усвідомлення культурних особливостей; охоплювати вищі навчальні заклади; розпочати процес; інструмент; визнання; сприяти співпраці між країнами; спільні заходи; прагнути здобути ступень бакалавра; мати назву; практичне застосування; дослідницькі проекти.

II. Give the Ukrainian equivalents for the following word combinations.

Awarding of diploma; non-degree level; undergraduate level; to seek Master's degree; internship; further education; vocational schools; formal learning; admission ticket; to have better career opportunities; cultural awareness; comparable three cycle degree system; European Credit Transfer System; notable aspects; students' exchanges.

III. The italicized words in the sentences below are found in this unit. Study the sentences. Then identify the part of speech and write your own definitions for the words on the line provided.

1. Students may apply for an *award* for payment of fees.
award () _____.
2. Latecomers *will not be admitted* until the interval.
admit () _____.
3. The publishing industry *is experiencing* the same problems at the moment.
experience () _____.
4. The tutor may be able to *facilitate* communication between the students.
facilitate () _____.
5. She was awarded an honorary degree in *recognition* of her work in the community.
recognition () _____.
6. Simon left school with no *qualifications*.
qualification () _____.
7. Economic sanctions would be lifted in *exchange* for renewed cooperation. *exchange* () _____.
8. *Implementation* of these proposals could have disastrous financial consequences.
implementation () _____.

9. The government has declared its *intent* to put the railways into private ownership.

intent () _____

10. The history course is *optional*, but English is compulsory.
optional () _____

IV. Fill in the missing words in the sentences below. Choose from the box. Translate the sentences into Ukrainian.

Applied (2); recognition; a diploma; will encompass; result in; to launch; tools; an undergraduate; will foster; has completed; awareness; a graduate; were implemented; a lecture; lectures on.

1. _____ is a qualification which may be awarded to a student by a university or college, or by a high school in the United States.

2. Tomorrow she will be giving _____ at London University.

3. Diploma is a certificate awarded by an educational establishment to show that someone _____ successfully _____ a course of study.

4. Words are essential _____ for formulating and communicating thoughts.

5. She _____ Greek Literature at the Sorbonne.

6. There was a general lack of _____ about safety issues.

7. This approach _____ an understanding of educational issues.

8. The agreement was signed but its recommendations _____ never _____.

9. The student debate _____ a range of subjects.

10. A sudden change in temperature will inevitably _____ rain.

11. She was awarded an honorary degree in _____ of her work in the community.

12. _____ is a student who is studying for a first degree at a college or university.

13. A student who already has a first degree is _____.

14. The government is _____ a £1.25 million publicity campaign.

15. _____ is used for describing educational subjects when they are studied for their practical uses, for example _____ economics.

V. Complete the dialogue about KNEU with the questions using the prompts.

— *What/to be/ Kyiv National Economics University named after Vadym Hetman/ for/ known?*

— Kyiv National Economics University named after Vadym Hetman is one of the largest universities in the field of economy and economics in Ukraine, noted for excellence in teaching and research in all areas and for being at the cutting edge of contemporary economic thinking and analysis.

— *How/the university/to contribute/ to the development of the society?*

— The university contributes much to the development of the society by means of scientific research, generation and dissemination of new knowledge, and training competitive specialists and creative personalities.

— *What/you/to know/about the history of the university?*

— The University was founded in 1906 as Kyiv Graduate Commercial Courses. Two years later it became Kyiv Commercial Institute. Then it was renamed several times and finally got its present name of Kyiv National Economics University in 1997.

— *When/to be/the university named after Vadym Hetman?*

— In 2005, on the eve of a hundred's anniversary, Kyiv National Economics University was named after Vadym Hetman, a prominent Ukrainian economist and the founder of Ukraine's domestic currency as well as the builder of its banking sector.

— *What faculties/Vadym Hetman National Economic University of Kyiv/to consist of?*

— At present, Kyiv National Economics University named after Vadym Hetman consists of eight faculties and institutes: Faculty of International Economics and Management; Institute of Law; Faculty of Marketing; Personnel Management, Sociology and Psychology Faculty; Faculty of Accounting and Management Taxation; Faculty of Finance and Institute of Information Technologies in Economics.

— *How/to be/the faculty/institute organized?*

— Each faculty is run by the dean and has a dean's office and a number of departments chaired by their heads.

— *What/to be/the function of a dean's office?*

— It helps students in their day-to-day routine, provides all kinds of information concerning their study.

— *What facilities/the university/to provide?*

— The university facilities are numerous. The library of the university provides core material with multiple copies of the most popular books and other key works. The University is also well equipped with IT facilities providing computer rooms, network access and computing support. The university also has its own sports center, a museum, a publishing office, etc.

— *What/ to teach / programs/ KNEU/ at?*

— School-leavers can enroll in one of the Bachelor's degree programs offered by each faculty. It takes 4 years to complete such a program and get a first degree. Master's programs are available in a number of specialties for those wishing to continue their education. As well students can earn a Master of Business Administration (MBA) degree that is awarded jointly by KNEU and the School of Business at the University of Redlands in California upon meeting the requirements of both institutions. The program is taught entirely in English. Those who are interested in advanced research can get a PhD degree. By the way, one can receive a second higher education at the Institute of Business Education. Two years of part-time study is required to get a second Master's degree.

— *What/to be/the quality of education/to provide/KNEU/at?*

— The university students receive good education and are taught by academic leaders. A degree from KNEU provides a solid platform for the future. It helps people realize their potential and develop skills for life. Students go on to achieve outstanding things in all walks of life all over the world.

Note:

at the cutting edge – в авангарді;

dissemination – поширення;

dean – декан;

dean's office – деканат;

department – кафедра.

VI. Prepare and make a small presentation about Kyiv National Economics University named after Vadym Hetman for school leavers to get them interested in studying here. Focus on your Faculty. You can go to <https://kneu.edu.ua/>

COMPREHENSION CHECK

Now read the text again and answer the following questions. Compare your answers with another student and discuss any

differences. Make sure you can refer to a particular phrase or sentence from the text for each answer.

1. What is the stage of formal learning that occurs after secondary education called?
2. What types of institutions provide tertiary education?
3. What is awarded on completion of a tertiary education program?
What is the difference between a diploma and a degree?
4. What is tertiary education at non-degree level called?
5. What are the levels of higher education? What degrees are awarded?
6. What is the difference between general higher education and vocational education?
7. How can one benefit from higher education?
8. When was the Bologna Process launched?
9. How many countries participate in the Bologna Process?
10. What is the goal of the Bologna Process?
11. What are the features of the European Higher Education Area?
12. How is cross-country cooperation fostered?
13. Provide examples of international educational programmes available in Ukraine?
14. What faculties can an applicant choose from at KNEU? What degree programs are available?

READING STRATEGIES

I. Read the following text. For each gap, choose the best words A, B, C, or D. Make up a plan of the text.

Bear in mind that you can only receive a degree for a _____ (1) course at university, so do not use “diploma” and “certificate” to mean degree. Moreover if you receive a degree from a university, you are in _____ (2) education and if you receive a diploma or certificate, you are in _____ (3) education.

Most students in the UK enter higher education at the age of 18 to study an _____ (4) degree. It usually takes three years for students in the UK to gain their bachelor’s degree; however, the _____ (5) course is increasing in popularity, which is four years and involves one year in the work place (normally in your third year). In Scotland the courses are four years in length for undergraduate programs.

Once students have _____ (6) their undergraduate degree, they can apply for a _____ (7) degree. The most common

master's degrees in the UK usually last for one year. However, some PhD qualifications can take up to seven years to complete. A British master's degree requires intensive study, with _____ (8) and critical thinking being a very important part of every postgraduate course. Apart from their classes, students will spend a significant part of their time researching their specialist subject area. Postgraduates are usually _____ (9) through written _____ (10) and tests. Some postgraduate degrees require dissertation modules at the end of their course.

From 2007, universities in the UK are allowed to charge students from the UK up to €3,070 per year (depending on the school and location). For students from the EU, you will also only have to pay the same fees as students from the UK, but international students from the rest of the world will have to pay the full school fees which will vary depending on the school. These fees for international students can range anywhere from €4,000 per year right up to €18,000 per year or more.

1	A full	B part-time	C sandwich	D distance
2	A further	B higher	C secondary	D graduate
3	A further	B higher	C secondary	D graduate
4	A undergraduate	B graduate	C postgraduate	D secondary
5	A full-time	B sandwich	C distance	D combined
6	A required	B won	C obtained	D found
7	A undergraduate	B postsecondary	C postgraduate	D secondary
8	A search	B investigation	C quest	D research
9	A marked	B assessed	C graded	D valued
10	A assignments	B letters	C exercises	D assessment

II. Scan the text and entitle it. Prepare a brief summary of the text.

Nowadays young and middle-aged students as well as senior citizens who wish to continue or extend their education have a variety of institutions of higher learning from which to choose. Not all students pursue a degree as their goal. They may simply want to receive specific vocational training that will assist them in their jobs (e.g., computer programming or language instruction). Alternatively, if they have substantial leisure time (as many retired people do), they may take courses to pursue interests for which they were too busy when they were younger. There is a saying in the American culture that "you are never too old to learn." Increasingly, one sees older and younger people

studying together in American institutions of higher learning. Women are encouraged to gain new skills to be able to enter the job market after their children are grown. Other people change careers, which often require additional education. Institutions are attempting to meet the diverse needs and goals of these students.

SPEAKING STRATEGIES

Activity 1

A. Read the text about higher education in Britain and be ready to answer the following questions.

1. What are the oldest and best-known universities in Britain?
2. What are Oxbridge universities known for? How are they organized? What will one normally find within the college?
3. How many colleges does Oxford have?
4. Are all Cambridge colleges mixed?
5. What are the other categories of universities found in Britain?
6. How is the Open University different from other British universities?

Glimpses of Higher Education in Britain

English universities differ in date of foundation, size, tradition, general organization, methods of instruction, and the way of student life.

The oldest and best-known universities of Great Britain are located in Oxford, Cambridge, London, Leeds, Manchester, Birmingham etc.

Oxford & Cambridge Universities date from the XII & XIII centuries and are considered to be the two intellectual eyes of Britain. They are the oldest and most prestigious universities in Britain. Collectively they are often referred to as Oxbridge, but both of them are completely independent. Only education elite go to Oxford and Cambridge.

Normally it takes students 3 years to get the Degree of Bachelor of Arts or B.A. Some courses, such as languages and medicine, may be one or two years longer. The degrees are awarded at public degree ceremonies in which traditionally Latin is used. Full academic dress is worn at examinations.

Oxbridge universities consist of a number of colleges. Each college has its name, its coat of arms, is governed by a Master and

offers teaching in a wide range of subjects. Within the college one will normally find a chapel, a dining hall, a library, rooms for undergraduates, fellows, the Master and teaching purposes.

Oxford is one of the oldest universities in Europe. The university's earlier charter is dated to 1213. There are now 24 colleges for men, 5 for women and another 5 both for men and women. Among the oldest colleges are University College (founded in 1249), All Souls (1438), Christ Church (1525).

Cambridge started during the XIII century and was grown until today. Now there are 31 colleges. They line the right bank of the Cam. There are beautiful college gardens with green lawns and lines of tall trees. The oldest college is Peterhouse (1284) and the most recent is Robinson College (1977), the most famous is King's College.



A number of prominent men studied at Cambridge, among them are Roger Bacon, the philosopher; Milton, the poet; Oliver Cromwell, the soldier; Newton, the scientist. Among its alumni and affiliates there are 121 Nobel Prize Laureates, 47 Heads of State, 210 Olympic medallists.

In the nineteenth and the early part of the twentieth centuries the so-called Redbrick universities were founded. These include London, Manchester, Leeds, Liverpool, Sheffield, and Birmingham. During the late 1960s and the early 1970s some 20 'new' (also called 'concrete and glass') universities were set up. The government also set up 30 Polytechnics that, like the universities, offer first and higher degrees. Some of them offer full-time and sandwich courses.

The Open University has been providing distance learning since 1969. In the past students 'attended' lectures by watching TV and listening to the radio. They kept in touch by phone and letter with their tutors and attended summer schools.

WORDS AND PHRASES TO BE REMEMBERED

fellow – молодший науковий співробітник коледжу або університету, який часто поєднує викладання з науковою роботою;

Master – майстер (титул голови деяких коледжів Оксфорда і Кембриджа);

Alumni – випускники

sandwich course – курс “сандвіч”; курс навчання, де теоретичні заняття чергуються з роботою на підприємстві.

B. Compare the British system with the Ukrainian one. Words and phrases for comparing and contrasting information given in USEFUL ENGLISH section below can be helpful to you.

USEFUL ENGLISH

Comparing and Contrasting Information

Comparison	Contrast
<ul style="list-style-type: none">• in the same way• by the same token• similarly• in like manner• likewise• in similar fashion• as compared to	<ul style="list-style-type: none">• yet/ and yet• nevertheless/nonetheless• unlike• however• though• otherwise• on the contrary/ contrary to/ in contrast• on the other hand

Activity 2

Choose one of the best colleges and universities in the UK from the list below and speak about it in detail. For additional info about the university go to its website (<https://www.thecompleteuniversityguide.co.uk/league-tables/rankings>).



The UK's top five universities, according to Complete University Guide:

1. University of Cambridge
2. University of Oxford
3. London School of Economics and Politics (LSE)
4. University of St Andrews
5. Imperial College London

TRANSLATION PRACTICE

Translate into English.

1. Вчені ступені у Великій Британії присвоюються студентам, які успішно завершили курс навчання.
2. Щоб отримати ступінь бакалавра, необхідно провчитися три (Англія й Уельс) або чотири (Шотландія) роки.
3. Для здобуття деяких ступенів необхідний досвід практичної роботи і тоді строк навчання відповідно зростає.
4. Бакалавр – це освітній ступінь, який надається вищим навчальним закладом у результаті успішного виконання студентом програми, обсяг якої становить 180-240 кредитів ЄКТС.
5. Вища освіта зазвичай включає ґрунтовну теоретичну підготовку, а також прикладні аспекти, наприклад, стажування.
6. У престижних університетах вимоги до вступу дуже жорсткі.
7. Програми обміну студентів, які були розпочаті в ВНЗ України, сприяють зміцненню міжнародної співпраці і заохочують студентів до навчання.
8. Європейський освітній простір переживає часи докорінних змін.
9. Випускники ВНЗ мають значно більше шансів отримати кращі кар'єрні можливості і високу заробітну платню.
10. Після закінчення освітньої програми надається відповідний ступінь.

SECTION II

KEY TERMS

I. Before reading text B study the key terms and their definitions. While reading the text, you should pay attention to the academic terms. They will become the basics of your academic vocabulary.

1. **Campus** – *територія вузу (часто разом із приміщеннями)* – the grounds and buildings of a university. **On campus** – *на території вузу, студентського містечка.*

2. **Coeducational school** – *школа, де навчаються і хлопчики і дівчатка* – school teaching both male and female students at the same time.

3. **Curriculum** – (pl. *curricula*) *навчальний план закладу (перелік предметів)* – the subjects that are included in a course of study or taught in a school, college, etc.; **core curriculum** – *основний курс навчання, профільні предмети.*

4. **Elective** – *дисципліна, курс на вибір (у школі, вузі)* – available to be chosen but not obligatory. **Syn. optional.**

5. **Enrol (on) (BrE), enroll (in) (AmE)** – **1.** *вступити (до вузу, до школи), записатися (на курс тощо)* **2.** *зарахувати (когось до вузу, до школи), записати (когось на курс тощо)* – to arrange for yourself or for sb else to officially join a course, school etc. **Enrolment (BrE), enrollment (AmE)** *загальна кількість студентів (що навчаються у вузі, у школі, на факультеті, слухають курс тощо).*

6. **Facilities** – *обладнання, споруди* – buildings, services, equipment, etc. that are provided for a particular purpose; **educational** ~ *навчальне приладдя*, **athletic** ~ *спортивні споруди (приміщення, майданчики, поля)*, **research** ~ *обладнання/засоби для дослідів.*

7. **Faculty** – **1.** *(mainly AmE) професорсько-викладацький склад (університету, коледжу).* **Syn. teaching staff** – all the teachers in a faculty of a college or university; **2.** *факультет* – a department or group of related departments in a college or university. *У назвах факультетів здебільшого уникають прикметників: the Economics Faculty, the Faculty of Economics.*

8. **Final exams, finals** – *випускні іспити* – the last exams taken by a student at the end of a semester or quarter or their final year. **To sit/ to take finals** – *здавати випускні екзамени.*

9. **Freshman** – *(AmE) first-year student* – *студент першого курсу або учень першого року навчання у high school* – a student in the first-year class of a high school, college, or university.

10. **Junior** – (*AmE*) студент третього курсу або учень третього року навчання у high school – a student in the third year of a US high school, college, or university.

11. **Major** – 1. (n.) основний (профільний) предмет, спеціалізація (у студента) – a field of study chosen as an academic specialty. **To have a ~ in accounting** вивчати бухгалтерський облік як основний предмет, **smb's ~ is finance** чиясь спеціалізація – фінанси; 2. (v.) вивчати щось як такий предмет – to do one's principal study (in a particular subject), **to ~ in law** вивчати право як основний предмет, мати спеціальність "право"; 3. (n.) (у сполуках позначає студента) – a student specializing in such studies. He is a history ~ Його спеціальність – історія.

12. **Minor** – 1. (n.) другий предмет спеціалізації – a secondary area of specialized academic study, requiring fewer courses or credits than a major. 2. (v.) вивчати щось, як такий предмет – to pursue academic studies in a minor field. Студент, зазвичай, може вибрати один major і один minor.

13. **Prospectus** – проспект, рекламний довідник навчального закладу – a document describing the chief features of an educational program.

14. **Quiz** (*esp AmE*) – коротка контрольна робота – a short oral or written test, **pop** ~ коротка контрольна робота, яку викладач дає без попередження.

15. **Scholarship** – стипендія – a grant of financial aid awarded to a student for the purpose of attending a college. **Scholarship holder** (*AmE*) стипендіат.

16. **Senior** – (*AmE*) **fourth-year student** четвертокурсник або учень четвертого року навчання у high school – a student in the fourth year of high school, college or university.

17. **Syllabus** – (pl. syllabi) програма курсу з певного предмету – an outline of a course of study.

18. **Tuition** – 1. (*AmE*) **tuition fees** – плата за навчання – a fee for instruction, especially at a college, university, or private school; 2. (*formal, esp BrE*) навчання, уроки – instruction, teaching, **private** ~ приватні уроки.

19. **Student loan** – кредит на навчання – money that a bank or an institution lends to a student so that they can pay to do their course. Students pay the money back after finishing their studies.

II. Give the right terms for the following definitions.

1.	a test	
2.	the academic staff of a university: professors of various ranks, lecturers, and/or researchers	
3.	fees charged for instruction during higher education	
4.	college grounds and buildings	
5.	an outline of a course of study	
6.	enter in a list as a pupil, member etc.	
7.	money offered to students which is used to pay off education-related expenses, such as college tuition, room and board at the university, or textbooks that is usually paid back after completing education	
8.	the principal field of study of a student at a school	
9.	a document describing the main features of an educational program	
10.	a first-year student	

PRONUNCIATION GUIDE

accept [ək'sept]

tuition [t(j)u'ɪʃ(ə)n]

thesis ['θi:sis]

prestige [pres'ti:ʒ]

elite [r'li:t]

sophomore ['sɒfəmə:]

trimester [tri'mestə]

require [[rɪ'kwaɪə]

III. Read text B. Make up a plan of the text.

Text B. Higher Education in America

Each year about 16 million students enroll in degree-granting colleges and universities in the USA. The admission requirements to the applicants typically include: a) filling out an application with personal information; b) submitting high school transcripts; c) attaining acceptable scores on the standardized test like Scholastic Aptitude Tests; d) completing an interview; e) fulfilling financial requirements, i.e. paying tuition and other fees.

In American parlance, a college is a four-year institution of higher learning that offers courses in related subjects, e.g. a business college offers courses in accounting, investment and marketing. Many colleges are independent but they can also be components of universities. American universities may contain several colleges for undergraduate students seeking a bachelor's degree and one or more graduate schools for those continuing in specialized studies beyond the bachelor's degree to obtain a master's or doctoral degree.

A Bachelor's degree (B.A / B.S) normally requires 4 years of study. If they so desire, college graduates can continue their education as "grad students". Graduate schools in America award Master's and Doctor's degrees in both the arts and the sciences. Master's degrees (M.A / M.S) typically take from one to three years, a Doctor's degree (Ph.D) requires a minimum of two years of course work beyond the Master's degree level. A Master's requires the writing of a thesis, and a doctorate of a dissertation.

Any of the college or university might be either public or private, depending on the source of its funding. Public education, while technically free, is not. Students must pay for books, housing, food, and an assortment of "fees". Scholarships, Loans, Grants, Work-Study Programs are available. The cost of private education is, especially at prestigious institutions, prohibitive (over \$10,000/year).

The factors determining whether an institution is one of the best or one of the lower prestige are the quality of teaching faculty; quality of research facilities; amount of funding available for libraries, special programs, etc.; and the competence and number of applicants for admission. The most selective are the old private universities, commonly known as the Ivy League, including Harvard, Radcliffe, Yale University, Columbia College, Princeton University, Brown University and some other universities. With their traditions and long established reputations they occupy a position in American university life rather like Oxford and Cambridge in England, particularly Harvard and Yale. The Ivy League Universities are famous for their graduate schools, which have become intellectual elite centers.

The typical college "freshman" is 18 years old, so by the time he/she has passed through four years as, progressively, a "sophomore," "junior," and "senior," they will graduate at age 22. There is no mandatory minimum or maximum age for entering or completing college.

The academic year can be divided into semesters, trimesters, or quarters, and summer vacations are typical. Winter and spring "breaks" are also common.

Students typically need around 130 credit hours to graduate with a BA. Credit hours are calculated as the number of official in-class hours students devote to a course per week, typically from 2 to 4. Students usually "major" in a subject they choose to specialize, which usually requires some 35-40 credits, and can "minor" in a subject at half the credit requirement of a major. A student also takes electives.

Professional type work is almost impossible to get without at least a Bachelor's, and, increasingly, a Master's.

WORDS AND PHRASES TO BE REMEMBERED

high school transcript – шкільний атестат

funding – фінансування

work-study program – система, відповідно до якої студенти частину дня працюють, щоб отримати досвід і заробити гроші

Ivy League – "Ліга плюща" – група найстаріших і найпрестижніших університетів США (Yale, Harvard, Princeton, Columbia, Dartmouth, Cornell, the University of Pennsylvania, and Brown)

VOCABULARY PRACTICE

I. Find in the text English equivalents for the following word combinations. Write your own sentences using them.

Вступити до коледжу; вступні вимоги; абітурієнт; надати шкільний атестат; отримати достатні бали; плата за навчання; як говорять американці; прагнути отримати ступінь бакалавра; надати ступінь; випускник коледжу; магістрант або докторант; магістерська робота; джерело фінансування; безкоштовний; платити за житло; позика; занадто висока (вартість); центр інтелектуальної еліти; студент другого курсу; обов'язковий мінімальний або максимальний вік; вступити до коледжу; вивчати щось як другий предмет спеціалізації.

II. Give Ukrainian equivalents for the following word combinations.

Degree-granting college; admission requirements; high school transcripts; to complete an interview; undergraduate students; to obtain a master's degree; graduate school; to confer degrees; public or private colleges; scholarship; grant; to be available; to be prohibitive; teaching faculty; research facilities; funding; applicants for admission; selective; long established reputations; freshmen; junior; senior; academic year; break; in-class hours; to major in a subject; a minor.

III. The italicized words in the sentences below are found in this unit. Study the sentences. Then identify the part of speech and write your own definitions for the words on the line provided.

1. The curriculum, however, extends beyond the general education requirements and the *major*.

major () _____

2. Chicago curriculum allows up to one-third of a student's academic work to consist of *electives* that will build upon the work of our general education courses, but do so on more advanced and more focused levels.

elective () _____

3. The College *awards* the BA or the BS degree to qualified students who are recommended by the faculty.

award () _____

4. Students choose courses across the *curriculum* in consultation with College advisers and faculty counselors.

curriculum () _____

5. Whether you're applying to colleges, already *enrolled*, or just curious about going back to school, there's one very important question you'll have to face: What's your major?

enroll () _____

6. He *obtained* his degree from St. Michael's University.

obtain () _____

7. Harvard *faculty* are global leaders in their respective fields.

faculty () _____

8. A study of college students' scores on admission tests for graduate and professional schools showed that students who are *majoring* in mathematics received scores substantially higher than the average on each of the tests studied.

major () _____

9. Find out what you need to know about *applying* to the university, including important dates, application fees, and test requirements.

apply () _____

10. To become a student at the University you must apply for *admission*.

admission () _____

IV. Fill in the missing words in the sentences below. Choose from the box. Translate the sentences into Ukrainian.

awarded; faculty members; applicants; dissertation; credits; academic year; courses; thesis; admission; undergraduates

1. Successful ... turn into first-year students ready to work towards their degrees.

2. Luckily the ... is divided into fall and spring semesters with winter holidays and summer vacation.

3. All of them are one family of ... studying a Bachelor's degree that normally requires 4 years of study.

4. A Doctor's degree requires a minimum of two years of course work beyond the Master's degree level, success in qualifying examinations, proficiency in one or two foreign languages and/ or in a research tool (such as statistics) and completion of a doctoral

5. ... are earned by attending lectures (or lab classes) and by successfully completing assignments and examinations

6. Most students complete ten ... per an academic year and it usually takes them four years to complete a bachelor's degree requirement of about forty three-hour courses or 120 credits.

7. In defense of using the examinations as criteria for ..., administrators say that SATs provide a fair way of deciding whom to admit when they have ten applicants for every first-year student seat.

8. The number of credits ... for each course relates to the number of hours of work involved.

9. All courses (majors, minors or electives) are taught by the ... who are full professors, associate professors, assistant professors, senior lecturers and lecturers.

10. After defending your Master's ... you can say that the goal to become an expert in economics is finally achieved.

V. Write one word in each gap to complete the sentences.

1. A _____ and an examination are often required for a master's degree.

2. Universities can encompass several colleges for undergraduates as well as one or more colleges for _____.

3. At grad schools students continue their education or specialize and seek _____.

4. At its 247th Commencement Sunday, May 24, 2015, Brown University _____ a total of 2,530 degrees in all categories – undergraduate, graduate, medical, and honorary.

5. _____ refers to the academic staff of a university: professors of various ranks, lecturers, and/or researchers.

6. _____ is a form of financial aid given to a student that does not have to be repaid awarded to a student because e.g. the student has qualified for or won it by academic or athletic ability, or by agreeing to follow a particular career, or has some special ethnic or other characteristic.

7. The standard _____ requirements for freshmen include an application, high school records, recommendations, test scores, an interview and payment some fees.

8. High school graduates can _____ to as many colleges as they choose.

9. Princeton University gives grants instead of loans to accepted students who need help paying _____.

10. Time flies and a _____ turns into a sophomore, then into a junior student and finally into a senior.

VI. Read the text. Match the words in the box with their underlined equivalents in the text.

prospective student faculty freshman working towards	tasks evaluated exam days fourth year student	school year terms break conferred
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The first day at the university when you turn from an applicant into a first-year student is difficult to forget. A solemn ceremony in front of the university building and serious people making speeches will be engraved upon the heart of every student. A student ID in your hands makes you feel a real student. All courses (majors, minors and electives) are taught by the members of the teaching staff.

The path to the desired degree may be thorny. The first semester is the most difficult: so many classes, so many subjects to put on the timetable! Every day students complete numerous assignments, prepare reports, projects and papers. From the first days students' knowledge is assessed with different quizzes and tests. Then the examination period comes. Luckily the academic year is divided into fall and spring semesters with winter holidays and summer vacation.

Time flies. You are a senior already. Next month you will be awarded a degree. At last you will be a happy holder of a Bachelor's degree and you hope it is over... Is it over? How about seeking a Master's or a Doctor's degree?

WORDS AND PHRASES TO BE REMEMBERED

student ID – студентський квиток;

curriculum (pl. curricula) – навчальний план закладу (перелік предметів);

quiz (*esp AmE*) – коротка контрольна робота.

COMPREHENSION CHECK

I. Now read the text again and answer the following questions.

1. What are the admission requirements to American universities?
2. What does the word “college” refer to?
3. What degrees do American universities confer?
4. What is the duration of each degree program?
5. What is the difference between undergraduate and graduate students?
6. Is public education free?
7. What factors determine the prestige of a university?
8. What are the Ivy League universities?
9. What are the American students in different years of study called?
10. What is the composition of an academic year?
11. What does a student typically need to get a Bachelor’s degree?
12. How are the credit hours calculated?
13. What types of courses do students take?

II. Complete the following table. Compare systems of higher education in the USA and in Ukraine. Words and phrases for comparing and contrasting information given in USEFUL ENGLISH above can be helpful to you.

	The United States of America	Ukraine
<i>Types of higher education institutions</i>		
<i>Sources of funding</i>		
<i>The most prestigious higher education institutions</i>		
<i>Admission requirements</i>		
<i>Fees</i>		
<i>Academic year</i>		
<i>Degrees conferred</i>		
<i>Length of undergraduate program</i>		
<i>Requirements for a Bachelor’s degree</i>		

TRANSLATION PRACTICE

Translate into English.

1. Що таке кредити? Наприклад, ми маємо двох випускників: один із Гарварду, інший – з нашого університету. У обох в

дипломах написано, що вони пройшли курс макроекономіки. Але це можуть бути різні курси. В одного, наприклад, він зайняв 108 годин, а у іншого – 72 години. Тобто за трудомісткістю вони різні. Кредити допомагають відобразити це. Кредит – це мінімальна неподільна одиниця виміру трудомісткості курсу. Європейський кредит дорівнює 36 годинам. Таким чином ми можемо говорити, що в першого студента курс був на 3 кредити, а у іншого – на 2.

2. Університет у США – це, як правило, великий ВНЗ, до складу якого входять кілька коледжів чи шкіл.

3. Після отримання ступеню бакалавра можна продовжити вчитися в магістратурі і отримати ступінь магістра.

4. Щоб отримати ступінь магістра необхідно написати і захистити магістерську роботу, ступінь доктора вимагає написання дисертації.

5. Навчальний рік зазвичай складається з семестрів, триместрів або ж чвертей.

6. Студенти другого курсу з радістю допомагають порадою першокурсникам.

7. Позика на навчання допомагає отримати вищу освіту тим, хто має фінансові труднощі.

8. Університети “Ліги Плюща” відомі своєю магістратурою і аспірантурою.

9. Вибіркові дисципліни задовольняють індивідуальні освітні потреби студента.

READING STRATEGIES

I. Read the following text. For each gap, choose the best word A, B, C, or D. Make up a plan of the text.

The student body of a university or college is divided into _____ (1) and graduates. Graduates have already received their _____ (2) degree, while undergraduates have not. The undergraduates belong to one of four classes, according to their _____ (3) of study. These are _____ (4), sophomore, _____ (5) and senior classes. Most schools also admit students who take a number of courses, but are not working towards a _____ (6).

Student bodies vary considerably from _____ (7) to school. Some institutions are _____ (8) with both men and women students. Others admit students of only one sex. A _____ (9) institution has separate men's and women's colleges. They are

controlled by the same central authority and are usually located on the same _____ (10).

The courses given by a college or university are called its curriculum. The _____ (11) of the institution outlines the complete _____ (12). It gives the requirements for entry to each course, as well as the credits given for the _____ (13).

Each course is designated as giving a specified number of credits. These are usually equal to the number of _____ (14) devoted each week to the course. For example, a course that meets three times a week usually gives three credits towards _____ (15). Schools using the semester calendar _____ (16) about 120 credits for graduation. Between 30 and 40 of the required credits must be in the student's _____ (17) subject.

Schools vary considerably in the amount of freedom given students in _____ (18) their courses. Almost all schools have a certain number of required subjects. Students can also usually choose non-required courses called _____ (19).

1	A applicants	B undergraduates	C pre-graduates	D post-graduates
2	A Associate's	B Specialist's	C Master's	D Bachelor's
3	A year	B degree	C course	D duration
4	A first course	B junior	C freshmen	D newcomer
5	A second year	B third course	C junior	D freshmen
6	A degree	B diploma	C certificate	D credit
7	A college	B school	C university	D high school
8	A joint	B mutual	C common	D co-educational
9	A coordinate	B single	C divided	D split
10	A school	B college	C campus	D university
11	A prospectus	B booklet	C leaflet	D brochure
12	A timetable	B curriculum	C syllabus	D schedule
13	A task	B course	C class	D assignment
14	A class hours	B credits	C discussions	D marks
15	A admission	B application	C graduation	D examination
16	A want	B require	C demand	D ask for
17	A favourite	B elective	C major	D minor
18	A selecting	B selection	C electing	D election
19	A non-essentials	B electives	C majors	D minors

II. You are going to read the text about the college life in the USA.

a) Brainstorm words connected with the academic process. When you have finished, check for more words by looking at the text “Impressions of American Education.”

b) Scan the following text to define the terms below:

Pop-quiz, deadline, final exam, mid-term exam, grade, pass/fail system, syllabus, make-up time.

Compare your definitions with a partner. Then share them with the whole class.

c) Consider the questions and be ready to answer them as soon as you read the text.

1. What is an American campus like? What facilities does it offer?
2. Does the university provide students with copies of textbooks?
3. How is the students' knowledge assessed?
4. What is the classroom atmosphere in an American university like?
5. What is a final paper? What does it require?
6. What is the difference between a final and a mid-term exam?
7. What are the grades in a course based on?
8. What information does a syllabus contain?

Impressions of American Education

Dear _____,

Let me begin in the beginning. This school is a small private university about fifteen minutes' walk from the city centre; the campus is small, only about 2000 students. The university is nestled in the countryside with a lot of hills which are covered with trees. The campus is not very large but it is comfortable. On campus, each building contains at least one computer lab and all are open until midnight. The library doesn't get copies of the textbooks so books are not provided by the university. It's up to the students to purchase all their own textbooks at a bookstore on campus. On average each textbook runs about \$80.

Some teachers lecture directly on the material from the textbook, explaining in detail only the most necessary and difficult notions. Others lecture on additional material and the students have to read the textbooks themselves. Their comprehension and progress are checked by quizzes and tests. Teachers usually announce these tests beforehand; some are simply announced as “pop-quizzes” that come without any warning.

The classroom atmosphere is quite informal. Students come and go at will; no one considers it strange to see students leave before the

final bell. Instructors/ professors can have coffee or water and students can eat an apple or sweet during the session.

I chose four subjects which would give me three credit hours each, for a total of twelve semester credits. My major is Journalism. Besides, I study French but without credits because that course was closed already. If a final paper is required in a course, students are told of it. It is expected that the student research the literature, organize, write conclusions and submit at the end of the semester before the deadline. A final exam is given at term's end. Those who do not read up for the exam definitely fail.

Last week I had mid-term exams which was followed by a four day break; my grades in the courses were two Bs and two As (grades include attendance, class work and test results; some universities have a pass/ fail system only).

In the beginning each professor presents a syllabus which outlines the instructor's requirements for the course, attendance, grades, participation in classes, objectives, deadlines for the tasks and a "make-up" time if one doesn't meet the deadline. Besides, there is contact information, a consultation schedule, and the professor's office hours.

Next week I'll have to register for next semester classes. There are some required courses for the major, besides students can choose electives if they want to learn something new.

d) What is the college life in Ukraine like? Use questions in c) as prompts.

III. Read the text and be ready to do the assignments given after the text.

The Honor System

Honesty and trust are an important expectation in higher education. The so-called "honor system" demands that the student be honest in all areas of schoolwork. Violation of the honor system can result in failing a course, having a permanent record of the violation in the student's files, and even being suspended or expelled from the university. Students who cheat may lose the respect of other students, particularly those who study for exams and work independently. Some American instructors leave their classrooms when students are taking an exam. They may or may not say, "I expect you all to abide by the honor system" (which means, "Don't cheat!"). Even if the words are not stated, the student is expected to work alone and not share answers.

According to one Midwestern university handbook, the following behaviors are listed as examples of academic dishonesty:

- Cheating in tests, take-home exams, and papers submitted for credit.
- Plagiarism. This includes using other people's work and submitting it as your own without citing the source.
- Fabrication. This involves reporting false or inaccurate data.
- Aiding dishonesty. This includes knowingly providing information to another student that would be used dishonestly.
- Falsification of records and official documents. This involves forging signatures or falsifying information on academic documents.

University officials take these rules seriously and punish accordingly. Although some American students do try to cheat, they know what the consequences are. Plagiarism, or presenting another's ideas (either in written or oral form) as one's own, is a concept tied to cultural beliefs. Americans believe in respect for other people's property, and this includes their ideas as well as their research. Although many international students do not share similar ideas about private property, especially private property in the form of ideas or research, they have to adapt to the rules.

Students from countries where "beating the system" is a survival technique have to adjust to the fact that in the United States any kind of falsification of official school documents is considered dishonest and is punishable. In an attempt to "beat the system" several Eastern European students were expelled from their college after it was discovered that they had given false information about their prior schooling on their applications for admission. The American university administrators could not excuse this kind of dishonest behavior, despite the students' cultural background.

Note:

- honor system – система (кодекс) честі;
- to suspend – тимчасово відсторонити від навчання;
- to expel – виключити (з університету);
- to abide by sth – дотримуватись чогось;
- plagiarism – плагіат.

Understanding main points of the text

1. Which of these statements gives the best summary of the ideas in the text?

- a) All university students including international ones are expected to follow the honor code otherwise they will be severely punished.
- b) All acts of academic dishonesty are severely punished.

2. Mark these statements T (true) or F (false) according to the information in the text. Find the part of the text that gives the correct information.

1. Violation of the honor system can lead even to expulsion from the university.
2. Instructors in the USA never leave the classroom while students are taking exams.
3. Forging signatures isn't an act of academic dishonesty.
4. If a student used other people's work and submit it as his own without acknowledging the source he/she can be accused of cheating.
5. Using cribs in the test or examination is an example of plagiarism.
6. Using inaccurate information is called fabrication.
7. Helping another student in an examination is not an act of academic dishonesty.
8. The concept of plagiarism is closely connected with the respect of Americans for other people's property, including ideas and research.
9. The concept of plagiarism and punishment it results in are difficult to accept to many foreign students due to some cross cultural differences.
10. Cultural background may serve an excuse for dishonest behavior in American colleges and universities.

Understanding details of the text

1. What exactly does the phrase "honor system" mean?
2. How is the violation of the honor system punished?
3. What are the examples of the academic dishonesty?
4. How is plagiarism tied to cultural beliefs?
5. Explain the meaning of "beating the system".
6. How does the honor system affect international students?

SPEAKING STRATEGIES

Activity1

Case Study: A Little Help from My Friends

a) Respond to each statement by yes or no.

1. I am accustomed to working in groups in school. _____
2. Working in groups is an effective learning technique. _____
3. The better skilled members of a group should help the weaker ones by doing their work for them. _____

4. If my friend asked for help in doing his or her home assignment, I would do it. _____

5. If my writing skills were weak, I would ask someone to do my written assignments for me. _____

6. If I discovered that a student was cheating during an exam, I would report that student to the teacher. _____

b) Read the case background.

Mehmet Kaya Ozul is in MBA (master of business administration) program at Ace University in Ohio. He is very pleased to be attending Ace University. Although Mehmet is highly intelligent and hardworking, reading and writing in English are still difficult for him. He signed up for grammar and writing courses at the university's English Language Institute, but because of his heavy course load in the MBA program he has rarely attended the English classes.

In the first-year MBA program, all the students were divided into groups of five and told that these groups would be working on the required projects together. Mehmet liked the idea since he felt insecure about his own ability to complete the various assignments successfully. The first assignment was to do a human relation analysis for the course in Organizational Behavior. The professor emphasized that each member of the group was to complete one of the five sections of the written analysis.

Mehmet's group consisted of 3 American students (John, Mary, Susan), Sung Ho Kim from Korea and himself. John was elected the group leader and he assigned each member one section of the analysis and asked the group to meet again in one week. Although Mehmet really struggled through the readings he wrote two pages and brought them to the meeting.

"What are you trying to say here?" asked John.

"I should have told you that writing is hard for me," replied Mehmet.

"Well, we'll just have to do your section ourselves. We get one grade for all of us, we better not let you lower our group grade," said Mary, a practical person.

Kim, the graduate student from Korea, had also had trouble writing his section, so the American students decided to write Kim's section too.

"What if Professor Mallory finds out that Mehmet and Kim didn't really do any work?" asked Susan with a serious look in her face.

"That's what I was wondering", said Mehmet. "But this is a group project, so it's OK for you to help us. In my country we often help each other in school, even taking tests."

Professor Mallory read the paper by Mehmet's group and found it unusually clear and well written. Of course, he gave the group an A for that assignment, and he even praised the group in a class. For the next three assignments, Mehmet and Kim did nothing except staple the pages of their group project together. And each project received an A. Then professor Mallory gave his midterm examination which was an in-class essay. Mehmet, even though he had studied hard for the exam, received a C-, and so did Kim.

Shortly afterward, Kim and Mehmet were told to meet with Professor Mallory to discuss their midterm exam results. At the meeting Professor Mallory asked about how Mehmet and Kim could have done such superior work on their group projects and such poor work on their in-class essays.

Mehmet admitted that the other students had helped him with his writing. "But it was mainly a little help with the grammar and vocabulary," he said.

"Just a little help," repeated Kim.

After Mehmet and Kim had left his office, Professor Mallory called the director of the English Language Institute to check on how Mehmet was doing in his language courses.

"He hasn't attended since the second week of class," said the director.

The next time the class met, Professor Mallory gave all the students the lecture. He explained that the group projects should not be done by only a few members of the group. He stressed that any group project that was not completed by all members of the group they would receive a failing grade. He ended up emphasizing that academic violations could result in dismissal from the university.

After Mehmet's group received a grade of C on the next project, John, Susan and Mary went to Professor Mallory to tell him it was unfair to have both Mehmet and Kim in their group. Kim decided to drop out of the MBA program and return to Korea.

c) Discuss the following questions:

1. What is your understanding of the meaning of *group work*?
2. Is it unethical for students with strong skills to help students with weak skills to do their assignments?
3. What instructions did Professor Mallory give about the group work projects?
4. What were the attitudes of John, Mary and Susan towards doing Mehmet's and Kim's parts of the group project? Was their behavior ethical?

5. How did Mehmet and Kim feel about having someone else do their parts of the project? Was their behavior ethical?

6. What could Professor Mallory have done to prevent this problem from occurring?

d) Working with a partner or in a small group, prepare a case study report analyzing the problem that the Ace University and MBA students are facing.

- a. Statement of the Problem
- b. Suggestion of Possible Solutions
- c. Evaluation of Possible Solutions
- d. Selection of a Solution

Activity 2

Read the text and be ready to do the assignments that follow.

Classroom Participation

Active participation of students in the classroom is expected in most subjects. In some cases part of the student's grade is based on oral participation. Courses are often organized around classroom discussions, student questions, and informal lectures, although large classes can involve formal lectures during which the student has a passive role.

In more informal classes students may even decide the topics for study and choose "appropriate books and articles". Taking the load in this manner is confusing for people from many other cultures. A Japanese student was shocked when her professor told the class, "I want you to come up with an outline for the course; and a list of books to read". She felt that the professor was not doing his job and was totally incompetent.

It is common for instructors to guide students to take the initiative and to be responsible for their learning. Students must be ready to interact with the professor. If you do not ask questions and do not come up with ideas a professor may think that you are uninterested in the course. Some instructors and professors prefer to guide the class without dominating it. Many encourage students to question and challenge their ideas.

A. Which of these statements gives the best summary of the ideas in the text?

a) Professors prefer more informal classes with active participation of students.

- b) Active participation in the classroom can be confusing for people in many cultures.
- c) Active participation in the classroom is a key characteristic of an American classroom.

B. Mark these statements T (true) or F (false) according to the information in the text. Find the part of the text that gives the correct information.




- a) In some classrooms oral participation makes the basis for the students' grades.
- b) A Japanese student was shocked by the incompetence of the professor who asked them to come up with an outline of the course and a list of books to read.
- c) In many cases students must take the responsibility for their learning.
- d) Asking questions and expressing you own ideas may show that you are indifferent to the course.
- e) Most professors prefer to dominate the class.
- f) Many professors encourage students to express disagreement with their ideas.













C. Compare classroom participation in the US and Ukraine. Words and phrases for comparing and contrasting information given in USEFUL ENGLISH section above can be helpful to you.

Activity 3

- a) Look through the ranking of world universities. How can you explain the fact that in the top 15 most of the universities are American?
- b) Choose one of the top 15 to speak about in detail. Present your findings to the class (Go to <https://www.shanghairanking.com/rankings/arwu/2023>).

Academic Ranking of World Universities 2023

World Rank	Institution*	Country/Region	National Rank	Total Score
1	Harvard University		1	100.0
2	Stanford University		2	74.8
3	Massachusetts Institute of Technology (MIT)		3	70.1

World Rank	Institution*	Country/Region	National Rank	Total Score
4	University of Cambridge		1	69.6
5	University of California, Berkeley		4	69.2
6	Princeton University		5	62.0
7	University of Oxford		2	58.9
8	Columbia University		6	57.8
9	California Institute of Technology		7	56.7
10	University of Chicago		8	54.2
11	Yale University		9	52.8
12	Cornell University		10	51.5
13	University of California, Los Angeles		11	49.0
14	University of Pennsylvania		12	47.8
15	Paris-Saclay University		1	47.0

The 2023 Academic Ranking of World Universities (ARWU) has been released by the Center for World-Class Universities at Shanghai Jiao Tong University. Starting from 2003, ARWU has been presenting the world Top 500 universities annually based on transparent methodology and reliable data.

Harvard University remains the number one in the world for the 14th year.

Activity 4

Role-play a panel discussion:

Four members of the public are invited to give their opinions in a TV panel discussion program. The questions for discussion are sent by the viewers. The chairperson introduces the members of the panel, reads out the questions and directs the panel.

a) Split into groups of four students. Elect a chairperson and decide which four roles each of you will take: a university vice president, a professor in the department of education, a graduate student in education, an undergraduate.

b) Consider the following: 1) pros and cons of written examinations; 2) if students should share responsibilities in a university and enjoy equal rights with the faculty, to what extent and

in what ways; 3) how to help students cope with stress; 4) if higher education should be selective or available to all; 4) pros and cons of the Bologna Process in Ukraine; 5) if Ukrainian universities should have their own honor systems.

WRITING STRATEGIES

I. Write a letter to a friend in which you describe your first month at the university.

II. Write an essay (100-150 words) about:

- problems of higher education in Ukraine;
- your vision of an ideal university.

SELF-ASSESSMENT QUESTIONS

I. Complete the words below to match the following meaning

1.	An institution of learning after completing secondary education program	c _ _ _ _ _ e
2.	An outline or other brief statement of the main points of the subjects of a course of lectures, etc.	_ y _ _ _ b _ _
3.	A student in a university or college who has not received a first, especially a bachelor's, degree	u _ _ _ _ _ r _ _ _ _ _ e
4.	A written essay or thesis, especially one written by a candidate for the degree of Doctor of Philosophy	_ _ _ _ _ r _ _ _ _ _ tio _
5.	The grounds, often including the buildings, of a college, university, or school	c _ _ _ _ u _
6.	The aggregate of courses of study given in a school, college, university, etc.	c _ _ _ _ c _ _ _ _ m
7.	A second-year student	_ _ p _ o _ _ r _
8.	The charge or fee for instruction, as at a private school or a college or university	t _ _ _ _ _ n
9.	A brochure or other document describing the major features, attractions, or services of a place, institution	p _ _ _ _ e _ t _ _
10.	A written or spoken request or appeal for employment, admission, help, funds, etc.	_ p _ _ _ _ a _ _ _ _ n



UNIT TWO

WHAT ECONOMICS IS ALL ABOUT

Section I	Text A. The Basic Economic Problem
Section II	Text B. Key Economic Concepts
Useful English	Expressing views and opinions

LEARNING OBJECTIVES

In this unit you will practise the following skills and strategies:

- applying reading skills to comprehend, analyze, summarize, and interpret texts related to the basic economic problem
- identifying the main idea; reading for details, specific facts or pieces of information; dealing with unknown vocabulary;
- expressing general and personal opinion; agreement and disagreement;
- evaluating information; drawing conclusions; formulating questions;
- talking about key economic concepts: giving spontaneous and prepared monologues, dialogues, and group interaction using topical vocabulary;
- summarizing, rendering, and translating texts related to the issues covered in the unit.

LEAD-IN

Now, in this chapter, we direct your attention to the basic problems and concepts of economics.

1. Discuss these questions with your partner.

- What is the difference between the terms “economy” and “economics”?

- How do we use economics in our everyday life?
- How does the knowledge of economics affect people’s lives?

2. Choose one of the following quotations about economy or economics; discuss it with your partner. What does the author mean? Do you agree or disagree with it? Comment on it.

➤ **"A nation is not made wealthy by the childish accumulation of shiny metals, but it is enriched by the economic prosperity of its people."**

Adam Smith (1723–1790), a Scottish economist and philosopher, known as "The Father of Economics"

➤ **"Microeconomics is about money you don't have, and macroeconomics is about money the government is out of."**

Patrick Jake O'Rourke (November 14, 1947 – February 15, 2022), an American author, journalist, and political satirist

➤ **"Economics is a very dangerous science."**

John Maynard Keynes (1883–1946), a British economist whose ideas are known as Keynesian economics

➤ **"No single piece of macroeconomic advice given by the experts to their government has ever had the results predicted."**

Peter Drucker (1909–2005), an Austrian-born American writer, economist, and university professor

➤ **"There are no solutions; there are only trade-offs."**

Thomas Sowell (/soʊl/) (1930), an American economist, social philosopher, and political commentator.

➤ **"Strategy is about making choices, trade-offs; it's about deliberately choosing to be different."**

Michael Eugene Porter (1947), an American academic known for his theories on economics, business strategy, and social causes

SECTION I

KEY TERMS

I. Before reading text A study the key terms and their definitions.

While reading the texts, you should pay attention to the economic and business terms. They will become the basics of your professional vocabulary.

1. **Scarcity** – *нестача, дефіцит* – the fundamental economic problem of limited resources and unlimited wants and needs. It means that there are insufficient resources to fulfill all human desires and requirements.

2. **Resources** – *ресурси* – the inputs used in the production of goods and services to satisfy human wants and needs. These resources can be natural resources (such as land, water, minerals), human resources (labor, skills, knowledge), or capital resources (machinery, equipment, buildings).

3. **Economics** – *економіка* – the social science that studies how individuals, business, governments, and societies allocate scarce resources to satisfy seemingly unlimited wants and needs.

4. **Economy** – *економіка, господарство* – the process or system by which goods and services are produced, sold and bought in a country or region.

5. **Trade-off** – *компроміс* – an alternative that is available whenever a choice is to be made. In economics, individuals, businesses, and governments often face trade-offs when allocating scarce resources. Choosing one option typically means giving up the opportunity to pursue another option.

6. **Opportunity cost** – *альтернативна вартість* – the value of the next best alternative forgone when a decision is made. It represents the benefits that could have been gained from choosing an alternative option.

7. **Need** – *потреба* – a basic requirement for survival, including food, clothing, and shelter.

8. **Want** – *бажання* – something we would like to have but is not necessary for survival.

II. Give the right terms for the following definitions.

1.	An alternative that is available whenever a choice is to be made. Choosing one option typically means giving up the opportunity to pursue another option.	
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2.	The inputs used in the production of goods and services to satisfy human wants and needs.	
3.	Something we would like to have but is not necessary for survival.	
4.	The inputs used in the production of goods and services to satisfy human wants and needs.	
5.	The value of the next best alternative forgone when a decision is made. It represents the benefits that could have been gained from choosing an alternative option.	
6.	The social science that studies how individuals, businesses, governments, and societies allocate scarce resources to satisfy seemingly unlimited wants and needs.	
7.	A basic requirement for survival, including food, clothing, and shelter.	
8.	A complex system of interrelated production, consumption, and exchange activities, which ultimately determine allocation of resources among participants. This system can encompass a nation, a region, a single industry, or even just one family.	

PRONUNCIATION GUIDE

scarce [skeəs]

scarcity ['skeə.sə.ti]

willing ['wil.ɪŋ]

revolve [ri'vɒlv]

profit ['prɒf.ɪt]

profitability [prɒf.ɪ.tə'bil.ə.ti]

efficient [ɪ'fɪʃ.ənt]

supply [sə'plai]

wealth [welθ]

social welfare [ˌsəʊ.ʃəl 'wel.feə]

III. Read text A and be ready to define the basic economic problem.

Text A. The Basic Economic Problem

Have you ever noticed that very few of us are satisfied with what they have? Most people, whether they are rich or poor, seem to want more than they already have but their resources are usually limited or scarce. The problem of scarcity is the fundamental economic problem facing all societies. **Scarcity** is the condition that results from society not having enough **resources** to produce all the things people would like to have. This is where economics comes in. **Economics** is the study of how people try to satisfy unlimited and competing wants through the careful use of scarce resources. At its core, economics is about understanding how people make choices in the face of scarcity.

It explores various aspects of human behavior related to production, distribution, and consumption of goods and services.

Scarcity forces every society to answer the basic questions of WHAT, HOW, and FOR WHOM to produce.

WHAT to produce

Since a society cannot have everything its people want, it must decide WHAT to produce, i.e. which goods and services it will have now and which ones it is willing to postpone having or give up completely. For example, should a society direct most of its resources to the production of military equipment or to other items such as food, clothing, or housing? Suppose the decision is to produce housing. Should the limited resources be used to build low-income, middle-income, or upper-income housing?

This question revolves around determining the allocation of resources to produce various goods and services. It involves decisions about what products or services should be produced in the economy to satisfy the wants and needs of consumers. Factors such as consumer preferences, resource availability, technological advancements, and profitability influence the decision-making process in answering this question.

HOW to produce

This question pertains to the methods and techniques used in the production process. It involves decisions regarding the most efficient and cost-effective ways to produce goods and services. Factors such as technology, labor skills, capital availability, environmental considerations, and government regulations influence how goods and services are produced. For example, should factory owners use automated production methods that require more machines and fewer workers, or should they use fewer machines and more workers? If a community has many unemployed people, using more workers might be better. On the other hand, in countries where machinery is widely available, automation can often lower production costs. Lower costs make manufactured items less expensive and, therefore, available to more people.

FOR WHOM to produce

After a society decides WHAT and HOW to produce, it must decide who will receive the output produced by the economy. If a society decides to produce housing, for example, should it be the kind of housing that is wanted by low-income workers, middle-income professional people, or the very rich? If there are not enough houses for everyone, a society has to make a choice about who will receive the existing supply. The question of “FOR WHOM to produce”

focuses on the distribution of goods and services among members of society. This distribution can be influenced by various factors, including income levels, wealth distribution, social welfare programs, market mechanisms, and government policies.

One of the most important aspects of choice in economics is the idea that every decision we make has its **trade-offs**, or alternative choices that were given up to acquire something else. For example, when a nation produces more health care, it must forgo, for example, the production of automobiles or military hardware. This is related to the concept of **opportunity cost** which refers to the potential benefit that an individual, business or nation misses out on when choosing one alternative over another. It's essentially the cost of forgoing the next best alternative when making a decision. If a company decides to invest its funds in Project A rather than Project B, the opportunity cost is the potential profit or benefits it could have gained from investing in Project B instead.

The questions concerning WHAT, HOW, and FOR WHOM to produce are never easy for any society to answer. Nevertheless, they must be answered wisely as long as there are not enough resources to satisfy people's seemingly unlimited wants and needs.

WORDS AND PHRASES TO BE REMEMBERED

scarce – недостатний, дефіцитний

scarcity – нестача, дефіцит

willing – бажаючий, готовий

income – дохід

to revolve around – бути пов'язаним з

allocation – розподіл

profit – прибуток

profitability – прибутковість

to pertain to – стосуватись

efficient – ефективний, раціональний

cost-effective – економічно вигідний, рентабельний

costs – витрати

output - продукція, результат

supply – пропозиція

wealth – багатство

social welfare – соціальна допомога

to forgo – відмовитись

to miss out on – упустити, втратити

VOCABULARY PRACTICE

I. Find in the text English equivalents for the following word combinations. Write your own sentences using them.

Проблема, з якою стикаються усі суспільства; задовольняти необмежені і конкуруючі бажання; дбайливе використання дефіцитних ресурсів; виробництво, розподіл та споживання; товари та послуги; житло для заможних; розподіл ресурсів; задовольнити бажання та потреби; прибутковість; ефективні та економічно вигідні шляхи; доступність капіталу; нижчі витрати; продукція; програми соціального забезпечення; варіанти, які були відкинуті; придбати; альтернативна вартість; відмовитись; вартість відмови від альтернативи; потенційний прибуток.

II. Give Ukrainian equivalents for the following word combinations.

Trade-offs, to refer to the potential benefit, to forgo, to revolve around, seemingly unlimited wants and needs, efficient and cost-effective ways, problems facing all societies, automated production methods, to require fewer workers, the careful use of scarce resources, to miss out the potential benefit, to pertain to smth., upper-income housing, to satisfy unlimited and competing wants, on the other hand, environmental considerations, technological advancements, behavior related to consumption.

III. Fill in the missing words or word combinations in the sentences below.

Choose from the box. Translate the sentences into Ukrainian.

Options, due to, between, the best way to use, giving up, part of economic life, for instance, could mean, understanding, doing something else, wise economic choices, spend time and money

The concept of trade-offs in economics is about the need to choose between different _____ because we can't have everything we want _____ limited resources. It's about _____ one benefit in order to gain another, and it's a decision-making process that involves determining _____ resources like time, money, or workforce.

_____, when a government decides how to spend its budget, it might have to choose between improving healthcare services or education systems. More money for healthcare _____ less for education, and the opposite is also true. On a personal level, someone

might need to decide _____ working extra hours to earn more money or spending that time on education to enhance their skills.

These decisions are a fundamental _____ because our resources are finite, and we must decide how to use them to satisfy different needs and wants. Recognizing and _____ these trade-offs is essential for making _____, whether for individuals or for society as a whole.

Opportunity cost is an economic concept that represents the potential benefits an individual, investor, or business misses out on when choosing one alternative over another. It's the cost of the next best option that is not selected. For example, if you _____ going to a movie, the opportunity cost is the money you spent and the time you could have used _____, like working or studying.

IV. You are going to read the text about two branches of economics.

A) Mark the statements below true or false.

Microeconomics and macroeconomics are two fundamental branches of economics that analyze different aspects of economic activity. Though they share common principles, their focus and scope differ significantly.

Microeconomics studies the behavior of individual economic agents, such as households, firms, and industries, and how they make decisions regarding the allocation of limited resources. Key topics in microeconomics include supply and demand, consumer behavior, production and costs, market structures (like perfect competition, monopoly, oligopoly), and factor markets. The goal of microeconomic analysis is to understand how these entities interact in specific markets, how prices are determined, and how resources are efficiently allocated. For example, microeconomics examines how a company can maximize its production efficiency or how consumers decide what products to buy given their budget constraints.

Macroeconomics, on the other hand, looks at the economy as a whole. It deals with broad aggregate indicators and the overall functioning of the economic system. Key areas of study in macroeconomics include national income, gross domestic product (GDP), unemployment rates, inflation, fiscal policy, monetary policy, and international trade and finance. Macroeconomic analysis seeks to understand the factors that drive economic growth, the reasons for economic cycles, and the effects of government policies on the overall economy. For instance, macroeconomics analyzes how interest rate

changes by a central bank can influence inflation and employment levels across an entire country.

In essence, while microeconomics focuses on the trees, macroeconomics is concerned with the forest. Microeconomics might address why a particular business decides to raise its prices, whereas macroeconomics would examine the impact of inflation on the entire economy.

1. Microeconomics studies the behavior of individual economic agents such as households and firms.
2. Macroeconomics focuses on specific markets rather than the economy as a whole.
3. Microeconomics analyzes aggregate indicators like GDP and national income.
4. Macroeconomics deals with broad economic factors such as inflation and unemployment rates.
5. Understanding consumer behavior is a key topic in microeconomics.
6. Macroeconomics examines how individual businesses can maximize their production efficiency.
7. Fiscal policy is a primary concern of microeconomic analysis.
8. Microeconomics includes the study of market structures such as monopolies and perfect competition.
9. The impact of monetary policy on the overall economy is studied in macroeconomics.
10. Microeconomics seeks to understand the interactions between large-scale economic variables.

B) Fill in the box or line the correct answer to an appropriate column.

Macroeconomics and Microeconomics	
<p><u>Macroeconomics</u></p> <ul style="list-style-type: none"> ✓ analyzes ✓ studies ✓ deals ✓ studies 	<p><u>Microeconomics</u></p> <ul style="list-style-type: none"> ✓ analyzes ✓ studies ✓ deals ✓ studies

1. analyzes the economy as a whole;
2. analyzes individual components of the economy;
3. studies aggregate economic behavior, i.e. the behavior of aggregate economic agents on aggregate economic markets;
4. studies economic behavior of individual units (individual firm or individual household) on markets for particular goods and services (wheat, computers, oil bicycles, gold, etc.);

5. deals with the decision-making of a certain firm (a producer) or a certain household (a consumer);

6. deals with the economic issues that affect the entire economy and most of society;

7. studies such variables as the amount of a firm's output or of a consumer's income, quantities demanded and supplied of particular goods and their prices, etc.

8. studies aggregate variables such as gross domestic product, national income, aggregate demand, aggregate supply, general price level, rate of unemployment, public deficit, exchange rate, etc.

COMPREHENSION CHECK

Now read the text again and answer the following questions. Compare your answers with another student and discuss any differences. Make sure you can refer to a particular phrase or sentence from the text to prove your answer.

1. What is **scarcity**? Why is it called the fundamental economic problem and how does it affect economic decision-making?

2. What is **economics** and how does it help to solve the problem of scarcity?

3. What are the three basic economic questions?

4. How does scarcity lead to the need for choice and prioritization in production? What does the question of "**what to produce**" deal with?

5. What factors help to decide what to produce?

6. What does the question of "**how to produce**" involve?

7. What are the factors determining the methods and techniques used in the production?

8. What does the question of "**for whom to produce**" pertain to?

9. What factors affect the distribution of goods and services?

10. What is a **trade-off**? Provide examples.

11. Explain the concept of **opportunity cost**. How does it relate to economic choices?

TRANSLATION PRACTICE

Translate into English.

1) Проблема дефіциту є основною економічною проблемою, з якою стикаються всі суспільства.

2) Дефіцит – це стан, який є результатом того, що суспільство не має достатньо ресурсів для виробництва всього того, що люди хотіли б мати.

3) Економіка – це дослідження того, як люди намагаються задовольнити необмежені та конкуруючі потреби шляхом обережного використання обмежених ресурсів.

4) Економіка досліджує різні аспекти людської поведінки, пов'язані з виробництвом, розподілом і споживанням товарів і послуг.

5) Дефіцит змушує кожне суспільство відповідати на основні питання: **ЩО, ЯК і ДЛЯ КОГО** виробляти.

6) Оскільки суспільство не може мати все, чого хочуть люди, воно повинно вирішити, що виробляти, тобто які товари та послуги воно матиме зараз, а які воно готове відкласти або від яких повністю відмовитися.

7) Такі фактори, як уподобання споживачів, доступність ресурсів, технологічний прогрес і прибутковість, впливають на процес прийняття рішення щодо того, які товари та послуги виробляти.

8) На те, як виробляються товари та послуги, впливають такі фактори, як технологія, навички робочої сили, наявність капіталу, екологічні міркування та державні постанови.

9) Нижчі витрати роблять виготовлені товари дешевшими і доступними для більшої кількості людей.

10) Питання «Для кого виробляти» фокусується на розподілі товарів і послуг між членами суспільства.

11) На цей розподіл можуть впливати різні фактори, включаючи рівень доходу, розподіл багатства, програми соціального забезпечення, ринкові механізми та державну політику.

12) Одним із найважливіших аспектів вибору в економіці є ідея про те, що кожне прийняте нами рішення має свої компроміси або альтернативні варіанти, від яких ми відмовилися, щоб придбати щось інше.

13) Це пов'язано з концепцією альтернативної вартості, яка стосується потенційної вигоди, яку втрачає особа, бізнес чи нація, обираючи одну альтернативу над іншою.

14) Питання щодо того, що, як і для кого виробляти, складні для будь-якого суспільства, але на них потрібно відповідати мудро, доки не вистачає ресурсів для задоволення, здавалося б, необмежених потреб та бажань людей.

READING STRATEGIES

I. Work in pairs. Investigate the problems of “needs & wants” presented in a dialogue.

A) Explain the difference between needs and wants and give your examples.

Student: Professor, I’m trying to understand the difference between needs and wants. Can you explain it in simple terms?

Professor: Of course. Needs are the essentials required for survival and maintaining a healthy life. These include food, water, shelter, clothing, healthcare, and education. They are limited and generally constant over time.

Student: So, those are the things we must have, right? But what about wants?

Professor: Wants are the things you desire to have but are not essential for survival. They are driven by personal preferences and can include items like a new phone, a car, or a vacation. Wants are unlimited and can change over time.

Student: I see. So, how does understanding these concepts help us?

Professor: By understanding the difference, you can make better decisions when it comes to budgeting, saving, and spending. It’s important to prioritize needs over wants to ensure financial stability and well-being.

Student: That makes sense. So, if I want to save money, I should focus on my needs first before spending on my wants.

Professor: Exactly. Always cover your basic needs first and then use any remaining funds for your wants. This approach will help you maintain financial stability.

B) Are the problems of “needs and wants” connected? Substantiate the idea. Explain your point of view. USEFUL ENGLISH section below can be helpful for you.

USEFUL ENGLISH

guess/believe that ... I bet that It goes without saying that
In my experience... Personally, I think... I’d like to point out
that
In my opinion, ... To my mind, ... As far as I am concerned,...

II. Read the text below and entitle it. Define the key sentence of each paragraph. Be ready to explain your choice. Answer the following questions.

1. How does macroeconomics differ from microeconomics in terms of the scope of economic processes it studies?

2. What are the limitations of macroeconomics as a 'non-experimental' field, and how does this affect the conclusions drawn from its study?

3. What are the traditional policy targets of macroeconomics, and how do they relate to the concept of the 'magical pentagon'?

4. Can you provide examples of how macroeconomic models are built and what simplifying assumptions are typically made?

5. How do the economic challenges faced by the three large economic blocks (Europe, USA+Canada, Japan+Far East) differ, and what are some of the current economic issues in these regions?

1) Macroeconomics (Greek makro = 'big') describes and explains economic processes that concern aggregates. An aggregate is a multitude of economic subjects that share some common features.

2) By contrast, microeconomics treats economic processes that concern individuals. Example: The decision of a firm to purchase a new office chair from company X is not a macroeconomic problem. The reaction of Austrian households to an increased rate of capital taxation is a macroeconomic problem. Why macroeconomics and not only microeconomics? The whole is more complex than the sum of independent parts. It is not possible to describe an economy by forming models for all firms and persons and all their cross-effects. Macroeconomics investigates aggregate behavior by imposing simplifying assumptions ("assume there are many identical firms that produce the same good") but without abstracting from the essential features. These assumptions are used in order to build macroeconomic models. Typically, such models have three aspects: the 'story', the mathematical model, and a graphical representation.

3) Macroeconomics is 'non-experimental': like, e.g., history, macroeconomics cannot conduct controlled scientific experiments (people would complain about such experiments, and with a good reason) and focuses on pure observation. Because historical episodes allow diverse interpretations, many conclusions of macroeconomics are not coercive. Classical motivation of macroeconomics: politicians should be advised how to control the economy, such that specified targets can be met optimally. policy targets: traditionally, the 'magical pentagon' of good economic growth, stable prices, full employment,

external equilibrium, just distribution of income; according to the EMU criteria, focus on inflation (around 2%), public debt, and a balanced budget; according to Blanchard, focus on low unemployment (around 5%), good economic growth, and inflation (0—3%). In all specifications, aim is meeting several conflicting targets simultaneously. Examples for further typical questions to macroeconomics: what causes business cycles (episodes of stronger and weaker economic growth)? can an increase in the monetary supply by the central bank cause real effects? what is responsible for long-run economic growth? should the exchange rate of a currency be kept at a fixed level? can one decrease unemployment, if one accepts an increase in inflation?

4) A survey of world economics: three large economic blocks (Europe, USA+Canada, Japan+Far East) with different problems, the remainder mostly developing countries. 1. USA: good growth, low inflation, tolerable unemployment rate, persistent external deficit, increasing income inequality. 2. EU: moderate growth, low inflation, in some countries high unemployment, inconspicuous external balance (total EU active, in Austria recently turned active), for some countries large public debt, currently important unification process, convergence and heterogeneity of individual countries. ‘Richest’ EU countries Luxembourg, Denmark, then ‘mid-field’ with Austria, IRL, B, NL, UK, D, F, FIN, I, S; slightly below E, GR, SLO, P. Last come most ‘new’ (2004 accession) countries (from Malta down to Latvia). Very ‘rich’ non-EU countries Norway, Iceland, and Switzerland. 3. Japan: recently weak growth, large external surplus, deflationary tendencies.

SPEAKING STRATEGIES

Activity 1

Questions for economic reasoning and discussion are given below. Discuss your ideas in groups.

1. How do consumer preferences influence a society’s production decisions?
2. What role does resource availability play in determining what goods and services are produced?
3. How do technological advancements impact the efficiency of production?
4. What factors contribute to the profitability of producing certain goods over others?

5. How can societies determine the most efficient methods of production?
6. What are the implications of choosing to produce one type of housing over another (e.g., low-income vs. upper-income housing)?
7. In what ways do economic systems differ in their approach to these fundamental questions?
8. How does the distribution of goods and services reflect a society's values and priorities?
9. What are the challenges in deciding for whom to produce?
10. How do market economies address the issue of scarcity?

Activity 2

A) With a partner act out the roles from the dialogue between students who study economics at the university and deal with the concept of scarcity.

Alex: Hey, have you started the assignment on scarcity for economics class?

Jordan: Yeah, I've been thinking about how the Sahara Desert's expansion is a classic example of land scarcity affecting agriculture in Sub-Saharan Africa.

Alex: That's a good point. With climate change, water scarcity is becoming more of an issue too. Like how changing weather patterns are drying up rivers.

Jordan: Exactly. It's not just environmental resources either. Think about the labor shortages in healthcare and engineering. After the war, the UK didn't have enough bus drivers, and now there's a shortage of nurses and engineers.

Alex: True. And in healthcare, there are only so many doctors and hospital beds, which leads to long wait times for medical services.

Jordan: Don't forget seasonal shortages. During the holidays, the demand for gifts skyrockets, and sometimes the supply just can't keep up.

Alex: Right, and then there's infrastructure. Cities are so congested because there's no room to build more roads or expand public transport to meet the growing number of users.

Jordan: It all comes down to the economic problem of scarcity: our resources are limited, but our wants are unlimited.

Alex: It's fascinating how this fundamental economic problem affects so many aspects of our lives.

Jordan: Definitely. It makes you appreciate the importance of efficient resource allocation.

B) The economic problem of scarcity refers to the fundamental issue that resources are limited while human wants are unlimited. Please, add some examples from the dialogue to illustrate this concept:

Land Scarcity	
Water Scarcity	
<u>Labor Shortages</u>	
<u>Healthcare Resource Limits</u>	
Seasonal Shortages	
Insufficient Infrastructure	

Activity 3

With a partner act out the roles from the dialogue between a professor and a student that illustrates the similarities between microeconomics and macroeconomics.

Professor: Good morning, class. Today we're going to discuss the relationship between microeconomics and macroeconomics. Can anyone tell me why the distinction between the two is not as clear-cut as it seems?

Student: Good morning, Professor. I believe it's because the principles of microeconomics are often applied in macroeconomic analysis. For example, when studying the effects of devaluation, we use the same economic principles like elasticity of demand.

Professor: That's correct. The elasticity of demand is a microeconomic concept that has significant implications in macroeconomic contexts. Can you think of an example where microeconomic factors affect macroeconomic outcomes?

Student: Sure, a rise in oil prices can lead to cost-push inflation, which is a macroeconomic concern. Conversely, if technological advancements reduce production costs, it can lead to faster economic growth on a macro scale.

Professor: Excellent observation. The interplay between micro and macroeconomics is indeed intricate. Now, what about the influence of specific markets on the overall economy?

Student: Well, if we consider the housing market, a rise in house prices might seem like a microeconomic event. However, since the housing market significantly influences the economy, it can also be seen as a macroeconomic variable affecting monetary policy.

Professor: Precisely. The housing market is a perfect example of how microeconomic events can have macroeconomic repercussions.

Lastly, how have modern economists tried to bridge the gap between micro and macro?

Student: Economists have been using computer models to simulate household behavior and predict its impact on the macroeconomy. These models incorporate micro-level decisions to forecast macroeconomic trends.

Professor: Indeed, these models represent a synthesis of micro and macroeconomics, showing how interconnected these two branches are. Remember, while it's useful to study economics in separate branches, the real world doesn't adhere to such divisions. Thank you for your insightful answers.

Activity 4

A) With a partner act out the roles from the dialogue between a student and a Professor of Economics about some key reasons why studying economics is beneficial.

Professor: Good morning, students. Today, we'll explore the practical applications of economics in our daily lives and the broader world. Let's start with market understanding. Can anyone explain how economics helps us understand markets?

Student: Good morning, Professor. Economics gives us a framework to understand how markets work, like how prices are determined by the balance of supply and demand, and how competition affects market dynamics.

Professor: Exactly. And what about the analytical skills you gain from studying economics?

Student: Studying economics hones our analytical skills, allowing us to dissect complex problems, identify patterns, and make data-driven decisions.

Professor: Well said. These skills are invaluable in the professional world. Now, how does economics influence decision-making?

Student: With knowledge of economics, we can make informed decisions in business and personal finance, like investing wisely or understanding the economic implications of a new business venture.

Professor: Indeed. Economists also play a vital role in policy-making. Can you elaborate on that?

Student: Sure. Economists use their expertise to advise on policies that can promote economic growth and improve societal well-being. They analyze data and trends to recommend the best course of action.

Professor: Correct. And let's not forget the career opportunities economics offers.

Student: Absolutely. A background in economics opens doors to careers in finance, government, international relations, and more. It's a versatile field with global relevance.

Professor: Speaking of global relevance, how does economics help us understand global issues?

Student: It provides a global perspective, helping us grasp the interconnectedness of economies and the impact of international events on our own economy.

Professor: Lastly, how does economics relate to personal finance?

Student: Understanding economics can lead to better financial management and investment decisions. It teaches us to evaluate risks and returns, budget effectively, and plan for the future.

Professor: Excellent overview. Remember, economics is not just about numbers and charts; it's about understanding the world around us and making informed choices. Keep these applications in mind as you study, and you'll find economics both enlightening and practical.

Student: I see, overall, economics is a field that not only helps to comprehend the world better but also empowers individuals to navigate and succeed in an ever-changing economic landscape.

B) Help students to finish the abstract. Fill in the missing parts with examples from the dialogue you have read.

Reasons	Examples
Understanding Markets: Economics provides insights into how markets operate, including the dynamics of supply and demand, pricing, and competition.	
Analytical Skills: It develops strong analytical and problem-solving skills, which are highly valued in the professional world.	
Decision-Making: Knowledge of economics aids in making informed decisions, both in business and personal finance.	
Influencing Policy: Economists play a crucial role in shaping policies that affect economic growth and societal well-being.	
Career Opportunities: A background in economics opens up a wide range of career paths in industries such as finance, government, and international relations.	
Global Perspective: It helps understand global issues and the interconnectedness of economies around the world.	
Personal Finance: Understanding economics can lead to better personal financial management and investment decisions	

SECTION II

KEY TERMS

I. Before reading text B study the key terms and their definitions. While reading the text, you should pay attention to the economic and business terms.

They will become the basics of your professional vocabulary.

1. **Good** – *товар* – tangible economic product that is useful, relatively scarce, and transferable to others.

2. **Capital good** – *засіб виробництва* – a tangible asset that is used in the production of other goods or services. Capital goods are not finished products; instead, they are used to make consumer goods or provide services.

3. **Consumer good** – *споживчий товар* – good intended for final use by consumers rather than businesses.

4. **Durable good** – *товар тривалого використання* – a good that lasts for at least three years when used regularly.

5. **Nondurable good** – *товар короткочасного використання* – a good that wears out or lasts for fewer than three years when used regularly.

6. **Service** – *послуга* – work or labor performed for someone.

7. **Value** – **1)** *вартість* – monetary worth of a good or service as determined by the market; **2)** *цінність* – the regard that something is held to deserve; the importance, worth, or usefulness of something.

8. **Paradox of value** – *парадокс цінності* – apparent contradiction between the high monetary value of a nonessential item and the low value of an essential item.

9. **Utility** – *корисність* – ability or capacity of a good or service to be useful and give satisfaction to someone.

10. **Wealth** – *багатство* – sum of tangible economic goods that are scarce, useful, and transferable from one person to another.

11. **Necessity** – *необхідність* – in economics, a necessity refers to a good or service that is essential for basic human existence and well-being.

12. **Market** – *ринок* – in economics, a market is defined as any structure or mechanism where buyers and sellers interact to exchange goods, services, information, currency, or any combination of these. Markets can be physical spaces like stores or virtual platforms like online retailers.

13. **Asset** – *актив* – a resource with economic value that an individual, corporation, or country owns or controls with the expectation that it will provide future benefits.

II. Match the terms with their definitions.

1. Paradox of value	a) work or labor performed for someone
2. Utility	b) a good or service that is essential for basic human existence and well-being
3. Capital good	c) sum of tangible economic goods that are scarce, useful, and transferable from one person to another
4. Durable good	d) monetary worth of a good or service as determined by the market
5. Service	e) ability or capacity of a good or service to be useful and give satisfaction to someone
6. Market	f) contradiction between the high monetary value of a nonessential item and the low value of an essential item
7. Necessity	g) a resource with economic value that an individual, corporation, or country owns or controls with the expectation that it will provide future benefits
8. Wealth	h) any structure or mechanism where buyers and sellers interact to exchange goods, services, information, currency, or any combination of these
9. Nondurable good	i) goods that are used in producing other goods, rather than being bought by consumers
10. Asset	j) tangible economic product that is useful, relatively scarce, and transferable to others
11. Consumer good	k) a good that wears out or lasts for fewer than three years when used regularly
12. Good	l) good intended for final use by consumers rather than businesses
13. Value	m) a good that lasts for at least three years when used regularly

PRONUNCIATION GUIDE

circular ['sɜ:kjə.lər]

durable ['dʒʊə.rəbəl]

generation [ˌdʒenə'reɪʃ(ə)n]

indispensable [ˌɪndɪs'pensəb(ə)l]

lifespan ['laɪf.spæn]

paradox ['pærədɒks]

repeatedly [rɪ'pi:tɪdli]

tangible ['tændʒəb(ə)l]

III. Read text B. Make up a question plan of the text.

Text B. Key Economic Concepts

Like other social sciences, economics has its own vocabulary and to understand it the knowledge of its key terms is indispensable. Let's focus on some of them. Economics is concerned with economic products—goods and services that are useful, relatively scarce, and transferable to others. Economic products are used to satisfy human wants and needs. They have value and can be exchanged for other goods and services in the market. There are different types of economic products. The first one is a **good**—a useful, tangible item, such as a book or a car that satisfies a want. Goods created from raw materials by the application of labor and capital, that is by taking the material or materials and processing, refining, and shaping them in a way that creates new goods that are called manufactured. When **manufactured goods** are used to produce other goods and services, they are called **capital goods**. An example of a capital good would be a piece of equipment in a factory or a computer in a high school. Goods intended for final use by individuals are **consumer goods**. Any good that has a long lifespan and is used repeatedly is called a **durable good**. Durable goods include both capital goods and consumer goods. A **nondurable good** is an item that is consumed quickly when used on a regular basis or has a short lifespan. Food, writing paper, and most clothing items are examples of nondurable goods. The other type of economic product is a **service**, or work that is performed for someone. Services include haircuts, repairs, and the work that doctors, lawyers, and teachers perform. The difference between a good and a service is that a good is tangible, or something that can be touched, while a service is not. Another economic term is **value** which refers to a worth that can be expressed in dollars and cents. Adam Smith, a Scottish social philosopher and political economist, observed that some **necessities**, such as water, had a very low monetary value, while some nonnecessities, such as diamonds, had a very high value. He called this contradiction the **paradox of value**, which is sometimes referred to as “**diamond-water paradox**”. The solution to the paradox was found later when economists came to a conclusion that for something to have value, it must be not only scarce but also have **utility**, or the capacity to be useful and provide satisfaction. The utility of a good or service may vary from one person to the next. One person may get a great deal of satisfaction from a home computer; another may get very little.

One more economic concept requiring consideration is **wealth** which is defined as the accumulation of products that are tangible, scarce, useful, and transferable from one person to another. A nation's wealth is the total value of assets and resources owned by a nation including natural resources, factories, stores, houses, clothing, books, highways, etc. that can be exchanged. Generation of wealth is made possible by the circular flow of an economic activity which takes place in a **market**, i.e. a location or other mechanism that allows buyers and sellers to exchange a specific product.

WORDS AND PHRASES TO BE REMEMBERED

to be indispensable – бути незамінним

to be concerned with – стосуватися, мати справу з

transferable to others – такий, що може бути переданий іншим
exchanged for other goods and services – обмінаний на інші

товари та послуги

tangible item – матеріальний предмет

intangible assets – нематеріальні активи

to be created by the application of – бути створеним із застосуванням

capital goods – засоби виробництва

intended for final use – призначений для кінцевого використання

consumer goods – споживчі товари

to have a long lifespan – мати тривалий строк експлуатації

to be used repeatedly – використовуватись повторно/ для багаторазового використання

a durable good – товар тривалого використання

a nondurable good – товар короткочасного використання

to have a short lifespan – мати короткий строк експлуатації

the paradox of value – парадокс цінності

to have utility – мати корисність

to be defined as – визначатися як

value of assets – вартість активів

generation of wealth – виробництво, створення багатства (матеріальних благ)

circular flow of an economic activity – круговий потік господарської діяльності

VOCABULARY PRACTICE

I. Find in the text English equivalents for the following word combinations.

Засоби виробництва; товар тривалого використання; бути незамінним; стосуватися, мати справу з; споживчі товари; такий, що може бути переданий іншим; може бути обмінаний на інші товари та послуги; товар короткочасного використання; створений із сировини з застосуванням праці і капіталу; призначений для кінцевого використання; тривалий строк експлуатації; використовуватись повторно; мати короткий строк експлуатації; вартість активів; створення матеріальних благ; накопичення матеріальних продуктів, які є дефіцитні, корисні і можуть передаватися від однієї людини до іншої.

II. Give Ukrainian equivalents for the following word combinations.

Consumer goods; to be indispensable; tangible item; to be transferable to others; to be created from; capital goods; to be created by the application of; to have a long lifespan; a nondurable good; to have a short lifespan; to be intended for final use; to have utility; to be defined as; a durable good; accumulation of products; the paradox of value; value of assets; generation of wealth; circular flow; to have the capacity to be useful and provide satisfaction.

III. Fill in the blanks with the correct vocabulary items from the box. Some phrases can be used more than once. Verb form can be changed.

to be intended for final use, tangible item, capital goods, to be transferable to others, durable good, circular flow, to have utility, value of assets, generation of wealth, to have a short lifespan, consumer goods, to have a long lifespan, the paradox of value, accumulation of products, nondurable good, to be indispensable, to be created by the application of

1. _____ are items that are used by individuals or households and are meant for immediate consumption.
2. A car is considered a _____ because it can last for several years.
3. A loaf of bread is an example of a _____ because it must be consumed quickly and doesn't last long.

4. Industrial machinery is classified as _____ because it is used in the production of other goods.

5. An item that cannot be physically touched but still holds value, like a software license, is not a _____.

6. Goods like houses and vehicles are _____, as they can be sold or transferred from one person to another.

7. The _____ often describes the contradiction between high-value non-essential goods and low-value essential goods.

8. The _____ involves the continuous movement of money and products through the economy.

9. Many consumer electronics are _____ because they are expected to serve their purpose for several years.

10. Bread and milk _____ because they are consumed quickly and need to be replaced frequently.

11. Goods are considered _____ when they are meant for the final consumer rather than for further production or processing.

12. Products must _____ in order to be considered valuable by consumers.

13. _____ refers to the total stock of items produced and held by a business or economy.

14. Diamonds illustrate the _____ due to their high value despite being non-essential.

15. The _____ of a company includes all its physical and financial assets.

16. _____ refers to the creation of new wealth and resources in an economy.

17. For many people, having access to clean water is _____ for maintaining health and hygiene.

18. Stocks and bonds are financial assets that are _____ through buying and selling.

19. Many modern gadgets are _____ cutting-edge technology and innovative designs.

20. Groceries are _____ by consumers and are not meant for resale.

IV. Study two more economic categories and express your opinion filling the box of 2 columns with the given examples.

Tangible and intangible items are two distinct categories of assets that can be owned by individuals or companies. Here's a brief overview of each:

Tangible Items: These are physical objects that can be seen and touched. They have a definite shape and form, and their value is often

easier to ascertain because they have a clear cost and expected lifespan.

Intangible Items: These are non-physical assets that cannot be seen or touched. They are recognized for their potential to generate revenue and are often more challenging to value because they do not have a physical presence.

Tangible assets are typically used in the production of goods and services, while intangible assets can provide long-term advantages such as brand recognition and intellectual property rights.

Fill the appropriate column with the correct examples.

land, education, patents, clothing, intellectual property, domain names, machinery, cash, vehicles, precious metals, furniture, trademarks, brand names, copyrights, goodwill, buildings, insurance, inventory, office equipment, data, contracts.

Tangible Items	Intangible Items

Present the results using the following phrases:

To me, ... I would say that ... It seems to me that ... I am of the opinion that ...
I have no doubt that... I guess/believe that ... It goes without saying that...

COMPREHENSION CHECK

I. Now read text B again and answer the following questions.

1. What term is used to describe goods that are useful, relatively scarce, and transferable to others?
2. Identify and define the two main categories of economic products mentioned in the text.
3. What is the primary difference between a capital good and a consumer good?
4. Give an example of a durable good and explain why it is categorized as such.
5. What type of good is food classified as and why?

6. What type of good is a computer in a high school classified as and why?

7. Define 'service' in the context of economic products and provide an example.

8. What contradiction did Adam Smith identify regarding the value of certain goods?

9. What two conditions must be met for something to have value, as resolved from the paradox of value?

10. How does the text explain the concept of utility and its subjective nature?

TRANSLATION PRACTICE

Translate into English.

1. Як і інші соціальні науки, економіка має власний словниковий запас, і для його розуміння необхідне знання ключових термінів.

2. Економіка займається економічними продуктами – товарами та послугами, які є корисними, відносно дефіцитними та такими, що можуть бути переданими іншим.

3. Економічні продукти використовуються для задоволення людських бажань і потреб.

4. Коли виготовлені товари використовуються для виробництва інших товарів і послуг, вони називаються засобами виробництва.

5. Товари, призначені для кінцевого використання фізичними особами, є споживчими товарами.

6. Будь-який товар, який має тривалий термін служби і багаторазово використовується, називається товаром тривалого користування.

7. Товари тривалого користування включають як засоби виробництва, так і споживчі товари.

8. Продукти харчування, письмовий папір і більшість предметів одягу є прикладами товарів нетривалого користування.

9. Ще одна економічна концепція, яка потребує розгляду, – багатство, яке визначається як накопичення матеріальних, дефіцитних, корисних продуктів, які можна передавати від однієї людини до іншої.

10. Багатство нації – це загальна вартість активів і ресурсів, якими володіє нація, включаючи природні ресурси, фабрики, магазини, будинки, одяг, книги, дороги тощо, які можна обміняти.

READING STRATEGIES

Activity 1

A) Read the text and translate it into Ukrainian.

In economics, goods are items that satisfy human wants and provide utility, for example, to a consumer making a purchase of a satisfying product. A common distinction is made between goods which are transferable, and services, which are not transferable.

A good is an "economic good" if it is useful to people but scarce about its demand so that human effort is required to obtain it. In contrast, free goods, such as air, are naturally in abundant supply and need no conscious effort to obtain them. Private goods are things owned by people, such as televisions, living room furniture, wallets, cellular telephones, and almost anything owned or used on a daily basis that is not food-related.

A consumer good or "final good" is any item that is ultimately consumed, rather than used in the production of another good. For example, a microwave oven or a bicycle that is sold to a consumer is a final good or consumer good, but the components that are sold to be used in those goods are intermediate goods. For example, textiles or transistors can be used to make some further goods.

Commercial goods are construed as tangible products that are manufactured and then made available for supply to be used in an industry of commerce. Commercial goods could be tractors, commercial vehicles, mobile structures, airplanes, and even roofing materials. Commercial and personal goods as categories are very broad and cover almost everything a person sees from the time they wake up in their home, on their commute to work to their arrival at the workplace.

Commodities may be used as a synonym for economic goods but often refer to marketable raw materials and primary products.

Although common goods are tangible, certain classes of goods, such as information, only take intangible forms. For example, among other goods, an apple is a tangible object, while news belongs to an intangible class of goods and can be perceived only by means of an instrument such as a printer or television.

B) Match the answers with the appropriate questions.

1. What distinguishes an economic good from a free good?	I) Commercial goods are tangible products manufactured for supply in commerce. Examples include tractors, airplanes, and roofing materials.
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2. Give an example of a private good.	J) Consumer goods are directly consumed, while intermediate goods (like textiles or transistors) are used in the production of other goods.
3. What is a consumer good?	A) Goods fulfill human desires and needs, enhancing well-being and contributing to overall utility.
4. Contrast consumer goods with intermediate goods.	B) A consumer good (or final good) is an item ultimately consumed by an individual. For instance, a microwave oven sold to a consumer is a consumer good.
5. Define commercial goods.	C) Economic goods are useful but scarce, requiring effort to obtain, while free goods (like air) are naturally abundant and require no conscious effort.
6. How broad are the categories of commercial and personal goods?	D) Private goods are owned by individuals and not shared. Examples include televisions, furniture, and cellular phones.
7. What are commodities in the context of economic goods?	E) News belongs to the intangible class of goods and can only be perceived through instruments like media.
8. Give an example of an intangible good.	F) These categories encompass almost everything people encounter daily, from waking up at home to arriving at their workplace.
9. How does news fit into the classification of goods?	G) Commodities often refer to marketable raw materials and primary products.
10. What role do goods play in satisfying human wants and providing utility?	H) Information is an intangible good. Unlike tangible goods (like apples), it cannot be physically touched.

Activity 2

Here are some thought-provoking questions. Discuss your ideas in groups.

1. How does the concept of scarcity influence (enhance or diminish) the value of goods and services in a market economy?
2. What implications does the “diamond-water paradox” have for how society allocates resources (necessities versus luxuries) in peaceful times?
3. In what ways do capital goods contribute to the production of wealth, and how does this impact the economy as a whole?
4. How does the subjective nature of utility challenge the traditional economic models of value?
5. Can the circular flow of economic activity be sustained indefinitely, or are there limits to growth and wealth generation?

SPEAKING STRATEGIES

Activity 1

An Economic Game "Successful State – Healthy Economy" based on D. Kolb's cyclic learning.

The objective of this activity is to identify the main factors that contribute to the rapid development of successful states. Macroeconomics is concerned with the overall picture of the economy, while microeconomics focuses on individual behavior. Successful states such as Singapore, South Korea, and Taiwan have invested heavily in education, technology, and innovation, with strong government leadership and favorable business environments. These insights can be useful for policymakers and business leaders to promote economic growth and development.

Step 1 – *“Concrete experience. Feeling”*. Deal with some theoretical material from the Investopedia resource: “Macroeconomics and microeconomics” [1]; texts A and B of this unit; “The 6 Signs of an Economic Recovery” [2], “4 Key Indicators That Move The Markets” [3]. Carry out a small research, select examples, and note down key aspects;

Step 2 – *“Reflective observation. Watching”*. Create 2 teams: a "Macro" and a "Micro", analyze the material received, activate your knowledge, recall everything you know about these issues, and conduct a small research of the examples of states that were characterized by rapid economic growth, for example, Singapore, Japan, Taiwan etc. and identify the key aspects that contributed to the active development of these countries.

Finally, note key ideas of the research, find what distinguishes macroeconomics from microeconomics, discuss examples of successful states, and try to determine what the secrets of their rapid development are.

Step 3 – *“Abstract conceptualization. Thinking”*. Create an imaginary state in which an ideal economic plan of development can be implemented. A "Macro" describes the macro level and a "Micro" describes the micro levels of functioning.

Step 4 – *“Active experimentation. Doing”* (testing and checking). A) Make a presentation of a created state with an ideal economy, and discuss the possibilities of its implementation in real life; b) analyze and discuss the possibility of combining the "Macro" and "Micro" economies of the imaginary states described in one; c) create a joint

project "Successful State – Healthy Economy" based on the prepared projects of the "Macro" and "Micro" teams.

A) Watch the video about the wealth effect

https://www.google.com/search?q=investopedia+individual+wealth+video&oq=&gs_lcrp=EgZjaHJvbWUqCQgAECEMYJxjqAjIJCAYQIxgnGOoCMgkIARAJGccY6gIyCQgCECEMYJxjqAjIJCAYQIxgnGOoCMgkIBBAJGccY6gIyCQgFECEMYJxjqAjIJCAYQIxgnGOoCMg8IBxAuGCcYxwEY6gIY0QPSAQkzNTQxajBqMTWoAgiwAgE&sourceid=chrome&ie=UTF-#fpstate=ive&vld=cid:aa1381de,vid:XhcNEGhuosk,st:0

B) Mark these statements T (true) or F (false) according to the information from the video.

1. The wealth effect is a psychological phenomenon that causes people to spend more as the value of their assets rises.
2. When consumer's homes or investments for portfolios increase in value, they feel more financially secure, so they increase their spending.
3. Conversely, when consumers see the value of their homes or portfolios fall they tend to spend more.
4. Changes in employment rates, tax rates, and household expenses (not changes in wealth) have the biggest effect on consumer spending
5. Critics say that if there is a wealth effect, the percentage change (consumers' experience in their wealth) results in a smaller change in their spending habits, which wouldn't have a meaningful effect on the economy.

C) Watch the video again and put sentences in the correct order as you heard in the video.

	An example of how the wealth effect works Kiki purchased a house for 300,000 dollars in 2007. She earned a 100,000 salary and her average expenses, including housing, were 75,000 dollars per year.
	In 2008 the Great Recession lowered her home value to 260,000 dollars.
	The wealth effect attempts to explain why consumers might change their spending habits even if their income and fixed costs of state are the same. Analysts disagree over whether the wealth effect really exists. Proponents say a \$1 increase in wealth can increase spending by 2 to 8 cents.
	The premise is that when consumers' homes or investment portfolios increase in value they feel more financially secure so they increase their spending.

	The wealth effect is a psychological phenomenon that causes people to spend more as the value of their assets rises.
	Conversely, when consumers see the value of their homes or portfolios fall they tend to spend less.
	Critics say that if there is a wealth effect the percentage change consumers experience in their wealth results in a smaller change in their spending habits, which wouldn't have a meaningful effect on the economy.
	Kiki's income was still 100,000 dollars and her expenses were still 75,000 dollars, but she cut back on her variable expenses because she was concerned about the drop in her home equity, she started spending 60,000 a year instead of 75,000 dollars.
	Critics also say that changes in employment rates, tax rates, and household expenses (not changes in wealth) have the biggest effect.
	In 2013 when our home's value rebounded and grew to 320,000 dollars, Kiki felt more secure as her home equity increased while our income was still 100,000 dollars adjusted for inflation she increased her spending to \$ 85,000 because of her newfound sense of wealth.

USEFUL ENGLISH

Phrases from the box below will help you to start sentences and express your opinion.

<p>I believe that...</p> <p>I guess that...</p> <p>It goes without saying that ...</p> <p>As far as I am concerned...</p> <p>So it seems that...</p> <p>To me (for myself)...</p> <p>My personal opinion as to...</p> <p>On the one hand...</p> <p>On the other hand...</p> <p>From my point of view...</p> <p>Let us consider that...</p>	<p>Personally, I think...</p> <p>I'd like to point out that...</p> <p>As I understood...</p> <p>It is quite obvious...</p> <p>I would say that...</p> <p>It's a fact that...</p> <p>It is well known...</p> <p>It seems to me...</p> <p>As I see it...</p> <p>In my opinion...</p> <p>To my mind...</p>
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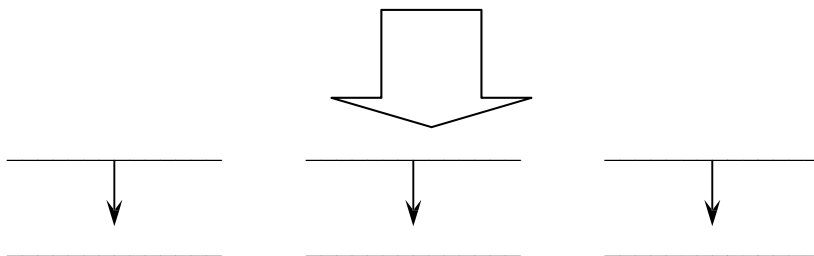
LEAD-IN

1. a) Make a list of resources you use every day and compare it with another student.

b) Entitle the structural components of the resources in economics using the words from the table and explain your choice.

<i>Natural Resources</i>	<i>Land</i>	<i>Capital</i>	<i>Entrepreneurship</i>
<i>Manufactured Resources</i>	<i>Human Resources</i>	<i>Labour</i>	<i>Information</i>
<i>Time</i>	<i>Money</i>	<i>Abilities</i>	<i>Risk</i>

RESOURCES



SECTION I

KEY TERMS

I. Before reading text A study the key terms and their definitions. While reading the text, you should pay attention to the economic terms. They will become the basics of your English for Specific Purposes (ESP) vocabulary.

1. **Factors of production / productive inputs or resources** – *фактори виробництва, ресурси* – resources required for generation of goods or services, generally classified into four major groups: 1) Land (including all natural resources), 2) Labor (including all human resources), 3) Capital (including all man-made resources), and 4) Enterprise (which brings all the previous resources together for production). These factors are classified also as management, machines, materials, and money (this, the 4 Ms).

2. **Land** – *земля* – primary input and factor of production which includes the natural resources used to create a good or service. These can be renewable resources like forests or nonrenewable resources like oil, gold or water.

3. **Labor** – *труд, праця, робота; робоча сила* —is the effort that people contribute to the production of goods and services. Labor itself includes all types of labor performed for an economic reward, such as mental and physical efforts.

4. **Capital** – *капітал, фонди* – 1) factor of production that is used to create goods or services and is not themselves in the process; 2) money invested in a business to generate income.

5. **Capital goods** – *товари промислового призначення, засоби виробництва* – heavy equipment (such as excavators, machines, vehicles) which (in contrast to consumer goods) require a relatively large investment, and are bought to be used over several years.

6. **Entrepreneur** – *підприємець* – is one that initiates the process of production by mobilizing the other factors of production to earn a profit. He organizes, manages and controls the affairs of the firm to take benefit of an opportunity and, as the decision maker, decides what, how, and how much of a good or service will be produced.

7. **Entrepreneurship** – *підприємництво* – the ability and readiness to develop, organize and run a business enterprise to make a profit.

8. **Enterprise** – *підприємство, підприємництво* – a business or company.

9. **Input (usually pl. Inputs)** – *ресурс, витрати, інвестиції* – any resources needed to create finished products (goods and services). Examples of inputs include labor (workers' time), fuel, materials, buildings, and equipment.

10. **Output** – *випуск, продукція, обсяг виробництва* –the finished product that is the result of input combined; the amount of something produced by a person, machine, or industry over a given period.

11. **Resource** – *ресурс* – an economic or productive factor required to accomplish an activity, or as means to undertake an enterprise and achieve desired outcome.

12. **Natural resource** – *природне багатство* – asset or material that constitutes the natural capital of a nation.

13. **Technology** – *технологія* – the methods for using scientific discoveries for practical purposes, esp. in industry.

14. **Free products** – *безкоштовні товари / блага* – air, sunshine are and other items so plentiful no one could own them. Also free goods.

15. **Information** – *інформація* – data that is (1) accurate and timely, (2) specific and organized for a purpose, (3) presented within a context that gives it meaning.

16. **Consumer** – *споживач* – a person who purchases goods and services for personal use. **Syn:** buyer, purchaser

17. **Consumer goods** – *споживчі товари* – goods that are intended for final use by the consumer. Also **consumer product**.

II. Give the right terms for the following definitions.

1.	People who use goods and services.	
2.	The effort that people contribute to the production of goods and services.	
3.	Resources needed to create finished products (goods and services)	
4.	Inputs used in the production of goods and services.	
5.	A person who starts a business and is willing to risk loss in order to make money.	
6.	Human activity of raising capital, organizing, managing, assembling other factors of production, and making basic business policy decisions.	
7.	Original fertility and mineral deposits, topography, climate, water, and vegetation.	
8.	The amount of goods and services produced	
9.	Merchandises or other items of common or daily use, ordinarily bought by individuals or households for private consumption.	
10.	Items used in the creation of other goods such as factory machinery, trucks, etc.	

PRONUNCIATION GUIDE

entrepreneurship [ɒnrəprənɜː(r)]
 entrepreneur [ˌɒnrəprəˈnɜː]
 enterprise [ˈentəpraɪz]

consumer [kənˈsjʊ:mə]
 technology [tekˈnɒlədʒi]
 purchaser [ˈpɜːtʃəsə]

III. Read text A and be ready to match the parts of the sentences.

1. Factors of production is...
2. These include any resource...
3. The factors of production are...
4. The state of technological progress can influence...
5. Land as a factor of production can mean...

A. agriculture and farming as well as the use of natural resources, and even land to construct buildings on.

- B. needed for the creation of a good or service.
- C. land, labor, capital, and entrepreneurship.
- D. an economic term that describes the inputs used in the production of goods or services to make an economic profit.
- E. the total factors of production and account for any efficiencies not related to the four typical factors.

b) Fill in the table with the necessary information from the text. Explain what factors of production are tangible* or intangible.**

<i>Factors of production</i>	<i>Main characteristics</i>

***tangible** – матеріальний

****intangible** – нематеріальний

Text A. Resources Are Scarce

The resources that we value – time, money, labor, tools, land, and raw materials – exist in limited supply. There are simply never enough resources to meet all our needs and desires. This condition is known as scarcity.

Scarcity arises from the existence of scarce resources, or simply resources. Resources can be defined as the inputs used in the production of those things that we desire. When resources are productive, they are typically **called factors of production**. Indeed, some economists use the terms resources and factors of production synonymously. The total quantity of resources that an economy has determines what that economy can produce. Every economy has vast amounts of different resources, or factors of production. Factors of production can be classified in many ways. One common classification distinguishes natural, human, and manufactured resources.

What is the meaning of scarce resources? Scarce resources in Economics are all kinds of inputs of production processes needed by society to satisfy the significant needs of the community. There are four broad categories of resource scarcity in an economy:

- *Labor as the scarcity of lifetime*
- *Capital as the scarcity of assets, wealth, and time*
- *Natural resources as scarce by nature*
- *Human capital as the scarcity of wisdom*

Basically, **land** with its inherent mineral deposits is the natural resource we think of most often. The original fertility of land is also a natural resource. Some land can grow phenomenal amounts of crops without any addition of fertilizer; other land is incapable of growing anything in its natural state. Today, some economists contend that natural resources are often the least important factors of production in an economy. They believe that what is more important is the transformation of existing natural resources into what is truly usable by humans. That transformation requires the other types of resources – **labor and capital**.

In order to produce the things we desire, a human resource must be used. That human resource consists of the productive contributions of labor made by individuals who work – for example, steelworkers, ballet dancers, and professional baseball players. The contribution of labor to the production process can be increased. Whenever potential workers obtain schooling and training and whenever actual workers obtain new skills, labor's contribution to productive output will increase.

When labor is applied to land to grow corn, for example, something else is used. Usually it is a plow or a tractor. That is to say, land and labor are combined with manufactured resources in order to produce the things that we desire. These manufactured resources are called capital, which consists of machines, buildings, and tools. As a factor of production, capital refers to the purchase of goods made with money in production. For example, a tractor purchased for farming is capital. Along the same lines, desks and chairs used in an office are also capital. Additionally, capital consists of improvements to natural resources, such as irrigation ditches. Improvements to human resources are also possible, of course. When this occurs, we say that human capital has been improved.

There is a fourth type of input used in production. It is a special type of human resource; it consists of entrepreneurial ability, or entrepreneurship. Entrepreneurship is a little more controversial. Most classical economic models largely ignore entrepreneurs. Some economists don't consider it a separate good, but rather the purposeful combination of the other three factors.

Entrepreneurship is associated with the founding of new businesses or the introduction of new products and new techniques.

But it means more than that: it also encompasses taking risks (possibly losing large sums of wealth on new ventures), inventing new methods of doing common things, and generally experimenting with any type of new thinking that could lead to a monetary benefit. Without entrepreneurship and professional managerial skills, virtually no large-scale business organizations could operate. Clearly, entrepreneurship as a human resource is scarce: not everyone is willing to take risks or has the ability for successful business decision making.

As a fifth factor of production, information is like any of the other factors of production in many important aspects. Business relies on market forecasts, specialized knowledge, and economic data. Information is valuable since it can affect behavior, a decision, or an outcome. The non-scarce nature of information brings about a rethinking of calculations of utility maximization and cost minimization.

While not directly listed as a factor, technology plays a vital role in influencing production. In this context, technology has a fairly broad definition and can refer to software, hardware, or a combination of both used to streamline organizational or manufacturing processes.

Increasingly, technology is responsible for the difference in efficiency among firms. To that end, technology – like money – is a facilitator of the factors of production. The introduction of technology into a labor or capital process makes it more efficient. For example, the use of robots in manufacturing has the potential to improve productivity and output. Similarly, the use of kiosks in self-serve restaurants can help firms cut back on their labor costs.

WORDS AND PHRASES TO BE REMEMBERED

limited supply – обмежена пропозиція

scarcity – дефіцит

manufactured resources – ресурси промислового виробництва, промислові ресурси

productive contributions – виробничий внесок, продуктивна робота

to define – визначати, дати визначення / характеристику

to determine – визначати, встановлювати, обумовлювати

to distinguish – відрізняти, характеризувати

inherent – притаманний, властивий

fertility – родючість, багатство

fertilizer – добриво

to contend – сперечатися, стверджувати
to obtain – здобувати, отримувати
to encompass – охоплювати, вміщувати
to associate – поєднувати
introduction – впровадження
machine – машина, механізм
to that end – з цією метою

VOCABULARY PRACTICE

I. Find in the text the English equivalents for the following words and word combinations.

Бути готовим ризикувати; нестача / дефіцит; внесок робочої сили у промислове виробництво продукції; працювати; асоціювати з заснуванням нових підприємств; загальна кількість ресурсів; первинна родючість землі; виробничий процес; особливий вид людського ресурсу; трохи більш полемічний; винаходити нові способи випуску звичайних речей; промислові ресурси, які використовуються у виробництві; розрізняти ресурси; охоплювати ризики; у природний спосіб; для того щоб виробляти речі; з цією метою; дефіцит.

II. Give the Ukrainian equivalents for the following word combinations.

Lead to a monetary benefit; the transformation of existing natural resources; without any addition of fertilizer; vast amounts of different resources; inherent mineral deposits; the existence of scarce resources; indeed; obtain schooling and training; entrepreneurial ability; the introduction of new products and new techniques; the purposeful combination of the other three factors; to combine with manufactured resources; improvements to natural resources; the productive contributions of labor; the ability for successful business decision making; in this context; limited supply.

III. Study the sentences. Then identify the part of speech and give your own definition for the words on the line provided.

EXAMPLE

Producer makes a good through a process involving raw materials, components, or assemblies, usually on a large scale with different operations divided among different workers.

producer (N) a person / organization / business that makes goods

1. In the theory of production, it is assumed that the *entrepreneur* aims at maximizing his profits.

entrepreneur () _____

2. A profit-maximizing entrepreneur will seek to minimize his *cost* for producing a given output, or to put it in another way; he will maximize his output for a given level of outlay.

cost () _____

3. Productive resources used to produce a given produce are called *factors* of production.

factor () _____

4. When goods are shipped from China it can take up to 5 weeks where a local *good* can be picked up that same day.

good () _____

5. These productive resources may be *raw* materials, services of various categories of labourers, or capital supplied by an entrepreneur who assembles the other factors of production.

raw () _____

6. These factors or resources are also called *inputs*.

input () _____

7. Thus, the factors of production are traditionally classified as land, labour, capital and organization.

organization () _____

IV. a) Fill in the missing words or word combinations in the sentences below. Choose from the box. Translate the sentences into Ukrainian.

the wealth of a nation; environment; space rights; mineral rights; attractive to; a very wider sense; useful and scarce; stands for; in quantity; in fertility; affect

1. The term 'land' includes all physical elements in bestowed by nature; such as climate,, fields, forests, minerals, mountains, lakes, streams, seas, and animals. As an asset, it includes anything 1) on the ground (such as buildings, crops, fences, trees, water), 2) above the ground (air and), and 3) under the ground (.....), down to the center of the Earth.

2. Perhaps the oldest form of collateral, land is still very lenders because it cannot be destroyed, moved, stolen, or wasted.

3. Land, as ordinarily understood, refers to earth's surface. But in economics, the term land is used in Marshall defined land as "the materials and forces which nature gives freely for man's aid in land and water, in air and light and heat".

4. Land refers to those natural resources that are In other words, land all natural resources, which yield an income or have an exchange value.

5. Land as a factor of production has the following characteristic features: 1) land is fixed; 2) land lacks mobility in the geographical sense; 3) land differs

6. It is said that land has no supply price. That is, price of land prevailing in the market cannot its supply; the price may be high or low, its supply remains the same.

b) Choose one word to complete the sentences. Make up questions to each paragraph of the text.

The entrepreneur is an individual who, rather than working as an employee, runs a small *business / enterprise / company* and assumes all the risk and reward of a given business venture, *idea / method / technique*, or good or service offered for sale. The entrepreneur is commonly seen as a business leader and innovator of new ideas and *business / production / industrial* processes.

In economics, entrepreneurship combined with land, labor, natural resources and capital can produce *profit / money / income*. Entrepreneurial spirit is characterized by innovation and risk-taking, and is an essential part of a nation's ability *to succeed / earn money benefit* in an ever changing and increasingly competitive global marketplace.

Entrepreneurs play a key role in any *economy / economics*. These are the people who have *the skills / knowledge* and initiative necessary to take good new ideas to market and make the right decisions to make the idea profitable. The *reward / award* for the risks taken is the potential economic profits the entrepreneur could earn.

According to economist Joseph Alois Schumpeter (1883-1950), *entrepreneurs / entrepreneurship* are not necessarily motivated by profit but regard it as a standard for measuring achievement or success.

V. Read the text. Number the following words with their underlined equivalents in the text.

<i>manufacture</i>	<i>firms</i>	<i>commodity</i>
<i>enterprises</i>	<i>consumption goods</i>	<i>branch</i>
<i>make</i>	<i>customers</i>	<i>buy</i>

In terms of economics capital goods are any tangible assets that an organization uses to 1) produce other goods or services during a certain period of time. 2) Consumer goods are the end result of this production process.

The 3) sector of the economy that includes capital-goods-producing businesses such as Boeing, Caterpillar and Lockheed Martin. Aerospace, defense, construction and machinery 4) businesses make up most of the capital goods sector.

Capital goods, often called complex products and systems (CoPS), play an important role in today's economy. Aside from allowing a business to 5) create goods or provide services for 6) consumers, capital goods are important in other ways. In an industry where production equipment and materials are quite expensive, they can be a high barrier to entry for new 7) companies. If a new business cannot afford to

8) purchase the machines it needs to create a 9) product, for example, it may not be able to compete as effectively in the market. Such a company might turn to another business to supply its products, but this can be expensive as well. This means that, in industries where the means of production represent a large amount of a business's start up costs, the number of companies competing in the market is often relatively small.

COMPREHENSION CHECK

Now read the text again and answer the following questions. Compare your answers with another student and discuss any differences. Make sure you can refer to a particular phrase or sentence from the text for each answer.

1. What are "resources" in economic sense?
2. Why are resources scarce?
3. What is land as a factor of production?
4. What part does human resource play in an economy?
5. What are manufactured resources?
6. What is a fourth type of input used in production?
7. What is entrepreneurship as a factor of production? What does it require?
8. Why is information a fifth factor of production?
9. What factors of production are tangible? Why?
10. What factors of production are intangible? Why?
11. What factors of production can change over time? Why?

12. What is technology? What role does it play in influencing production? Why?
13. Are all factors of production equally important? Why?

TRANSLATION PRACTICE

Translate into English.

1. В економіці виробничі ресурси типово називають факторами виробництва.
2. Оскільки кожна економіка має різні ресурси, загальна кількість факторів виробництва певної економіки визначає, які товари вона може виробляти.
3. В економіці загальна класифікація розрізняє природничі, людські та ресурси промислового виробництва.
4. Сьогодні деякі сучасні економісти вважають, що перетворення існуючих природних ресурсів на те, що потрібно людям, є набагато важливішим.
5. Людські ресурси включають працю, виконану окремими особами. Внесок праці до виробничого випуску зростає, якщо працівники здобувають нові уміння та навички.
6. Промислові ресурси – це капітал, який складається з механізмів, будівель та інструментів.
7. Фактори виробництва не є сталими, оскільки покращення охоплює як природні ресурси, так і людські ресурси.
8. Особливим видом людських ресурсів, який використовується у виробництві, є підприємницькі здібності або професійні та управлінські уміння і навички.
9. Підприємство включає ризики, винайдення нових методів виготовлення товарів та експериментування з новим мисленням, усім, що веде до грошової вигоди.
10. Оскільки інформація може впливати на поведінку, рішення та результат, вона є цінною, нескінченною і може змінюватися, зменшуватися і збільшуватися з часом.

LISTENING STRATEGIES

I. Listen to the information on the economic concept and answer the following questions:

- What is the topic of the online radio programme?
- What are the building blocks of the economy?

II. Listen to the text again and fill in table:

<i>Resource</i>				
<i>Income earned by resource owners</i>				

III. Listen to the text again and fill in the missing information:

1. Economists divide the factors of production into four categories:
2. The resources that come from land can be or
3. Labor is..... that people contribute to the production of goods and services.
4. Capital differs based on the and..... being done.
5. The most successful entrepreneurs are..... who find new ways produce goods and services or who..... new goods and services to bring to market.
6. Entrepreneurs are a engine of economic growth helping to build some of the largest firms in the world as well as some of the small..... in your neighborhood.
7. Money is not capital as economists define capital because it is not a..... resource.
8. Scarcity is described as limited quantities of resources..... unlimited wants.
9. This scarcity of resources means that producing some goods and services other goods and services unproduced.

SECTION II

KEY TERMS

I. Before reading text A study the key terms and their definitions. While reading the text, you should pay attention to the economic terms. They will become the basics of your English for Specific Purposes vocabulary.

1. **Employee** – службовець, найманий працівник – an individual who works part-time or full-time under a contract of employment, whether oral or written, express or implied, and has recognized rights and duties. Also called **worker**.

2. **Employer** – підприємець, наймач, працедавець – a legal entity that controls and directs a servant or worker under an express or implied contract of employment and pays (or is obligated to pay) him or her salary or wages in compensation.

3. **Income** – дохід, заробіток – the flow of cash or cash-equivalents received from work (wage or salary), capital (interest or profit), or land (rent).

4. **Labour** – праця, робоча сила, робота – the aggregate of all human physical and mental effort used in creation of goods and services. Labor is a primary factor of production. The size of a nation's labor force is determined by the size of its adult population, and the extent to which the adults are either working or are prepared to offer their labor for wages.

5. **Labourer** – робочий – a person who does unskilled physical work, especially outside.

6. **Production** – виробництво – the processes and methods used to transform tangible inputs (raw materials, semi-finished goods, subassemblies) and intangible inputs (ideas, information, knowledge) into goods or services. Resources are used in this process to create an output that is suitable for use.

7. **Service** – послуга – work that is performed for someone. Service cannot be touched or felt. Intangible product such as accounting, banking, cleaning, consultancy, education, insurance, expertise, medical treatment, or transportation.

8. **Value** – вартість – the worth of all the benefits and rights arising from ownership. Two types of economic value are (1) the utility of a good or service, and (2) power of a good or service to command other goods, services, or money, in voluntary exchange.

9. **Work** – *poбoma* – 1) an activity, such as a job, that a person uses physical or mental effort to do, usually for money; 2) the material used by someone at work, or what they produce; 3) something created as a result of effort.

PRONUNCIATION GUIDE

labourer ['leɪbərə(r)]

value ['vælju:]

employer [ɪm'plɔɪə]

mobile ['məʊbaɪl]

income ['ɪnkʌm]

employee [ˌɪm'plɔɪ'i:]

I. Match the terms with their definitions.

- | | |
|---------------|--|
| 1. production | a. the maximum amount an individual can spend during a period without being any worse off |
| 2. labour | b. the amount of money that something is worth |
| 3. service | c. a person, business, firm, etc, that employs workers |
| 4. income | d. A valuable action, deed, or effort performed to satisfy a need or to fulfill a demand |
| 5. capital | e. the process of creation an output that is suitable for use |
| 6. value | f. financial resources available for use |
| 7. employer | g. contributions of humans who work (thinking and doing) |

II. Choose the best word and match the terms with the description.

<i>capital</i>	<i>entrepreneurship</i>
<i>goods</i>	<i>input</i>

A.

It is different from money. Money is used simply to purchase *capital goods* / *goods* and services for consumption. It is more durable and is used to generate *wealth* / *income* through investment. Examples of it include automobiles, patents, software and brand names. All of these things are inputs that can be used to create wealth. Besides being used in *production* / *consumption*, it can be rented out for a monthly or annual fee to create wealth. It itself does not exist until it is produced. Then, to create wealth, it must be combined with labor, the work of individuals who exchange their time and skills for money.

B. _____

An inherently useful and relatively scarce *intangible / tangible* item (article, commodity, material, merchandise) produced from agricultural, construction, manufacturing, or mining *activities / work*. According to the UN Convention On Contract For The International Sale Of Goods, the term does not include (1) items bought for personal use, (2) items bought at an auction or foreclosure sale*, (3) aircraft or oceangoing vessels.

C. _____

It is anything you can "put in" to the economy that will help to *produce / create* an economic output (which is hoped to be *profitable / useful*). The four basic economic *resources / inputs* are land, labor, capital, and enterprise. For example, to build a McDonald's requires land to build it on, labour (because somebody has to build it), and *capital / money* (because the restaurant will require technology, such as grills, fryers, and other cooking devices to be successful). Therefore, land, labour, and capital put into this project will produce the *output / income* of a new McDonald's.

D. _____

The capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a *profit / income*. The most obvious example is the starting of new businesses.

In economics, it is combined with land, labor, natural resources and *capital / financial capital* can produce profit. It is characterized by innovation and risk-taking, and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global marketplace.

* foreclosure sale – продаж заставленного майна

III. Read text B and fill in the table with the necessary information from the text. Explain your choice.

LABOUR <i>in Economics</i>	<i>Main peculiarities:</i> 1. 2. 3. 4. 5. ...
--------------------------------------	---

Text B. Labour

Labour includes both physical and mental work undertaken for some monetary reward. In this way, workers working in factories, services of doctors, advocates, ministers, officers and teachers are all included in labour.



Any physical or mental work which is not undertaken for getting income, but simply to attain pleasure or happiness, is not labour. For example, the work of a gardener in the garden is called labour, because he gets income for it. But if the same work is done by him in his home garden, it will not be called labour, as he is not paid for that work. So, if a mother brings up her children, a teacher teaches his son and a doctor treats his wife, these activities are not considered 'labour' in economics. It is so because these are not done to earn income.

According to S.E. Thomas, "Labour connotes all human efforts of body or mind which are undertaken in the expectation of reward."

Like other factors of production there are some characteristics or peculiarities of labour. Labour is more perishable than other factors of production. It means labour cannot be stored. The labour of an unemployed worker is lost forever for that day when he does not work. Labour can neither be postponed nor accumulated for the next day. It will perish. Once time is lost, it is lost forever.

Land and capital can be separated from their owner, but labour cannot be separated from a labourer. Labour and labourer are indispensable for each other. For example, it is not possible to bring the ability of a teacher to teach in the school, leaving the teacher at home.

As compared to capital and other goods, labour is less mobile. Capital can be easily transported from one place to another, but labour cannot be transported easily from its present place to other places. A labourer is not ready to go too far off places leaving his native place.

Labourer differs in efficiency. Some labourers are more efficient due to their ability, training and skill, whereas others are less efficient on account of their illiteracy, ignorance, etc.

Labourer is a human being and not a machine. Every labourer has his own tastes, habits and feelings. Therefore, labourers cannot be made to work like machines. Labourers cannot work round the clock

like machines. After continuous work for a few hours, leisure is essential for them.

Capital, which is considered as a separate factor of production is, in fact, the result of the reward for labour. Labour earns wealth by way of production. We know that capital is that portion of wealth which is used to earn income. Therefore, capital is formulated and accumulated by labour. It is evident that labour is more important in the process of production than capital because capital is the result of the working of labour. Land and capital are considered as the passive factors of production, because they alone cannot start the production process. Production from land and capital starts only when a man makes efforts. Production begins with the active participation of man. Therefore, labour is an active factor of production.

WORDS AND PHRASES TO BE REMEMBERED

to undertake – здійснювати

to attain – отримувати

to bring up – виховувати

to consider – вважати

according to – на думку, за твердженням

to connote – означати, мати додаткове / другорядне значення

peculiarity – особливість, характерна ознака

to postpone – відкласти

indispensable – необхідний, невід’ємний

in fact – в дійсності

perishable – обмежений у терміні використання

as compared to – у порівнянні з

on account of – за рахунок

due to – завдяки

working – функціонування, створення

VOCABULARY PRACTICE

I. Find in the text the English equivalents for the following word combinations.

В очікуванні нагороди; бути більш ефективними завдяки їх здатності; розпочинатися з активної участі людей; для отримання доходу; вміщувати усі людські зусилля тіла й розуму; їхати занадто далеко від місця розташування; як інші фактори виробництва; відділяти від чого-небудь; бути менш мобільним; таким чином; вважати окремим фактором виробництва; фізична і

розумова робота; створювати і накопичувати; платити за роботу; пасивні фактори виробництва.

II. a) Give the Ukrainian equivalents for the following word combinations.

In fact; to be essential for them; the portion of wealth; the result of the reward for labour; to differ in efficiency; to use to earn income; for some monetary reward; to attain pleasure; according to; peculiarities of labour; to be indispensable for each other; to transport easily from one place to another; on account of; to be evident that; to start the production process; an active factor of production; to consider 'labour' in economics; to be the result of the working of labour.

b) Make up different parts of speech of *the words italicized*.

II. Study the sentences. Then identify the part of speech and write your own definition for the words on the line provided.

EXAMPLE

The *interest* on my credit card is higher than the interest I get from my savings account.

interest (N) a fee paid for the use of another party's money

1. The employees felt their *wages* were too low since most of them could not afford the houses they lived in.

wages () _____

2. You should try to negotiate the price you are paying for *rent* so you can save a little bit of money each month.

rent () _____

3. When the company accountant finished counting that quarter's earnings*, she realized they were more successful than anticipated** and had earned a large *profit*.

profit () _____

4. Skilled *labor* involves complicated tasks that require specific skill sets, education, training and experience, and may involve abstract thinking.

Labor () _____

5. Skilled labor is generally characterized by high *education* or expertise levels and high wages.

education () _____

6. *Production* is a process of combining various material inputs and immaterial inputs (plans, know-how) in order to make something for consumption (the output).

production () _____

7. He was very pleased with the great *service* that he received when he went to the bank for his very first car loan.

service () _____

* earnings – зароблені гроші, прибуток

** anticipate – передбачати, очікувати

IV. Fill in the missing words in the sentences below. Choose from the box. Translate the text into Ukrainian.

Manufacturing, an employee, the public sector, the private sector, employment, wages, workers, an organization
--

Labor Union is 1) intended to represent the collective interests of workers in negotiations with employers over 2), hours and working conditions. Labor unions are often industry-specific and tend to be more common in 3), mining, construction, transportation and 4)

Labor union representation in the United States has declined significantly in 5) It is commonly believed that union security clauses compel 6) to join unions and pay full dues as a condition of 7), but it is actually illegal for a union to force 8) into full union membership. Well-known American labor unions include the American Postal Worker's Union, the Screen Actor's Guild, the International Brotherhood of Teamsters, the National Education Association, the United Auto Workers and the United Steel Workers.

V. Choose one word to complete the sentences. Make up special questions to each paragraph of the text.

Labour productivity is the *rate / level* of output per worker within a specified unit of time. In other words, labour productivity *measures / fixes* the amount of goods and services produced by one hour of labour. Economists and statisticians *track / examine* labour productivity to determine the relative strength of an economy. For any period of time, the *rate / level* of productivity is determined by two broad factors: capital equipment* and applied technical efficiency**.

To see how this works, consider a labourer painting three identical walls. For the first two walls, he only has a 4-inch paintbrush but in between painting the first and the second, he learns a more *efficient /*

efficiency brush technique. This allows him to paint the second wall more quickly, which increases his productivity. His capital equipment did not change; he used the same paintbrush, but his technical *efficiency / efficient* improved. In between painting the second and third wall, the laborer replaces his paintbrush with a paint sprayer. He can still use the same *technique / way*, but the sprayer distributes his paint faster. In economic terms, he has better *capital equipment/ capital goods*.

Labour productivity is a *measurement / measure* of economic growth of a country. More specifically, labour productivity measures the amount of real GDP produced by an hour of labor. For example, suppose the real GDP of *an economy / economics* is \$10 trillion and the aggregate hours of labor in the country was 300 billion. The labour productivity would be \$10 trillion divided by 300 billion, equaling about \$33 per labor hour. Growth in this labour productivity number can usually be interpreted as improvements or rising *standards of living / standards* in the country.

*capital equipment – виробниче обладнання

**technical efficiency – технічна ефективність

COMPREHENSION CHECK

Now read the text again and answer the following questions.

1. What kinds of labour do you know?
2. What is labour according to S.E. Thomas?
3. What activities are not considered 'labour' in economics? Why?
4. What are the characteristics of labour?
5. Why is labour less mobile than capital?
6. Why does labourer differ in efficiency?
7. What is more important in the process of production?
8. What are the passive factors of production? Why?
9. What are the active factors of production? Why?

TRANSLATION PRACTICE

Translate into English.

1. В економіці праця – це фізична та розумова робота, виконана за грошову винагороду.

2. Подібно до інших факторів виробництва праця має певні особливості.

3. Робоча сила менш мобільна у порівнянні з капіталом, не може накопичуватися та є обмеженою у терміні використання.

4. Робоча сила відрізняється за ефективністю, оскільки деякі робітники виконують роботу ефективніше завдяки підготовці, вмінням і здатностям.

5. Капітал економісти вважають окремим фактором виробництва та він є винагородою за працю. Робоча сила створює та накопичує капітал.

6. У процесі виробництва праця є важливішою за капітал тому, що він є результатом функціонування праці.

7. Оскільки земля та капітал не можуть розпочати виробничий процес, вони вважаються пасивними факторами виробництва.

8. Робоча сила є активним фактором виробництва тому, що виробничий процес розпочинається, коли людина докладає зусиль.

READING STRATEGIES

I. Read the text and make a question plan to the text. Fill in the chart given below.

<i>Category of labour</i>	<i>Characteristics of labour</i>

Skilled Labour Vs.* Unskilled Labour



Technology and industry have had a major impact on the labour market.

The market has changed drastically for skilled and unskilled laborers. There is a growing demand for skills, particularly specialized skills. As a result, the United States has seen a greater demand for education. Unskilled labour, when measured by educational attainment, refers to jobs that require a high school diploma only, or could even be filled by a high school dropout. Skilled labour requires additional skills or education. While the demand for unskilled labour has decreased, the labour pool has also significantly decreased. Unskilled labourers are dropping out of the job market or increasing their skill level.

Skilled labour refers to labour that requires workers who have specialized training or a learned skill-set to perform the work. These workers can be either blue-collar or white-collar workers, with varied levels of training or education. Very highly skilled workers may fall under the category of professionals, rather than skilled labour, such as doctors and lawyers. Examples of skilled labour occupations are: electricians, law enforcement officers, computer operators, financial technicians, and administrative assistants. Some skilled labour jobs have become so specialized that there are worker shortages.

Unskilled labour does not require workers to have special training or skills. The jobs that require unskilled labor are continually shrinking due to technological and societal advances. Jobs that previously required little or no training now require training. For example, labour that was once done manually now may be assisted by computers or other technology, requiring the worker to have technological skills. Examples of remaining unskilled labour occupations generally include farm labourers, grocery clerks, hotel maids, and general cleaners and sweepers.

Historically, unskilled workers had plentiful employment opportunities in America. From farming to factory jobs, unskilled labourers were able to find work, even if this meant transitioning from a farming community to factories in the cities. Unskilled labourers earned less money than skilled labourers, but during the 1980s and 1990s the wage gap between skilled and non-skilled laborers began to grow. Today the job market demands increasing skill levels. Many jobs that were once considered unskilled labour now demand semi- or mid-skill labour.

Semi- or mid-skill labour addresses the increase in demand for skills, even for less complex jobs. These jobs require some skill because they are more complex than those that can be performed by a non-skilled laborer. However, they do not require highly specialized skills. In a 2010 study released by the Indiana Institute for Working

Families, more than half of the jobs in that state were mid-skill. Examples of mid-skill jobs include truck drivers, typists and customer service representatives. These jobs generally require more than a high-school diploma, but less than a college degree.

*vice versa – навпаки, проти

II. Read the following text. For each gap, choose the best words A, B, C, or D.

Some Characteristics of Labour

The presence of land and capital alone cannot make production. Production can be started only with the help of labour. It means labour is the beginning of 1)..... Goods are produced to 2)..... human wants. When we consume them, production comes to an end. Therefore, 3)..... is both the beginning and the end of production.

A labourer sells his labour for 4) and not himself. ‘The worker sells work but he himself remains his own property’. For example, when we 5) an animal, we become owners of the services as well as the body of that animal. But we cannot become the 6) of a labourer in this sense.

The 7) of the buyer to purchase goods at the lowest price and the ability of the seller to sell his goods at the highest possible price is called the bargaining power*. A labourer 8) his labour for wages and an employer 9) labour by paying wages. Labourers have a very weak bargaining power, because their labour cannot be stored and they are poor, ignorant and less organised.

Moreover, labour as a class does not have reserves to fall back upon when either there is no work or the wage rate is so low that it is not worth working. Poor labourers have to work for their subsistence. Therefore, the 10)..... have a weak bargaining power as compared to the employers.

*bargaining power – влада, яка дозволяє обстоювати свої інтереси

1	A producing	B production	C the process	D doing things
2	A satisfy	B meeting	C see in	D provide
3	A working population	B population	C labour	D workers
4	A payment	B paying	C pay	D wages
5	A purchase	B consume	C ask fore	D are willing to buy
6	A lord	B owner	C principle	D one

7	A competence	B skills	C ability	D abilities
8	A sells	B buys	C lends	D borrows
9	A sells	B purchases	C borrows	D lends
10	A labour unions	B population	C employers	D labourers

III. Read the text. Number the following words and word combination with their underlined equivalents in the text. Make up five special questions to the text.

<i>rise / grow</i>	<i>employees</i>	<i>working population</i>
<i>manufacture</i>	<i>at once</i>	<i>earn their living</i>
<i>meet</i>	<i>a state</i>	<i>consumption goods</i>

Supply of Labour and Demand for Labour

The supply of labour is inelastic in a country at a particular time. It means their supply can neither be increased nor decreased if the need demands so. For example, if 1) a country has a scarcity of a particular type of workers, their supply cannot be increased within a day, month or year. 2) Labourers cannot be 'made to order' like other goods.

The supply of labour can be increased to a limited extent by importing labour from other countries in the short period. The supply of labour depends upon the size of population. 3) Population cannot be increased or decreased quickly. Therefore, the supply of labour is inelastic to a great extent. It cannot be increased or decreased 4) immediately. The supply of goods increases, when their prices 5) increase, but the supply of labourers decreases, when their wages are increased. For example, when wages are low, all men, women and children in a labourer's family have to work 6) to earn their livelihood. But when wage rates are increased, the labourer may work alone and his wife and children may stop working. In this way, the increase in wage rates decreases the supply of labourers. Labourers also work for less hours when they are paid more and hence again their supply decreases.

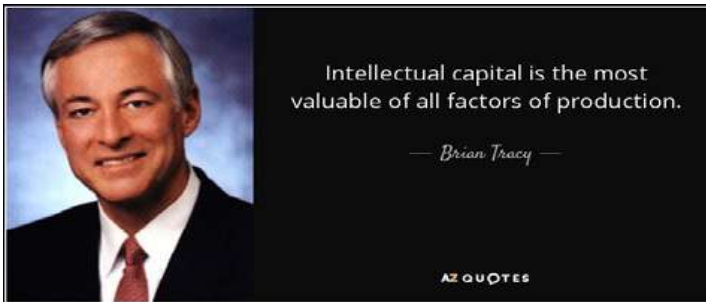
7) The consumer goods like bread, vegetables, fruit, milk, etc. have direct demand as they satisfy our wants directly. But the demand for labourers is not direct, it is indirect. They are demanded so as 8) to produce other goods, which 9) satisfy our wants. So the demand for labourers depends upon the demand for goods which they help to produce. Therefore, the demand for labourers arises because of their productive capacity to produce other goods.

IV. You are going to read the text about some points of view on entrepreneurship in economics.

a) Brainstorm the words connected with entrepreneurship as a factor of production. When you have finished, check for more words by looking at the text “Why do some economists consider entrepreneurship to be a factor of production?”

b) Consider the questions about entrepreneurship and be ready to answer them as soon as you read the text.

Why do some economists consider entrepreneurship to be a factor of production?



Some economists identify entrepreneurship as a factor of production because it can increase the productive efficiency of a firm. Many different definitions of entrepreneurs and entrepreneurship exist, and many of these definitions place entrepreneurs in the same critical category as more consistently identified factors of production.

For example, some economists define an entrepreneur as someone who utilizes the other factors – land, labour and capital – for profit. Other definitions consider entrepreneurship in a more abstract way; entrepreneurs identify new opportunities among the other factors without necessarily controlling them.

Since disruptive innovations are the result of human insight, it is not entirely clear that entrepreneurship should be considered a separate factor of production from labor. Economists disagree about whether entrepreneurs are different from laborers, are a subset of labourers or whether they can be both simultaneously.

One of the least developed aspects of mainstream microeconomics is the theory of the entrepreneur. The 18th century economist Richard Cantillon called entrepreneurs a “special, risk-bearing group of people.” Since that time, risk-bearing has been an important characteristic of the economic entrepreneur.

Later economists such as Jean-Baptiste Say and Frank Knight believed market risk was the crucial element of the entrepreneur. It wasn't until the middle of the 20th century when Joseph Schumpeter and Israel Kirzner independently developed comprehensive applications of risk-bearing in a productive framework.

J. Schumpeter noted that the other factors of production required a coordinating mechanism to be economically useful. He also believed that profits and interest only exist in a dynamic setting where there is economic development. According to Schumpeter, development takes place when creative individuals conceive of new combinations of the factors of production. Schumpeter argued that entrepreneurs created dynamism and growth.

Some economists define the factors of production as those inputs that generate value and receive returns. Labour generates value and receives wages as payment for work. Capital receives interest as payment for its use. Land receives rents as payment for its use. It is the entrepreneur, according to this theory, that receives profit.

This theory clearly differentiates between the labourer and the entrepreneur based on the type of return. There are some important challenges to this view. For example, do entrepreneurs receive profit commensurate with their marginal revenue product? Is there a definable market for entrepreneurship that corresponds to its returns, corresponding with an upward-sloping supply curve?

These issues beg another question: Does an entrepreneur necessarily need access to economic assets? Some economists say no; there are ideas that matter. This is sometimes known as the pure entrepreneur. Per this theory, entrepreneurial acts are non-marginal and purely intellectual.

Others disagree, since only an owner of assets can expose them to risk. This view supposes that entrepreneurship is embodied in the creation and operation of a firm and the deployment of the other factors.



Austrian economist Peter Klein says that if entrepreneurship is treated as a process or attribute – not an employment category – then it cannot be treated as a factor of production. Normal factors of production can be depreciated during times of economic struggle. This doesn't apply to attributes, however.

c) Understanding main points of the text. Read the text once again and be ready to do the following assignments.

1. Which of these statements gives the best summary of the ideas in the text?

- a) Entrepreneurship is a factor of production in economics.
- b) Entrepreneurship causes a lot of misunderstanding among economists.
- c) Economists' approaches to entrepreneur.

2. Mark these statements T (true) or F (false) according to the information in the text. Find the part of the text that gives the correct information.

- 1) According to modern economists, entrepreneurship is a factor of production like land, labour and capital.
- 2) Entrepreneurs are labourers.
- 3) Entrepreneurship is an active factor of production.
- 4) Economists haven't any theory that clearly differentiates between the labourer and the entrepreneur.
- 5) Entrepreneurship doesn't depend on ownership.

3. Understanding details of the text. Fill in the chart using the main ideas of the text. Compare your answers with the other students.

<i>Entrepreneurship</i>	<i>Theory of the entrepreneur</i>	<i>Payment to the factors of production</i>	<i>Entrepreneurship and asset ownership</i>
-	-	-	-

SPEAKING STRATEGIES

Activity 1

Answer the following questions in small groups.

- 1. What is the importance of the factors of production for individuals / nations/ the globe?
- 2. What is the classic subdivision of the factors of production?
- 3. What are active and passive factors of production in economics? Why?
- 4. What is the difference between land and labour as the factors of production?
- 5. What is the difference between capital and land as the factors of production?

6. What is the difference between entrepreneurship and labour as the factors of production?
7. What is the income earned by the owners of the factors of production?
8. What is the difference of free goods, consumer goods and economic goods?
9. What are the categories of labour?
10. What influences the factors of production?
11. What is the aim of the inputs combination in economics?
12. Think about your University. What evidence is there of the 4 factors of production land, labour, capital and enterprise?
13. Now do the same for a business that you know something about.
14. What qualities are needed in an effective entrepreneur?
15. Think about your own human capital. What skills and qualities do you have?
16. In what way is it possible to improve the factors of production land, labour, capital and entrepreneurship?
17. What do you think is meant by capital intensive production or labour intensive production?

Activity 2

Say what you have learnt about resources, factors of production (land, labor, capital, entrepreneurship) and their characteristics.

Activity 3

Comment on the following quotations in small groups. Do you agree with them or not? Why?

- ✓ “Time is also a resource that we must choose how to spend.”

Unknown author

- ✓ “Many economists also identify a fourth factor of production: technology. Technology refers not just to robots and computers but to the entire body of knowledge or science that informs or improves a production process.”

Unknown author

- ✓ “Intellectual capital is the most valuable of all factors of production.”

Brain Tracy

✓ “Access to resources, constrained by climatic factors, breeds conflict.”

Chaloka Beyani

✓ “A very solid scientific consensus indicates that we are presently witnessing a disturbing warming of the climatic system, humanity is called to recognise the need for changes of lifestyle, production and consumption, in order to combat this warming or at least the human causes which produce or aggravate it.”

Pope Francis

Activity 4

Discussion. “The Factors of Production in the Modern World.”

A. Choose a factor of production.

B. Make a three minute presentation about its importance.

Activity 5

Make up a scheme of the factors of production in economics and represent it in small groups.

Activity 6

Make up a mind map on the Factors of production according to the following subtitles. Be ready to speak on the topic using your mind map.

- Definition
- Main concepts
- Characteristics of the factors of production
- Income earned
- Importance for individuals
- Importance for nations
- Importance for the globe

WRITING STRATEGY

Choose one issue from the list given below and write an essay (100-150 words) about:

- Land as a factor of production
- Labour as a factor of production
- Capital as a factor of production
- Entrepreneurship as a factor of production
- Active and passive factors of production

- Difference between capital and consumer goods
- What distinguishes entrepreneurship from labour?
- Modern factors of production
- Importance of the factors of production in the modern world

You may need USEFUL ENGLISH section

Academic writing and expressing opinions

If you are required to write an academic essay in which you are asked to express an opinion (see below), useful alternatives to **in my view** include:

I think that... *It seems to me that...* *I would argue that...*
I do not believe *I am unconvinced* *I do not agree that... that...*
that... *that...*

To achieve balance in any essay, it may be useful to incorporate opinions that are different from your own. Useful linking words and expressions include:

Of course, many / some people argue...; It is sometimes argued... Admittedly... While... Clarifying an opinion.

It may sometimes be necessary to explain a thought in greater detail. Useful linking expressions for doing this include:

By this I mean... Here I'm referring to... To be more precise....

SELF-ASSESSMENT QUESTIONS

Choose the correct answers

1. A Factor of Production is

- A. Used in the production of things that are useful.
- B. Used in the production of goods and services.
- C. Used in the production of goods.
- D. Used in the production of services.

2. Land is defined as

- A. Soil used in farming.
- B. Natural resources used in production.
- C. Farms used in agriculture or production.
- D. The most important factor of production.

3. Labour is defined as

- A. The workers on the factory floor.

- B. The employees in an office.
- C. The human activity involved in production.
- D. The population available for work.

4. Capital in Economics is defined as

- A. The man-made things used in production.
- B. The cash in bank a firm has.
- C. The amount borrowed by the firm.
- D. The amount invested in the firm.

5. Enterprise in Economics is defined as

- A. The shareholder in a company.
- B. The owners of a business.
- C. The manager of the firm.
- D. The organiser and risk-bearer.

6. The reward for Land is

- A. Profit
- B. Wage
- C. Rent
- D. Interest

7. The reward for Labour is

- A. Profit
- B. Wage
- C. Rent
- D. Interest

8. The reward for Capital is

- A. Profit
- B. Wage
- C. Rent
- D. Interest

9. The reward for Enterprise is

- A. Profit
- B. Wage
- C. Rent
- D. Interest

10. Anything anyone wants or needs is

- A. Marketing
- B. Goods
- C. Services
- D. Consumption

11. The performance of any duties or work for another; helpful or professional activity is

- A. Marketing
- B. Goods
- C. Services
- D. Help

12. Items such as food and clothing that satisfy human wants or needs are

- A. Producer goods
- B. Consumer goods
- C. Capital goods
- D. Economic goods

13. Items such as raw materials and tools, used to make other goods are

- A. Producer goods
- B. Consumer goods
- C. Capital goods
- D. Economic goods

14. Goods, such as machinery, used in the production of commodities or producer goods are

- A. Producer goods
- B. Consumer goods
- C. Capital goods
- D. Economic goods



UNIT FOUR

ECONOMIC SYSTEMS

Section I	Text A. Types of Economic Systems. Traditional and Command Economies.
Section II	Text B. A Market Economy.
Useful English	Asking for opinions. Giving opinions. Agreeing. Disagreeing. Making suggestions.

A limited state with free economic systems is the soil where the liberty tree blossoms.
Orrin Woodward, famous American writer

LEARNING OBJECTIVES

In this unit you will practice the following skills and strategies:

- applying reading skills to comprehend, analyze, summarize and interpret texts related to economic systems;
- identifying the main idea; reading for detail, a specific fact or piece of information; dealing with unknown vocabulary;
- tracking cause and effect; sequence of events;
- expressing general and personal opinion; agreement and disagreement;

- evaluating information; drawing conclusions; formulating questions;
- making predictions; comparing and contrasting;
- talking about different economic systems: give spontaneous and prepared monologues, dialogues, and group interaction using topical vocabulary;
- summarizing, rendering and translating texts related to the issues covered in the unit.

LEAD-IN

1. Split into group of four. Each group enacts the activity of participants in an economic system and has the following initial resources: 1 pen, 1 marker, three pieces of paper, and a pair of scissors. Do the following activities.

1. Make a decision about what good to produce with your resources.
2. Make one prototype of this good. How did you organize the production process?
3. Take 5 minutes and as much paper as you need to produce as many items of your good as possible.
4. Are these produced goods enough for all your group mates? Decide who of your group mates will get one? Why have you chosen them?

2. Answer the questions.

1. What three questions did you have to answer while doing the activity?
2. How were they answered in each group?
3. Are the answers the same?

KEY TERMS

I. Before reading text A and B study the key terms and their definitions. While reading the texts you should pay attention to the economic and business terms. They will become the basics of your English for Specific Purposes (ESP) vocabulary.

1. **Economic system** – *економічна система* – organized way in which a society provides for the wants and needs of its people.
2. **Traditional economy** – *традиційна економіка* – economic system in which the allocation of scarce resources and other economic activities are based on ritual, habit or custom.

3. **Command economy** – *командна економіка*- economic system with a central authority that makes the major economic decisions.

4. **Market** – *ринок* – meeting place or mechanism that allows buyers and sellers to come together.

5. **Market economy** – *ринкова економіка* – economic system in which supply, demand, and the price system help people make economic decisions and allocate resources.

6. **Mixed economy** – *змішана економіка* – economic system that has some combination of traditional, command and market economies.

7. **Free enterprise economy** – *економіка, що ґрунтується на вільному підприємстві* – economy in which competition is allowed to flourish with a minimum of government interference.

8. **Private property** – *приватна власність* – the right of individuals and businesses to own the means of production.

9. **Profit** – *прибуток* – extent to which persons or organizations are better off financially at the end of a period than they were at the beginning profit motive.

10. **Income** – *дохід* – money that an individual or business receives in exchange for providing a good or service or through investing capital.

11. **Competition** – *конкуренція* – the struggle among sellers to attract consumers.

12. **Business** – *бізнес* – an organization or enterprising entity engaged in commercial, industrial or professional activities.

13. **Stagnation** – *застій* – a prolonged period of little or no growth in the economy.

II. Match the terms with their definitions.

1.	market	a	economic system in which supply, demand, and the price system help people make economic decisions and allocate resources
2.	profit	b	an economy in which some industries are owned by the state and others are owned by individuals and groups of people
3.	stagnation	c	money that an individual or business receives in exchange for providing a good or service or through investing capital
4.	command economy	d	the approach a country uses to deal with scarcity and achieve its economic goals
5.	income	e	rivalry in the marketplace between different business organizations

6.	traditional economy	f	extent to which persons or organizations are better off financially at the end of a period than they were at the beginning profit motive
7.	competition	g	the right of individuals and businesses to own the means of production
8.	mixed economy	h	economy in which competition is allowed to flourish with a minimum of government interference
9.	economic system	i	rise in the general level of prices
10.	private property	j	a prolonged period of little or no growth in the economy
11.	market economy	k	economic system with a central authority that makes the major economic decisions
12.	business	l	meeting place or mechanism that allows buyers and sellers to come together
13.	inflation	m	any commercial, industrial or professional activity undertaken by an individual or a group
14.	free enterprise economy	n	an economic system that allocates scarce resources according to custom

SECTION I

PRONUNCIATION GUIDE

society [sə'saiəti]

behavior [bi'hɛvjər]

ancestor ['ænsəstə, 'ænsɛstə]

authority [ɔ:'θɔ:ri:ti]

advantage [əd'vɑ:ntɪdʒ]

emphasis ['ɛmfə:sis]

bureaucracy [bjʊ(ə)'rɔ:kɹəsi]

scarce [skeəs]

command [kə'mɑ:nd]

pure [pjʊə]

luxury ['lʌkj(ə)rɪ]

adequate ['ædɪkwət]

incentive [ɪn'sentrɪv]

quota ['kwɔ:tə]

1. Read text A and be ready to complete the table with the information from the text.

Types of Economic Systems	Advantages	Disadvantages

Text A. Types of Economic Systems. Traditional and Command Economies

All societies use an economic system – an organized way of providing the allocation of goods and services for the wants and needs of their people. The way societies organize themselves determines the type of economic system they have. Three major kinds of economic systems exist – traditional, command and market economies. In practice, however, almost all economies combine elements of all three. In a society with a traditional economy, the use of scarce resources – and early all other economic activity – stems from ritual, habit or custom. Habit and custom also dictate most social behavior. Individuals are generally not free to make decisions based on what they want or would like to have. Instead, their roles are defined by the customs of their elders and ancestors.

The main advantage of a traditional economy is that everyone knows which role to play. Little uncertainty exists over WHAT to produce. If you are born into a family of hunters, you hunt. If you are born into a family of farmers, you farm. Likewise, little uncertainty exists over HOW to produce, because you do things much the same way your parents did. Finally, the FOR WHOM question is determined by the customs and traditions of the society. In other words, tradition dictates how people live their lives.

The main drawback of a traditional economy is that it tends to discourage new ideas and new ways of doing things. The strict roles in a traditional society have the effect of punishing people who act differently or break the rules. The lack of progress leads to economic stagnation and a lower standard of living than in other economic systems.

Command economies rely on a central authority to make most of the economic decisions. In a command economy, a central authority makes the major decisions about WHAT, HOW, and FOR WHOM to produce. A command economy can be headed by a king, a dictator, a president, or anyone else who makes the major economic decisions. In a pure command economy, the government makes the major economic decisions. This means that the government decides if houses or apartments will be built. It also decides on the best way to build them, as well as who will receive them. Most command economies severely limit private property rights. People are not allowed to own their homes, businesses, and other productive resources, although they may have some personal items and tools. Individual freedom also is

limited. For example, if the government wants engineers rather than social workers, then its universities will train more engineers. This limits individual choices because people have to live within the government's restrictions. Finally, government officials tend to favor themselves when making economic decisions. The result is that some of the country's money often goes to luxury goods like houses, cars, and extravagant vacations for these officials. The main strength of a command system is that it can change direction drastically. Another advantage of command economies is that many health and public services are available to everyone at little or no cost.

Pure command economies have their disadvantages. One is that they ignore the basic wants and needs of consumers. In India, for example, generations of people were forced to do without consumer goods and adequate housing. Similarly, the current North Korean government has put a strong emphasis on defense. In the meantime, the North Korean people have been suffering years of hunger. At times, the government even had to accept aid from international sources. A second disadvantage is that the system gives people the incentive to fill their quotas instead of producing a good product.

A third weakness is that a command economy requires a large decision-making bureaucracy. In the countries with command economies, an army of clerks, planners, and other administrators was needed to operate the system. This structure slowed decision making and raised the cost of production. Yet a fourth weakness is that the planning bureaucracy lacks the flexibility to deal with minor day-to-day problems. As a result, command economies tend to deal with minor day-to-day problems – or collapse completely. Finally, rewards for individual initiative are rare in a command economy. Each person is expected to perform a job in a factory or on a farm according to the decisions made by central planners.

WORDS AND PHRASES TO BE REMEMBERED

scarce resources – дефіцитні ресурси

stagnation – застій

custom – звичай

to stem from – виникати з

social behavior – соціальна поведінка

to be born into – народитися в

ancestor – предок

uncertainty – невизначеність
likewise – також
public services – комунальні послуги
to break the rules – порушувати правила
central authority – центральна влада
drawback – недолік
to discourage – розхолоджувати
to rely on – покладатися на
a lack of – відсутність, нестача
severely – жорстоко
drastically – різко
luxury goods – предмети розкоші
to do without – обходитися без
in the meantime – тим часом
to suffer – страждати
to accept aid – приймати допомогу
to give an incentive – надавати стимул
bureaucracy – бюрократія
to perform – виконувати
to operate the system – керувати системою
flexibility – гнучкість

VOCABULARY PRACTICE

I. Find in the text English equivalents for the following word combinations. Write your own sentences using them.

Використання дефіцитних ресурсів, економічний застій, виробничі ресурси, комунальні послуги, приймати допомогу, народитися в, порушувати правила, вирішувати у найкращий спосіб, головний недолік, гнучкість, надавати людям стимул, розхолоджувати нові ідеї, відсутність прогресу, страждати, змінити напрям різко, низький рівень життя, виконувати роботу, зруйнуватися повністю, приймати основні рішення, керувати системою, винагорода, відповідно до, володіти, предмети розкоші, кардинально змінити напрямок.

II. Give Ukrainian equivalents for the following word combinations.

To rely on a central authority, to limit private property rights, rural agricultural society, growth of heavy industry, to deal with minor day-to-day problems, government officials, to stem from ritual, habit or

custom, to ignore the basic wants and needs of consumers, generations of people, to live within the government's restrictions, to do without consumer goods, the main strength of, to require a large decision-making bureaucracy, the cost of production, to put a strong emphasis on defense, the decisions made by central planners.

III. The italicized words in the sentences below are found in this unit. Study the sentences. Then identify the part of the speech and write your own definition for the words on the line provided.

EXAMPLE

One million dollars *was allocated* for unprofitable firm. allocate
(V) allot

1. There is fierce competition for the *scarce* resources.
scarce () _____
2. The guide offers information on local *customs*.
custom () _____
3. Britain is now a multi-national *society*.
society () _____
4. Things can turn out quite *differently*.
differently () _____
5. *Property* prices have shot up recently.
property () _____
6. The meeting was *productive* of several good ideas.
productive () _____
7. The company *expects* to complete the work in April.
expect () _____
8. The company played a *central* role in the negotiations.
central () _____
9. Debt collection is a huge *growth* industry.
growth () _____
10. There is *private* ownership of property in a market economy.
private () _____
11. This firm offers a wider choice of goods for the *consumers*.
consumer () _____
12. We had trouble finding a *pure* water supply.
pure () _____
13. Employees expect *flexibility* in the workplace.
flexibility () _____
14. Employers are more likely to look with *favor* on experienced candidates.
favor () _____

IV. In each set of words, cross out the words that does not have a similar meaning to the first. Compare your answer with another student. Discuss why the words are similar.

1	business	job	unemployment	profession
2	determine	initiate	conclude	decide
3	discourage	dishearten	dispirit	approve
4	drastically	greatly	intensely	moderately
5	element	component	portion	ingredient
6	heavy	abundant	massive	slight
7	immediate	distant	urgent	current
8	lack	scarcity	abundance	shortage
9	limit	ration	restrict	increase
10	major	minor	extensive	extreme

V. Fill in the missing words in the sentences below. Choose from the box. Translate the sentences into Ukrainian.

heavy manufacturing, pure, resources, determine, goals, national defense, production, quotas, command, allocate.

Few _____ command economies exist today. North Korea and Cuba are modern examples of _____ economies. The State Planning Commission _____ economic needs of people, sets _____, and establishes production _____ for major industries. If the planning body wants growth in _____, it will _____ resources to that sector drastically. If it wants to strengthen _____, it will direct _____ to military _____.

VI. Write one word in each gap to complete the sentences.

1. North Korea and India are examples of _____ economies.
2. Every existing _____ uses a different “mix” of allocating mechanisms to answer the basic economic questions.
3. In a command economy, central authorities make _____.
4. Every modern economy is a _____.

5. In command economy the _____ decides what to produce, how to produce and for whom to produce.

6. An _____ is a mechanism that deals with the production, distribution and consumption of goods and services in a particular society.

7. Every economy has _____ resources at its disposal.

8. Traditional economy has _____ advanced goods, new technologies, and economic growth.

9. Any society decides how it will organize its scarce _____ in order to use them efficiently.

10. In command economies the major means of production are usually _____ owned.

COMPREHENSION CHECK

Now read the text again and answer the following questions. Compare your answers with another student and discuss any differences. Make sure you can refer to a particular phrase or sentence from the text for each answer.

1. What are the major kinds of economic systems?
2. What is a traditional economy?
3. What is the role of individual in a traditional economy?
4. What is the main advantage of a traditional economy?
5. What is the main drawback of a traditional economy?
6. What does a command economy rely on?
7. Who makes the major economic decisions in a command economy?
8. What advantages of a command economy do you know?
9. What are the disadvantages of a command economy?
10. Who owns the major means of production in a command economy?

TRANSLATION PRACTICE

Translate into English.

1. Традиційна економіка – це економічна система, у якій рішення стосовно запитань Що, Як і для Кого приймаються на основі звичаїв і традицій.

2. У традиційній економіці більшість людей невольні приймати рішення, які ґрунтуються на тому, що вони хочуть чи хотіли б мати.

3. У суспільстві з командною економікою у робітників відсутні стимули працювати наполегливо, тому що вони не заробляють більше, ніж ті, хто докладає менше зусиль.

4. Командна економіка – це така, у якій уряд приймає всі рішення щодо виробництва та розподілу товарів і послуг.

5. У суспільстві з командною економікою центральна влада складає план для всієї економіки, який визначає, що буде вироблятися, як воно буде вироблятися та хто його отримає.

6. Кожна економічна система має обмежені виробничі ресурси у своєму розпорядженні.

7. Завдання економічної системи – ефективно поєднати свої ресурси, бажання та технології.

8. Кожне суспільство намагається дати відповідь на три основні економічні питання ефективно.

READING STRATEGIES

Before reading the text you should study the following economic terms.

market economy	an economic system where prices, jobs, wages, etc. are not controlled by the government, but depend on what people want to buy and how much they are willing to pay
market forces/ pressures	the way a market economy makes sellers produce what people want, at prices they are willing to pay
market place	producers and buyers in a particular market economy, and the way they behave
market prices	prices that people are willing to pay, rather than ones fixed by a government
market reforms	changes a government makes to an economy, so it becomes more like a market economy

I. Read the text about economic activity in China. For each gap, choose the best words A, B, C, or D.

In China, all economic activity used to be controlled by the state. Prices were fixed by the government, not by buyers and sellers in the _____ (1). But in the last 20 years there has been a series of

_____ (2) that have allowed people to go into business and start their own companies. _____ (3) are determined by what buyers are willing to pay, rather than by the state. There are still state-owned companies that lose a lot of money. Until recently, they have been protected from _____ (4), but _____ (5) will eventually mean that they close down. Of course, the _____ (6) has its losers: those without work, and victims of crime, which used to be very rare.

	A	B	C	D
1	market reforms	market place	market forces	market prices
2	market economy	market pressures	market reforms	market place
3	market price	market force	market economy	market reforms
4	market pressures	market price	market place	market force
5	market economy	market reforms	market forces	market price
6	market price	market economy	market pressures	market place

II. You are going to read the text about a traditional economy.

a) Brainstorm words connected with “economy”

b) Consider the questions and be ready to answer them as soon as you read the text.

1. What characteristics does a traditional economy have?
2. Where do most traditional economies operate?
3. Where does a traditional economy exist?
4. What do traditional economies rely on?
5. What is the role of individual in a traditional economy?

A Traditional Economy

A traditional economy is defined by three characteristics:

1. It is based on agriculture, fishing, hunting, gathering or some combination of the above.
2. It is guided by traditions.
3. It may use barter instead of money.

For these reasons, people who live in a traditional economy appear to be living in poverty, even if their daily needs are being met. Most traditional economies operate in emerging markets, or the Third World countries. They are usually located in Africa, Asia, Latin

America and the Middle East. However, pockets of traditional economies can be found throughout the world. It is generally thought that all other economies got their starts as traditional economies. Likewise, it is generally expected that a traditional economy will evolve into either a market, command or mixed economy. At its most basic level, a traditional economy exists in a hunter, gatherer and nomadic society. These groups live in families or tribes, and cover wide areas to find enough food to support them.

Since traditional economies center around a family or tribe, it is easy to use traditions gained from the experience of the elders to guide day-to-day life. Economic decisions are based on these traditions.

Nomadic hunters usually compete with other groups for scarce natural resources. There is little need for trade, since they all consume and produce pretty much the same things. There may be trade between groups that don't compete, such as between one that relies on hunting comes across a group that relies on fishing, for example. In these cases, metal coins would be heavy to carry and not really needed.

When traditional economies in the modern world interact with market or command economies, cash takes on a more important role. Cash enables those in the traditional economy to purchase better equipment to make their farming, hunting or fishing more profitable.

Since traditional economies rely on custom and tradition, the distribution of resources is usually well-known. Everyone knows their role in production, and what they are likely to receive. Traditional economies are usually less destructive to the environment, and are therefore sustainable.

b) Mark these statements T (true) or F (false) according to the information in the text. Find the part of the text that gives the correct information.

1. Most traditional economies operate in emerging markets.
2. All other economies got their starts as command economies.
3. Traditional economies center around a family or tribe.
4. Traditional economies rely on custom and tradition.
5. Traditional economies are usually destructive to the environment.

III. Read the following text and write short headings for each paragraph.

1. _____ Command economy, economic system in which the means of production are publicly owned and economic activity is

controlled by a central authority that assigns quantitative production goals and allots raw materials to productive enterprises. In such a system, determining the proportion of total product used for investment rather than consumption becomes a centrally made political decision. After this decision has been made, the central planners work out the assortment of goods to be produced and the quotas for each enterprise. Consumers may influence the planners' decisions indirectly if the planners take into consideration the surpluses and shortages that have developed in the market. The only direct choice made by consumers, however, is among the commodities already produced.

2. _____ Prices are also set by the central planners, but they do not serve, as in a market economy, as signals to producers of goods to increase or decrease production. Instead, they are used mainly as instruments of the central planners in their efforts to reconcile the total demand for consumer goods with the supply available, allowing also for revenues to the state.

3. _____ The central authority in a command economy assigns production goals in terms of physical units and allocates physical quantities of raw materials to enterprises. The process for a large economy with millions of products is extremely complex and has encountered a number of difficulties in practice.

4. _____ Central planning of this kind is not without apparent advantages, however, since it enables a government to mobilize resources quickly on a national scale during wartime or some other national emergency. But the costs of centralized policies are real and quite high. Moreover, it is often the case that much of the burden of these costs is shifted away from the government. One example is the military draft, which largely shifts the cost of mobilizing troops from the government to the draftees, who could be employed at a higher rate of pay elsewhere.

IV. Scan the text. Entitle it and prepare a brief summary of the text.

There is a wide range of mixed economies. China has a mixture of traditional, command, and market economies. While tradition has a strong influence in rural areas, the government makes many of the major economic decisions and owns many of the factors of production. China is changing, however. In recent years the government has allowed some private ownership of resources, and

capitalism is beginning to flourish. In Norway, the government owns the basic petroleum industry. It uses the revenue from the sale of oil to other nations to keep its domestic gas prices low, finance education, maintain roads, and provide social welfare for its citizens. Because the government controls just one industry, the mixed economy is based on capitalism and markets with some elements of socialism. Cuba and North Korea today are very similar to the former Soviet Union, where a socialist government controlled resources to provide for all the people. However, the ownership and control of resources were so extensive that many economists thought of the country as a command economy.

SECTION II

PRONUNCIATION GUIDE

arrangement [ə'reɪndʒmənt]

feature ['fi:tʃə]

favor ['feɪvə]

mechanism ['mekənɪz(ə)m]

vehicle ['vi:k(ə)l]

variety [və'raɪəti]

I. Read text B and be ready to complete the table with the information from the text.

Type of Economic System	Advantages	Disadvantages

Text B. A Market Economy

A market economy is an economic system in which supply, demand, and the price system help people make economic decisions and allocate resources. In a market economy, consumers and businesses jointly answer the questions of WHAT, HOW, and FOR WHOM to produce. In a market economy, people make decisions in their own best interest. In economic terms, a market is an arrangement that allows buyers and sellers to come together to exchange goods and services. A market might be in a physical location, such as a farmers' market, or on an Internet site. Regardless of its form, a market can exist as long as a mechanism is in place for buyers and sellers to meet.

A market economy is characterized by a great deal of freedom. People can spend their money on the products they want most, which is like casting dollar "votes" for those products. This tells producers which products people want, thus helping them answer the question of WHAT to produce. Businesses are free to find the best production methods when deciding HOW to produce. Finally, the income that consumers earn and spend in the market determines FOR WHOM to produce. Market economies also feature the private ownership of resources. A market economy is often described as being based on capitalism. The term capitalism draws attention to the private ownership of resources, while the term market economy focuses on where the goods and services are exchanged. As a result, the two

terms focus on different features of the same economy. The first advantage of a market economy is its high degree of individual freedom. People are free to spend their money on almost any good or service they choose. They also are free to decide where and when they want to work, or if they want to invest further in their own education and training. At the same time, producers are free to decide whom they want to hire, which inputs they want to use, as well as the way they want to produce.

The second advantage of a market economy is that it adjusts gradually to change over time. Prior to 2005, for example, gasoline prices were low, so people tended to buy large gas-guzzling SUVs. When the price of gas rose sharply in that year, SUV sales fell, and smaller, more fuel-efficient vehicles became popular. The third advantage is the relatively small degree of government interference. Except for certain concerns such as national defense, environmental protection, and some care for the elderly, the government normally tries to stay out of the way of buyers and sellers. The fourth advantage is that decision making is decentralized. Billions, if not trillions, of individual economic decisions are made daily. Collectively, people make the decisions that direct scarce resources into the uses consumers favor most, so everyone has a voice in the way the economy runs. The fifth advantage of the market economy is the variety of goods and services. You can find ultrasound devices to keep the neighbor's dog out of your yard, or you can download music and video to your cell phone. In short, if a product can be imagined, it is likely to be produced in hopes that people will buy it. The sixth advantage is the high degree of consumer satisfaction. In a market economy, the choice one group makes does not affect the choices of other groups. If 51 percent of the people want to buy classical music, and 49 percent want to buy rap music, people in both groups can still get what they want. The market economy does not provide for everyone. Some people may be too young, too old, or too sick to earn a living or to care for themselves. These people would have difficulty surviving in a pure market economy without assistance from family, government, or charitable groups. A market economy also may not provide enough of some basic goods and services. For example, private markets do not adequately supply all of the roads, universal education, or comprehensive health care people would like to have. This is because private producers concentrate on providing products they can sell for a profit. Finally, a market economy has a high degree of uncertainty. Workers might worry that their company will move to another country in search of lower labor costs. Employers may worry

that someone else will produce a better or less expensive product, thereby taking their customers.

Most economies in the world today feature some mix of traditional, command, and market economies.

WORDS AND PHRASES TO BE REMEMBERED

arrangement – упорядкування, розміщення

to adjust – пристосовуватися

supply – пропозиція

demand – попит

jointly – спільно

to allow – дозволяти

to exchange – обмінювати

a great deal of – багато

to concern – стосуватися, мати відношення

favor – прихильність, інтерес, пільга, послуга

private ownership – приватна власність

interference – втручання

regardless of – незважаючи на

to survive – виживати

to search – шукати

to focus on – зосередитись на

to invest – інвестувати

to hire – наймати на роботу

uncertainty – невизначеність

VOCABULARY PRACTICE

I. Find in the text English equivalents for the following word combinations. Write your own sentences using them.

Збиратися разом, багато свободи, приймати економічні рішення, незважаючи на, звернути увагу на, витратити гроші, ринок визначає, змінюватися з часом, національна оборона, розмаїття товарів та послуг, зосереджуватись на, задоволення споживача, заробляти на життя, привертати увагу, мати високий ступінь невизначеності, наймати на роботу, всебічна охорона здоров'я, продавати заради прибутку, витрати на оплату праці.

II. Give Ukrainian equivalents for the following word combinations.

To affect the choices, in one's own best interest, to exchange goods and services, to find the best production methods, the income that consumers earn and spend, the private ownership of resources, to focus on different features of the same economy, to invest further in their own education and training, small degree of government interference, environmental protection, to stay out of the way, to provide for, adjusts gradually, to keep the neighbor's dog out of your yard, charitable groups, better or less expensive product.

III. Fill in the missing words in the sentences below. Choose from the box. Translate the sentences into Ukrainian.

economic system, market, economic questions, motivates, mixed economies, arranges, government institutions, income, government interference, encourages

1. When it comes to an economy, there are three basic _____ that each must answer.
2. The way that a country _____ these questions is based on their economic system.
3. The essential differences of _____ lie in the degree to which economic decisions are made by individuals as opposed to _____ and in whether the means of production are privately or publicly owned.
4. A market economy _____ workers greatly to work harder because they are only paid based on what they do.
5. A worker can increase their _____ or profit by having extra work and this chance to profit _____ them.
6. The essence of the _____ economy is freedom.
7. There is freedom to own property, freedom to buy and sell and freedom from _____ in the economic aspect of each individual's life.
8. The eternal question for _____ is just what the right mix between the public and private sectors of the economy should be.

COMPREHENSION CHECK

Now read the text again and answer the following questions.

1. What is a market economy?

2. Who answers the questions of What, How and for Whom to produce in a market economy?
3. Who makes decisions in a market economy?
4. What is a market in economic term?
5. Who will stay in business in a market economy?
6. What advantages does market economy have?
7. Who owns the means of production in a society with a market economy?
8. What role do buyers and sellers play in a market economy?

TRANSLATION PRACTICE

Translate into English.

1. У більшості демократичних країн основні економічні питання визначаються ринком.
2. Уряд намагається не втручатися в жодні галузі, крім національної оборони.
3. Велика кількість незалежних покупців і продавців, приватна власність та мотив прибутковості – невід’ємні складові ринкової економіки.
4. Мотив прибутковості заохочує людей отримувати найбільший прибуток з найменшими витратами.
5. Ринкова економіка – це така економіка, у якій окремі люди і бізнес-фірми приймають головні рішення щодо виробництва і споживання.
6. Одна з головних переваг ринкової економіки полягає у свободі, яка існує для кожного підприємця.
7. У ринковій економіці будь-який товар може і буде виготовлений, поки на нього є покупець.

READING STRATEGIES

I. Read the text below and be ready to do the assignments after the text.

A Mixed Economy

The real world is not so orderly that is why most countries have mixed economies – systems that combine elements of all three types. When we consider political systems as well as economic systems, the picture gets even more complicated. The type of political system in a mixed economy is less important than the way basic economic

decisions are made. For example, some mixed economies have a political system based on democracy, and others do not. The state's involvement in economic decisions also can vary. Some governments provide only for basic needs such as defense, a justice system, and universal education. The more socialistic a country is, the more it will make major economic decisions, often with the claim that this is done for the betterment of the people. Some governments intervene only in certain key sectors or industries and leave the rest to markets. If the government intervenes too much, a mixed economy can turn into a command economy. One advantage of a mixed economy is that it provides assistance for some people who might otherwise be left out. All societies include some people who are too young, too old, or too sick to provide for themselves, for example, and most societies have traditions that address some of these concerns. If the society has a democracy, voters can use their electoral power to affect the WHAT, HOW, and FOR WHOM decisions even if the government owns no productive resources. For example, the government can pass laws to provide aid for those most in need or to fund road construction. Under socialism, the FOR WHOM question is addressed more directly. Ideally, those who are not fortunate or productive enough to take care of themselves still share certain benefits, such as free or low-cost public housing, transportation, medical care, and education.

While mixed economies tend to provide more services, the costs for these benefits can mean higher costs for citizens overall. Germany, for example, offers a wide range of benefits, but it also has a high tax rate. During economic downturns, when the government collects fewer taxes, less money is available for these programs. The German government has discussed placing limits on benefits, such as unemployment and welfare, because of lower revenues. In some socialist countries, the availability of services may be limited or the quality may deteriorate over time. Today, for example, Cuba claims that it has free health care for everyone, but the care is substandard for everyone except high-ranking members of the Communist Party and those willing to pay for services in dollars. Historically, both socialism and communism have proved to be less efficient than capitalism. For example, if workers receive government guarantees of jobs, more workers may be hired in a plant than are necessary, driving up production costs. Because socialism has proved to be so inefficient, many socialistic countries today allow more capitalist development. This is especially true in China, where the emergence of capitalism has helped the country to become one of the major economic powers in the world today.

Understanding main points of the text

Mark these statements T (true) or F (false) according to the information in the text. Find the part of the text that gives the correct information.

1. Some mixed economies have a political system based on democracy, and others do not.
2. The government also provides some of the basic needs of its people, such as education and health care.
3. One advantage of a mixed economy is that it provides assistance for some people who might otherwise be left out.
4. The more socialistic a country is, the less it will make major economic decisions.
5. Some governments provide only for basic needs such as defense, a justice system, and universal education.
6. Ukraine, for example, offers a wide range of benefits, but it also has a high tax rate.
7. Historically, both socialism and communism have proved to be less efficient than capitalism.

II. You are going to read the text about economic and social goals. Be ready to do the following assignments.

A. Pre-reading task

1. Use a table like the one below to identify six major economic and social goals.

1	Economic	4
2	goals	5
3	Social	6

B. Now read the text about economic and social goals and answer the following questions:

1. Why is it important for a nation to set economic and social goals?
2. What can Americans do to influence the economic goals of the nation?
3. What kinds of goals have you set for your future?

Economic and Social Goals

Economic Freedom and Efficiency

People share many broad economic and social goals. They traditionally place a high value on the freedom to make their own

economic decisions. They like to choose their own occupations, employers, and uses for their money. Business owners like the freedom to choose where and how they produce. The belief in economic freedom, like the belief in political freedom, is one of the cornerstones of American society. Most people recognize that resources are scarce and that factors of production must be used wisely. If resources are wasted, fewer goods and services can be produced and fewer wants and needs can be satisfied. Because economic decision making must be efficient, economic efficiency is also one of the major goals.

Economic Equity

Americans have a strong tradition of justice, impartiality, and fairness. Many people, for example, believe in equal pay for equal work. As a result, it is illegal to discriminate on the basis of age, sex, race, religion, or disability in employment. At the national level, they have established the minimum wage -the lowest legal wage that can be paid to most workers. While not everyone supports it, the minimum wage does put a floor on the amount of income that some workers earn.

Economic Security

Americans desire protection from such adverse economic events as layoffs and illnesses. As a result, many states have set up programs to help workers who lose their jobs through no fault of their own, and many employers have insurance plans to cover the injuries and illnesses of their workers. At the national level, Congress has set up Social Security—a federal program of disability and retirement benefits that covers most working people. More than 90 percent of all American workers participate in the Social Security system. Retirees, survivors, disabled persons, and Medicare recipients are eligible for benefits. Survivors are spouses and children of deceased persons covered by Social Security. Medicare also provides health insurance for persons 65 or older.

Full Employment

When people work, they earn income by producing goods and services for others. Without jobs, people cannot support themselves or their families, nor can they produce output for others. As a result, most people want their economic system to provide as many jobs as possible. The goal of full employment even became law when Congress passed the Employment Act of 1946 in an effort to avoid the widespread joblessness before World War II. High rates of inflation

can even discourage business activity. During times of inflation interest rates on loans tend to increase along with the prices of goods and services. If interest rates get too high, they can discourage both borrowing and spending by businesses. Price stability adds a degree of certainty to the future for businesses and consumers alike.

Economic Growth

The last major goal of most Americans is economic growth. Most people hope to have a better job, a newer car, their own home, and a number of other things in the future. Overall growth enables more people to have more goods and services. Because the nation's population is likely to increase, economic growth is necessary to meet everyone's needs.

Price Stability

Another goal is to have stable prices. If inflation – a rise in the general level of prices – occurs, workers need more money to pay for food, clothing, and shelter. People who live on a fixed income – an income that does not increase even though prices go up – find that bills are harder to pay and planning for the future is more difficult. High rates of inflation can even discourage business activity. During times of inflation, interest rates on loans tend to increase along with the prices of goods and services. If interest rates get too high, they can discourage both borrowing and spending by businesses. Price stability adds a degree of certainty to the future for businesses and consumers alike.

III. Read the following information and prepare a brief summary of the text.

Capitalism has become the economic system of choice in many parts of the world because of its ability to generate wealth. Capitalism is an economic system in which private citizens own and use the factors of production to generate profits. The U.S. economy is based on free enterprise. Under free enterprise, resources are privately owned, and competition is allowed to flourish with a minimum of government interference. We often use the terms capitalism and free enterprise interchangeably, but they have different meanings. While capitalism stands for the private ownership of resources, free enterprise is the unhindered use of privately owned resources to earn profits. A capitalistic free enterprise economy has five important characteristics: economic freedom, voluntary exchange, private property rights, the profit motive, and competition.

Economic freedom means more than being able to buy the things you want. It means that you have the freedom to choose your

occupation, your employer, and your job location. You can even leave your current job and move on to another job that offers greater opportunity. Businesses also enjoy considerable economic freedom. They are free to hire the best workers, and they are free to produce the products they feel will be the most profitable. Businesses can make as many items as they want, sell them wherever they please, and normally charge whatever price they choose. In short, they are free to risk success or failure.

A second characteristic of capitalism is voluntary exchange – the act of buyers and sellers freely and willingly engaging in market transactions. Voluntary transactions benefit both the buyer and the seller, or the exchange would never occur. For example, when buyers spend their money on a product, they act on a belief that the item they purchase is of greater value than the money they give up – or they would not make the purchase. When sellers exchange their products for cash, they believe that the money they receive is more valuable than the product they sell – otherwise they would not make the sale.

Another major feature of capitalism is private property rights, which allow people to own and control their possessions as they wish. People have the right to use or even abuse their property as long as they do not interfere with the rights of others.

Private property gives people the incentive to work, save, and invest. When people are free to do as they wish with their property, they are not afraid to accumulate, improve, use, or lend it. They also know they can keep any rewards they might earn. Under free enterprise capitalism, people are free to risk any part of their wealth in a business venture. If it goes well, they will earn rewards for their efforts. If it goes poorly, however, they could lose part or all of their investment. Profit is the extent to which persons or organizations are better off financially at the end of a specific period than they were at the beginning. The profit motive – the incentive that encourages people and organizations to improve their material wellbeing – is largely responsible for the growth of a free enterprise system.

Capitalism thrives on competition – the struggle among sellers to attract consumers. Competition is possible because individual entrepreneurs have the freedom to produce the products they think will be the most profitable. Free enterprise capitalism allows competition to flourish, benefiting both producers and consumers alike. The entrepreneur plays one of the most important roles in the free enterprise economy.

The entrepreneur organizes and manages land, capital, and labor in order to seek the reward called profit. Entrepreneurs are the people

who start up new businesses such as restaurants, automobile repair shops and Internet stores. They include people who may have worked for others at one time, but who decided to quit and start their own businesses. Entrepreneurs want to “be their own boss” and are willing to take risks to make their dreams come true. Many entrepreneurs fail. Others survive and manage to stay in business with varying degrees of success. A few, and only a very few, manage to become fantastically wealthy. Well-known entrepreneurs include Robert Johnson, founder of BET, Bill Gates, who founded Microsoft, and Mary Kay Ash, who founded Mary Kay Cosmetics. Despite the high rate of failure among entrepreneurs, the dream of success is often too great to resist. When an entrepreneur is successful, everybody benefits. The entrepreneur is rewarded with profits, a growing business, and the satisfaction of a job well done. Workers are rewarded with more and better-paying jobs. Consumers are rewarded with new and better products. The government is rewarded with a higher level of economic activity. In the end, the entrepreneur’s search for profits can lead to a chain of events that brings new products, greater competition, more production, higher quality, and lower prices for consumers.

IV. Complete a graphic organizer like the one below to identify the five characteristics of a free enterprise economy. Then provide an example of each.

Characteristic	Example
1.	
2.	
3.	
4.	
5.	

V. Scan the articles below for the answers to the following questions.

- What economic policy allowed IP piracy to grow in China?
- What is the relationship between piracy rates and developing countries?
- Check your local newspaper, news magazines, or Internet news sources for recent articles about intellectual property theft. How does IP piracy affect your country?

Stolen Profits

Pirates of intellectual property reduce profits in some industries by as much as 50 percent. The term intellectual property (IP) refers to creations of the mind: inventions, literary and artistic works, symbols, names, images, and designs. Piracy of CDs, software, and clothing designs has expanded in recent years, along with counterfeit money and prescription medications. The illegal trade in pirated and counterfeit goods costs the legal world economy an estimated \$630 billion per year.

In Silk Alley, a street in Beijing, bargain hunters can find just about anything on the cheap, including inexpensive knockoffs of Gucci, Chanel, Prada, and North Face products. Chinese piracy has made a significant dent in American music, movie, and software profits. In 2004 alone, U.S. companies lost an estimated \$40 billion to IP piracy, the majority of which allegedly took place in China. In the past, China blamed its flourishing culture of piracy on a myriad of issues. Yet the Chinese government also fostered a culture of piracy by maintaining that intellectual property was not an individual right, but a benefit to the state. Now that the country is a member of the World Trade Organization, China must follow market economy rules. It did a remarkable job of cracking down on its own domestic pirates, who have attempted to profit from the 2008 Beijing Olympics. U.S. officials now want to see similar efforts to protect U.S. intellectual property.

Worldwide Problem

Piracy has become a worldwide problem and affects the bottom line of companies everywhere. IP theft also raises unemployment rates and lowers tax revenues, especially in developing countries. Losses in tax revenue are more costly than one might think. Experts estimate that in four years, a 10 percent drop in the global piracy rate would add roughly 2.4 million new jobs, \$400 billion in profits, and \$67 billion in tax revenues worldwide.

While you might think that software piracy does not affect you directly, this is far from the truth. Companies that lose profits from IP theft often pass the cost of piracy on to you – the honest consumer. For every song or movie downloaded or sold illegally, businesses must charge customers more to cover their production costs. In addition, government revenue that could go to your education, parks, or better roads instead is funneled into law enforcement to prevent IP piracy. But perhaps the biggest loser in IP piracy is creativity. After all, if you were an artist or designer, would you be willing to spend

your money as well as months or years of your life to develop a new product, only to have it copied and your profits taken away by someone else?

VI. Before you read the following articles skim through them quickly and underline two sentences that convey the main ideas of each.

Hot Growth at Claire's

When Bonnie and Marla Schaefer became vice-CEOs of Claire's Stores Inc., they had much to prove to the company's board. Within a few years they did just that: profits nearly doubled, earning Claire's a slot on BusinessWeek's 2005 list of Hot Growth companies.

How did the sisters do it? One way was to focus on a troubled recent acquisition they renamed Icings. The new store appeals to the 17-to-27 crowd. Unlike their father, Rowland Schaefer, founder and former CEO of Claire's, the sisters use market research to identify teen trends. They also licensed popular celebrities such as Mariah Carey to provide cosmetics and jewelry lines.

The sisters won't stop there. The company already has stores in Europe and Japan, and franchises are now expanding into other continents.

The owner of a successful business empire Tony Hawk did not set out to become a businessman. When his brother gave him his first skateboard at age nine, all he wanted to do was have some fun. But he was determined that he would learn how to ride it. This determination – and 6 hours of skateboarding a day – led to success. By age 16, Hawk was the best skateboarder in the world. He also opened a skateboarding company, Birdhouse Projects, which brought him his first big financial success.

While Hawk had made a name for himself, skateboarding itself faded in popularity, and with it Hawk's company. Then ESPN decided to broadcast the X Games in 1995. The show's immense success revitalized the skateboarding phenomenon and brought Hawk's name into the mainstream. At the end of his competitive career in 1999, Hawk had won 73 first-place competition titles, created some 80 new tricks, and pioneered a new form of vertical skateboarding. Hawk's skills piqued the interest of software developer Activision. In 1998 the company approached him with an idea for his own skateboarding video game. Hawk wanted to "make sure that the skating aspect is authentic." He met weekly with the game developers, nixing unrealistic moves and re-fining aerial stunts. The next year, "Tony Hawk's Pro

Skater” flew off the shelves. The Pro Skater games eventually sold 20 million copies and gave Hawk over \$6 million a year in royalties. In 2002 Hawk launched the Boom Huck Jam tour, an extreme sports event that brings the world’s best skateboarders, BMX bikers, and motocross racers to arenas around the country. On top of that, his combined brands, which today include skateboards, clothes, shoes, video games, and action figures, generate about \$300 million a year in retail sales.

The Role of the Consumer

Consumers have power in the economy because ultimately they determine which products are produced. If consumers like a new product, the producer will be rewarded with profits. If consumers do not buy it, the firm may lose money or even go out of business. The term consumer sovereignty recognizes the role of the consumer as sovereign, or ruler, of the market. The phrase “the customer is always right” reflects this power. In recent years, producers have had outstanding successes with products ranging from video games to Internet search engines such as Google. Other products – including “Crystal” Pepsi, celery-flavored Jell-O, and Dr. Care’s aerosol toothpaste (which kids discovered they could spray around the bathroom) – were rejected. In addition, consumers’ wants change constantly as people are exposed to new ideas and products. Today they purchase more home computers every year than TV sets, even though computers were barely known just 25 years ago. They buy products all over the world and frequently use the Internet to research products and make purchases. The dollars consumers spend in the marketplace are the “votes” that give them a say in what is, and what is not, produced. Because of this, consumers play an important role in the free enterprise economy.

SPEAKING STRATEGIES

I. Answer the following questions.

1. How does command economy differ from the other economic systems?
2. Why do market economies tend to be more efficient than traditional or command economies?
3. Why are market economies more innovative than either traditional or command economies?
4. How does a traditional economy differ from a mixed economy?

5. Some people believe that the profit motive conflicts with the goals of economic security. Do you agree? Why or why not?
6. How has the development of modern transportation and communication systems affected the type of economy?
7. What incentive does owning private property give people?
8. What role do consumers play in a free enterprise system?

II. Assignments for discussion.

Useful expressions given below can be helpful to you.

1. Describe the main characteristics of a traditional economy.
2. Identify the five major weaknesses of a command economy.
3. Explain who makes economic decisions in a market economy.
4. Describe the advantages and disadvantages of a mixed economy.
5. Describe the five major characteristics of a free enterprise system.
6. Explain the significance of voluntary exchange, private property rights, profit motive and competition.
7. Describe how individuals and business people benefit from economic freedom.
8. Discuss who benefits from economic security.
9. Explain how a society resolves conflicts between economic and social goals.
10. Explain why entrepreneurs are thought to have important roles in the economy.
11. Describe how consumers have influenced the success of products in recent years.
12. List the five major roles that the government plays in the economy.

USEFUL ENGLISH

<p>Asking for opinions How you feel about that? What do you think? What is your view?</p>	<p>Giving opinions I think \ I don't think that's a good idea. In my opinion, we need...</p>
<p>Agreeing That's true. I agree with you. Absolutely. Exactly. I think</p>	<p>Disagreeing I see \ know what you mean, but I think there's a problem. I'm not so sure. Maybe, but that's not enough.</p>

<p>Making suggestions I think we should... How about a special promotion? Why don't we talk to..? Maybe \ Perhaps we could offer incentives.</p>	
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III. Comparing Economic Systems

Every society has an economic system. The type of system that is best for a society depends on its ability to satisfy people's wants and needs and to fulfill its economic goals.

Which economic system do you think is best able to provide for the wants and needs of individuals, and why?

Economic system	Advantages	Disadvantages
Traditional	Sets forth certain economic roles for all members of the community Stable, predictable, and continuous life	Discourages new ideas and new ways of doing things Stagnation and lack of progress Lower standard of living
Command	Capable of dramatic change in a short time Many basic education, health, and other public services available at little or no cost	Does not meet wants and needs of consumers Lacks effective incentives to get people to work Requires large bureaucracy, which consumes resources Has little flexibility to deal with day-to-day changes Lacks room for individual initiative
Market	Individual freedom for everyone Able to adjust to change gradually Lack of government interference Decentralized decision making Incredible variety of goods and services High degree of consumer satisfaction	Rewards only productive resources; does not provide for people too young, too old, or too sick to work Does not produce enough public goods such as defense, universal education, or health care Workers and businesses face uncertainty as a result of competition and change

IV. Use a graphic organizer like the one below to describe how economic systems answer the basic economic questions.

	What, How and for Whom?
Traditional economy	
Command economy	
Market economy	
Mixed economy	

V. Role-play

1. Interview a friend or relative who is retired or approaching retirement to find out if he or she believes the government has achieved the goal of economic security for its senior citizens, and why. Write a paragraph to describe these views and explain why you agree or disagree with them.

2. Cite at least three examples of voluntary exchanges you made this week. How are you better off by having made the exchanges? Did the person with whom you exchanged gain too? How?

3. Most people tip for service in restaurants, but not for service at clothing stores or gas stations. Explain how this illustrates economic behavior by tradition rather than by market or command.

LISTENING STRATEGIES

Government intervention

1. Listen to Michael Kitson talking about the role of government.

Is he in favour of government intervention?

2. Fill in the gaps.

The second effect is whether we think unfettered _____ alone can ensure the long-term _____ allocation of resources and long-term _____. Markets are very important, I am not denying that, but so is the role of government to actually help markets work better. Often economists talk about notion of _____ or the fact that markets are not working properly.

3. Listen again and answer the questions.

1. What reasons does he give for government spending on education and health?

2. Why don't firms invest in very early-stage technologies?

3. What other areas or activities does he mention?

4. How far do you agree with Kitson about these various forms of spending?

WRITING STRATEGIES

I. Write a brief summary (25-30 sentences) of Text A.

II. Write an essay (100-150 words) about:

- Which type of economic system do you support? Why?

- What is the ideal role of government?
- What parts of the economy should government never touch?
- Which type of economic system is the most dangerous? Why?

SELF-ASSESSMENT QUESTIONS

Complete the words below to match the following meanings.

1.	the idea that buyers and sellers rule the market	c..... r s..... y
2.	society's organized way of providing for its people's wants and needs	e..... c s..... m
3.	the incentive that encourages people and organizations to try to improve their material well-being	p.....t m.....e
4.	an economic system in which the factors of production are owned by private citizens	c..... m
5.	the right and privilege to control one's own possessions	p..... e p..... y r..... s
6.	an economic system in which ritual, habit, and custom dictate most economic and social behavior	t..... l e..... y
7.	an economic system in which a central authority makes economic decisions	c..... d e..... y
8.	the act of buyers and sellers freely conducting business in a market	v..... y e..... e
9.	an economy in which some industries are owned by the state and others are owned by individuals and groups of people	m.....d e..... y
10.	lack of paid employment; unused labour	u..... t
11.	rivalry in the marketplace between different business organizations	c..... n
12.	money that an individual or business receives in exchange for providing a good or service or through investing capital	i..... e

UNIT FIVE

THE ECONOMIC INDICATORS

Section I	Text A. The main economic indicators
Section II	Text B. Business cycles: Characteristics and Causes
Section III	Text C. Governmental Policies Aiming at Stabilizing the Economy
Useful English	Making presentations

SECTION I

LEARNING OBJECTIVES

In this unit you will practice the following skills and strategies:

- applying reading skills to comprehend, analyze, summarize and interpret texts related to the economic indicators;
- identifying the main idea; reading for detail, a specific fact or piece of information; dealing with unknown vocabulary;
- tracking cause and effect; sequence of events;
- expressing general and personal opinion; agreement and disagreement;
- evaluating information; drawing conclusions; formulating questions;
- making predictions; comparing and contrasting;
- talking about the economic indicators: give spontaneous and prepared monologues, dialogues, and group interaction using topical vocabulary;
- summarizing, rendering and translating texts related to the issues covered in the unit.

LEAD-IN

1. Comment on the following quotations. What do the authors mean? Do you agree or disagree with them? Discuss it with your partner.

➤ "We must learn new ways to define the concept of growth for the 21 century"

Angela Merkel

➤ "GDP does not allow for the health of our children, the quality of their education, or the joy of their play"

Robert Kennedy

➤ "Much of the statistics and indicators that we routinely produce are not looking at what truly matters to people"

Pier Carlo Padoan

➤ "It's always beautiful to see people striving to grow"

Patricia Arquette

2. What facts do you know about the economy in your country? Work in pairs and make notes of your answers. Report back your answers to the class.

1. How many people live in your country?
2. What is happening to prices in the shops?
3. How many people have no job?
4. What is the exchange rate of your country's currency to the US dollar?
5. Is your country's economy growing or declining?
6. How much interest do you pay on bank loans?

3. When we talk about these facts, we are talking about 'economic indicators'. How many of them can you name?

KEY TERMS

I. Before reading texts A and B study the key terms and their definitions. While reading the texts, you should pay attention to the economic and business terms. They will become the basics of your English for Specific Purposes (ESP) vocabulary.

1. Economic indicator – *економічний показник* – a statistic used for judging the health of the economy such as GDP per head, rate of unemployment or the rate of inflation.

2. Inflation – *інфляція* – increase in the general level of prices of goods and services.

3. Deflation – *дифляція* – decrease in the general level of prices for goods and services.

4. Inflation indicator – *показник інфляції* – measure inflation at the consumer and producer levels.

5. Gross Domestic Product (GDP) – *внутрішній валовий продукт* – the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

6. Price index – *індекс цін* – statistical series used to measure changes in the price level over time.

7. Consumer price index (CPI) – *індекс споживчих цін* – series used to measure price changes for a representative sample of frequently used consumer items.

8. Market basket – *ринковий кошик* – representative selection of goods and services used to compile a price index.

9. Unemployment rate – *рівень безробіття* – the proportion of the labor force that is not currently employed but could be.

10. Business cycles – *економічні цикли* – regular increases and decreases in real GDP.

11. Recession – *спад (рецесія)* – decline in real GDP lasting at least two quarters.

12. Boom (peak) – *піднесення (зростання)* – point in time when real GDP stops expanding and begins to decline.

13. Contraction (downturn, downswing) – *криза (спад)* – period in the business cycle after a boom when businesses begin to reduce their spending levels.

14. Expansion (recovery, upturn, upswing) – *пожвавлення, відновлення* – period of uninterrupted growth of real GDP.

15. Depression (slump) – *депресія* – state of the economy with large numbers of unemployed people, declining real incomes, overcapacity in manufacturing plants, and general economic hardship.

16. Retail Sales – *роздрібна продаж* – a monthly report on retail sales activity, showing changes in sales activity in a given month compared to the previous month and to a year ago.

II. Match the terms with their definitions.

1.	Unemployment rate	a	point in time when real GDP stops expanding and begins to decline
2.	Boom	b	increase in the general level of prices of goods and services
3.	Price index	c	series used to measure price changes for a representative sample of frequently used consumer items

4.	Recession	d	regular increases and decreases in real GDP
5.	Depression	e	representative selection of goods and services used to compile a price index
6.	Business cycles	f	decline in real GDP lasting at least two quarters
7.	Consumer price index	g	the proportion of the labor force that is not currently employed but could be
8.	Inflation	h	state of the economy with large numbers of unemployed people, declining real incomes, overcapacity in manufacturing plants, and general economic hardship
9.	Market basket	i	statistical series used to measure changes in the price level over time
10.	Expansion	j	a statistic used for judging the health of the economy such as GDP per head, rate of unemployment or the rate of inflation
11.	Economic indicator	k	period of uninterrupted growth of real GDP

PRONUNCIATION GUIDE

lagging ['læɡɪŋ]

primarily [praɪ'merəli]

phenomenon [fə'nɒmɪnən]

purchasing ['pɜ:tʃəɪŋ]

coincident [kəʊ'ɪnsɪdənt]

disruptive [dɪs'rʌptɪv]

percentage [pə'sentɪdʒ]

intermediate [ˌɪntə'miːdiət]

I. Read text A and make up a question plan.

Text A. The main economic indicators

Economists use economic indicators to analyze a country's economy. Economic indicators are statistics about the economy. They show how well the economy is doing and they enable economists to predict how well it will do in the future.

Economic indicators represent statistical data showing past or future trends in an economy. Government agencies may calculate various economic indicators based on financial information. Individuals and businesses often use economic indicators to make financial decisions. These decisions can relate to making financial investments, saving money, obtaining new assets or other important decisions.

Three types of economic indicators exist in the economy: leading, lagging and coincident. Leading indicators attempt to predict future events whereas lagging indicators look at the past. Coincident indicators occur in real-time and clarify the state of the economy.

Economic Output

A primary use of economic indicators is to determine the total economic output of a nation. This output is commonly defined as the nation's gross domestic product, or GDP, which represents the sum of a nation's productivity. The GDP economic indicator can help economists discover if a nation is growing or contracting from an economic standpoint. Economics also can measure the strength or weakness of a nation's growth compared to previous quarters or years.

Inflation

Economists also use economic indicators to measure the amount of inflation in a nation's economy. Changes in prices can be equally disruptive to the economy. When the general level of prices rises, the economy is experiencing inflation. A decline in the general level of prices is called deflation. Both situations are harmful to the economy and should be avoided whenever possible. When this phenomenon occurs, consumer prices increase and create difficult economic situations. Lagging indicators can indicate if inflation has gone up in previous periods and what nations should do to slow or prevent future inflationary growth. Leading indicators also can indicate how current economic situations will increase inflation in future years.

Gross Domestic Product

Gross domestic product (GDP) is easily the most important leading indicator in an economy. GDP measures the total amount of goods produced within a nation's borders. This indicator is measured as a percentage on a quarterly and annual basis. Decreasing GDP percentages can indicate a future economic downturn. GDP figures can also be broken down by specific industry to see where growth is occurring in the economy.

Consumer Price Index

The consumer price index (CPI) is an economic indicator responsible for measuring the inflation of an economy. Inflation is commonly defined as too many dollars chasing too few goods. CPI measures inflation by calculating the change in cost on a basket of consumer goods and services. Increasing inflation usually translates to

a decrease in purchasing power and can signal significant problems for future economic periods.

Producer Price Index

The producer price index (PPI) is similar to the consumer price index. The difference is PPI measures price changes on a basket of goods at the wholesale level. This tracks the changes in inflation for raw materials such as crude, intermediate and finished materials. Crude goods represent the raw materials commonly used by manufacturers and production companies. Intermediate goods are used to produce larger products. Finished goods represent items sold to retail companies.

Employment Indicators

Employment indicators include the unemployment rate, average hours worked per week and average hourly earnings. These indicators provide information on the strength in the business environment and how much companies are willing to pay employees. Average hourly earnings can also work in tandem with the consumer price index to track the money amount of inflation in an economy.

Retail Sales

Retail sales is a leading indicator that tracks the amount of spending in an economy. This indicator provides information on how much money consumers are spending on various goods and services in the economic marketplace. Similar to GDP, this indicator is often broken out into various industries so more detailed analysis can provide information on the economy.

Consumer Confidence

Consumer confidence is a common economic indicator providing information on what individual consumers believe about current economic conditions. Consumer confidence frequently affects several other indicators. Low consumer confidence usually indicates individuals are unsure of the nation's economic strain and may refrain from spending until conditions change. Businesses often base their economic decisions based on the strength of current consumer confidence.

WORDS AND PHRASES TO BE REMEMBERED

economic indicator – економічний показник
consumer price index – індекс споживчих цін

unemployment rate – рівень безробіття
a market basket – ринковий кошик
to predict – передбачати
to save money – зберігати гроші
growth – зростання
decline – зменшення
to slow – сповільнити
to prevent – запобігати
to indicate – зазначати
to increase – збільшувати
annual – річний
to decrease – зменшувати
economic downturn – економічний спад
purchasing power – купівельна спроможність
producer price index – індекс цін виробників
a basket of goods – кошик товарів
wholesale level – оптовий рівень
raw materials – сировина
crude – необроблений
intermediate – проміжний
finished materials – готові матеріали
retail company – роздрібна компанія
unemployment rate – рівень безробіття
average hourly earnings – середній погодинний заробіток
consumer confidence – довіра споживачів
economic conditions – економічні умови
economic strain – економічне напруження

VOCABULARY PRACTICE

I. Find in the text English equivalents for the following word combinations. Write your own sentences using them.

Майбутні тенденції векономіці, урядові агенції, заощадження грошей, придбання нових активів, економічний випуск продукції, основне використання, національна ефективність, загальний рівень цін, рівень безробіття, погодинний заробіток, бізнес середовище, бути готовим платити, відслідковувати, сума витрат, економічний ринок, впливати на ряд інших показників, утримуватися від витрат, найважливіший економічний показник, відповідальний за, зміна вартості, значні проблеми, індекс цін виробників, проміжні товари, роздрібні компанії.

II. Give Ukrainian equivalents for the following word combinations. Make up and act out a dialogue using some word combinations.

to analyze a country's economy, to calculate various economic indicators, financial investments, to predict future events, to gauge the total economic output of a nation, the nation's gross domestic product, an economic standpoint, to measure the strength or weakness, to be equally disruptive to the economy, average hours worked per week, hourly earnings, the consumer price index, the amount of spending in an economy, to prevent future inflationary growth, the total amount of goods produced, a future economic downturn, a decrease in purchasing power, a basket of goods at the wholesale level, current economic conditions, the nation's economic strain, consumer confidence.

III. Fill in the missing words in the sentences below. Choose from the box. Translate the sentences into Ukrainian.

represented	survey	spending	meals	luxuries
expenditure	government	items	family	ordinary

What can economic indicators tell us about life in modern Britain?

In 1957, the UK government began a _____ of the _____ of a typical English family called the Family Spending Survey. In this year, three _____ made up nearly 50% of all family _____: food, fuel, and rent. If you include clothing and travel, these basics made up nearly 70% of all _____ spending. The main _____ for the _____ family were tobacco and alcohol, which _____ just under 10% of spending. The next biggest luxury item was _____ eaten out in restaurants, representing 3% of spending. When the _____ did the same survey fifty years later in 2007, the figures were very different.

IV. Complete the text below by underlining the correct words. Be ready to answer the following questions.

1. What is cyclical unemployment?
2. What is structural unemployment?
3. What is frictional unemployment?
4. What is seasonal unemployment?
5. How is unemployment normally expressed?

There will always be a certain amount of *unemployment\employment* in the economy. When economists talk about full employment they mean that everyone who can work and wants to work has got a *job\work*. However, economies rarely reach full employment. There are a number of reasons for this, and a number of different types of unemployment. One of these is cyclical unemployment. This type of unemployment *varies\declines* with the growth and recession cycle of the economy. As the economy grows, demand for labour *grows\decreases* and unemployment falls. A second kind of unemployment is structural unemployment. This occurs when changing public tastes or advances in technology cause a *fall\rise* in demand for some type of work. There are two other kinds of unemployment, the first is frictional unemployment. Frictional unemployment often happens because people want to leave their *job\work* in order to change careers. However, when economy is in recession, frictional unemployment will be more common because jobs are harder to find. The second kind is seasonal unemployment. Some industries have busy periods and periods where there is no work at all. Some farm workers get most of their *job\work* in the spring and summer. Like structural unemployment, seasonal unemployment can *change\ affect* whole regions of a country. Areas that rely on summer tourism suffer serious unemployment during the autumn and winter months.

Approximately half of the people belong to the labor force, and at any given time millions are without jobs. Sometimes this is because they choose not to work, as when they have quit one job to look for another. In most cases, however, people are out of work for reasons largely out of their *aim\control*.

To understand the severity of unemployment, we need to know how it is measured and what is overlooked. The *measure\means* of unemployment is the unemployment rate, one of the most closely watched and politically charged statistics in the *economy\ nation*. This measure excludes members of the military. Since only people able to work are included in the labor force, those persons who are confined in jail or reside in mental health facilities are also excluded. Unemployment is normally expressed in terms of the unemployment *rate\level*, or the number of unemployed individuals divided by the total number of persons in the labor force. The monthly unemployment rate is *expressed\measured* as a percentage of the entire labor force. Unemployment is often caused by circumstances outside an individual's control and is therefore very difficult to remedy.

V. Put these words in order to make sentences about the economy.

1. Today's / unemployment / show / figures / that / is rising.
2. Interest / very / rates / are / at / moment / high / the.
3. Consumer spending / rises / summer / the / often / in.
4. The / stock market / leading / economic indicator / is / of / an example / a.
5. The / remained / steady / retail / index / price / in the / quarter / last.

VI. Look at the news stories. Underline the verbs that tell you how the indicators moved: up or down. Mark them with an arrow showing the direction up or down.

1. German unemployment rate falls slightly as the economy continues to create new jobs. Exports, especially of machinery, rise dramatically as world demand remains strong.
2. Bank of England warns as inflation increase sharply to 3.4%. House owner offer more pain a mortgage rates go up by 0.5 from 4.5%-5%.
3. Oil prices decrease as demand from China goes down sharply.
4. US house prices continue to fall steadily as the number of new homes constructed drops steeply and firms layoff workers.

COMPREHENSION CHECK

Now read the text again and answer the following questions. Compare your answers with another student and discuss any differences. Make sure you can refer to a particular phrase or sentence from the text to prove your answer.

1. Why do economists use economic indicators?
2. What do economic indicators show?
3. What do economic indicators represent?
4. Why do individuals and businesses often use economic indicators?
5. What types of economic indicators do you know?
6. What is a primary use of economic indicators?
7. What does GDP represent?
8. What does GDP measure?
9. What is the difference between inflation and deflation?
10. What are the main steps in measuring inflation?
11. What is the consumer price index?

12. What does CPI measure?
13. What is the difference between the consumer price index and the producer price index?
14. What do employment indicators include?
15. What do these indicators provide?
16. What is unemployment rate?
17. What do retail sales track?
18. What is consumer confidence?

TRANSLATION PRACTICE

Translate the sentences into English.

1. Економічні показники – це ключові статистичні дані, що показують напрямок економіки.
2. Аналіз економічних показників є важливим для всіх, оскільки вони вказують на загальний стан економіки, передбачають її стабільність і дозволяють вчасно реагувати на раптові або непередбачувані події.
3. Кількість товарів, ціни на які зростають, та тривалість процесу зростання цін є важливими характеристиками поняття інфляції.
4. Основними негативними наслідками інфляції є падіння рівня життя населення.
5. Індекс споживчих цін характеризує зміни у часі загального рівня цін на товари та послуги, які купує населення для споживання.
6. Споживчий кошик є єдиним для усіх регіонів країни. До його складу, в першу чергу, входять найважливіші для споживання домогосподарств товари та послуги.
7. Валовий внутрішній продукт є головним показником у системі національних рахунків.
8. Звіт про ВВП є одним з найважливіших з усіх економічних показників, оскільки він є найбільшим показником загального стану економіки.
9. Дефляція – ситуація, коли впродовж певного періоду часу рівень цін в економіці знижується.
10. Економічне зростання – збільшення обсягу виробленої продукції в порівнянні з минулим роком, збільшення її реальної вартості.

READING STRATEGIES

I. Now read and translate the following text into Ukrainian. Put 10 special questions to the text.

The Office for National Statistics recently released fresh data on the UK's labour market, inflation and GDP. While trends in prices and wages have improved conditions for many households, the economy has contracted since early 2022. Prospects for renewed growth are positive but weak. Earlier this month, the Office for National Statistics released new data on the UK labour market, inflation and economic growth. Taken together, these data provide a number of insights into the current state of the economy.

Labour market

There are three notable points to highlight:

- Average earnings grew at a slower pace at the end of 2023 relative to the record annual growth rates observed over the summer, but earnings growth remains high by historical standards.
- Workers have only started to see their earnings grow in inflation-adjusted terms since the summer, following around two years of wage erosion as a result of inflation.
- An increase in people not participating in the labour force because they are long-term sick remains a serious challenge.

The annual growth rate of average weekly earnings (excluding bonuses) from the third quarter of 2023 to the fourth quarter of 2023 was 6.2%. This rate has been on a decreasing trend since peaking at 7.9% in August 2023. That said, it remains well above its series average of 3.2%.

Economists call earnings that are adjusted to reflect the current rate of inflation 'real earnings'. This term can help us to capture the fact that if wages fail to match price rises, households are materially worse off. When we adjust for inflation, the annual growth rate of average weekly earnings (including bonuses) falls from 5.8% to 1.4% in the final quarter of 2023, indicating the extent to which rising prices continue to erode people's pay.

Most workers saw their real incomes contract throughout 2022 and into 2023, until high wage growth in the summer of 2023 (including one-off payments, such as civil service bonuses) pushed the annual growth rate of real total average weekly earnings into positive territory. We can think of high wage growth in 2023 and the expected high wage growth in 2024 as necessary for workers' real wages to catch up to where they might have been prior to the cost of living crisis.

II. Scan the text. Title it and prepare a brief summary of the text.

Structural Unemployment

A more serious type of unemployment is structural unemployment – when economic progress, a change in consumer tastes and preferences, or a fundamental change in the operations of the economy reduces the demand for workers and their skills. In the early 1900s, for example, technological and economic progress resulted in the development of the automobile, which soon replaced horses and buggies and left highly skilled buggy whip makers out of work. Later, consumer tastes changed away from American-made automobiles in favor of foreign-made cars, causing considerable unemployment in Michigan, Ohio, and the industrial Northeast. More recently, outsourcing – the hiring of outside firms to perform non-core operations to lower operating costs – has become popular. Outsourcing was first used when firms found that they could have other companies perform some routine internal operations, such as the preparation of weekly paychecks. Later, improvements in technology and communications made it possible for companies to move some of their customer service operations abroad where wages are much lower. For example, if you call your telephone company or a computer software maker for customer assistance, your call is likely to be routed to an English-speaking worker in China or India rather than a U.S. office. Sometimes the government contributes to structural unemployment. Congress's decision to close military bases in the 1990s is a prime example. Military bases are much larger than most private companies, and the impact of the base closings was concentrated in selected regions and communities.

III. Read the text and choose the best title to it.

1. What is Consumer Price Index?
2. Does the Consumer Price Index measure Inflation?
3. The CPI is the best measure of deflation.

The Consumer Price Index (CPI) is an index that is often used to measure inflation by tracking the changes over time in the prices paid by consumers for a basket of goods and services. These goods and services are broken into eight major groups: food and beverages, housing, apparel, transportation, medical care, recreation, education, and communication.

The Consumer Price Index is calculated by measuring the price in one period for this fixed basket of consumer goods and services compared to their prices in previous periods. Changes in the CPI, therefore, approximately reflect changes in the cost of living. As such, the CPI is an economic indicator most frequently used for identifying periods of inflation or deflation.

However, some economists question whether the CPI is the best measure of inflation. For several years, there has been some controversy about whether the CPI overstates or understates inflation, how it is measured, and whether it is an appropriate proxy for inflation. One of the main reasons for this contention is that economists differ on how they believe inflation should be measured.

IV. Mark these statements T (true) or F (false) according to the information in the text. Find the part of the text that gives the correct information.

1. Price decreases can go to extremes and turn everyday products into luxury items.
2. One of the most popular ways is a price index – a statistical series used to measure changes in the level of prices over time.
3. Producer price index – a statistical series that tracks monthly changes in the prices paid by urban consumers for a representative “basket” of goods and services.
4. Some of the goods are weighted more heavily than others because they are less important.
5. The first step we have to take is to select a market basket – a representative selection of commonly purchased goods and services.
6. The next step is to find the average price of each item in the market basket.

Macroeconomic instability is not limited to fluctuations in the level of national output or national income. Inflation has varied over the years. Price increases can go to extremes and turn everyday products into luxury items. To understand inflation, we must first examine how it is measured. There are lots of ways to measure inflation. One of the most popular ways is a price index – a statistical series used to measure changes in the level of prices over time. This is calculated by recording increases in price for a range of goods and services. A price index can be compiled for a range of items. We will focus on the consumer price index (CPI), a statistical series that tracks monthly changes in the prices paid by urban consumers for a representative “basket” of goods and services. The first step we have

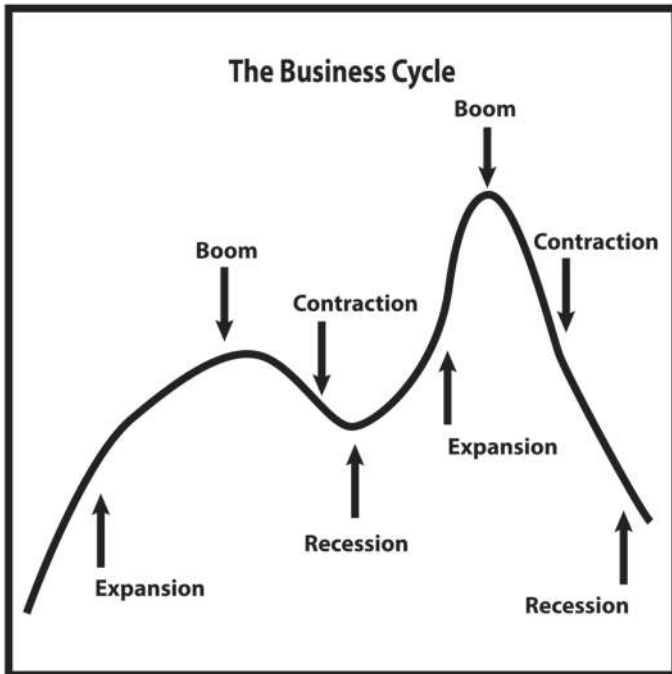
to take is to select a market basket – a representative selection of commonly purchased goods and services. These items are scientifically selected to represent the types of purchases that most consumers make. Some of the goods are weighted more heavily than others because they are more important. For example, food will be weighted more than the cost of a cinema ticket, because 5% increase in food is more important than a 10% increase in the cost of seeing a film. Inflation is worked out from an average of all the price increases in the basket. The next step is to find the average price of each item in the market basket. To do so, every month employees of the Census Bureau sample prices of commonly purchased items in stores across the country. They then add up the prices to find the total cost of the market basket. A base year – year that serves as the basis of comparison for all other years, is then selected.

SECTION II

I. Read text B. Summarize the phases of the business cycle and causes of business fluctuations.

Text B. Business cycles: Characteristics and Causes

Economic activity is monitored by using a variety of statistical measurements or economic indicators. Economic growth is something that is beneficial to almost everyone. However, we cannot take economic growth for granted. Sometimes *business cycles* – regular ups and downs of real GDP – interrupt economic growth. *Business fluctuations* – the rise and fall of real GDP over time in an irregular manner – interrupt growth at other times. We are affected by changes in business activity. These changes can be described in a number of different ways, but for convenience we will refer to them as periods of *boom*, *contraction*, *recession* and *expansion*.



Boom. At the peak of the business cycle, the economy enters what some describe as times of boom. Business is producing at or near capacity during boom times, and those looking for work can generally find jobs. During peak times, business investment and consumer spending are at very high levels. Because the economy is at or near full employment and the demand for goods and services is increasing, however, prices tend to increase. This sets the stage for the next phase of the business cycle.

Contraction. For any number of reasons, consumers and businesses begin to reduce their spending levels. Businesses may lay off workers, reduce their purchases of raw materials and reduce production because they have built up excess inventories. Some businesses may decide to continue to use old factories and equipment rather than investing in new machines and buildings. Some businesses and consumers will even reduce spending because economists predict that business will be slowing down in the next few months. Whatever the reason, reductions in business and consumer spending mark the beginning of a contraction in the business cycle.

Because of the reduction in spending, business firms begin to cut back on their activities. Production is reduced and workers are laid off. With their incomes reduced (because of the layoffs), workers who are also consumers spend less. This leads to still more reductions in production and additional worker layoffs.

Recession. The layoffs lead to still further reductions in consumer spending, and as these reductions are felt by the business community, it reduces its output still further and lays off additional workers. With factories operating at less than capacity and unemployment at very high levels, total output of goods and services enters a long-term decline. As this happens, the economy enters the bottom of the business cycle or, as we have described it, a recession.

If a recession becomes very severe, it may turn into a *depression* – a state of the economy with large numbers of people out of work, acute shortages, and excess capacity in manufacturing plants.

Expansion. After a period of recession the economy eventually begins to recover, entering the expansion phase of the business cycle. During a period of expansion, business and consumer spending begins to increase. Sensing that conditions are about to improve, business begins to expand its activities. Unemployment declines as additional workers are hired. This, in turn, leads to higher levels of consumer spending and still further expansion of employment, output and consumption.

We can describe the basic features of the phases of the business cycle. When it comes to identifying the actual causes, though, no one

theory seems to explain all past events or predict future ones because each seems to be a little different from the last.

Changes in investment spending are thought to be one cause of business cycles. When the economy is expanding, businesses expect future sales to be high, so they invest heavily in capital goods. Companies may build new plants or buy new equipment to replace older equipment. At first this generates jobs and income, but after a while businesses may decide they have expanded enough. If they then cut back on their capital investments, layoffs and eventually recession may result.

Another possible cause of business cycles is **an innovation** that may be a new product or a new way of performing a task. When a business innovates, it often gains an edge on its competitors because costs go down or sales go up. In either case, profits increase and the business grows. If other businesses in the same industry want to remain competitive, they must copy what the innovator has done or develop something even better. The imitating companies must invest heavily to do this, and an investment boom follows. After the innovation takes hold in the industry, further investments are unnecessary, and economic activity may slow down.

Governmental policies can give the business cycle an upward or downward nudge. Government does this in two ways. One is through the use of its power to tax and spend (fiscal power). The other is by regulating the supply of money and credit in circulation (monetary power).

Another potential cause of business cycles is **external shocks**, such as increases in oil prices, pandemics, wars, and international conflict. Some shocks drive the economy up, as when Great Britain discovered North Sea oil in the 1970s. Other shocks can be negative, as when high oil prices hit the United States in mid-2005.

Finally, in many cases, several factors seem to work together to create a cycle. In these situations, a disturbance in one part of the economy seems to have an impact somewhere else, causing an expansion to begin or a recession to end.

WORDS AND PHRASES TO BE REMEMBERED

business fluctuations – коливання бізнесу

capacity – виробнича потужність

demand – попит

to lay off (a layoff) – звільняти

raw materials – сировина
excess inventories – надлишкові запаси
output – випуск продукції, результати виробництва
acute shortage – гострий дефіцит
to recover – відновлюватися
to expand – розширювати, збільшувати
to hire – наймати на роботу
to cause (a cause) – спричиняти
capital goods – засоби виробництва
to cut back – скорочувати
to remain – залишатися
to have an impact – мати вплив

VOCABULARY PRACTICE

I. Find in the text English equivalents for the following word combinations. Write your own sentences using them.

Різноманітні статистичні вимірювання; зупиняти економічне зростання; капіталовкладення підприємств; повна зайнятість; звільняти робітників; зменшувати закупівлю сировини; скорочення витрат підприємств та споживачів; скорочення у виробництві; додаткові звільнення працівників; загальний обсяг виробництва товарів і послуг; надлишок потужностей на виробничих підприємствах; очікувати, що майбутні продажі будуть високими; інвестувати значні кошти в засоби виробництва; витрати знижуються або продажі ростуть; подальші інвестиції; підштовхування вгору або вниз; спричиняти початок пожвавлення або кінець рецесії.

II. Give Ukrainian equivalents for the following word combinations.

To be beneficial; business activity; consumer spending; demand for goods and services; to reduce spending levels; to build up excess inventories; investing in new machines and buildings; to begin to cut back on their activities; to reduce output; operating at less than capacity; unemployment at very high levels; people out of work; acute shortages; further expansion of employment, output and consumption; changes in investment spending; to cut back on their capital investments; to gain an edge on its competitors; to remain competitive; external shocks; to have an impact.

III. Fill in the missing words in the sentences below. Choose from the box. Translate the sentences into Ukrainian.

unemployment	periods	innovations	investors	monetary
economic cycle	contraction	strategy	expansion	economy

1. Business cycles are marked by alternating _____ of expansion and recession.
2. A typical _____ in a developed economy usually lasts for five years.
3. Understanding the different phases of a business cycle can help individuals make lifestyle decisions, _____ make financial decisions, and governments make appropriate policy decisions.
4. Businesses and investors also need to manage their _____ over economic cycles, not so much to control them but to survive them and perhaps profit from them.
5. During an expansion, businesses and companies are steadily growing their production and profits, _____ remains low; consumers are buying and investing, and with this increasing demand for goods and services, prices begin to rise too.
6. The peak occurs when the _____ has reached its end and indicates that production and prices have reached their limit.
7. _____ is the period when economic activity is on the way down.
8. From technological _____ to wars, a variety of things can trigger a business cycle's phases.
9. The *expansion* happens because consumers are confident in the _____.
10. Countries can and do try to manage the various stages – slowing them down or speeding them up – using _____ policy and fiscal policy.

IV. Complete the survey below by underlining the correct words.

World growth slows, as US enters a downturn

USA

Last year was a good year In the USA and the economy *grew/declined* by 3.4 %. The *slump/growth* was caused by consumer spending and borrowing. However, sales in the shops are now falling and the economy is experiencing a slight *downturn/boom*. The fear is that if the government does not act, this may become a long *boom/recession*.

Last year. The housing market began to slow down and now *decline/ demand* for new houses is *strong/ weak* and prices of new homes are falling. The main concern is that the *buoyant/ sluggish* demand for housing may result in a fall in consumer spending.

Japan

In Japan, growth has now stopped. The size of the economy has *contracted/ expanded* in the last two quarters of the year. The risk is that the economy will now move into a *recession/ recovery*. Domestic demand is *strong/ sluggish* and the construction industry is *expanding/ experiencing* a recession. On the positive side, exports remain strong fed by world *supply/ demand* for consumer goods and cars, but the fear is that companies will suffer from *buoyant/ sluggish* conditions.

Eurozone

The Eurozone economy last year enjoyed one of its best years for a decade and *contracted/ grew* by 3.4 %. In Germany, the engineering sector *experienced/ suffered* a strong recovery with *buoyant/ weak* demand for machinery and cars. After many bad years, consumer demand has turned positive and is now experiencing a *slump/ recovery* and the European Central Bank is trying to *cool/ stimulate* demand by increasing interest rates.

Mediterranean countries performed less well. With families facing higher fuel and food costs, consumer demand in Italy was *strong/ sluggish*. The fear is that, if this continues, the economy will fall into a *boom/ recession* next year unless there is a change in government policy. Government efforts so far to *decline/ stimulate* demand have not had much success.

COMPREHENSION CHECK

Read the text again and answer the following questions. Compare your answers with another student and discuss any differences. Make sure you can refer to a particular phrase or sentence from the text for each answer.

1. What is economic activity is monitored by?
2. What is a business cycle?
3. What is a business fluctuation?
4. What are the periods of a business cycle?
5. What is boom characterized by?
6. What are the main characteristics of contraction?
7. What does the reduction in spending lead to?

8. What is recession? What are its main characteristics?
9. What may a very severe recession turn into?
10. What is depression?
11. What phase does the economy enter after a period of recession?
12. What is expansion?
13. What are the main causes of the business cycles?
14. How can changes in investment spending influence the economy?
15. Why does a business often gain an edge on its competitors when it innovates?
16. What must other businesses do if they want to remain competitive?
17. How can government give the business cycle an upward or downward nudge?
18. What are the examples of external shocks that may influence business cycles?

READING STRATEGIES

Read the text and choose the best title to it.

1. The Great Depression
2. Causes of the Great Depression
3. Cycles After World War II

Economic activity in the United States followed an irregular course throughout the twentieth century. The worst downturn was the Great Depression of the 1930s. The years since World War II have taken on a special pattern of their own.

The stock market crash on October 29, 1929, known as “Black Tuesday,” marked the beginning of the Great Depression, one of the darkest periods in American history. Between 1929 and 1933, real GDP declined nearly 50 percent, from approximately \$103 billion to \$55 billion. At the same time, the number of people out of work rose nearly 800 percent – from 1.6 million to 12.8 million. During the worst years of the Depression, one out of every four workers was unemployed. Even workers who had jobs suffered. The average manufacturing wage, which was 55 cents an hour in 1929, plunged to 5 cents an hour by 1933.

Many banks across the country failed. Federal bank deposit insurance did not exist at the time, so depositors were not protected. To prevent panic withdrawals, the federal government declared a

“bank holiday” in March 1933 and closed every bank in the country. The closure lasted for only a few days, but about one-quarter of the banks never reopened.

The size of the money supply fell by one-third. Official paper currency was in such short supply that people began using depression scrip – unofficial currency that towns, counties, chambers of commerce, and other civic bodies issued. Billions of dollars of scrip were used to pay salaries for teachers, firefighters, police officers, and other municipal employees.

TRANSLATION PRACTICE

Translate into English.

1. Головна мета економічної політики держави – забезпечити стабільні ціни, повну зайнятість та економічне зростання.

2. Економічні цикли характеризуються коливаннями рівня економічної активності.

3. З певних причин підприємства та споживачі можуть зменшити свої витрати.

4. Коли загальний рівень витрат зменшується, це означає початок фази спаду економічного циклу.

5. На фазі поживлення обсяг виробництва нарешті досягає докризового рівня, зростають ціни, прибуток і зарплата, економіка вступає у піднесення.

6. Під час відновлення попит і виробництво збільшуються, у свою чергу, відбувається підвищення рівня найму та створення робочих місць.

7. Перехід до збільшення обсягів виробництва, його технологічної модернізації не відбувається швидко і в один момент.

8. Поживлення – стадія фінансового циклу, що визначає основу зростання в економіці вже після занепаду.

9. В даний період збільшується рівень виробництва та значно зменшується рівень безробіття.

10. У фазі піднесення формуються нові підприємства, збільшується зайнятість населення, зростають прибутки, стрімко збільшується рівень цін.

SECTION III

LEAD-IN

Discussion

Some people argue that governments have too much power that they interfere with “market forces” and that too much regulation is bad for business.

Do you believe that there is too much or too little government in your country, that there are unnecessary laws, or not enough laws? For example, do you think that any of the following tasks should not be undertaken or regulated by the government, but should be left to the private sector and the market system?

- Education
- Health care
- Housing
- Working conditions (working hours, child labour, minimum wages, etc.)
- Social security (unemployment and sickness benefits, old age pensions)
- Defence (the armed services – army, navy, airforce)
- The police, the justice system, prisons, etc.
- Public transport (trains, buses, etc.)
- Traffic regulations (the driving test, speed limits, seat belts, the alcohol limit, parking restrictions, the size and weight of lorries and trucks, the safety of cars, etc.)
- Health, safety, and cleanliness regulations (concerning factories, shops, restaurants, food, medicines, the disposal of chemical and nuclear waste, etc.)
- The sale of alcohol, drugs, guns, etc.
- The press, broadcasting, the arts, entertainment, and the freedom of expression (concerning sex, violence, politics, etc.)

Now classify the tasks you consider governmental responsibilities in order of importance, adding any further areas that are not listed here.

KEY TERMS

I. Before reading text C study the key terms and their definitions. While reading the text, you should pay attention to the economic and business terms. They will become the basics of your English for Specific Purposes (ESP) vocabulary.

1. Globalization – *глобалізація* – the movement toward a more integrated and interdependent world economy.

2. Policy – *політика, стратегія* – a law, regulation, procedure, principles, guidelines, administrative action, incentive of governments and other institutions to achieve long term goals.

3. Government – *уряд* – the system or group of people governing an organized community, generally a state. Government is a means by which organizational policies are enforced, as well as a mechanism for determining policy. Each government has a kind of constitution, a statement of its governing principles and philosophy.

4. Economic growth – *економічне зростання* – an increase in the production of economic goods and services, compared from one period of time to another.

5. Price stability – *цінова стабільність* – a situation where there is no need for consumption and investment decisions to take into account changes in the general level of prices. Where there is price stability, inflation is moderate and predictable.

6. Public utilities – *комунальні підприємства* – goods or services that are considered essential; water, gas, electricity, telephone, and other communication systems represent much of the public utility market.

7. Fiscal policy – *фіскальна політика* – measures employed by governments to stabilize the economy, specifically by manipulating the levels and allocations of taxes and government expenditures. Fiscal measures are frequently used in tandem with monetary policy to achieve certain goals.

8. Monetary policy – *грошово-кредитна політика* – measures employed by governments to influence economic activity, specifically by manipulating the supplies of money and credit and by changing interest rates.

9. Money supply – *грошова маса*— all the currency and other liquid instruments in a country's economy on the date measured.

10. Interest rate – *процентна ставка* – the price of credit to a borrower.

11. Easy money policy – *політика легких грошей* – monetary policy that results in lower interest rates and greater access to credit.

12. Tight money policy – *жорстка грошова політика* – monetary policy that results in higher interest rates and restricted access to credit.

13. Open market operations – *операції на відкритому ринку* – sales or purchases of government securities in financial markets.

14. Discount rate – *дисконтна ставка* – the interest the government charges on loans to financial institutions.

15. Securities – *цінні папери* – financial instruments, typically any financial asset that can be traded.

16. Keynesian economics – *Кейнсіанська економіка* – government spending and taxation policies suggested by John Maynard Keynes to stimulate the economy.

17. Monetarism – *монетаризм* – school of thought stressing the importance of stable monetary growth to control inflation and stimulate long-term economic growth.

II. Match the terms with their definitions.

1	Economic globalization	a	a situation where there is no need for consumption and investment decisions to take into account changes in the general level of prices
2	Globalization	b	the system or group of people governing an organized community, generally a state
3	Economic growth	c	a law, regulation, procedure, principles, guidelines, administrative action, incentive of governments and other institutions to achieve long term goals
4	Fiscal policy	d	measures employed by governments to influence economic activity, specifically by manipulating the supplies of money and credit and by changing interest rates
5	Monetary policy	e	sales or purchases of government securities in financial markets
6	Price stability	f	monetary policy that results in lower interest rates and greater access to credit
7	Government	g	monetary policy that results in higher interest rates and restricted access to credit
8	Policy	h	the price of credit to a borrower
9	Open market operations	i	the interest the government charges on loans to financial institutions
10	Easy money policy	j	all the currency and other liquid instruments in a country's economy on the date measured
11	Tight money policy	k	measures employed by governments to stabilize the economy, specifically by manipulating the levels and allocations of taxes and government expenditures
12	Interest rate	l	an increase in the production of economic goods and services, compared from one period of time to another
13	Discount rate	m	the movement toward a more integrated and interdependent world economy

14	Money supply	n	the process of increasing <u>economic integration</u> between countries, leading to the emergence of a global marketplace
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PRONUNCIATION GUIDE

stabilize ['steɪb(ə)laɪz]

subtle ['sʌtl]

umpire ['ʌmpaɪə]

mortgage ['mɔːgɪdʒ]

measure ['meʒə]

sewerage ['s(j)uːərɪdʒ]

I. Read text C and make up a question plan.

Text C. Governmental Policies Aiming at Stabilizing the Economy

Economic globalization provides the increasing economic interdependence of national economies across the world through a rapid increase in cross-border movement of goods, services, technology, and capital. Economic globalization is the process of increasing economic integration between countries, leading to the emergence of a global marketplace or a single world market.

In such an economic situation the governmental policies of every developing country aiming at stabilizing the economy make sure the economy runs steady. What role should government play in the economy? Governmental policies play a direct role in the economy, while at other times the role is indirect. Many government agencies produce and distribute goods and services to consumers, giving government a direct role in the economy. The role is “direct” because the government supplies goods or services that compete with private businesses. One example of direct involvement is the best-known government corporation – the Postal Service. State and local governments also play a direct role in the economy. State governments provide colleges and universities, retirement plans, and statewide police protection. Local governments provide police and fire protection, rescue services, and schools. At the same time, all levels of government help develop and maintain roads, libraries, and parks.

The governmental policies play an indirect role when government acts as an umpire to help the economy operate smoothly and efficiently. One such case is the regulation of public utilities, municipal companies that offer products such as water, sewerage, and

electric service to the public. Many public utilities have few competitors, consumers often want government supervision. For example, the government established regulatory control over the cable television industry because it felt that some operators were charging too much. Without competition, utilities with exclusive rights in certain areas have little incentive to offer services at reasonable rates. The government also plays an indirect role when it grants money to people in the form of Social Security checks, veterans' benefits, financial aid to college students, rent subsidies, and unemployment compensation.

Almost every aspect of governmental policies, direct or indirect, has an important economic component. In today's economy, government plays the role of judge, manager and participant. One of the government's most important role is to limit the severity of business cycles and to create the basis for future growth and stabilize the economy by attempting to manage unemployment levels, prices stability, and economic growth. To achieve the goals of full employment, stable prices, and economic growth, the government relies on two sets of strategies: fiscal policy and monetary policy. Both forms of policy are used to stabilize the economy, which can mean boosting the economy to the level of GDP consistent with full employment.

Monetary policy involves expanding and contracting the money supply to change the level of interest rates. One of the most important functions of the government is to conduct monetary policy— changes in the money supply and in cost of credit to influence economic activity as a whole, particularly to control inflation and stimulate economic growth. Monetary policy is based on the mechanism of supply and demand, more money will be demanded when the interest rate, or the price of credit to a borrower, is low. However, the supply of money is fixed at any given time. When the government conducts its monetary policy, it changes interest rates by changing the size of the money supply. Under an easy money policy, the government expands the money supply, causing interest rates to fall. Such a policy stimulates the economy because people borrow more at lower interest rates. Under a tight money policy, the government restricts the size of the money supply. This tends to slow economic growth because higher interest rates normally encourage everyone to borrow and spend less. The government can use three major tools to conduct monetary policy. Each tool works in a different way to change the amount of excess reserves—the amount of money a bank can lend to others. The first tool of monetary policy is the reserve requirement.

Within limits that government sets, it can change this requirement for all checking, time, and savings accounts. The second tool of monetary policy is to open market operations – the buying and selling of government securities in financial markets. This method is the government’s most popular tool and allows the government to influence short-term interest rates. As a central bank, the government makes loans to other depository institutions. The discount rate—the interest the government charges on loans to financial institutions—is the third major tool of monetary policy. Only financial institutions can borrow from the government, private individuals and companies are not allowed to do so.

Fiscal policies are government attempts to guide and influence the economy through taxing and spending actions. This may involve ways to speed up the economy with tax cuts or with additional governmental spending. It may also include government efforts to slow the economy down by either increasing taxes or reducing spending. Several different kinds of spending and taxing policies exist. These fiscal policies can be discretionary, passive, or structural. Discretionary fiscal policy is policy that someone must choose to implement. It requires balanced actions by the government, the president and an agency of government. One example is an agency of government expenditure to build a highway or renovate a downtown area in order to offset a decline in business spending. About one-third of all agency of government spending is discretionary. Passive fiscal policies do not require new or special action to go into effect. Instead, the policies react automatically when the economy changes. Examples of passive fiscal policies include unemployment insurance and Social Security benefits. Finally, structural fiscal policies are policies designed to strengthen the economy over a longer period of time. Examples include reforms of popular programs such as Social Security and welfare in order to make the programs financially secure and more effective in the long run.

More recently, economists have begun to consider that both fiscal and monetary policies are effective tools to stimulate the growth of the economy and to reduce the effects of inflation, to stabilize the economic activity. Both government’s fiscal and monetary policy play a great role not only in managing the economy of every country but both have direct and indirect impacts on personal and household finances. In general, fiscal policy involves tax and spending decisions set by the government, and will impact individuals’ tax bill or provide them with employment from government projects. Fiscal policies are more difficult to implement because of the time necessary to navigate

the political process. Monetary policy, on the other hand, can be changed or adjusted quickly. Monetary policy is set by the central bank and can boost consumer spending through lower interest rates than make borrowing cheaper on everything from credit cards to mortgages. The effects of higher or lower interest rates or changes in the money supply are more subtle, and such measures often take longer to have an impact on the economy of every country.

WORDS AND PHRASES TO BE REMEMBERED

emergence – поява
steady – стійкий
compete – конкурувати
retirement – пенсійного віку
rescue – рятувати
maintain – підтримувати
umpire – посередник
sewerage – каналізація
competitor – конкурент
charge – стягувати, встановлювати, заряджати
incentive – стимул
grant – грант
severity – серйозність
attempt – намагатись, робити спробу
rely on – покладатись
contract – скорочувати
conduct – проводити
cause – причина, спричиняти
restrict – обмежувати
excess – надлишок
reserve – резерв
loan – кредит
interest – відсоток
discretionary – дискреційний, що діє на свій розсуд
expenditure – витрати
strengthen – зміцнення
secure – надійний, безпечний
navigate – переміщуватись
adjust – пристосовуватись
mortgage – іпотека

VOCABULARY PRACTICE

I. Find in the text English equivalents for the following word combinations. Write your own sentences using them.

Конкурувати з приватним бізнесом, відігравати безпосередню та опосередковану роль в економіці, уряд діє як посередник, комунальне підприємство, мати декілька конкурентів, фінансова допомога, компенсація по безробіттю, створити основу для майбутнього зростання, управляти рівнем безробіття, досягти мети, стабілізація цін, впливати на економічну діяльність, контролювати інфляцію, три головні інструменти, сума грошей, фінансові установи, додаткові урядові витрати, збільшення податків, скорочення витрат.

II. Give Ukrainian equivalents for the following word combinations. Make up and act out a dialogue using some word combinations.

Economic globalization, governmental policies, government agencies, the economy runs steady, retirement plans, government acts as an umpire, grant money to people, rent subsidies, stabilize the economy, fiscal policy and monetary policy, expanding and contracting the money supply, easy money policy, tight money policy, savings accounts, government expenditure, unemployment insurance, credit cards, difficult to implement, mortgage, adjusted quickly, boost consumer spending, an impact on the economy.

III. The italicized words in the sentences below are found in this unit. Study the sentences. Then identify the part of the speech and write your own definition for the words on the line provided.

EXAMPLE

He *acquired* his wealth in the steel industry.

acquired (V) GAIN POSSESSION OF

1. Economic globalization is the process of *increasing* economic integration between countries.

Increasing () _____

2. The government plays the role of *judger*, *manager* and participant.

Manager () _____

3. The government tries to stabilize the economy by attempting to manage unemployment levels, *prices* stability, and economic growth.

Prices () _____

4. Fiscal and monetary are used to *stabilize* the economy.

Stabilize () _____

5. The government restricts the *size* of the money supply.
Size () _____
6. The first tool of monetary policy is the *reserve requirement*.
Requirement () _____
7. The second tool of *monetary* policy is to open market operations.
Monetary () _____
8. As a central bank, the government makes *loans* to other depository institutions.
Loans () _____
9. Fiscal policies can be either discretionary, *passive*, or structural.
Passive () _____
10. Discretionary *fiscal* policy is policy that someone must choose to implement.
Fiscal () _____
11. Passive fiscal policies do not require new or *special* action to go into effect.
Special () _____
12. Structural fiscal policies designed to strengthen the economy over a *longer* period of time.
Longer () _____

IV. In each set of words, cross out the words that does not have a similar meaning to the first. Compare your answer with another student. Discuss why the words are similar.

1	global	total	overall	single
2	important	vital	renovate	significant
3	severity	additional	cruelty	harshness
4	create	make	built	destroy
5	attempt	effort	act	try
6	manage	fail	achieve	accomplish
7	achieve	do	involve	realize
8	boost	knock	increase	improvement
9	provide	offer	run	withdraw
10	lead to	cause	go to	bring about
11	main	key	significant	great
12	aim	task	goal	object
13	policy	program	task	course
14	stimulate	discourage	motivate	encourage
15	make	form	adjust	generate

V. Fill in the missing words in the sentences below. Choose from the box. Translate the sentences into Ukrainian.

generate; social programs; function; financial assistance; automatic stabilizers; retire; unemployment; collected; medical benefits; progressive; income; fired; loses; health; significant; provide; earn; insurance;

Automatic Stabilizers

Key component of fiscal policy is the role of _____, programs that automatically _____ benefits if changes in the economy threaten _____. The benefits are automatic because they were approved in prior legislation. Most entitlements—broad _____ that use established eligibility requirements to provide _____, nutritional, or income supplements—_____ as automatic stabilizers. These programs _____ some _____ to people who lose a job, are injured on the job and receive _____, or are forced to _____ because of age or health. One such entitlement program is _____ insurance—_____ that workers who lose their jobs. This insurance cannot be _____ by people who are _____ because of mis conduct or who quit their jobs without good reason. Another important automatic stabilizer is the _____ income tax. For example, if someone _____ his or her job or ends up working fewer hours because of cutbacks, that person will _____ less. If the reduction in income is _____, that person is likely to fall into a lower tax bracket.

VI. Write one word in each gap to complete the sentences.

1. The governmental _____ of every developing country aiming at stabilizing the economy.
2. Many government _____ produce and distribute _____ and _____ to consumers, giving government a direct role in _____.
3. The governmental policies play _____ when government acts as an umpire to help _____ operate _____.
4. Every aspect of governmental policies, _____, has an important _____ component.
5. One of the government's _____ is to limit the severity of business cycles.
6. The government creates the basis for future growth and _____ by attempting to manage unemployment levels, _____, and economic growth.

7. The government _____ two sets of strategies: ___ policy and _____ policy.
8. Both forms of policy are used _____ the _____.
9. Monetary _____ involves expanding and _____ the money supply.
10. Fiscal _____ are government attempts to _____ and influence the economy through _____ and _____ actions.

VII. Read and translate the text. Number the following words with their underlined equivalents in the text.

reach	confused	numeral
result	aims	cut
decrease	steadiness	strategies (2)
regulate	decline	intended
involved	answer	politicians
plans	permits	attitude
reliable	question	finally
agreement	levied	clear
accept	organizations	established

Government and central banks are limited in the number of goals they can achieve in the short term. For instance, there may be pressure on the government to reduce inflation, reduce unemployment, and reduce interest rates while maintaining currency stability. If all of these are selected as goals for the short term, then policy is likely to be incoherent, because a normal consequence of reducing inflation and maintaining currency stability is increasing unemployment and increasing interest rates.

For much of the 20th century, governments adopted discretionary policies such as demand management that were designed to correct the business cycle. These typically used fiscal and monetary policy to adjust inflation, output and unemployment. However, following the stagflation of the 1970s, policymakers began to be attracted to policy rules.

A discretionary fiscal policy is supported because it allows policymakers to respond quickly to events. However, discretionary policy can be subject to dynamic inconsistency: a government may say it intends to raise interest rates indefinitely to bring inflation under control, but then relax its stance later. This makes policy non-credible and ultimately ineffective.

A rule-based policy can be more credible, because it is more transparent and easier to anticipate. Examples of rule-based policies are fixed exchange rates, interest rate rules, the stability and growth pact and the Golden Rule. Some policy rules can be imposed by external bodies, for instance, the Exchange Rate Mechanism for currency.

A compromise between strict discretionary and strict rule-based policy is to grant discretionary power to an independent body. For instance, the Federal Reserve Bank, European Central Bank, Bank of England and Reserve Bank of Australia all set interest rates without government interference, but do not adopt rules.

COMPREHENSION CHECK

Now read the text again and answer the following questions. Compare your answers with another student and discuss any differences. Make sure you can refer to a particular phrase or sentence from the text to prove your answer.

1. What does the economic globalization provide?
2. What is the aim of governmental policies of every country?
3. When do governmental policies play a direct role in the economy?
4. When do governmental policies play an indirect role in the economy?
5. What economic role does the government play in your life?
6. Why are some government regulations beneficial for consumers?
7. What policy stimulates an economy out of recession?
8. What are the main goals of the government to stabilize the economy?
9. What strategies does the government rely on to achieve the goals of stabilizing the economy?
10. What is fiscal policy?
11. What kind of fiscal policy do you know?
12. What is discretionary fiscal policy?
13. What is passive fiscal policy?
14. What is structural fiscal policy?
15. What is monetary policy?
16. What mechanism is monetary policy based on?
17. What three major tools can the government use to conduct monetary policy?

TRANSLATION PRACTICE

Translate the sentences into English.

1. Економічна глобалізація сприяє підвищенню економічної взаємозалежності економіки країн.
2. Урядова стратегія кожної країни націлена на стабілізацію економіки.
3. Урядова політика відіграє як безпосередню так і опосередковану роль в економіці.
4. Майже всі аспекти урядової політики мають важливий економічний аспект
5. Уряд відіграє роль судді, менеджера та учасника в економіці сьогодення.
6. Одна з головних ролей уряду – це створити основу для майбутнього розвитку та стабілізації економіки.
7. Для того щоб досягти цієї мети уряд покладається на дві стратегії: фінансову та грошову політику.
8. Одна з основних функцій уряду управляти грошовою політикою країни.
9. Грошова політика заснована на політиці попиту на грошову масу та пропозицію.
10. Фінансова політика полягає в тому, що уряд намагається керувати та впливати на економіку через оподаткування та витрати уряду.

READING STRATEGIES

I. Read the following text. For each gap, choose the best words A, B, C, or D. Make up a plan of the text.

The monetary _____ (1) of the state, as a component of economic policy, is a set of monetary and fiscal _____ (2) and institutions endowed with the authority to form and use monetary resources in accordance with the strategic and tactical goals of the state.

The definition _____ (3) that monetary policy is a special area of activity of the state and the central bank, aimed at _____ (4) monetary resources and their rational use. Monetary policy influences the economic and social development of the country.

In Ukraine, the state uses monetary policy to _____ (5) out its functions and tasks. The Law of Ukraine states: «Monetary

policy – a set of measures in the field of money circulation and credit, aimed at regulating economic growth, curbing inflation and ensuring the stability of the currency of Ukraine, employment».

The goals of Ukraine’s monetary policy practically _____ (6) with the goals of its implementation in economically highly developed countries. Monetary policy is a sphere of superstructure, but it is based on basic relations. Monetary regulators, such as interest rate management, bank reserves, credit ceilings, open and foreign exchange market operations, withdrawal of required cash reserves and the residual amount of domestic government bonds, and others, play a crucial role in the implementation of monetary policy. The effectiveness of this policy _____ (7) on the competence of the state in the use of monetary levers, a scientific _____ (8) to understanding the objectivity of monetary processes and creating conditions for their flow.

Monetary policy depends on internal and external factors. There are general _____ (9) for building monetary policy for market economies, developed democratic foundations of society. There are several principles of monetary policy: 1) constant promotion of production, support for entrepreneurial activity; 2) anti-inflationary monetary policy; 3) promoting employment; 4) mobilization of monetary _____ (10) to ensure social guarantees of the population; 5) maintaining the stability of the national currency.

1	A policy	B rule	C strategy	D plan
2	A tools	B instruments	C devices	D gadgets
3	A demonstrates	B illustrates	C shows	D displays
4	A activating	B organizing	C mustering	D mobilizing
5	A carry	B transport	C transfer	D bring
6	A match	B coincide	C agree	D correspond
7	A hangs	B hinges	C depends	D rests
8	A method	B line	C style	D approach
9	A principles	B ideologies	C doctrines	D codes
10	A incomes	B resources	C funds	D assets

II. You are going to read the text about the fiscal policy, which is derived from Keynesian economics, an economic policy approach designed to lower unemployment by stimulating aggregate demand.

a) Brainstorm words connected with the fiscal policy. When you have finished, check for more words by looking at the text “Keynesian Economics”.

b) Consider the questions and be ready to answer them as soon as you read the text.

1. Why are Keynes’s ideas important in the study of economics?
2. What effect is called the multiplier?
3. What did Keynes maintain about the role of the government?

Fiscal policy is derived from Keynesian economics, an economic policy approach designed to lower unemployment by stimulating aggregate demand. John Maynard Keynes put these theories in 1936, and they dominated the thinking of economists until the 1970s.

Keynes provided the basic framework by using the output-expenditure model, $GDP = C + I + G + F$. According to this model, any change in GDP on the left side of the equation *could be traced* to changes on the right side of the equation. The question was: which of the four components caused the instability?

According to Keynes, the net impact of the foreign sector (F) was so small that it could be ignored. The government sector (G) was not the problem either, because its expenditures were normally stable over time. According to Keynes, spending by the consumer sector (C) was the most stable of all. It appeared that the business, or investment, sector (I) was to blame for the instability. In Keynes’s theory, spending by the investment sector was not only unstable but had a magnified effect on other spending. If investment spending declined by \$50 billion, for example, many workers would lose their jobs. These workers in turn would spend less and pay fewer taxes. Soon, the amount of spending by all sectors in the economy would be down by more than the initial decline in investment. This effect is called the *multiplier*. Multiplier expanded change in overall spending caused by a change in investment spending. It says that a change in investment spending will have a magnified effect on total spending. The multiplier is believed to be about 2 in today’s economy. Thus, if investment spending goes down by \$50 billion, the decline in overall spending could reach \$100 billion. The multiplier also works in the other direction. An increase in spending by \$50 billion would increase overall spending by twice that amount. Conditions are likely to be made even worse by the accelerator – the change in investment spending caused by a change in total spending. After a decline in overall spending begins, investors tend to become cautious, causing investment spending to be reduced even further. Before long, the

economy is trapped in a downward spiral. The combined multiplier-accelerator effect is important because it contributes to the instability of GDP.

Keynes argued that only the government was big enough to step in and offset changes in investment-sector spending. The government could take a direct role in the economy and undertake its own spending to offset the decline in spending by businesses. The government could also play an indirect role by lowering taxes and enacting other measures to encourage businesses and consumers to spend more. Suppose the government wanted to take direct steps quickly to offset a \$50 billion decline in business spending. To do this, it could spend \$10 billion to build a dam, give \$20 billion in grants to cities to fix up poor neighborhoods, and spend another \$20 billion in other ways. By adding up individual programs, government spending would replace the \$50 billion that businesses do not spend. Thus, the overall sum of $C + I + G + F$ would remain unchanged. Instead of spending the \$50 billion, the government could affect the economy indirectly by reducing tax rates to give investors and consumers more purchasing power. If they spent the \$50 billion not collected in taxes, investors and consumers would offset the initial decline in investment spending. Again, there would be no change in the sum of $C + I + G + F$. Either way, the government would run the risk of a short-term federal deficit. In Keynes's view, the deficit was unfortunate but necessary to stop further declines in economic activity. When the economy recovered, tax collections would rise, the government would run a surplus, and the debt could be paid back. *The justification* for temporary federal deficits was one of the lasting contributions of Keynesian economics and a major point of the economic thinking of the time.

could be traced – може бути простежений

multiplier – множник

is trapped – знаходиться у пастці

justification – обґрунтування

Understanding main points of the text

Read the text once again and be ready to do the following assignments.

A. Which of these statements gives the best summary of the ideas in the text?

- a) The role of government in Keynesian economics;
- b) Keynesian economics;

- c) The net impact of the foreign sector;
- d) Fiscal policy is derived from Keynesian economics;
- e) Fiscal policy and the role of government in Keynesian economics.

B. Mark these statements T (true) or F (false) according to the information in the text. Find the part of the text that gives the correct information.

1. John Maynard Keynes put these theories in 1956, and they dominated the thinking of economists until the 1970s.

2. Keynes provided the basic framework by using the output-expenditure model, $GDP = C + I + G + F$.

3. According to this model, any change in GDP on the left side of the equation could not be traced to changes on the right side of the equation.

4. The net impact of the foreign sector (F) was so small that it could be ignored.

5. The government sector (G) was not the problem either, because its expenditures were normally stable over time.

6. According to Keynes, spending by the consumer sector (C) was the most stable of all.

7. In Keynes's theory, spending by the investment sector (I) was only unstable but had a magnified effect on other spending.

8. Multiplier did not expand change in overall spending caused by a change in investment spending.

9. Keynes argued that only the government was not big enough to step in and offset changes in investment-sector spending.

10. The government could take an indirect role in the economy and undertake its own spending to offset the decline in spending by businesses.

11. The government could also play a direct role by lowering taxes and enacting other measures to encourage businesses and consumers to spend more.

Understanding details of the text

1. What is fiscal policy?
2. What model did Keynes provide?
3. What components does this model include?
4. Which of the four components caused the instability?
5. What did the multiplier expand?
6. When could the government take a direct role in the economy?
7. How could the government play an indirect role?

II. Scan the text. Title it and prepare a brief summary of the text.

The government manages the business cycle to stabilize the economy. Legislators use fiscal policy to influence the economy. They use expansionary fiscal policy when they want to end a recession and should employ contractionary fiscal policy to keep the economy from overheating. However, that rarely happens because they get voted out of office when they raise taxes or cut popular programs.

The nation's central bank uses monetary policy. It lowers interest rates to end a contraction or trough, called expansionary monetary policy. The central bank raises rates to manage an expansion so it does not peak. That is contractionary monetary policy.

The goal of economic policy is to keep the economy growing at a sustainable rate. It should be strong enough to create jobs for everyone who wants one but slow enough to avoid inflation.

Three factors cause each phase of the business cycle: the forces of supply and demand, the availability of capital, and consumer confidence. The most critical is confidence in the future. The economy grows when there is faith in the future and in policymakers. It does the opposite when confidence drops. The history of U.S. business cycles since 1929 can give an overview of how this measure of confidence has affected the U.S. economy through the decades.

SPEAKING STRATEGIES

Activity 1

How does your spending in the shops affect this cycle? Complete the sentences:

1. When people reduce their spending, the economy experiences a r_____.
2. When they increase their spending, the economy experiences a r_____.

Activity 2

Look at the words below which are commonly used to describe economic cycles.

1. Which words describe positive growth and which are negative? Mark them + or -.

2. Which words describe a short-term phase (three months) and which are medium-term (six months and more)? Mark them S, M or both.

3. Which words describe extreme conditions of the cycle? Mark them !

	+/-	S/M	!
slump			
upturn			
recession			
boom			
downturn			
recovery			

Activity 3

Work in pairs. Look at the sentences below. Decide which of these things usually happen

a) in a recovery

b) in a recession.

1. People lose their jobs.
2. Companies create jobs.
3. Companies produce fewer goods.
4. Companies invest to increase production.
5. Interest rates begin to fall.
6. Governments start to increase interest rates.
7. Prices begin to rise and inflation increases.
8. Prices fall and profits decrease.
9. Many companies go bankrupt.
10. People often start up new businesses.

Activity 4

Work in pairs.

Student A, match these effects of a recovery 1-5 with the explanations a- e.

Make notes using this structure. In a recovery ... fall/(s) / rise(s), because ...

In a recovery ...

1. consumer spending

a. demand increases and companies invest in new equipment.

- | | | |
|-------------------|--------------------|---|
| 2. unemployment | rise(s)
because | b. demand for energy increases. |
| 3. production | | c. people have more money and feel confident. |
| 4. interest rates | fall(s)
because | d. the government wants to control inflation. |
| 5. oil prices | | e. companies recruit new workers. |

Student B match these effects of a recession (1-5) with the explanations (a-e).

Make notes using this structure. In a recession ... fall(s)/rise(s), because ...

In a recession ...

- | | | |
|----------------------|--------------------|--|
| 1. consumer spending | | a. companies close factories and stop recruitment. |
| 2. unemployment | rise(s)
because | b. people have less money and fear the future. |
| 3. production | | c. companies expect demand for goods to fall. |
| 4. interest rates | fall(s)
because | d. governments want to stimulate the economy. |
| 5. oil prices | | e. demand for energy is reduced. |

Now ask each other questions. Student A, ask Student B about recessions, using points 1- 5. Then reverse roles so that Student B asks Student A about what happens during a recovery.

EXAMPLE

What usually happens to consumer spending in a recession?

Student B, use your notes to explain the effects of recessions to Student A.

EXAMPLE

In a recession consumer spending falls because people have less money and fear the future.

Activity 5

Choose one of the following issues and make a short presentation. USEFUL ENGLISH section below may be helpful to you.

- The main economic indicators.
- The main periods of a business cycle.
- Governmental Policies Aiming at Stabilizing the Economy.

Activity 5 Role-play

Activity 6

Role-play

Student A	Student B
You are the British Minister of Economy. Answer the questions of a journalist interviewing you. Use both the information from the Unit and from your preceding in-class discussion in your answers.	You are a journalist from “Financial Times” is read mainly by professionals and business people as it contains a comprehensive coverage of industry, commerce and public affairs. Interview the British Minister of Economy. Use both the information from the Unit and from your preceding in-class discussion to form questions about different aspects of the economic indicators.

USEFUL ENGLISH

Outlining the presentation

First, I'll give you some basic information.

Secondly, I'll talk about ...

Next, I'll talk about ...

Introducing new information

Here's some basic information.

Let me add a few figures.

Let's have a look at ...

What are our strengths?

Ending the presentation

To conclude, I want to tell you about our future plans.

Finally, a few words about ...

Thanks very much for ...

Thanks for coming to my presentation.

WRITING STRATEGIES

I. Write a brief summary (25-30 sentences) of Text A, D, C.

II. Choose one issue from the list given below and write an essay (100-150 words) about:

- The Main Economic Indicators.
- The Main Periods of a Business Cycle.
- Governmental Policies Aiming at Stabilizing the Economy.

SELF-ASSESSMENT QUESTIONS

Complete the words below to match the following meaning

1	A statistic used for judging the health of the economy such as GDP per head, rate of unemployment or the rate of inflation	E ----- c I ----- r
2	The monetary value of all the finished goods and services produced within a country's borders in a specific time period	G ---- s D ----- c P ----- t
3	Regular increases and decreases in real GDP.	B ----- s C ----- s
4	Decline in real GDP lasting at least two quarters.	R ----- n
5	Point in time when real GDP stops expanding and begins to decline.	B ----- m
6	Period in the business cycle after a boom when businesses begin to reduce their spending levels.	C ----- n
7	Period of uninterrupted growth of real GDP.	E ----- n
8	State of the economy with large numbers of unemployed people, declining real incomes, overcapacity in manufacturing plants, and general economic hardship.	D ----- n
9	Measures employed by governments to stabilize the economy, specifically by manipulating the levels and allocations of taxes and government expenditures	F ----- l p ----- y
10	Measures employed by governments to influence economic activity, specifically by manipulating the supplies of money and credit and by changing interest rates.	M ----- y p ----- y

UNIT SIX

THE ECONOMY OF THE UNITED STATES OF AMERICA

Section I	Text A. The Economy of the USA
Section II	Text B. The Economy of the United States by Sector
Useful English	Reading numbers in English Describing and making up pie charts

LEARNING OBJECTIVES

In this unit you will practise the following skills and strategies:

- applying reading skills to comprehend, analyze, summarize and interpret texts related to the economy of the USA;

- identifying the main idea; reading for detail, a specific fact or piece of information; dealing with unknown vocabulary;

- tracking cause and effect; sequence of events;

- expressing general and personal opinion; agreement and disagreement;

- evaluating information; drawing conclusions; formulating questions;

- making predictions; comparing and contrasting;

- talking about the economy of the USA: give spontaneous and prepared monologues, dialogues, and group interaction using topical vocabulary;

- summarizing, rendering and translating texts related to the issues covered in the unit.



COUNTRY PROFILE: THE USA

GENERAL

Full name: The United States of America

Motto:

"In God we trust"



Other traditional mottos:

"E pluribus unum" (Latin)(de facto)

"Out of many, one"

"Novus ordo seclorum" (Latin)

"New order of the ages"



Great Seal

Area: 9.8 million sq km (3.8 million sq miles)

Nationality: Americans

Capital: Washington DC (District of Columbia) 678,972 (2023)

Main cities: New York 8,522 million, Los Angeles 4,050 million, Chicago 2,746 million, Houston 2,302 million, Phoenix 1,625 million, Dallas 1,304 million

Main languages: English, Spanish

Time zone: From east to west, they are: Atlantic, Eastern, Central, Mountain, Pacific, Alaska, Hawaii-Aleutian, Samoa and Chamorro Time Zones.

Monetary unit: 1 US dollar = 100 cents

PEOPLE

Population: 339.9 million (UN, 2023)

Life expectancy: 81.6 years (men), 85 years (women)

Population growth per year: 1.66%

Fertility rate* (children per woman): 1.66 (2021)

Main religions: Cristians 63%, Protestant 36.7%, Catholic 30.1%

Literacy (from 15 years):** 79%

POLITICS

Form of government: federation

Official government website: www.usa.gov

Official statistics: www.data.gov.us



ECONOMY

GDP (purchasing power parity): \$26.5 trillion (2023, 2nd)

GDP – real annual growth rate: 4.9% (2023)

GNI per capita: US \$77,950 (World Bank, 2022)

GDP – per capita (PPP): \$76.3 (2022, 6th)

Gross national saving: 17.8% of GDP (2022)

Labor force: 334.2 million

Unemployment rate: 3.7% (2023)

Population below poverty line: 37.9 million people (2022)

Public debt: 121.31% of GDP (2022)

Exports (G&S, annual variation in %): 15% (2023)

Main exports: *Computers and electrical machinery, vehicles, chemical products, food and live animals, military equipment and aircraft*

Main exports trading partners: Canada 17.6%, Mexico 16.6%, China 8.6%, Japan 4.3%

Imports (G&S, annual variation in %): 11% (2023)

Main imports: *Vehicles, packaged medicaments, crude petroleum, computers, broadcasting equipment*

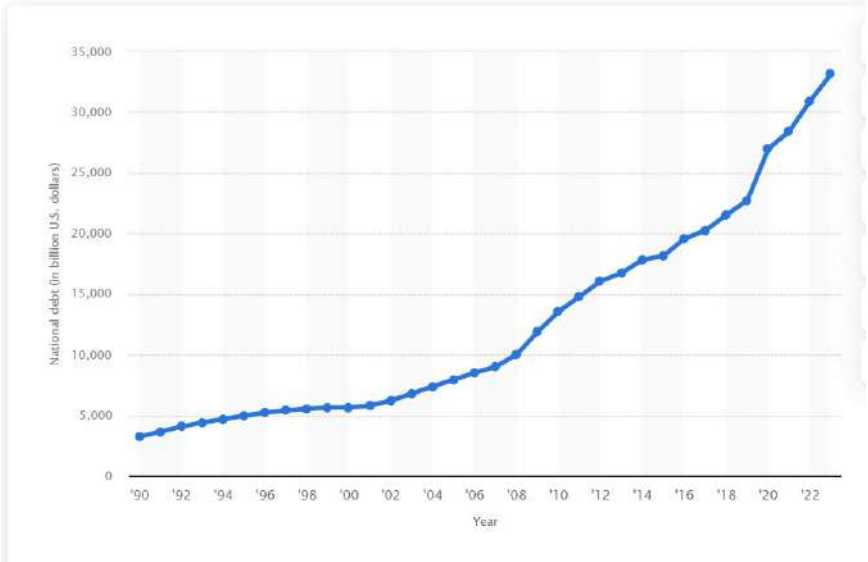
Main import trading partners: Mexico 15.2%, Canada 13.5%, China 13.2%, Japan 4.6%

***Fertility rate** – коефіцієнт народжуваності

****Literacy** – рівень грамотності

Public debt of the United States from 1990 to 2023

(in billion U.S. dollars)



Year	Public Debt (in billions)	GDP (in billions)	Debt/GDP (%)
1910	2.7	33.2	8
1920	26	89	29.2
1930	16.2	98.4	16.5
1940	50.7	98.2	52.4
1950	256.9	279	94
1960	290.5	535.1	54.3
1970	380.9	1049.1	36.3
1980	909	2796.8	32.5
1990	3206.3	5914.6	54.2
2000	5628.7	10148.2	55.5
2010	13,528.70	14,798.50	91.4
2017	20,164.00	19,362.10	104.2
2020	26,000.00	20,600.00	116
2022	31,000.00	23,000.00	133.77

LEAD-IN

1. Discuss these questions with your partner.

- What do you know about the economy of the USA?
- What do we need to know about U.S economy?
- What is the current position of American economy?

2. Choose one of the following quotations about the USA economy; discuss it with your partner. What do the authors mean? Do you agree or disagree with them? Comment on it.

➤ The American economy has been built and sustained by risk-taking **entrepreneurs** whose pioneering ideas and hard work gave birth to flourishing businesses.

Mike Pence (born June 7, 1959) – an American politician, 50th Governor of Indiana

➤ The American economy has always been the innovator in the world, and we're starting to see some tremendous increases in innovation, especially in the clean energy sector.

Tim Kaine (born February 26, 1958) – an American politician, Senator from Virginia

➤ Our progress as a nation can be no swifter than our progress in education. The human mind is our fundamental resource.

John F. Kennedy (1917-1963) – 35th President of the USA

➤ I do not look upon these United States as a finished product. We are still in the making.

Franklin D. Roosevelt (1882-1945) – 32nd President of the USA

➤ Ask not what your country can do for you, ask what you can do for your country.

John F. Kennedy (1917-1963) – 35th President of the USA

➤ Economic growth without social progress lets the great majority of people remain in poverty, while a privileged few reap the benefits of rising abundance.

John F. Kennedy (1917-1963) – 35th President of the USA

➤ America will never be destroyed from the outside. If we falter and lose our freedoms, it will be because we destroyed ourselves.

Abraham Lincoln (1809-1865) – 16th President of the USA

KEY TERMS

I. Before reading text A, B and C study the key terms and their definitions. While reading the texts you should pay attention to the economic and business terms. They will become the basics of your English for Specific Purposes (ESP) vocabulary.

1. **GDP** (Gross domestic product) – *ВВП (Валовий внутрішній продукт)* – the total value of all the goods and services produced in a country in one year.

2. **GNI** (Gross National Income) – *ВНД (Валовий національний дохід)* – the total amount of money earned by a nation's people and businesses. It is used to measure and track a nation's wealth from year to year.

3. **Output** – *випуск, виробіток* – the amount of smth that a person, a machine, an organization or an industry produces.

4. **Currency** – *валюта, гроші* – the system or type of money that a country uses.

5. **Transaction** – *операція; справа; транзакція* – a piece of business that is done between people, especially an act of buying and selling.

6. **Reserve currency** – *резервна валюта* – a foreign currency that is kept by governments and central banks because it is strong and can be used for making **in-ternational** payments.

7. **Per capita** – *на душу (населення); на людину* – used to describe average amount of something in a particular place, calculated according to the number of people who live there.

8. **Crisis** – *криза* – any event that is, or is expected to lead to, an unstable and dangerous situation affecting an individual, group, community, or whole society **characterized** by unemployment and low prices and low levels of trade and investment.

9. **Recession** – *рецесія* – a period of low economic activity, when investments lose value, businesses fail, and unemployment rises

10. **Mixed economy** – *змішана економіка* – an economic system in which some industries are owned by the government and some industries are owned by private companies.

11. **Production cost** – *витрати виробництва* – the amount of money that is paid to produce something.

12. **Living standard** – *життєвий рівень* – the amount of money and level of comfort that a particular person or group has.

13. **Unemployment** – *безробіття* – represents the number of people in the work force who want to work but do not have a job.

14. **Capital investment** – *вкладення капіталу (інвестиції)* – expenditure on capital goods with a view to achieving profitable production for consumption at a later date.

15. **Free-market system** – *вільна ринкова система* – an economic system in which the price of goods and services is affected by supply and demand rather than controlled by a government.

16. **Productive resources** – *виробничі ресурси* – are materials used to produce goods and services. They can be both tangible, as in capital and raw materials, and intangible, like ideas, for example.

17. **Trade** – *торгівля* – the activity of buying and selling or of exchanging goods or services between people or countries.

18. **Import** – *імпорт* – a product or service that is brought into one country from another.

19. **Export** – *експорт* – a product or service that is sold and sent or supplied to another country.

20. **Wholesale** – *оптова торгівля* – the business of selling goods in large quantities at low prices to other businesses, rather than to the general public.

21. **Retail** – *роздрібна торгівля* – the sale of goods in shops to customers, for their own use and not for selling to anyone else.

22. **International trade** – *міжнародна торгівля* – the exchange of goods and services between countries.

23. **Natural resources** – *природні ресурси, природні багатства* – materials from the Earth that people use to meet their needs.

24. **Agriculture** – *сільське господарство* – the science or practice of farming, including cultivation of the soil for growing crops and rearing animals to provide food, wool, and other products.

I. Match the terms with their definitions.

1) Free-market system	a. An economic system that combines elements of public ownership of the means of production with private ownership.
2) Import	b. The amount of goods and services produced and available to purchase by a person, family, group, or nation.
3) Retail	c. A material source of wealth, such as timber, fresh water, or a mineral deposit, that occurs in a natural state and has economic value.
4) GDP (Gross domestic product)	d. Quantity of goods and services produced or provided by a business organization or economy.
5) Wholesale	e. The selling of goods to the public, especially through shops or stores.

6) Mixed economy	f. Product or service that one country purchases from another for domestic consumption, or for processing and re-exporting.
7) Output	g. The act of spending money on machines, equipment, etc.
8) Crisis	h. Value of the output of all goods and services produced within a nation's borders, normally given as a total for the year
9) The standard of living	i. The buying and selling of goods in large quantities, especially for businesses, so that they can be sold again to make a profit.
10) Capital investment	j. A time of great danger or difficulty when problems must be solved or important decisions must be made.
11) International trade	k. The state of an individual looking for a paying job but not having one.
12) Agriculture	l. An economic system in which prices are not controlled by the government.
13) Natural resources	m. Materials, labor or money which is used to create goods and services.
14) Unemployment	n. The exchange of goods or services along international borders.
15) Productive resources	o. The science, art, or occupation concerned with cultivating land, raising crops, and feeding, breeding and raising livestock; farming.

USEFUL ENGLISH

I. Choose the correct way of saying these figures.

1) **535**

A five hundred thirty-five

B five hundred and thirty-five

2) **233,499**

A two hundred, thirty-three thousand, four hundred, ninety-nine

B two hundred and thirty-three thousand, four hundred and ninety-nine

3) **2.5**

A two point five

B two and five

4) **10.25**

A ten point twenty-five

B ten point two five

5) **50%**

A a fifty per cent

B fifty per cent

6) **£3.50**

A three pounds fifty

B three fifty pounds

7) **€19.99**

A nineteen euros ninety-nine

B nineteen euros and ninety-nine

8) **€45,000 p.a.**

A forty-five thousand euros a year

B forty and five thousand euros per year

II. Write in words the numbers in brackets (in British English).

Example: 456,780 –four hundred and fifty six thousand, seven hundred and eighty

a) 1,730 _____

b) 17,300 _____

c) 17,030 _____

d) 17,330 _____

e) 170,300 _____

f) 127,000 _____

g) 127,330 _____

h) 1,730,000 _____

i) 2m _____

j) 2.5m _____

k) 225.0897 _____

Special Notes:

In American English, the order of large numbers is thousand, million, billion, trillion, etc. (1,000; 1,000,000; 1,000,000,000; 1,000,000,000,000; etc.)

In American English a thousand million is a billion, but in British English, a thousand million is a milliard.

Mind the pronunciation – euro [*ˈjʊərəʊ*]

III. Write the phrases from the list below on the appropriate lines 1-6. considerably more than 50%; around 50%; a little over 50%; almost 50%; a little under 50%; much less than 50%; about 50%; precisely 50%; exactly 50%; almost 50%; slightly more than 50%.
40% 1.....

48% 2a	/ 2b.....
48-52% 3a.....	/ 3b.....
50% 4a.....	/ 4b.....
52% 5a.....	/ 5b.....
60% 6a.....	

SECTION I

PRONUNCIATION GUIDE

entrepreneurial [ɒ̃ntrəprənɜːriəl]
 consequence ['kɒnsɪkwəns]
 multiple ['mʌltɪp(ə)l]
 technical ['teknɪk(ə)l]
 entertainment [,entə'teɪnmənt]

per capita [pə 'kæpɪtə]
 crisis ['kraɪsɪs] (crises)
 crises ['kraɪsɪːz]
 majority [mə'dʒɔːrɪtɪ]
 percent [pə'sent]

I. Read text A and be ready to answer the following questions.

- What level of output per capita does the US economy maintain?
- What type of economy does the USA have?
- What sectors can the US economy be divided into?
- What do these sectors deal with?

Text A. The Economy of the USA

The USA is the world's foremost economic and military power, with global interests and an unmatched global reach.

The U.S. is one of the world's largest and most diverse economies and it has the most dynamic technology companies and a highly entrepreneurial climate. While the United States accounts for only about 4 percent of the world's population, its GDP is 26 percent of the world's total economic output. The U.S. dollar is most used in international transactions and is the world's foremost reserve currency.

Though the US economy maintained a very high level of output per capita the 2008- 2010 financial crisis had wide-ranging and long-term consequences not only for **theUS** economy but for the whole world. The crisis had its origins in the financial sector.

The financial crisis of 2008 proved that banks cannot regulate themselves.

Therefore, the government must step in to regulate their activity.

Another crisis broke out in 2019. The COVID-19 pandemic has created both a public health crisis and an economic crisis in the United States. It has disrupted lives, pushed the hospital system to its capacity, and created a global economic slowdown. The economic crisis is unprecedented in its scale: the pandemic has created a demand shock, a supply shock, and a financial shock all at once.

COVID-19 did put a dent in the US. The US economy quickly lost more than 20 million jobs, and the inflation was high. Thousands of businesses were forced to shut down, within weeks, and, as a result, GDP plummeted by an unprecedented 29.9%. At the time, there was a lot of uncertainty about how quickly the economy would bounce back, but now it can safely be said that the recovery has been impressive. Because of intense fear and hardship, federal policymakers responded and provided an estimated \$3.3 trillion in relief. Only in 2021 did they get the American Rescue Plan, which added another \$1.8 trillion and added fuel to an economic recovery that has brought down the unemployment rate. This policy response helped to make the COVID recession the shortest in American history and added fuel for an economic recovery that has brought down the unemployment rate.

The United States of America has a mixed economy that has maintained a stable overall GDP growth rate, a moderate unemployment rate, and high levels of research and capital investment. It is a dynamic, free-market system that is constantly developing the choices and decisions made by millions of citizens who play multiple roles as consumers, producers, investors and voters. It is individual producers and consumers who determine the kinds of goods and services produced and the prices of those products. But though a great majority of productive resources are privately owned, the federal government does play an important part in the national economy. It supplies goods and services that the market cannot provide effectively, such as national defense, public goods and services, assistance programs for low-income families, and interstate-highways and airports. The government also provides incentives to encourage the production and consumption of certain types of products, and discourage the production and consumption of others, establishes guidelines regulating environmental protection.

The United States is the world's largest trading nation – leading the world in imports and being among the top two exporting nations in the world. The total value of US imports and exports has amounted to 30 percent of the country's GDP. The international trade and the policies that stimulate or restrict the growth of imports and exports

have a wide-ranging effect on the US economy. It increases the total *level* of production and consumption in the world, lowers the cost of production and prices, that consumers pay, and raises the living standard. The US has generally sought to reduce trade barriers and coordinate the world economic system.

- To understand how the US economy operates its economic activities can be divided into four major sectors, such as:

- **Natural Resources Sector** provides with goods that come directly from natural resources: agriculture, forestry, fishing, and mining;

- **Manufacturing and Energy Sector** is made up of manufacturing and the generation of electricity;

- **Service and Commerce Sector** comprises financial services, wholesale and retail, government services, transportation, **entertainment**, tourism, and other businesses;

- **Information Technology Sector** deals with **recording, processing, and transmission** of information, and includes the **communications industry**.

However, the most important factor for the US is its population of 334.2 million. The US has the world's third largest labour force at 156.4 million people. The majority of the labour force's occupations are managerial, professional or technical in nature.

WORDS AND PHRASES TO BE REMEMBERED

to account for – нараховувати, складати

to discourage – 1) знеохочувати, розхолоджувати; 2) перешкоджати; тут: стримувати

to encourage – заохочувати, підтримувати

foremost – 1) перший; 2) основний, головний

hardship – важке положення, труднощі

to bring down – знизити.

forestry – лісове господарство, лісництво

living standard – життєвий рівень

military power – військова держава

policy – система, методика, правила, принципи; норми, стандарти

Gross domestic product (GDP) – валовий внутрішній продукт,
a per capita GDP – валовий внутрішній продукт на душу населення

to provide – постачати; забезпечувати; давати, надавати

rapidly – швидко

to seek (sought sought) – намагатися; домогтися

total – весь, загальний, сукупний, сумарний. **Total level** – загальний рівень, **in total** – загалом, у цілому. Syn. **overall**

value – вартість. **Annual value** – річна вартість, **total value** – загальна (сукупна) вартість

a wide-ranging and long-term consequences – величезний та довготривалий вплив

public goods and services – товари та послуги громадського користування

public goods – суспільні блага

entertainment – індустрія розваг

recording, processing, and transmission – реєстрація, обробка та передача

communications industry – галузь зв'язку та комунікацій.

VOCABULARY PRACTICE

I. Find in the text English equivalents for the following word combinations. Write your own sentences using them.

Високий рівень досліджень і капітальних вкладень; підприємницький клімат; національна оборона; програми допомоги сім'ям з низьким рівнем статку/доходу; тисячі підприємств були змушені закритися; автостради, які з'єднують штати; різко знизився; встановлювати директиви, які контролюють захист навколишнього середовища; міжнародна торгівля; підвищувати загальний рівень виробництва та споживання; підвищувати/покращувати життєвий рівень; можливість/потужність; напрямки економічної діяльності; товари, які є результатом безпосереднього використання природних ресурсів; гірничодобувна промисловість; виробництво електроенергії; знизити рівень безробіття; оптова та роздрібна торгівля; суспільні блага.

II. Give Ukrainian equivalents for the following word combinations.

Military power; diverse economy; dynamic technology companies; play multiple roles; international transactions; a global economic slowdown; a moderate unemployment rate; all at once; the crisis **hadits** origins; the international trade and the policies; to break out; a stable overall GDP growth rate; to provide something in relief;

individual producers and consumers; federal policymakers; the national economy; to disrupt lives; to provide public goods and services; to stimulate or restrict the growth of imports and exports; the largest trading nation; transportation; step in; within weeks; in nature.

III. The italicized words in the sentences below are found in this unit. Study the sentences. Then identify the part of speech and write your own definition for the word on the line provided.

EXAMPLE: The United States has one of the world's largest and most influential financial *markets*.

market (N) a meeting of people for selling and buying.

1. In this mixed economy, *individuals* can help guide the economy not only through the choices they make as consumers but through the votes they cast for officials who shape economic policy.

Individual () _____

2. It is *individual* producers and consumers who determine the kinds of goods and services produced and the prices of those products.

Individual () _____

3. US *exports* were \$2.335 trillion in 2014, adding 13 % to economic output as measured by GDP, and creating 12 million jobs.

Export () _____

4. Despite everything the nation produces at home, the United States *imports* more than it *exports*.

Import () _____

Export () _____

5. *Imports* allow foreign competition to reduce prices for consumers.

Import () _____

6. The *population* and the labour force have shifted dramatically away from farms to cities, from fields to factories, and, above all, to service industries.

Population () _____

7. A *privately* owned enterprise refers to a commercial enterprise that is owned by private investors, shareholders or owners, and is in contrast to state institutions, such as publicly owned enterprises and government agencies.

Privately () _____

IV. In each set of words, cross out the word that does not have a similar meaning to the first. Compare your answers with other students. Discuss why the words are similar.

1) knowledge worker	skilled worker	blue-collar worker	professional
2) effectively	efficiently	efficaciously	uselessly
3) transmission	broadcast	shipment	communication
4) constantly	occasionally	continuously	always
5) consequence	result	outcome	beginning
6) shift	switch	change	continue
7) grow	boost	downsize	increase
8) customer	client	purchaser	supplier
9) develop	innovate	modify	launch

V. A) Study more word combinations with Ukrainian word ‘рівень’

Standard	<ul style="list-style-type: none"> •of education •of living/life •of wages •of quality •of customer care
Level	<ul style="list-style-type: none"> •of income •of poverty •of output •of profit •of research •of technology •of investment •of production •of consumption •of services •of price •of government
Rate	<ul style="list-style-type: none"> •unemployment rate •inflation rate •crime rate •annual rate •consumption rate •selling rate (рівень, інтенсивність продажу) <p>But:</p> <ul style="list-style-type: none"> - rate of production (продуктивність, норма виробітку) - rate of living (спосіб життя) - rate of growth (темп зростання) - interest rate (відсоткова ставка)

B) Fill in the missing words in the sentences below using Part A. Translate the sentences into Ukrainian.

1. Australia's unemployment _____ rose to 6.5% in February.
2. Each _____ of government provides direct services.
3. Profits were at the same _____ as the year before.
4. We offer the highest _____ (pl) of customer care.
5. The _____ of growth of government has been greater at state and local _____ (pl) than at the federal _____.
6. The USA inflation _____ has climbed to 3 %.
7. The Hawaii metropolitan area known as Urban Honolulu is one of the most expensive areas, with a price _____ that is 22.5% higher than the national average.
8. The government aims to increase recycling by introducing tougher industry _____ (pl).
9. This research will take technology to another _____.
10. These figures clearly show the difference in world living _____ (pl).
11. The _____ of output is determined by both the aggregate supply and aggregate demand within an economy.
12. Inflation is running at annual _____ of 4.5% to 5%.
13. Employees at every _____ will be affected by the changes.
14. The crime _____ (pl) we have developed are based on data and crime statistics from the FBI and the U.S. Justice Department.
15. Michigan has the lowest _____ of income segregation in the nation.
16. Educational _____ (pl) define the knowledge and skills students should possess at critical points in their educational career.
17. Each fall, typically in September, the U.S. **Census Bureau*** issues a public report on the _____ of poverty in the previous year and trends in the level and composition of the poor from year to year.
18. Quality _____ (pl) consider all areas of care, from public health to healthcare and social care.
19. Economic theory suggests that, at the macro-economic level, small changes in national income can trigger much larger changes in investment _____ (pl).

20. Consumption _____ is the average quantity of an item purchased, consumed, or expended during a given time interval and expressed in an appropriate unit of measurement.

21. Since the beginning of the current economic downturn in 2007, only computer and electronic products, aerospace, and transportation have seen increasing production _____ (pl).

22. Many people judge the economic performance of their country mainly in terms of consumption _____ and it's dynamics.

Census Bureau* – Статистичне бюро

VI. Fill in the missing words in the sentences below. Choose from the box. Translate the sentences into Ukrainian.

Pandemic, environmental protection, government, communications industry, restrict, stimulate, work force, growth, total output, free-market, system, guidelines

1. Although the US strongly advocates free market principles, the _____ still plays a major role in dictating the US economy.

2. The American economy is a _____ private enterprise _____ that has only limited government intervention in areas such as health care, transportation, and retirement.

3. Government also actively promotes exports and seeks to prevent foreign countries from maintaining trade barriers that _____ imports.

4. The government has issued new _____ that regulate _____.

5. The Government and business leaders emphasize the importance of the development of a highly skilled and flexible _____ in order to ensure the future economic success of the country.

6. Throughout its history, the United States has experienced steady _____ in the labor force, and that, in turn, has helped fuel almost constant economic expansion.

7. The _____ has claimed more than three times the American lives that were lost in the Vietnam War.

8. Federal and state governments have developed detailed rules and regulations to _____ the free flow of information so investors can make well-informed decisions.

9. Though the United States held less than 5 percent of the world's population it accounted for more than 30 percent of the world's

_____.

10. _____ in the United States is best understood as a rapidly changing industrial sector that is engaged in the production and distribution of content designed to inform and entertain.

VII. Write one word in each gap to complete the sentences.

1. Consequently, _____ government _____ provides national _____ because there is little or no market for private business to do so and earn a profit.

2. Exports create jobs and boost economic growth. _____ competition to reduce prices for consumers.

3. The Gross Domestic Product per capita effectively measures a country's _____.

4. In a free _____, Americans believe, prices are most likely to reflect the true value of things, and thus can best guide the economy to produce what is most needed.

5. In the 21st century, the federal _____ role in the US economy has expanded to include major efforts to meet the economic needs of the poor, the old and the disabled, and to protect the _____.

6. Trade _____ affects the cost of imports and exports by regulating trade agreements with other countries.

7. _____ businesses produce most goods and services and _____ almost two-thirds of the nation's total economic _____ goes to individuals for personal use.

8. The financial _____ has affected governmental and public institutions as well as private companies.

9. The primary aim of the economic _____ is the production of goods and services with a view to make them available to consumer.

COMPREHENSION CHECK

Read the text again and answer the questions. Discuss the questions in pairs.

1. Why is the US economy one of the largest economies in the world?

2. Which country has the highest GDP in the world?
3. What do you know about the financial crisis of 2008?
4. How has the pandemic affected the US economy?
5. What can you say about US firms?
6. Who owns industries and productive resources in the USA?
7. Who determines the kinds of goods and services produced and the prices of the product?
8. Why is the USA considered as the largest trading nation?
9. What role does international trade play in the US economy?
10. What is the total value of US imports and exports in the country's GDP?
11. Why does the federal government play an important part in the national economy? What does it provide?
12. What can you say about the labour force of the nation?

TRANSLATION PRACTICE

Translate into English.

1. Хоча США складають лише 4 % населення світу, економіка країни – найбільша у світі.
2. ВВП – це річна вартість усіх товарів та послуг, вироблених у країні.
3. Оскільки Сполучені Штати Америки мають найбільш технологічно розвинену економіку у світі, їх ВВП складає приблизно четверть номінального світового ВВП.
4. Життєвий рівень у США залишається найвищим серед країн світу.
5. Хоча фінансова криза має значний і тривалий вплив як на економіку США, так і на світову економіку у цілому, країна утримує дуже високий рівень обсягу випуску продукції на душу населення.
6. Оскільки в США змішана економіка, уряд відіграє значну роль у підтримці економічного росту держави.
7. Уряд надає такі послуги як оборона країни, програми допомоги сім'ям з низьким рівнем доходу, товари та послуги громадського користування та багато інших.
8. США імпортують та експортують багато товарів, що має величезний вплив на економіку в цілому.
9. Щоб краще зрозуміти, як функціонує економіка США, її можна поділити на чотири сектори.

10. Сільське господарство, лісове та рибне господарства, гірничодобувна промисловість відносяться до сектору, який виробляє товари, що є результатом безпосереднього використання природних ресурсів.

11. Найбільший сектор економіки США, сектор торгівлі та послуг, надає окремим особам та підприємствам широкий вибір товарів та послуг у таких сферах діяльності, як роздрібна та оптова торгівля, фінанси, страхування тощо.

READING STRATEGIES

I. Read the following text about the USA economy. Choose the best word, A, B, C or D to fill each gap.

A Mixed Economy: The Role of the Market and Government

The United States is said to have a **1**.....economy because privately owned businesses and government both play important roles. Indeed, some of the most enduring debates of American economic history **2** the relative roles of the public and private sectors.

The American free enterprise system emphasizes **3** ownership. Private businesses **4**.most goods and services, and almost two-thirds of the nation's total economic **5** goes to individuals for personal use (the remaining one-third is bought by government and business).

The **6** role is so great, in fact, that the nation is sometimes characterized as having a "consumer economy."

There are **7** to free enterprise, however. Americans have always believed that some services are better performed by public rather than private enterprise. For instance, in the United States, government is primarily **8**..... for the administration of justice, **9** (although there are many private schools and training centers), the road system, social statistical reporting, and national defense. In addition, government often is asked to intervene in the economy to correct situations in which the **10** does not work. Government provides welfare and unemployment **11** to people who cannot support themselves; it pays much of the cost of medical care for the **12**..... and those who live in poverty; it regulates private industry to limit air and water **13**.....; it **14**low-cost loans to people who **15**..... losses as a result of natural disasters; and it has played the leading role in the **16** of space, which is too expensive for any private enterprise to handle.

1 A command	B market	C mixed	D traditional
2 A focus on	B concentrate on	C revolve around	D put an emphasis on
3 A personal	B native	C public	D private
4 A create	B produce	C construct	D fabricate
5 A issue	B production	C emission	D output
6 A consumer	B client	C buyer	D purchaser
7 A measures	B borders	C limits	D bounds
8 A responsible	B important	C answerable	D accountable
9 A education	B instruction	C training	D teaching
10 A data system	B market system	C price system	D political system
11 A advantages	B benefits	C preferences	D favours
12 A senior	B superior	C youth	D aged
13 A waste	B rubbish	C impurity	D pollution
14 A sends	B provides	C pays	D rents
15 A harm	B damage	C suffer	D tolerate
16 A exploration	B excavation	C detonation	D examination

II. Read the text below. Number the following words with their equivalents in the text.

Basic ingredients of the US economy

a) subject/problem b) development c) increase d) chief e) fortunate
 f) constitute g) an impact h) turns i) component g) controlled/run
 k) emphasize l) define m) plants n) qualifications o) country`s

The first **1. ingredient** of a **2. nation's** economic system is its natural resources. The United States is rich in mineral resources and fertile farm soil, and it is **3. blessed** with a moderate climate.

The second ingredient is labor, which **4. converts natural resources** into goods. The number of available workers and, more importantly, their productivity help **5. determine** the health* of an economy. Throughout its history, the United States has experienced steady **6. growth** in the labor force, and that, in turn, has helped fuel almost constant economic **7. expansion**. The population and the labor force have shifted dramatically away from farms to cities, from fields to **8. factories**, and, above all, to service industries. The promise of high wages brings many highly skilled workers from around the world to the United States.

Labor-force quality continues to be an important **9. issue**. Today, Americans consider "human capital" a key to success in numerous modern, high-technology industries. As a result, government

10. leaders and business officials increasingly **11. stress** the importance of education and training to develop workers with the kind of nimble minds** and adaptable **12. skills** needed in new industries such as computers, telecommunications and space aeronautics.

The third, there is manufacturing and investment. In the United States, the corporation has emerged as an association of owners, known as stockholders, who **13. form** a business enterprise **14. governed** by a complex set of rules and customs. Through the stock market, American banks and investors have grown their economy by investing and withdrawing capital from profitable corporations. US business firms enjoy considerably greater flexibility than their counterparts in Western Europe and Japan. Today in the era of globalization American investors and corporations have **15. influence** all over the world. The American government has also been instrumental in investing in the economy, in areas such as providing cheap electricity, and military contracts in times of war.

***health** – стан, благополуччя, процвітання

****nimble mind** – живий, гнучкий розум

DESCRIBING AND MAKING UP PIE CHARTS

Activity 1

1. Look at chart 1 below. Read the description and label the chart.

The pie chart shows the breakdown of US labor force. The majority of the labour force's occupations **are** managerial, professional or technical in nature, which **form** 37.3% of the total. This is followed by sales or office jobs, which make up 24.2 percent.

20.3 percent **are** in either manufacturing, extraction, transportation and crafts, while farming, forestry or fishing **constitute** 0.7 percent. Jobs in other services **account for** the remaining 17.5 percent.

2. Answer these questions.

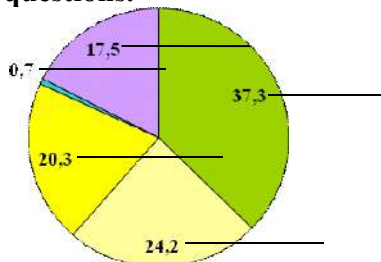


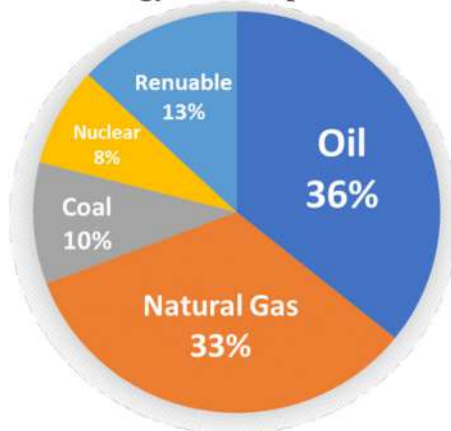
Chart 1

- What is the purpose of the first sentence in the description?
- In what order does the description deal with the categories in the pie chart: from larger to smaller or clockwise round the pie chart?
- How many other verbs can you find which mean ‘formed’?
- Why are so many different verbs with the same meaning used?

Activity 2

Look at the chart 2 and complete the description below with up to six words in each space.

U.S. Energy Consumption in 2022



**Renewable sources (wind power, solar power, bioenergy, hydroelectric etc.) – відновлювальні, альтернативні джерела

Chart 2

The chart shows the breakdown of 1 _____.
 The largest amount of energy generated was from petroleum which
 2 _____ of the total. This is followed by natural gas, which
 3 _____. Coal 4 _____, while nuclear
 5 _____. About 6 _____ of all energy consumed in
 the United States in 2022 from renewable sources.

Activity 3

Study chart 3 and write your own description.

The chart shows the main categories of US agricultural exports in 2022

The main categories of US agricultural exports in 2022

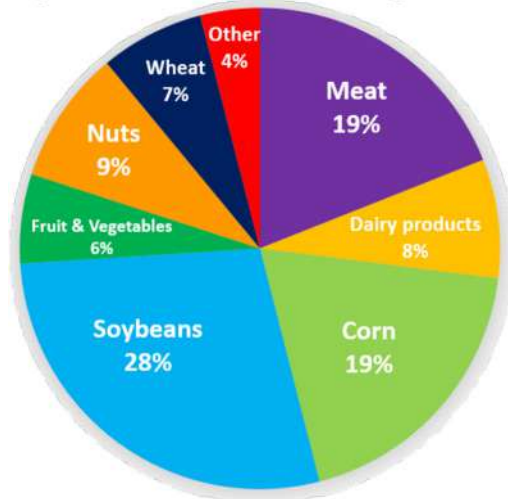


Chart 3

Activity 4

Look at the COUNTRY PROFILE: THE UNITED STATES OF AMERICA and make up your own pie chart. Describe it using the words from the previous exercises.

SECTION II

PRONUNCIATION GUIDE

engine ['endʒɪn]	component [kəm'pəʊnənt]
commerce ['kɒmɜ:s]	via ['vaɪə]
mercury ['mɜ:kjʊrɪ]	bauxite ['bɔ:ksaɪt]
sorghum ['sɔ:gəm]	vehicle ['vi:ɪk(ə)l]
category ['kætɪg(ə)rɪ]	technological [tek'nɒlədʒɪk(ə)l]
control [kən'trəʊl]	advancement [əd'vɑ:nsmənt]
tungsten ['tʌŋstən]	precision [prɪ'sɪʒ(ə)n]
gasoline ['gæsəli:n]	molybdenum [mɒ'lɪbdənəm]

I. Read text B and be ready to complete the table with the information from the text. Use a graphic organizer to describe the four sectors of the US economy

Name of the Sector	Components/ingredients of the Sector	Branches of industry and production	Products or services
Natural Resources Sector	1. agriculture 2. ... 3. ...	1.1 farming: -crop production - ... 1.2 ... 1.3 ...	1.1 wheat, corn, soyabeans ... 1.2 ... 1.3 ...
Manufacturing and Energy Sector			

Text B. Economy of the United States by Sector

Manufacturing and Energy Sector. The United States of America leads all nations in the value of its yearly manufacturing output. Manufacturing employs about one-sixth of nation's workers and accounts for 17 percent of annual gross domestic product. Also, the US is the world's second-largest manufacturer after the Peoples Republic of China with a record high real output in 2021 of \$2.5 trillion. Although manufacturing remains a key component of the US economy, the number of employees in manufacturing industry

declined slightly while the total labor force grew. The leading categories of the US manufactured goods are chemicals, industrial machinery, medical equipment, electronic equipment, electric apparatus, semiconductors, processed foods, and transportation equipment. Transportation equipment includes passenger cars, trucks, air planes, space vehicles, ships and boats, and railroad equipment. Industrial machinery includes engines, farm equipment, construction machinery, refrigeration equipment, and computers. Factories in the United States build millions of computers, and the country occupies second place in the world in the production of electronic components and exercises the world leadership in the development and production of computer software. The US economy is famous for its highly developed iron and steel industry. Textile, clothing, leather goods, food processing, precision instruments, lumber, furniture, tobacco products and many others are well developed too.

The energy to power the nation's economy¹ – providing fuels for its vehicles and electricity for its machinery and appliances – is derived primarily from petroleum, natural gas, and coal. Petroleum provides 37 percent, natural gas – 25 percent and coal – 21 percent of the total energy consumed in the USA. The United States is the world's second-largest producer and consumer of electricity. With less than 5% of the world's population, the U.S. consumes 16% of the world's energy and accounts for 16% of world GDP (Gross Domestic Product).

Service and Commerce Sector. By far² the largest sector of the economy in terms of output and employment is the service and commerce sector that employs 75 percent of the US workforce. It supports 2.4 million jobs and pays out over \$186 billion in wages yearly. The growth of the sector has resulted in creating many new jobs in financing, banking, education and health services requiring advanced education.

The financial sector includes all companies involved in finance, investing, and the movement or storage of money. It includes banks, credit card issuers, credit unions, insurance companies, and mortgage real estate investment trusts (REITs). Companies within this sector are usually relatively stable, as many are mature, well-established firms.

Education is critically important for the United States for several reasons, contributing to the nation's social, economic, and cultural development. A strong education system ensures that the United States remains globally competitive by producing skilled professionals and experts in diverse fields. Education, particularly in science, technology, engineering, and mathematics (STEM), fosters

innovation and technological advancements, crucial for maintaining a leading position in various industries.

Health care consists of medical supply companies, pharmaceutical companies, and scientific-based operations or services that aim to improve the human body or mind.

Transportation-related businesses are also an important part of the service industry. The US transportation network spreads into all sections of the country, and serves the nation's largest urban, industrial, and population concentrations. Large and small airports across the nation have formed a network providing air transportation to individual travelers. The nation has more than 5 thousand public and more than 13 thousand private airports.

One of the largest service industries in the United States is travel and tourism. Domestic and foreign travelers visit **theme parks**³, natural wonders, and points of

interest in the country's major cities. Tourism is the mainstay of the economies of California, Florida, and Hawaii.

Such branches of the entertainment business as motion picture production, theatre, television also play a vital part in the nation's life.

Information Technology Sector. One of the most **far-reaching technological advances**⁴ of the late 20th century took place in the field of computer science.

The Internet began in the 1960s as a small network of academic and government

computers primarily involved in research for the US military. It quickly became a worldwide network providing users with information on a range of subjects and allowing them to pay bills, order airline tickets, purchase goods via computer over the Internet.

The information technology – IT – sector consists of companies that develop or distribute technological items or services, and includes internet companies. Technology products include computers, microprocessors, and operating systems. Example of companies in this sector includes big names like Microsoft Corporation, Oracle Corp., and Mastercard Inc. This sector has seen a lot of change in recent years because of the rapid rise in technology-based companies.

The communication systems in the United States of America are among the most developed in the world. The Internet, television, newspapers, and other publications, provide most of the country's news and entertainment. Although the economic output of the communications industry is relatively small, the industry has enormous importance to the political, social, and intellectual activity

of the nation. Most communication media in the USA are privately owned and operated independently of government control.

Natural Resource Sector. The United States, more than most countries, **enjoys a wide variety**⁵ of natural resources.

The USA has substantial mineral deposits within its borders. It leads the world in the production of phosphate, an important ingredient in fertilizers, and **rankssecond** in gold, silver, iron ore, copper, lead, zinc, natural gas, and coal. The United States has huge fields of natural gas and oil. Petroleum production is **thirdin** the world, after Russia and Saudi Arabia. Other natural resources include molybdenum, phosphates, uranium, bauxite, mercury, nickel, and tungsten. Although mining accounts for only a small share of the nation's economic output, it was historically essential to US industrial development and remains important today. Coal and iron ore are the basis for the steel industry, which fabricates components for manufactured items such as automobiles, appliances, machinery, and other basic products. Petroleum is refined into gasoline, heating oil, and the petrochemicals used to make plastics, paint, pharmaceuticals, and synthetic fibers.

Agricultural output in the United States has historically been among the highest in the world. Despite its vast output, the agriculture accounts for only 2 percent of annual GDP and employs only 0.7 percent of the workforce. Even though the number of farms has been declining for the last decades, the overall production has increased because of applying mechanization, technology, efficient **business practices**⁶, and scientific advances in agricultural methods. Bigger farms, operated as large businesses, have increasingly replaced small family farms. Farmers in the United States not only produce enough food to feed the nation's population, **theyalso** export more farm products than any other nation.

The United States has some of the best cropland in the world. Cultivated farmland constitutes 19 percent of the land area of the country and makes the United States the world's richest agricultural nation. In part because of the nation's favourable climate, soil, and water conditions, farmers produce huge quantities of agricultural commodities and a variety of crops and livestock.

The United States is the largest producer of corn, soybeans, and sorghum, sugar cane, potatoes, corn, peanuts, and sugar beets. It ranks second in the production of wheat, oats, citrus fruits and tobacco.

Cattle, hog, and chicken production are widespread throughout the United States.

It ranks fourth in the world in cattle production and second in hogs.

Forestry accounts for less than 5.4 percent of the nation's gross domestic product. Nevertheless, forests represent an essential resource for US industry. Forest resources are used in producing housing, fuel, foodstuffs, and manufactured goods.

The United States leads the world in lumber production and is second in the production of wood for pulp and paper manufacture. However, all of the US demand for forest products is not satisfied, the United States has to import lumber, most of which comes from Canada.

Notes

1. The energy to power the nation's economy – енергія, яка є рушійною силою економіки держави
2. By far – безперечно, безумовно, однозначно
3. Theme parks – тематичні парки, парки з атракціонами та обладнанням і т.п., присвячені одній темі
4. Far-reaching technological advances – технологічні досягнення, які мають довгострокові перспективи
5. Enjoys a wide variety – використовує широке розмаїття
6. Business practice – практика ділових стосунків

WORDS AND PHRASES TO BE REMEMBERED

entertainment business – індустрія розваг

tourism business – туристичний бізнес

a transportation-related business – підприємство, яке надає послуги пов'язані з перевезенням

communication – 1) спілкування, зв'язок; 2) сполучення, комунікація

communication media – засоби масової комунікації

communication systems – системи зв'язку

communications industry – галузь зв'язку та комунікацій

derive (from) – добувати

employ – наймати, брати на службу, давати роботу, користуватися послугами

employee – робітник, службовець, найманий працівник

employment – 1) праця, робота, служба; 2) зайнятість

equipment – устаткування, обладнання

electronic/transportation/railroad/refrigeration/medical equipment – електронне транспортне/залізничне/холодильне/медичне обладнання/устаткування

food processing – виготовлення харчових продуктів

processed foods – бакалейні продукти, бакалея, напівфабрикати
a branch of industry – галузь промисловості
food/food processing industry – харчова промисловість
iron and steel industry – чорна металургія
manufacturing industry – обробна промисловість
mature – розвинутий
crucial – вирішальний
service industry – індустрія/сфера послуг
steel industry – сталеливарна промисловість
textile industry – текстильна промисловість
in terms of – з точки зору
lead – займати перше місце; бути попереду; іти першим;
 випереджати; перевершувати; лідувати
economic output – обсяг виробництва
manufacturing output – обсяг випуску продукції обробної
 промисловості
agricultural output – обсяг сільськогосподарського виробництва
via – через
constitute – складати
cropland – орна земля
in part – частково
fertilizer – добриво
tungsten – вольфрам
fibres/fiber – волокно; **synthetic fibres** – синтетичні волокна
oil – 1) олія, 2) нафта
petrochemical – нафтопродукт
pharmaceutical – фармацевтична продукція, фармацевтичний
 препарат, лікарські препарати
overall production – загальний обсяг виробництва
cattle production – тваринництво, розведення великої рогатої
 худоби
hog production – свинарство
chicken production – птахівництво
lumber production – виробництво пиломатеріалів
petroleum production – нафтовидобуток
rank – займати (посідати) певне місце; **to rank first (second, fourth, etc)** – посідати перше (друге, четверте тощо) місце
refine – очищувати, рафінувати, підвищувати якість; **to refine oil** – очищувати нафту
sugar cane – цукрова тростина
lumber – лісоматеріали
widespread – широко розповсюджений

VOCABULARY PRACTICE

I. Find in the text English equivalents for the following word combinations. Write your own sentences using them.

Пальне; лідирувати; сучасна освіта; комп'ютерне програмне забезпечення; сектор торгівлі; всесвітня мережа; державний контроль; комерційна авіакомпанія; емітенти кредитних карток; кредитні спілки; точні прилади; знаходитися у приватному володінні; сфера освіти та охорони здоров'я; хімікати (хімічні товари); диво природи; надзвичайно важливий; кіновиробництво; промислове устаткування; харчова промисловість; електронні комплектуючі вироби; виробництво товарів шкіряної галантереї; головна складова економіки; транспортна мережа; іпотечні інвестиційні фонди нерухомості; сприяти інноваціям; технологічні інновації; компанії з постачання медичного обладнання; пасажирський вагон; родовище нафти та природного газу; значні поклади корисних копалин; лісове господарство; целюлозно-паперова промисловість; сільськогосподарське виробництво; житлове будівництво; сімейна ферма; видобуток нафти; однак/тим не менш; продукти харчування; ефективна практика ділових стосунків.

II. Give Ukrainian equivalents for the following word combinations.

To exercise the world leadership; medical equipment; electric apparatus; semiconductors; space vehicles; construction machinery; the nation's largest urban; industrial and population concentrations; ticket takers; insurance companies; lumber; mainstay; on a range of subjects; privately owned; communication media; iron and steel industry; well-established firms; point of interest; intellectual activity; tungsten; heating oil; high production level; efficient operations; energy resources; pharmaceutical companies; forest products; iron ore; copper; lead; foodstuffs; soil; huge fields of natural gas; an important ingredient in fertilizers; manufactured items; farmland; **tofabricate** components; overall production.

III. Fill in the missing words in the sentences below. Choose from the box. Translate the sentences into Ukrainian.

semiconductors, industrial machinery, petroleum, natural gas and coal, chemicals, financial services, banking, the nation's economy, education, commercial airlines, fuel, network, motion picture
--

production, chemical industry, annual GDP, service and commerce, health insurance, agriculture, cattle production, energy resources, efficient business practice, mineral deposits, a variety of, agricultural output

1. Petroleum supplies nearly all of the energy used to power _____ and heats millions of houses and factories.

2. Coal is the most common solid _____ used by electric power plants.

3. Coal is also used in the _____ for the manufacture of plastics and other synthetics.

4. _____, railroads, bus companies, and taxis move tourists and commuters to their destinations.

5. Manufacturing employs about one-sixth of the nation's workers and accounts for 17 percent of _____.

6. The _____ sector is extremely diverse. It includes an assortment of private businesses and government agencies that provide a wide spectrum of services to the U.S. public.

7. By the end of the 20th century _____ was a highly competitive business, as banks offered a variety of services to attract customers and sought to stem the flow of investors to brokerage houses and insurance firms.

8. The US transportation _____ spreads into all sections of the country, but the web of railroads and highways is much denser in the eastern half of the United States.

9. _____ has been centered in Hollywood, California, since the early decades of the 20th century, when the budding motion picture industry discovered that the warm climate and sunny skies of southern California provided ideal conditions for film production.

10. The USA is also one of the world's largest consumers of energy. In the US, the largest sources of energy are _____, _____ as well as renewable sources.

11. The US exports capital equipment, such as computers, _____ and medical equipment, as well as _____ and equipment, such as plastics, _____ and petroleum products.

12. Nearly half of the strength of the economy is based on services, such as _____, _____, health care and intellectual property, such as technical information.

13. Major mineral resources – including iron ore, lead, and copper, as well as _____ such as coal, crude oil, and natural gas – are abundant in the United States.

14. Large farms produce great quantities of _____ by applying mechanization, technology, _____ and scientific advances in agricultural methods.

15. As a country of continental proportions, the United States has within its borders substantial _____.

16. Because of the nation's favourable climate, soil, and water conditions, farmers produce _____ crops and livestock.

17. _____ and hog production make up an important branch of America's agriculture.

18. American _____ increasingly has become an 'agribusiness', a term created to reflect the big, corporate nature of many farm enterprises in the modern US economy.

19. Effective features of _____ in the USA ensure every single person has access to learning opportunities that can change their lives forever.

20. In the United States, _____ helps pay for medical expenses through privately purchased insurance, social insurance, or a social welfare program funded by the government.

IV. Write one word in each gap to complete the sentences

1. America had a huge head start thanks to its abundance of _____. It has thousands of acres of fertile land and lots of fresh water.

2. The country is also a major source of _____. American TV, Hollywood films, jazz, blues, rock and rap music are primary ingredients in global popular culture.

3. With an aging population of farmers, it's clear that _____ needs to attract more young people. This is a global challenge: half the farmers in the United States are 55 years of age or older.

4. Agricultural _____ are a strategically important export, at \$136 billion. They are: soybeans (\$23 billion), which are mainly used for feed and are genetically engineered; _____ and poultry (\$19 billion), which are raised using antibiotics; wheat (\$11 billion), which is also

genetically engineered. (Source: US Census, Exhibit 7. Exports by End-Use Category, 2013)

5. Most of the world's goods are produced by global multinationals, and the United States is very successful at exporting the supplies and _____ they need.

6. _____ include _____ diagnostics, prescription drugs, vaccines, vitamins, and over-the-counter drugs for human and veterinary applications. This subsector also includes biotechnology products.

7. _____ is a fuel produced in the USA and _____ Canada and _____ is a major source of _____ for today and the future as it is cleaner burning than petroleum products.

8. It is not unusual to see today's _____ driving tractors with air-conditioned cabs hitched to very expensive, fast-moving plows*, tillers**, and harvesters.

9. The USA is a highly industrialized country with various branches of heavy industry prevailing, namely _____, _____, automobile and chemical industries as well as engineering.

10. The _____ growth rate in the October-to-December 2022 period topped economists' expectations of 2.6 percent.

11. The USA economy in 2023 outperformed expectations along three key dimensions: growing _____, labor market resilience, and slowing inflation.

**fast-moving plows* – швидкісний плуг

***tiller* – культиватор, підгортач

VIII. Translate the words and word combinations in the brackets into English.

1. The USA has a lot of nature's riches. These riches are called (*природні ресурси*) _____ or materials found in nature that are (*корисні*) _____ or (*необхідні*) _____ for human life.

2. Millions of people in America make their living from the (*ресурси*) _____ of these lands.

3. The nation has highly productive (*сільськогосподарські ресурси*) _____ and is the (*найбільший у світі виробник продуктів харчування*) _____.

4. Unlike Australia and Canada, the U.S. has temperate climate combined with fertile(грунт)_____.

5. Because of the favourable rainfall, temperature many different kinds of (культура) _____ such as (пшениця) _____, (кукурудза) _____, (соеві боби) _____, (овес) _____, (цитрусові) _____ can be widely grown in the country.

6. (Залізо) _____, (мідь) _____, (свинець) _____, (срібло) _____, (золото) _____, and other (кориснікопалини) _____ are found in the earth.

7. (Кам'яне вугілля) _____ and (нафта) _____ are used for heating homes and running factories.

8. The forests of America supply the furniture-making factories, paper mills* with (лісоматеріал) _____.

**paper mills* – целюлозно-паперові фабрики

IX. Choose the appropriate term according to the definition.

Communication systems, labor force, an employee, network, output, manufacturing industry, the Internet, entertainment, fuel

1. Individuals, 16 years of age or older, working or looking for work — _____.

2. A person employed for wages or salary – _____

3. The amount of goods or work produced by a person, a machine, a factory – _____

4. A system of lines, tubes, wires, roads etc that cross each other and are connected to each other – _____

5. Things such as films television, performance etc that are intended to amuse or interest people – _____

6. A material for burning as a source of heat, power, or nuclear energy – _____

7. A computer system that allows millions of computer users around the world to exchange information — _____

8. An industry that changes raw materials into finished goods – _____

9. Means of spreading information — _____

COMPREHENSION CHECK

Now read the text again and answer the following questions. Compare your answers with another student and discuss any differences. Make sure you can refer to a particular phrase or sentence from the text to prove your answer.

1. What is the key component of the US economy?
2. What are the leading categories of the US manufactured goods?
3. What place does the USA occupy in the world in the production of electronic components?
4. What main sources of energy are used in the US economy?
5. What is the largest sector of the US economy in terms of output and employment?
6. What has the growth of the service sector resulted in?
7. What does the financial sector include?
8. Why is education essential for the United States?
9. What is the aim of health care in the US?
10. Why are transportation-related businesses considered to be an important part of the service industry?
11. What do you know about the air transport?
12. Why is travel and tourism one of the largest service industries in the USA?
13. What does entertainment industry include?
14. What field did one of the most far-reaching technological advances of the late 20th century take place in?
15. When and how did the Internet begin?
16. Why is the Internet becoming more and more popular with users?
17. What can you say about the US communications systems?
18. What are the country's major mineral resources?
19. What are the most important metals mined in the USA?
20. What industries are developed on the basis of steel industry?
21. What can you say about the country's petroleum production?
22. What is petrol refined into?
23. What can you say about the US agriculture?
24. What makes the USA the world's richest agricultural nation?
25. What crops are grown in the USA?
26. Why is the USA self-sufficient in agricultural products?
27. Why has the overall agricultural production increased despite the fact that the number of firms has been declining for the last decades?

28. What are the most wide-spread branches of animal husbandry of the country?
29. Why is farming a big business in the USA?
30. Where are forest resources used?
31. Why is the USA the world's largest importer of lumber?

TRANSLATION PRACTICE

Translate into English.

1. Американська економіка працює ефективно, тому що більшість підприємств знаходяться у приватній власності і діють без контролю з боку уряду.
2. Незважаючи на те, що кількість робітників в обробній промисловості зменшилась, вона залишається головною складовою економіки США.
3. США мають такі високорозвинені галузі промисловості, як чорну металургію, хімічну та вугледобувну, харчову та текстильну, швацьку та виробництво шкіряних товарів.
4. Найбільший сектор економіки, сектор послуг та торгівлі, займає перше місце у створенні нових робочих місць.
5. До складу транспортної мережі США, розгалуженої по всій країні, входять комерційні авіалінії, залізничні дороги та велика кількість автобусних компаній.
6. Досягнення у галузі комп'ютерних технологій повністю змінили методи обробки інформації у таких сферах економіки, як банківські та фінансові послуги, засоби масової інформації та зв'язку, індустрії туризму та розваг.
7. Сполучені Штати лідирують у виробництві електронних комплектуючих виробів та програмного забезпечення для комп'ютерів.
8. Економіка Сполучених Штатів багатогалузева. Вона виробляє велике розмаїття товарів та послуг.
9. Сполучені Штати Америки мають величезні родовища природного газу та нафти.
10. Нафта переробляється на бензин, рідке паливо та хімічні продукти, які використовуються для виробництва пластмаси, фарби та синтетичних волокон.
11. Вугілля та залізна руда є основою сталеливарної промисловості, яка виробляє комплектуючі деталі для виробництва автомобілів, приладів, устаткування та іншої продукції.

12. Історично сільськогосподарська продукція Сполучених Штатів була серед найкращих у світі.

13. Фермери країни не тільки виробляють достатньо продуктів харчування для того, щоб прогодувати населення країни, але й експортують більше сільськогосподарської продукції, ніж інші країни світу.

14. У Сполучених Штатах Америки поширене розведення великої рогатої худоби, свинарство, птахівництво.

15. Південь країни – провідний постачальник овочів та фруктів.

READING STRATEGIES

I. Read the following text. Choose the best word, A, B, C or D to fill each gap.

Civil Servants

In the USA there are literally about two million people who work for the national and (1)..... government. From the post office to the office of the President, civil servants keep the government's (2)..... running.

Many people would like to go for a civil service (3)....., and for good reason. Government (4)..... usually enjoy a variety of (5).....including health insurance, paid holiday leave and (6)..... funds. They have good annual (7)....., are always paid extra for doing (8)..... and are sometimes even rewarded with bonuses for making useful (9)..... !

Civil service jobs are usually permanent; rarely are workers (10).....redundant.

Applicants who apply for a (11))..... in the civil service must (12). in an application form and pass an examination before they can be selected and appointed to a job.

- | | | | |
|------------------|--------------|-----------------|---------------|
| 1. A topical | B nearby | C local | D close |
| 2. A officers | B services | C franchises | D research |
| 3. A commission | B occupation | C accommodation | D career |
| 4. A assistants | B employees | C applicants | D bosses |
| 5. A investments | B benefits | C debts | D experiences |
| 6. A pension | B richness | C wealth | D fortune |
| 7. A winnings | B takings | C salaries | D gifts |
| 8. A gigs | B functions | C overtime | D work |
| 9. A suggestions | B profits | C performances | D ideas |
| 10. A made | B done | C taken | D forced |

11. A movement
12. A write

- B position
B complete

- C motion
C sign

- D location
D fill

II. Read the text and be ready to do the assignments below.

Agriculture and the Economy

From the nation's earliest days, farming has held a crucial place in the American economy and culture. Farmers play an important role in any society, of course, since they feed people.

The American farmer has generally been quite successful at producing food. Indeed, sometimes his success has created his biggest problem: the agricultural sector has suffered periodic bouts of **overproduction** that **have depressed prices**. For long periods, government helped smooth out the worst of these episodes. **But in** recent years, such assistance has declined, reflecting government's desire to **cut its** own spending, as well as the farm sector's reduced political influence.

American farmers owe their ability to produce large **yields** to a number of factors. For one thing, they work under extremely favourable natural conditions. The American Midwest has some of the richest soil in the world. Rainfall is modest to abundant over most areas of the country; rivers and underground water permit extensive **irrigation** where it is not.

Large capital investments and increasing use of highly trained labour also have contributed to the success of American agriculture.

Biotechnology has led to the development of seeds that are disease and drought resistant. Fertilizers and pesticides are commonly used (too commonly, according to some environmentalists). Computers track farm operations, and even space technology is utilized to find the best places to plant and fertilize crops. What's more, researchers periodically introduce new food products and new methods for raising them, such as artificial ponds **to raise fish**.

By the late 1990s, the U.S. farm economy continued its own cycle of ups and downs, booming in 1996 and 1997, then entering another slump in the subsequent two years. But it was a different farm economy than had existed at the century's start. As for now, the total farmland area has decreased by almost 50 million acres, reaching a total of 893.4 million acres as of 2022. Highlighting the volatility inherent in farming and farm income, the U.S. Department of Agriculture's (USDA) most recent farm income forecast projects US net farm income to plummet by \$42 billion in 2023.

a) Exploiting vocabulary.

Look through the text again. Some words/ phrases are highlighted. What do you think they mean? Don't just look at the words; look at the context and sentences surrounding them.

b) Understanding main points of the text.

Mark the statements T (true) or F (false) according to the information in the text. Find the part of the text that gives the correct information.

1. From the nation's earliest days, farming has held a vital place in the American economy and culture.
2. Sometimes farmer's failure has created his biggest problem: the agricultural sector has suffered periodic bouts of product scarcity (underproduction) that have increased prices.
3. Lately such assistance has increased, reflecting government's desire to support agricultural sector.
4. The United States has some of the most tillable soil in the world.
5. Poor capital investments and decreasing use of highly trained labour also have contributed to the failure of American agriculture.
6. Fertilizers and pesticides are commonly used in crop production.
7. Scientists regularly introduce new food products and new methods for raising them, such as artificial ponds to raise fish.
8. The farm economy of the USA remains much the same during its development.

c) Understanding details of the text.

1. Explain the meaning of 'capital investments' and 'overproduction'.
2. What exactly does the author mean speaking about the government's desire to cut its own spending?

d) Retell the text.

III. Read the following text and answer the questions.

- What was Silicon Valley called until 1971?
- What features characterize the Silicon Valley region, including the city of San Jose?
- What made Silicon Valley popular?

- What can you say about the most popular and well-paid professions in Silicon Valley?
- What are the pros and cons of living in Silicon Valley?
- Do women hold leadership positions? Why?
- What are your impressions of Silicon Valley? Would you like to work there?

Silicon Valley

Silicon Valley is an ever-expanding economic region that is located in Northern California in the United States. It is home to iconic technology companies like Apple, Google, Meta and Uber. The term Silicon Valley **was coined** by journalist Don Hoefler in a 1971 article for the trade magazine Electronic News. Soon after, Silicon Valley became the accepted name for the Santa Clara Valley area.

The region's largest city is San Jose, which is the third-largest city in California. It's also home to Stanford University and several state university campuses. The area is mostly **suburban**, filled with office parks. Companies are geographically dispersed, and the traffic is bad. Many companies are developing innovative technology, but the work is done in **access-restricted office buildings**, hidden from the public.

Though Silicon Valley is mostly associated with Web 2.0 and other more recent technological trends. The name actually dates all the way back to the 1950s and an engineer named William Shockley. Shockley headed a research team that designed the first silicon-based transistor, revolutionizing the computer industry and giving Silicon Valley its first tech hit. By the time Steve Jobs founded Apple in his parents' garage in Santa Clara, Silicon Valley had already become the center of the tech development world.

The software industry is one of the fastest growing industries in the entire world, with new jobs appearing every year. The job market is favorable and competitive. There are 5 popular tech jobs in Silicon Valley, just as in any other computer center in the world:

1. Machine learning is a branch of **artificial intelligence** (AI) and computer science which focuses on the use of data and algorithms to imitate the way that humans learn, gradually improving its **accuracy**. **Machine learning engineer** (ML engineer, **\$161,555 per year**) is a person in IT who focuses on researching, building and designing **self-running** AI systems to automate predictive models.

2. A **Software Architect (\$137,994 per year)** is a computer programmer or software developer who determines which processes and technologies the development team should use. As a Software

Architect you will also **troubleshoot coding problems** and collaborate with other experts to produce high-performance software systems. They are separating a project's goal into several smaller solvable problems; testing segments of project code and checking for errors during quality assurance periods; writing sections of code as part of development in a project.

3. **Data Science** is a typical **job search query**. It is the most attractive career path of the 21st century. **Data Scientists (\$131,161 per year)** work directly with business **stakeholders** to help them understand and collect the data for strategic needs. They collect, store and analyze data and later create algorithms and predictive models.

4. **A Web developer (\$81,252 per year)** is someone who takes a web design – which has been created by either a client or a design team – and turns it into a website. They do this by writing lines and lines of complicated code, using a variety of languages. Web developers have quite a difficult job, because they essentially have to take a language we understand, such as English, and translate it into a language that a computer understands, such as Python or HTML.

5. **A Mobile engineer** is responsible for designing, developing, and implementing software programs for mobile devices. They work within a development team to create user-friendly & functional mobile applications. Mobile Engineers create mobile applications, develop better security measures and maintain their competitive advantage in the industry. The most common types are **Android developers (\$128,934 per year)** or **iOS developers (\$125,913 per year)**

The issue of gender equality also exists in Silicon Valley. One of the most significant challenges women face in Silicon Valley is the lack of representation in leadership positions. While women make up a significant portion of the tech workforce, they are significantly underrepresented in executive roles. This lack of representation has far-reaching implications, as it can **perpetuate gender biases** and limit opportunities for women to advance in their careers. The latest data puts the percentage of the technology workforce identifying as female at 27.6%.

Despite these challenges, there are many women who have made significant contributions to the tech industry in Silicon Valley. Roughly 17% of technology companies currently have a woman serving as CEO*. Women like Sheryl Sandberg, COO** of Facebook, and Susan Wojcicki, CEO of YouTube, have become influential figures in the tech world, serving as role models for aspiring female technologists. Their success has helped to inspire and empower other

women to pursue careers in technology and **strive for** leadership positions.

The wild days of Silicon Valley's boom years are gone. The IT sector is now struggling with increased inflation, a lack of trust in tech firms, and the **aftermath** of the COVID-19 pandemic. Although the pandemic saw an increase in the demand for tech services, the rise of remote working caused many IT professionals to move away from the Santa Clara Valley. It's not hard to see why living in Silicon Valley is difficult for anyone not making six-figure salaries. The wealth gap in Silicon Valley is higher than anywhere else in the US, and housing affordability is a major concern for low-level workers across all sectors.

Will Silicon Valley survive as a center of innovation? Analysts argue that no other place on the planet has such a culture of entrepreneurship and innovation. While Silicon Valley may be at the end of a boom cycle, it certainly is not completely busted yet.

*CEO – Генеральный директор

**COO – Виконавчий директор

a) Exploiting vocabulary.

Look through the text again. Some words/ phrases are highlighted. What do you think they mean? Don't just look at the words; look at the context and sentences surrounding them.

b) Read the information again and prepare a brief summary of the text.

IV. Read the following text and entitle each paragraph.

Energy Sources

The USA is also one of the world's largest consumers of energy. In the US, the largest sources of energy are petroleum, natural gas and coal as well as renewable sources.

1. _____

Petroleum includes crude oil, diesel fuel, propane, jet fuel and other products that are based on oil. It is one of the US's most desired energy sources as the entire transportation sector is based on it. Currently 35.8% of the energy used in the US is based on oil. The US also imports most of its petroleum and crude oil products from places like the Middle East (as does the rest of the world) because its demand far exceeds its supply.

2.

Natural gas is a fuel that is produced in the USA and Canada and is a major source of energy for today and the future as it is cleaner burning than petroleum products. Currently, car companies are developing alternative fuel vehicles powered by natural gas, but infrastructure and the need for other fuel sources to create hydrogen fuel for the cars remains as the barrier to widespread use.

3.

Coal is the main energy source that is produced in the USA as one quarter of the world's reserves of coal are found within the country's borders. Coal is also the main source of energy for the country's electricity generation and one half of American homes are powered by coal because of its abundant supply and low cost. Coal however, is not a favorable energy source for many locations because it is the dirtiest burning of the fossil fuels and it is unhealthy and dangerous for those mining it.

4.

Nuclear energy is one of the most controversial energy sources in the USA but it is being heavily promoted by the Department of Energy as one of the better alternatives to fossil fuel-based energy sources as it is clean and can power large areas. There are many problems with nuclear energy though that make it unpopular in many areas. These include storage of radioactive nuclear waste, uranium supplies, accidents and security of the nuclear power generators or nuclear proliferation. Many US states however, do have active nuclear power generators.

5.

In addition to fossil fuels and nuclear power, the USA also has many renewable power resources and is looking to alternative energy sources for the future. Renewables include sources like solar, wind, hydroelectric, geothermal, and biomass. Each of these represents a different proportion of the energy mix in the US based on location (because each does not work well everywhere) and each has positive and negative effects when used. For example, solar is being widely used in the US southwest, while the California's Central Valley has nearby windfarms.

(All information was obtained from the US Department of Energy).

a) Read the information again and prepare a brief summary of the text

V. Read the following text and match a heading to each part of the article

1. Sources of US Economic Power

2. How is the economic power measured?
3. Private-sector Economic Power
4. Why the US's Economic Power is greater than its GDP
5. What are the factors that influence economic power?

Economic Power: Who has it and how to get it

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Economic power is the ability of countries, businesses, or individuals to improve their standard of living. It increases their freedom to make decisions that **benefit** themselves alone and reduces the ability of any outside force to reduce their freedom.

Purchasing power is a significant component of economic power. Countries, companies, and individuals can acquire economic power by improving their income, thereby adding to their wealth. That allows them to purchase more and better goods and services to meet their needs.

The way to increase income is to produce a good or service that provides a real benefit to the world. The laws of supply and demand will see to it that customers will pay the highest price to receive that benefit. For a country, it might mean manufacturing high-tech equipment, providing cheap labor to make consumer products, or having lots of oil.

1. _____

Examples of companies that provide a real benefit include Apple, Google, and Amazon. The first sells high-tech products, the second capitalized on a great search engine, and the third offers fast delivery from a wide selection of goods.

Monopolies have huge economic power by owning most of a desired good or service. Google has 87.6% of the internet search market, while its closest competitors—Microsoft's Bing and Yahoo—make up 10.4% combined.¹ However, Google is always updating its search algorithms to help it control 73.1% of all **search-related advertising**.

2. _____

The United States has an economic power that **exceeds** its gross domestic product (GDP). One reason is that its currency, the dollar, is also the world currency. The dollar is used for most international transactions, including all oil contracts. Its position was established after World War II at the Bretton Woods Conference.

Sixteen nations have a higher GDP per person than the U.S., but that doesn't make them powerful. Most of these are either financial

centers, oil-exporting countries, or both. For example, Ireland and Qatar have a higher GDP per capita as of 2020, but they aren't drivers of the **global economic engine** like the United States is. Although China is the world's largest economy, its GDP per capita was only \$16,400 as of 2020. A country is not an economic power if it can't create a high standard of living for its residents.

Think of the incredible economic power it takes to be one of the largest economies in the world while producing one of the highest standards of living per person. In fact, the GDP of most countries are nearly the same as in many U.S. states. For example, California produces as much as India, Texas as much as Brazil, and even tiny Rhode Island as much as Tanzania as of 2019.

3.

The U.S.'s economic power comes from its abundance of natural resources. It has thousands of acres of fertile land and lots of fresh water. It also has an abundance of oil, coal, and natural gas. Its large landmass is bordered by two large coastlines that provide ports for commerce.

Also, the United States is governed by one political system, monetary system, and language. This gives it a comparative advantage over the world's second-largest economy, the European Union. The EU is made up of 27 separate member countries with different political systems and languages, making it more difficult to manage its single monetary system unified by the euro.

A third advantage is that the U.S. has two peaceful neighbors, Canada and Mexico. It doesn't have to defend its borders. It also allowed the creation of the world's largest trade area, the North American Free Trade Agreement.

A fourth advantage is its large and diverse population, which allows companies to test market products before incurring the expense of bringing them to market, lowering **product development costs**.

Frequently Asked Questions (FAQs)

4.

For national economies, economic power is usually measured by looking at GDP per capita. This shows you how productive a county is in relation to its population. However, it doesn't provide a complete picture. Some economists recommend expanding how economic power is measured by including things like economic security, leisure time, **life expectancy**, and overall quality of life.

5.

If economic power is primarily measured in the growth of GDP per capita, then the main factors that influence a country's economic

power are the four factors of production: natural resources, labor, capital equipment, and entrepreneurship. The more a country has access to these, the greater potential for economic power it has.

Notes

1. Individuals increase income and gain economic power by providing skilled services. People who do this include doctors, software engineers, and athletes. Many doctors command high salaries because they possess uncommon skills in high demand. While athletes and other celebrities do not produce something so vital, they benefit from the public's willingness to spend money to see them perform.

The power of the U.S. economy is reflected by its GDP per capita, which was \$63,414 in 2021, according to the World Bank.

a) Exploiting vocabulary.

Look through the text again. Some words/ phrases are highlighted. What do you think they mean? Don't just look at the words; look at the context and sentences surrounding them.

SPEAKING STRATEGIES

Activity 1

Review the main ideas.

1. Describe the USA economy using the COUNTRY PROFILE.
2. Explain why agriculture has become an 'agribusiness'.
3. Describe the US energy consumption in 2022 using texts and Chart 2.
4. Explain why the USA exports more goods than services.
5. List and compare Ukrainian and American agricultural businesses.

Activity 2

Topics for discussion.

1. The US economy remains one of the largest economies in the world.
2. The advantages of the US economy as a mixed one.
3. The role of the US government in the economy of the country.
4. The USA as one of the largest trading nations in the world.
5. The sectors of the US economy: Manufacturing and Energy Sector, Service and Commerce Sector, Information and Technology Sector, Natural Resources Sector.

6. The basic ingredients of the US economy.
7. Top US exports and imports.

Activity 3

Questions for discussion.

1. What should be done to fix the economy of the USA?
2. Does the U.S. economy need more stimuli?
3. Can the US economy flourish if other economies are floundering?
4. Is the US labor market loose or tight?
5. What is your point of view on the current economies of the USA and Ukraine?
6. What are the positive factors for the US economy?

Activity 4

Make up a mind map of the modern economy of the USA.

Activity 5

Role play. Experts in economics discuss and analyse the challenges and problems of the modern economy at the conference on the main trends that have affected the US economy.

Each group should further split into three sub-groups: one – delivering the theory, another – highlighting terminology, the other – leading the discussion.

WRITING STRATEGIES

I. Write a brief summary of Text B (25-30 sentences).

II. Write an essay (100-150 words) about:

- Why is the USA self-sufficient in agricultural products? Write an essay explaining your answer.
- Identify the main trends that have affected the US economy. Write an essay outlining your suggestions.
- Why does the USA lead the world in industries such as manufacturing and finance? Defend your answer.
- Why is the government involved in economic affairs

MAKING PRESENTATIONS

There are many books and training courses on how to give presentations. But even without training you can give a good presentation if you

- a) have a real passion for your subject matter,
- b) have information that is genuinely interesting to your audience, and
- c) speak clearly and use your voice to emphasize key points.

Planning the content

When planning the content of your talk, begin by writing down the 'take home message'. This is the summary of your talk that you want the audience to remember. Write it as three short bullet points, and consider making this your final slide. Once you have it, work backwards and build your talk so that everything relates to this key message.

Plan the start and finish carefully. Typical ideas for the opening are:

- Thank the organizers for inviting you.
- A reference to 'here and now' (the occasion/the place/the audience).
- Ask a question that is in the minds of the audience and that you will answer in your talk.

To close you might finish with the slide showing your 'take home message' plus a new, more personal, final comment that relates to it. Then remember to thank the audience for coming.

Preparing your slides

You can download a free template (= basic layout and design for every slide) from the internet, or create your own. When preparing the individual slides, remember to keep the amount of text on each slide to a minimum. Use keywords, and then give more explanation in your talk. You can include more detail in your handouts.

Make use of visuals: use images, short video clips, graphs and charts, colours. But don't over-use them – you don't want to distract the audience. Images should reinforce your message – they shouldn't be decoration.

Equipment

To give your presentation/talk you'll need your laptop with the presentation saved on it, a projector with a spare bulb, a screen, and

the right cables to connect them all together. An extension lead is also useful if the power socket on the wall is some distance away. You may be speaking using a microphone (perhaps a small wireless clip microphone that attaches to your clothing), and your voice will be heard through speakers. Some or all of these things may be provided by the venue, and often all you have to bring is your presentation saved on a memory stick.

It can be useful to have a flipchart or whiteboard in the room as well—for example for writing up ideas that come from a Q&A (= question and answer) session at the end of the talk. You'll also need any handouts you plan to distribute.

Remember to get to the room early to test all the technology, adjust the projector, stand on the stage and see how it feels, arrange the seating, check that there is a glass of water, etc.

Performance

You want your talk to sound convincing, and also to maintain your audience's attention. To do this you need to:

- Be yourself. Let your natural enthusiasm for the subject express itself. Don't hide your personality behind your content or your slides.
- Speak freely. Never read your slides word by word.
- Speak with confidence: clearly, calmly, slowly and strongly.
- Maintain eye contact with the audience, smile and look around the room frequently. There may be other examples of body language that you personally should or shouldn't do, but the problem is that most of them are outside your control once you start speaking. Perhaps ask a colleague to attend one of your presentations and then give you advice on how to improve.

- Pause often, for example after making a key point or when showing a new slide. Allow the audience time to think, digest information, understand a visual, make notes, make a connection with their personal experience, etc.

- Use your voice to create impact. First decide which key ideas you want to stress. Then, as you speak these words, say them with emphasis for maximum impact. Pause just afterwards – allow the audience time to absorb the idea. See Exercises 1 and 2

- Use a few public speaking techniques. In particular use rhetorical questions (where you ask a question and then answer it yourself), and repetition of words and phrases. The extracts in Exercises 1 and 2 show examples of both.

I. Look at the presentation extract in the box. Note that it is unpunctuated. Places where the speaker could pause for impact are marked with // and key words to be stressed are underlined.

Take a look at this slide // you have a bucket // a few rocks // some small stones // some sand // and some water // now // put the rocks in the bucket // is it full// no // put the small stones in around the rocks // is it full If no // put the sand in //give it a shake // is it full // no //put the water in // now it's full // you got everything inside the bucket // well done // my talk this morning // ladies and gentlemen // is about time management // the point is this // do the main tasks first // or the sand and water issues will fill up your day // if you leave those big rocks until last // you might not even have space for them.

II. Study the presentation extract below. Note that it is unpunctuated. Write // where you will pause and underline key words you will stress.

I want to ask you a question what is the difference between data and information I'll tell you the difference data are infinite in number they cost almost nothing and are worth almost nothing information on the other hand is meaningful data it is a key ingredient in decision making and is enormously useful and valuable to managers but how exactly do you turn data into information the answer is with business intelligence software and ladies and gentlemen we are one of the world's leading providers of that software.

III. Read the text.

How to make a perfect presentation

How can you make a good presentation even more effective? Whether you are an experienced presenter, or just starting out, there should be ideas here to help you to improve.

1. Show your Passion and Connect with your Audience

It's hard to be relaxed and be yourself when you're nervous. But time and again, the great presenters say that the most important thing is to connect with your audience, and the best way to do that is to let your passion for the subject shine through. Be honest with the audience about what is important to you and why it matters.

2. Focus on your Audience's Needs

Your presentation needs to be built around what your audience is going to get out of the presentation. As you prepare the presentation,

you always need to bear in mind what the audience needs and wants to know, not what you can tell them.

3. Keep it Simple: Concentrate on your Core Message

When planning your presentation, you should always keep in mind the question: What is the key message (or three key points) for my audience to take away? You should be able to communicate that key message very briefly. Some experts recommend a 30-second ‘elevator summary’, others that you can write it on the back of a business card or say it in no more than 15 words. Whichever rule you choose, the important thing is to keep your core message focused and brief.

4. Smile and Make Eye Contact with your Audience

This sounds very easy, but a surprisingly large number of presenters fail to do it. If you smile and make eye contact, you are building rapport, which helps the audience to connect with you and your subject. It also helps you to feel less nervous, because you are talking to individuals, not to a great mass of unknown people.

5. Start Strongly

The beginning of your presentation is crucial. You need to grab your audience’s attention and hold it. So don’t waste that on explaining who you are. Start by entertaining them. Try a story (see tip 7 below), or an attention-grabbing (but useful) image on a slide.

6. Remember the 10-20-30 Rule for Slideshows

- Contain no more than 10 slides;
- Last no more than 20 minutes; and
- Use a font size of no less than 30 point.
- This last is particularly important as it stops you trying to put too much information on any one slide.
- As a general rule, slides should be the sideshow to you, the presenter. A good set of slides should be no use without the presenter, and they should definitely contain less, rather than more, information, expressed simply.
- If you need to provide more information, create a bespoke handout and give it out after your presentation.

7. Tell Stories

Human beings are programmed to respond to stories. Stories help us to pay attention, and also to remember things. If you can use stories in your presentation, your audience is more likely to engage and to remember your points afterwards. It is a good idea to start with a story, but there is a wider point too: you need your presentation to act

like a story. Think about what story you are trying to tell your audience and create your presentation to tell it.

8. Use your Voice Effectively

The spoken word is actually a pretty inefficient means of communication, because it uses only one of your audience's five senses. That's why presenters tend to use visual aids, too. But you can help to make the spoken word better by using your voice effectively. Varying the speed at which you talk, and emphasizing changes in pitch and tone all help to make your voice more interesting and hold your audience's attention.

9. Use your Body Too

It has been estimated that more than three quarters of communication is non-verbal. That means that as well as your tone of voice, your body language is crucial to getting your message across. Make sure that you are giving the right messages: body language to avoid includes crossed arms, hands held behind your back or in your pockets, and pacing the stage. Make your gestures open and confident, and move naturally around the stage, and among the audience too, if possible.

10. Relax, Breathe and Enjoy

If you find presenting difficult, it can be hard to be calm and relaxed about doing it. One option is to start by concentrating on your breathing. Slow it down, and make sure that you're breathing fully. Make sure that you continue to pause for breath occasionally during your presentation too.

Decide whether the following statements True or False. If they are false, say why.

1. Connecting with the audience requires showing passion and honesty.
2. Presenters should build content based solely on their own expertise, not audience needs.
3. A presentation's start should focus on introducing the presenter's background.
4. Stories and characters can make presentations more engaging and memorable.
5. The 10-20-30 rule advises a minimum of 20 slides and a 30-minute duration.
6. Eye contact and smiling are effective ways to create rapport with the audience.

7. Including too much information on slides enhances audience comprehension.

8. Using open gestures and avoiding defensive body language improves communication.

9. Monotonous speech helps maintain audience attention.

IV. Read the text and consider some advice on the way you should give a presentation.

Speaking/Presenting

How you carry yourself when you are giving your presentation is just as important as all that work you put into researching for it. A presentation is 2 parts: information and show. You get the information together, and here's how you do the show:

- Speak loudly but do not yell.
- Speak slowly and clearly.
- Smile, maintain good posture, and make eye contact with audience.

- Be succinct: keep your presentation simple but make your words count.

- Vary your tone, don't "read" your script; even if you are actually reading it, it doesn't have to sound that way.

- If you mention a foreign word, put it on a slide – some people will not really understand a new word without seeing it too.

- ***Likewise, if you come across a word you are unfamiliar with, look up the pronunciation or ask a professor/teacher/sage before you make a fool of yourself. Another solution would be to replace the difficult word with a synonym. (Example: change "prevalent" to "common," etc.)***

- Do not turn your back on your audience; it is extremely rude. **ESPECIALLY** do not go to the computer where your slides are loaded, stay there, and read from the computer without ever looking at your audience.

- Dress professionally when giving your presentation – like you would for a job interview. (Examples of what not to wear include shorts, flip-flops, a black bra under a white shirt, etc.)

- Don't step back and forth, pace, or dance a jig out of nervousness when you're presenting. At best it makes you look silly, at worst it makes your audience seasick

Using advice from the text,

a) read out the word below, pronounce them correctly;

Entrepreneur /ˌɒn.trə.prəˈnɜːr/	Quotation /kwəʊˈteɪ.ʃən/
Entrepreneurship /ˌɒn.trə.prəˈnɜː.ʃɪp/	Facilitate /fəˈsɪl.ɪ.tet/
Hierarchy /ˈhaɪə.rɑː.ki/	Determine /dɪˈtɜː.mɪn/
Aesthetic /esˈθet.ɪk/	Chaos /ˈkeɪ.ɒs/
Alumni /əˈlʌm.naɪ/	Colleague /ˈkɒl.iː.g/
Strategic /strəˈtiː.dʒɪk/	Innovative /ˈɪn.ə.və.tɪv/
Statistics /stəˈtɪs.tɪks/	Scenario /sɪˈnɑː.rɪ.əʊ/
Debris /dəˈbrɪː/	Genre /ˈʒɒn.rə/
Phenomenon /fəˈnɒm.i.nən/	Plagiarism /ˈpleɪ.dʒə.rɪ.zəm/
Aesthetic /esˈθet.ɪk/	Miscellaneous /ˌmɪs.əˈleɪ.ni.əs/

b) paraphrase the following sentences with the corresponding synonyms from the box, taking into account the context.

Groundbreaking, disorder, business owner, order, copying, graduate, data, situation, statistics, methodical, identify, enable, style, reference, various, coworker, business, trend.

1. The *entrepreneur* shared insights on how to launch a startup during the presentation.
2. Understanding the organizational *hierarchy* is crucial when structuring your presentation.
3. This *phenomenon* highlights the growing importance of digital marketing strategies.
4. Our *alumni* network is a great resource for connecting with industry professionals.
5. The *data* presented here illustrates a significant trend in consumer behavior.
6. A *strategic* approach to problem-solving was the focus of this discussion.
7. *Statistics* show that effective presentations can improve audience retention by 50%.
8. Imagine a *scenario* where your team achieves all its goals ahead of schedule.
9. Our company's *innovative* methods set us apart from competitors.
10. I'd like to thank my *colleague* for helping me prepare this presentation.
11. Clear communication can transform *chaos* into a streamlined process.
12. To *determine* the best strategy, we analyzed multiple case studies.

13. Our new software aims to *facilitate* better collaboration among teams.

14. I'd like to start with a *quotation* by Albert Einstein: 'Imagination is more important than knowledge.'

15. The presentation explored a unique *genre* of films that appeal to younger audiences.

16. *Plagiarism* is a serious offense, so always ensure your content is original.

17. The last slide includes *miscellaneous* tips for improving your presentation skills.

18. *Entrepreneurship* requires a combination of creativity, risk-taking, and strategic planning.

V. Study the requirements for the slides and remember them.

Slides

Slides \neq your presentation. They are a separate entity, and you cannot depend solely on them to make you dazzle. On that note:

- DO NOT put your entire script in the slides.
- DO NOT read your slides as you present.
- Use slides for what they are: visual aids. Include pictures, make them aesthetic. Use them to highlight ideas, words, or concepts.
- Don't use fancy transitions and effects, they will only make your slideshow will draw away from your presentation.
- **Spell-check your slides**, but have someone else look them over, too. "Route" and "root" are both spelled correctly, but they are not interchangeable in context.
- Store your presentation on a flash drive in "PowerPoint Show" format so you can click & go; this will keep you from having to navigate to "Slideshow" and click "Begin from current slide."
- Save your PowerPoint in legacy (compatible with older versions) format – you can't be sure what version your presenting computer will have.
- Email yourself a copy of the presentation, if possible, in case there is a problem with your flash drive, the USB port, or other technical difficulties.
- Use standard fonts. Your computer might have Zappywigerif44, but your presenting machine likely won't.
- If technical difficulties are irresolvable, be prepared to give your presentation without a slideshow. Your slides are not your presentation, just a background to it.

VI. Study the presentation structure and learn the key phrases.

PRESENTATIONS: STRUCTURE AND KEY PHRASES

First few words

Welcome everyone warmly. Thank the organizers. Make a reference to 'here and now' to relax the audience and show your human side.

- *Good morning, everyone and thanks for coming.*
- *I'm very happy to be here.*
- *It's always a pleasure to visit...* (+say something nice about the place where you are)
- *I hope that after the coffee no-one will fall asleep during my presentation!*
- *Before I begin, I'd like to thank the organizers for inviting me here today. In particular, a big thank you to Marissa for making this event possible/all her hard work behind the scenes.*
- *Can everybody see the screen?*
- *Can you hear me at the back of the room?*
- *Let me start by saying a few words about myself.*

The audience needs to know whether they should ask questions during or after your presentation.

- *My presentation this morning will take around 30 minutes, and that will leave plenty of time for questions at the end.*
- *Please feel free to ask questions during my presentation- just put up your hand.*

And it may be helpful to mention the different areas you will cover.

- *I've divided my talk into three parts. First, I'll give you an overview of ... Then I'll look at... And finally, I'll talk in a little more detail about...*

Starting the main presentation

Start with something to get attention: a question that is in the minds of the audience, a visual, a surprising statistic, a story, a quote (for ideas type 'business quotes' into an internet search engine).

- *The title of my presentation is... Why did I choose this title? Because...*
- *This morning I'm going to talk about... This is an issue that affects us all.*
- *Take a look at this picture. What does it tell you about...? Somebody once said that... (+quote)*

Developing a point

- *To give you some background, let me explain... I'd like to stress one very important point.*
- *To give you an example of what I mean, ...*

Rhetorical questions

A rhetorical question is one that you answer yourself. It is a way to get the interest of the audience.

- *So, what's the problem? The problem is...*
- *So, what's the solution? The solution is...*
- *What exactly is Critical Path Analysis? CPA is ...*
- *What does this mean in terms of costs/business opportunities/planning for the future? It means....*
- *So, what should we do? My answer is simple. We should...*

Digressing and returning

In the middle of speaking, you often want to talk about something different for a moment. This is called digressing. Afterwards you return to the main point.

- *To digress for a moment, ...*
- *Going back to what I was saying before, ...*

Changing the subject

Signal clearly to the audience where one subject ends and the next one begins. You might want to ask for questions before moving on.

- *OK, that's all I want to say about... Does anyone have a question? Yes, the gentleman at the back. Yes, the lady over there.*
- *I'd like to move on to my next point.*
- *That brings me to my next point, which is Turning now to a different matter,*

Referring to visuals

Make sure any graph, chart, diagram or table is clearly labelled (e.g. the units on the two axes). Give the audience a few moments to study it before you start talking about the details.

- *Have a look at this next slide. The horizontal axis shows... and the vertical axis shows...*
- *As you can see, ...*
- *You'll notice on the diagram that... The figures clearly show that...*

Finishing

It is common to end with a review/summary.

- *OK, just before I finish, let me go over the main points again.*
- *So, to sum up/summarize, ...*
- *That brings me to the end of my presentation.*
- *Thank you very much for listening and I hope you found it useful/interesting.*
- *Are there any questions?*

VII. Complete each sentence with a word from the box. Find a solution that uses each word once.

affect	notice	bring	digress	show	start	stress	divide	have	take
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1. Let me start by saying a few words about myself.
2. My presentation will ___ around 30 minutes.
3. I've ___d my talk into three parts.
4. This is an issue that ___s us all.
5. I'd like to ___ one very important point.
6. And in a moment, I will take you on a tour of the factory. To ___ for a moment, can I just check that you've all signed in at reception?
7. That ___s me to my next point.
8. ___ a look at this next slide.
9. You'll ___ on the diagram that there is very little space available for the cooling fan.
10. The figures clearly ___ that demand for oil is still rising.

VIII. Put the words into order to make sentences from a presentation.

1. Good...morning...for...coming...and...everyone.... thanks.
e.g. Good morning, everyone and thanks for coming.
2. I'd like to inviting the organizers for thank me here today.
3. Can you back me at the hear of the room?
4. Please ask free to feel questions during my presentation.
5. So does what this mean in costs of terms?
6. That's all I want to market about changes in the say.
7. Let me go again the main points over.
8. Thank you for very much listening and I hope it found you useful.

IX. Complete the phrases with these prepositions: about, at, at, back, for, for, of, of, on, to, up.

- 1 Good morning and thanks ___ coming.
- 2 Can you hear me ___ the back ___ the room?
- 3 I'll leave time at the end ___ questions.
- 4 First I'll give you an overview ___ the company, then I'll look ___ our new range of products, and finally I'll talk ___ opportunities for customization based on your own specific needs.
- 5 Going ___ to what I was saying before.
- 6 I'd like to move ___ to my next point.
- 7 Turning now ___ a different matter.
- 8 So, to sum ___, our values are these: Innovative Solutions, Strategic Partnerships and Global Vision.

X. Match the beginning and end of each phrase.

1.	It's always	a.	in a little more detail
2.	I'll give	b.	free to ask questions
3.	I'll talk	c.	a pleasure
4.	Please feel	d.	you an overview
5.	I'd like to move	e.	me to the end
6.	That brings	f.	to stress
7.	The figures	g.	on now
8.	And I'd like	h.	you an example
9.	To give	i.	clearly show that

Now use the phrases to complete the presentation extract below. The first four phrases are used first.

Good morning, everyone and thanks for coming. I'm very happy to be here. It's always a pleasure to visit the Czech Republic – I have many good friends here.

Before I begin, I'd like to thank the organizers for inviting me here today. In particular, a big thank you to Tomas for all his hard work behind the scenes.

OK. My presentation this morning will take around 40 minutes. ___ 2 during my presentation, and there will also be time for questions at the end.

I've divided my talk into three parts. First ___ 3 of Smart Think Consultancy. Then I'll look at the area that is, I think, of most interest to you- Business Process Outsourcing. And finally, ___ 4 about some

ideas for BPO for your own company, based on the initial research we have done.

Later in the presentation

___ 5 one very important point. We do deliver value to our clients. This next slide lists some of the companies we have worked with. Next to each name is an estimate of money saved as a result of our recommendations. ___ 6 using the services of Smart Think makes a direct impact on profitability and business success.

Later in the presentation

OK, that's all I want to say about Smart Think. ___ 7 to the subject of Business Process Outsourcing. What exactly is Business Process Outsourcing? It is using outside companies to handle your routine business activities – the ones that are not central to your mission. It leaves you free to do what you do best: product development, operations, sales and marketing. ___ 8 of what I mean, let's look at Human Resources outsourcing.

Later in the presentation

Right, ___ 9 of my presentation. Thank you very much for listening and I hope you found it useful. Are there any questions?

XI. Study the chart below, summarizing the key expressions of a presentation and matching them to their functions.

Function	Expression
Greeting the audience	<ul style="list-style-type: none"> — <i>Welcome to...</i> — <i>Thanks for joining.</i> — <i>Thank you all for making time to attend this session.</i> — <i>Thank you for taking the time to be here today.</i>
Checking the sound	<ul style="list-style-type: none"> — <i>Can everybody hear me ok?</i>
Introducing yourself and others	<ul style="list-style-type: none"> — <i>My name is (Your Name) and I'm a (Your Role).</i> — <i>And this is (Colleague's Name).</i> — <i>Today I'm joined by (Name).</i>
Giving background information about yourself and your team	<ul style="list-style-type: none"> — <i>Our team specifically builds...</i> — <i>We've been working with...</i> — <i>My background is actually in...</i> — <i>I've been in(some industry/area) for (period of time).</i> — <i>I've had the chance to work on some interesting projects.</i>
Stating the topic and giving the structure of the presentation	<ul style="list-style-type: none"> — <i>What we are going to focus on today is...</i> — <i>We're/I'm going to (walk you through/cover/take a closer look at)...</i> — <i>Today, I'm here to discuss...</i>

Function	Expression
	<ul style="list-style-type: none"> — <i>In my presentation I'll focus on three major issues.</i> — <i>This presentation is structured as follows....</i> — <i>The subject can be looked at under the following headings</i> — <i>We can break this area down into the following fields....</i> — <i>Let's begin with a look at...</i> — <i>It's a pleasure to be here today to talk about...</i> — <i>We'll wrap it up with...</i> — <i>I'll give you a brief overview of [topic] and then I'll dive into some specific details.</i> — <i>My first point concerns...</i> — <i>First of all, I'd like to give you an overview of...</i> — <i>Next, I'll focus on.... and then we'll consider....</i> — <i>Then I'll go on to highlight what I see as the main points of....</i> — <i>Finally, I'd like to address the problem of</i>
Explaining the relevance to the audience	<ul style="list-style-type: none"> — <i>So (hopefully) by the end of this talk you'll...</i>
Getting to know the audience	<ul style="list-style-type: none"> — <i>I'm just wondering if I could have a show of hands.</i> — <i>Can I have a show of hands? How many of you...?</i>
Establishing the rules for taking questions	<ul style="list-style-type: none"> — <i>I will leave ample time at the end of the presentation to answer your questions.</i> — <i>I'd be happy to answer your questions as we go along.</i>
Starting the main presentation	<ul style="list-style-type: none"> — <i>The title of my presentation is... Why did I choose this title? Because...</i> — <i>This morning I'm going to talk about... This is an issue that affects us all.</i> — <i>Take a look at this picture. What does it tell you about...? Somebody once said that... (+quote)</i> — <i>I'd like to start by...</i> — <i>Let's get started.</i> — <i>I'd like to start by talking about...</i> — <i>Kick things off.</i> — <i>First and foremost...</i> — <i>Let's dive straight into...</i> — <i>I would like to kick off with...</i> — <i>Firstly, let's consider...</i> — <i>Have you ever wondered about...</i> — <i>Today's focus will be on...</i> — <i>The topic at hand today is...</i> — <i>To start, let's examine...</i> — <i>I want to begin by highlighting...</i>

Function	Expression
Setting the Scene Developing a point	<ul style="list-style-type: none"> — <i>An important aspect to consider is...</i> — <i>To illustrate this point, let me share...</i> — <i>Furthermore, it's critical to note that...</i> — <i>Let's take a moment to examine...</i> — <i>As an example, let's look at...</i> — <i>The evidence suggests that...</i> — <i>Contrary to popular belief...</i> — <i>It's also worth noting that...</i> — <i>Digging into this further, we discover...</i> — <i>Expanding on this idea, we can see...</i> — <i>Turning our attention to...</i> — <i>The data indicate that...</i> — <i>To clarify, let's consider...</i> — <i>To highlight this, let's review...</i> — <i>To give you some background, let me explain... I'd like to stress one very important point.</i> — <i>To give you an example of what I mean, ...</i>
Changing the subject	<ul style="list-style-type: none"> — <i>Right, let's start with the first point on the agenda.</i> — <i>That brings me to the next point.</i> — <i>Now, let me turn to part three.</i> — <i>Now, let's examine together the third point.</i> — <i>Moving forward, let's consider...</i> — <i>I'd like to move on to my next point.</i> — <i>Turning now to a different matter,</i> — <i>With that said, let's turn our attention to...</i> — <i>Now that we've discussed X, let's explore Y...</i> — <i>Transitioning to our next point, we find...</i> — <i>Shifting gears, let's examine...</i> — <i>Following this line of thought...</i> — <i>It brings us neatly to our next point...</i> — <i>To bridge this with our next topic...</i> — <i>Drawing a parallel to our previous point...</i> — <i>Expanding the scope of our discussion, let's move to...</i> — <i>Having established that, we can now consider...</i> — <i>Correlating this with our next point...</i> — <i>Let's transition now to a related idea...</i> — <i>With this in mind, let's proceed to...</i>
Digressing and returning	<ul style="list-style-type: none"> — <i>Linking back to our earlier point...</i> — <i>To digress for a moment, ...</i> — <i>Going back to what I was saying before, ...</i>
Rhetorical questions	<ul style="list-style-type: none"> — <i>So, what's the problem? The problem is...</i> — <i>So, what's the solution? The solution is...</i> — <i>What exactly is Critical Path Analysis? CPA is ...</i> — <i>What does this mean in terms of costs/business</i>

Function	Expression
	<p><i>opportunities/planning for the future? It means....</i> — <i>So, what should we do? My answer is simple. We should...</i></p>
Referring to visuals	<p>— <i>Have a look at this next slide. The horizontal axis shows... and the vertical axis shows...</i> — <i>As you can see, ...</i> — <i>You'll notice on the diagram that...</i> — <i>The figures clearly show that...</i> — <i>The key idea I want you to retain here is that this merger is necessary to us.</i> — <i>This diagram clearly illustrates my point.</i> — <i>This chart demonstrates that we need to increase quality.</i> — <i>At the bottom you can clearly see that number of customers is constantly growing.</i> — <i>The first row represents spare parts sales.</i> — <i>On the left of the illustration you can see that the safety instructions are always displayed on the boxes.</i> — <i>In red we have the results for last year.</i> — <i>The figures for 2024 are shown in green.</i> — <i>This clearly illustrates what I was saying.</i> — <i>Take a look with me now at this diagram.</i></p>
Concluding and finishing	<p>— <i>To sum up our discussion today...</i> — <i>In conclusion, we can say that...</i> — <i>Wrapping up, the key takeaways from our talk are...</i> — <i>As we come to an end, let's revisit the main points...</i> — <i>Bringing our discussion to a close, we find...</i> — <i>In the light of our discussion, we can infer...</i> — <i>To synthesize the main points of our discourse...</i> — <i>To recap the primary themes of our presentation...</i> — <i>As we conclude, let's reflect on...</i> — <i>Drawing our discussion to a close, the principal conclusions are...</i> — <i>As our dialogue comes to an end, the core insights are...</i> — <i>In wrapping up, it's essential to remember...</i> — <i>Summarizing our journey today, we can say...</i> — <i>As we bring this presentation to a close, let's remember...</i> — <i>Coming to an end, our central message is...</i> — <i>OK, just before I finish, let me go over the main points again.</i> — <i>So, to summarize, ...</i> — <i>That brings me to the end of my presentation.</i> — <i>Thank you very much for listening and I hope you found it useful/interesting.</i> — <i>Are there any questions?</i></p>

XI. Match the expressions on the right of the table to their functions on the left.

Greeting the audience	— <i>Our team specifically builds...</i> — <i>Good morning/afternoon everyone and welcome to my presentation</i>
Checking the sound	— <i>I know some of you have come a long way to be with us today.</i> — <i>Can everybody hear me ok?</i>
Introducing yourself and others	— <i>My name is (Your Name) and I'm a (Your Role).</i> — <i>Wrapping up, the key takeaways from our talk are...</i>
Giving background information about yourself and your team	— <i>Drawing our discussion to a close,</i> — <i>Can I have a show of hands? How many of you...?</i>
Stating the topic and giving the structure of the presentation	— <i>Summarizing our journey today, we can say...</i>
Explaining the relevance to the audience	— <i>I've been in(some industry/area) for (period of time).</i> — <i>First of all, I'd like to give you an overview of:...</i>
Getting to know the audience	— <i>Let's get started.</i> — <i>I want to begin by highlighting...</i>
Establishing the rules for taking questions	— <i>There will be time for your questions at the end of my talk.</i> — <i>Furthermore, it's critical to note that...</i>
Starting the main presentation	— <i>It's also worth noting that...</i> — <i>This presentation is structured as follows....</i>
Developing a point	— <i>This diagram clearly illustrates my point.</i> — <i>So, what's the solution? The solution is...</i> — <i>Please hold your questions until the end of my presentation.</i>
Changing the subject	— <i>Firstly, let's consider...</i> — <i>This chart demonstrates that we need to</i>
Digressing and returning	— <i>So, what should we do?</i> — <i>That brings me to the next point.</i> — <i>It's a pleasure to be here today to talk about...</i>
Rhetorical questions	— <i>On the left of the illustration you can see</i> — <i>Going back to what I was saying before, .</i>
Referring to visuals	— <i>My presentation will last approximatively 10 minutes.</i> — <i>Turning now to a different matter,</i>
Concluding and finishing	— <i>Expanding on this idea, we can see...</i> — <i>I'd like to move on to my next point.</i>

XII. Choose a topic from the following list and use the prompts to prepare your presentation.

Mini-Presentation Ideas

The Economy of My Country	The Role of Education in Economic Development
<ul style="list-style-type: none"> • Overview of your country’s economy (GDP, main industries) • Key exports and imports • Role of agriculture, manufacturing, or technology • Major economic challenges • Recent economic growth or decline • Government policies influencing the economy • Predictions for future economic trends 	<ul style="list-style-type: none"> • How education influences individual earning potential • The connection between education and economic growth • Examples of countries investing in education to boost their economy • The role of vocational training and skill development • Challenges in providing equitable access to education • Suggestions for improving the education system in your country
My Dream Career	The Role of Technology in the Economy
<ul style="list-style-type: none"> • The career you would love to have • Reasons for choosing this career • Required education and skills • Day-to-day responsibilities • Influences or role models in this field • How this career benefits people • Why you think you’d be good at it 	<ul style="list-style-type: none"> • Examples of how technology drives economic growth • Industries most impacted by technological advancements • Benefits of automation and digitalization • Challenges such as job displacement or cybersecurity risks • Innovations that have changed business operations • Predictions for the future of technology in the economy
Monopoly	Forms of Business Organizations: Corporations
<ul style="list-style-type: none"> • Definition and examples of monopolies • Characteristics of a monopoly • How monopolies set prices and control markets • Pros and cons of monopolies for consumers and the economy • Government policies to regulate monopolies • Famous historical or modern monopolies 	<ul style="list-style-type: none"> • Definition and examples of corporations • Key features and benefits of incorporation • How corporations raise capital through stocks and bonds • The role of shareholders and the board of directors • Challenges corporations face (e.g., regulations, public scrutiny) • Examples of famous multinational corporations

XIII. Use Presentation Feedback Form and reflect on areas of strength and improvement.

Instructions:

1. Deliver your presentation to the class or a small group of peers.
2. Use the **Presentation Feedback Form** to self-assess your performance and receive feedback from your peers or teacher. Ensure that each section of the form is filled out thoughtfully.

3. Pay attention to the following key aspects during your presentation:

- How well you introduce, structure, and close the presentation.
- Your clarity of speech, pace, and confidence in body language.
- Your ability to handle questions and engage the audience effectively.
- Whether your message is memorable and impactful.

After the feedback session, reflect on your performance by answering the following questions:

- What were your strengths during the presentation?
- What areas do you need to improve upon?
- What steps will you take to enhance your presentation skills in the future?

Presentation Feedback Form:

Criteria	Fully Agree (3)	Partly Agree (2)	Disagree (1)	Comments
Opened the presentation appropriately (welcomed audience, stated topic, outlined structure).				
Introduced points smoothly, making the presentation easy to follow.				
Closed the presentation appropriately (summarized key points, invited questions, thanked audience).				
Handled questions effectively.				
Spoke clearly, at an appropriate pace.				
Used confident and appropriate body language.				
Made the message memorable.				
Engaged the audience.				

Overall impression:

Did I communicate my message effectively? Why/Why not?

GLOSSARY OF ECONOMIC TERMS

Agriculture – the science or practice of farming, including cultivation of the soil for growing crops and rearing animals to provide food, wool, and other products.

Balance of Payment – the report that includes detailed information on the UK trade in goods and services, income, current and capital transfers, and transactions in the UK.

Bank – a financial institution licensed as a receiver of deposits.

Business – an organization or enterprising entity engaged in commercial, industrial or professional activities.

Capital – 1) factor of production that is used to create goods or services and is not itself in the process; 2) wealth in the form of money or assets, taken as a sign of the financial strength of an individual, organization, or nation, and assumed to be available for development or investment; 3) money invested in a business to generate income.

Capital goods – heavy equipment (such as excavators, machines, vehicles) which (in contrast to consumer goods) require a relatively large investment, and are bought to be used over several years.

Capital investment – expenditure on capital goods with a view to achieving profitable production for consumption at later dates.

Capitalism – an economic system in which private citizens own and use the factors of production in order to generate profits.

Command economy – an economic system with a central authority that makes the major economic decisions.

Communism – an economic and political system in which all factors of production are collectively owned and controlled by the state.

Competition – the struggle among sellers to attract consumers.

Consumer – a person who purchases goods and services for personal use (in retail)

Consumer goods – goods that are intended for final use by the consumer. Broad category that covers mass-market items divided into consumer durables, consumer non-durables, and soft goods.

Cost – an amount that has to be paid or given up in order to get something.

Crisis – any event that is, or is expected to lead to, an unstable and dangerous situation affecting an individual, group, community, or

whole society characterized by unemployment and low prices and low levels of trade and investment.

Demand – desire for a certain good or service supported by the capacity to purchase it.

Economic goods – a consumable item that is useful to people but scarce in relation to its demand, so that human effort is required to obtain it.

Economic indicator – a statistic used for judging the health of the economy such as GDP per head, rate of unemployment or the rate of inflation.

Economic system – an organized way in which a society provides for the wants and needs of its people.

Economic wants – the human motives that induce the business and economic activities which produce the desired goods and services, or the means to acquire them.

Economics – the study of the production and distribution of goods and services, it is the study of human efforts to satisfy unlimited wants with limited resources. There is a distinction between Positive Economics and Normative Economics. Positive versus Normative Economics. Positive Economics is purely descriptive statements or scientific predictions. Normative Economics is value judgments about economic policies; relates to whether things are good or bad; what ought to be.

Economy – 1) the process or system by which goods and services are produced, sold, and bought in a country or region; 2) careful use of money, resources, etc.

Employee – an individual who works part-time or full-time under a contract of employment, whether oral or written, express or implied, and has recognized rights and duties.

Employer – a person or a business employs one or more people, especially for salary or wages in compensation.

Enterprise – a business or company.

Entrepreneur – someone who exercises initiative by organizing a venture to take benefit of an opportunity and, as the decision maker, decides what, how, and how much of a good or service will be produced. An entrepreneur supplies risk capital as a risk taker, and monitors and controls the business activities.

Entrepreneurship – the capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit. The most obvious example of entrepreneurship is the starting of new businesses.

Export – a product or service that is sold and sent or supplied to another country.

Exports – goods and services sold to foreign countries.

Factors of production – resources required for generation of goods or services, generally classified into four major groups: (1) Land (including all natural resources), (2) Labor (including all human resources), (3) Capital (including all man-made resources), and (4) Enterprise (which brings all the previous resources together for production). These factors are classified also as management, machines, materials, and money (this, the 4 Ms), or other such nomenclature. More recently, knowledge has come to be recognized as distinct from labor, and as a factor of production in its own right.

Free enterprise economy – an economy in which competition is allowed to flourish with a minimum of government interference.

Free products – air, sunshine and other items so plentiful no one could own them.

Free-market system – an economic system in which the price of goods and services is affected by supply and demand rather than controlled by a government.

GDP (Gross domestic product) – the total value of all the goods and services produced in a country in one year.

Gross National Product (GNP) – the most commonly used measurement of the wealth of a country. GNP is defined as the total value of all goods and services produced by firms owned by the country concerned.

GfK Consumer Confidence – (GfK – Growth from knowledge – market research) consumer confidence in the UK is obtained from the findings of the GfK Consumer Climate Europe survey, which is conducted by research firm GfK in all the EU countries on behalf of the European Commission. The GfK Group is an international market research organization providing services in the three sectors Custom Research, Retail, Technology and Media.

Good – a commodity, or a physical, tangible item that satisfies some human want or need, or something that people find useful or desirable and make an effort to acquire it. Goods that are scarce (are in limited supply in relation to demand) are called economic goods, whereas those whose supply is unlimited and that require neither payment nor effort to acquire, (such as air) are called free goods.

Household Expenditures – household expenditure measures the contribution of households to economic growth and accounts for about 60% of the expenditure measure of the UK's GDP.

Import – a product or service that is brought into one country from another.

Imports – goods or services brought into one country from another.

Income – money that an individual or business receives in exchange for providing a good or service or through investing capital.

Index of Production – the Office for National Statistics (ONS) provides monthly estimates of the Index of Production for UK production industries, which account for close to 15% of GDP. The Index of Production is one of the earliest indicators of growth and measures output in manufacturing, mining, energy supply, and water supply and waste management industries.

Industry – the sector of an economy that is concerned with manufacture.

Inflation – rise in the general level of prices.

Inflation indicator – an indicator which measures inflation at the consumer and producer levels.

Input – something put into a system or expended in its operation to achieve output or a result; any of the items, including materials, equipment, and funds, required for production.

Inputs – resources such as people, raw materials, energy, information, or finance that are put into a system to obtain a desired output. Inputs are classified under costs in accounting. When calculating the cost of goods sold for a particular item it is important to include not only the direct inputs such as raw materials but also indirect costs such as labor and overhead.

International trade – the exchange of goods and services between countries.

Labor Market Statistics – key data on the employment market in the UK, such as the net change in employment, unemployment rate, average weekly earnings, labor productivity, and vacancies.

Labour – the aggregate of all human physical and mental effort used in creation of goods and services. Labor is a primary factor of production.

Labourer – a person who does unskilled physical work, especially outside.

Land – primary input and factor of production which is not consumed but without which no production is possible. It is the resource that has no cost of production and, although its usage can be switched from a less to more profitable one, its supply cannot be increased.

Living standard – the amount of money and level of comfort that a particular person or group has.

Macroeconomics – the study of the behavior of the whole (aggregate) economies or economic systems instead of the behavior of

individuals, individual firms, or markets (which is the domain of Microeconomics). Macroeconomics is concerned primarily with the forecasting of national income, through the analysis of major economic factors that show predictable patterns and trends, and of their influence on one another. These factors include level of employment / unemployment, gross national product (GNP), balance of payments position, and prices (deflation or inflation). Macroeconomics also covers role of fiscal and monetary policies, economic growth, and determination of consumption and investment levels.

Market economy – an economic system in which supply, demand, and the price system help people make economic decisions and allocate resources.

Market – meeting place or mechanism that allows buyers and sellers to come together.

Microeconomics – the study of the economic behavior of individual units of an economy (such as a person, household, firm, or industry) and not of the aggregate economy (which is the domain of macroeconomics). Microeconomics is primarily concerned with the factors that affect individual economic choices, the effect of changes in these factors on the individual decision makers, how their choices are coordinated by markets, and how prices and demand are determined in individual markets. The main subjects covered under microeconomics include theory of demand, theory of the firm, and demand for labor and other factors of production.

Mixed economy – an economic system in which both the private enterprise and a degree of state monopoly (usually in public services, defense, infrastructure, and basic industries) coexist. All modern economies are mixed where the means of production are shared between the private and public sectors.

National Income – the total income of the state in one year including both the wages of individuals and the profits of companies. National income is equal to gross national product.

National per capita income – the national income divided by population.

Natural resource – asset or material that constitutes the natural capital of a nation. Natural resources require application of capital and human resources (mental and physical labor) to be exploited (extracted, processed, refined) for the realization of their economic value.

Necessaries – whatever is reasonably needed for maintaining a certain lifestyle, depending on one's age and status, and the norms of a particular society.

Necessities – bare essentials required universally for subsistence or survival, or for maintaining a certain minimum standard-of-living.

Need – a motivating force that compels action for its satisfaction. Needs range from basic survival needs (common to all human beings) satisfied by necessities, to cultural, intellectual, and social needs (varying from place to place and age group to age group) satisfied by necessities. Needs are finite but, in contrast, wants (which spring from desires or wishes) are boundless. In recent years there has been a perceived shift of certain items from wants to needs.

Opportunity Cost – a benefit, profit, or value of something that must be given up to acquire or achieve something else. Since every resource (land, money, time, etc.) can be put to alternative uses, every action, choice, or decision has an associated opportunity cost. Opportunity costs are fundamental costs in economics, and are used in computing cost benefit analysis of a project. Such costs, however, are not recorded in the account books but are recognized in decision making by computing the cash outlays and their resulting profit or loss.

Output – the amount of something that a person, a machine, an organization or an industry produces.

Per capita – used to describe average amount of something in a particular place, calculated according to the number of people who live there.

Private property – the right of individuals and businesses to own the means of production.

Production – the processes and methods used to transform tangible inputs (raw materials, semi-finished goods, subassemblies) and intangible inputs (ideas, information, knowledge) into goods or services. Resources are used in this process to create an output that is suitable for use.

Production cost – the amount of money that is paid to produce something.

Productive resources – materials used to produce goods and services. They can be both tangible, as in capital and raw materials, and intangible.

Profit – an extent to which persons or organizations are better off financially at the end of a period than they were at the beginning.

Profit motive – chance of generating a surplus of revenue over all costs the reason most people start and stay in a business.

Purchasing power parity (PPP) – an economic theory that estimates the amount of adjustment needed on the exchange rate between countries in order for the exchange to be equivalent to each currency's purchasing power.

Resource – an economic or productive factor required to accomplish an activity, or as means to undertake an enterprise and achieve desired outcome. Three most basic resources are land, labor, and capital; other resources include energy, entrepreneurship, information, expertise, management, and time.

Retail – the sale of goods in shops to customers, for their own use and not for selling to anyone else.

Retail Sales – the official measure of broad consumer spending patterns based on the retail sales of consumer durables (goods that usually last more than three years) and consumer nondurables (that usually last less than three years).

Scarcity – the fundamental economic problem facing all societies. Essentially it is how to satisfy unlimited wants with limited resources. This universal phenomenon leads to the definition of economics as the "science of allocation of scarce resources."

Service – 1) work performed for someone; 2) intangible commodity of value. Intangible products such as accounting, banking, cleaning, consultancy, education, insurance, expertise, medical treatment, or transportation. Sometimes services are difficult to identify because they are closely associated with a good; such as the combination of a diagnosis with the administration of a medicine. No transfer of possession or ownership takes place when services are sold, and they (1) cannot be stored or transported, (2) are instantly perishable, and (3) come into existence at the time they are bought and consumed.

Service industry – sector of the economy that supplies such as retailing, banking, education.

Socialism – political and economic system in which the government owns and controls some factors of production.

Stagnation – a prolonged period of little or no growth in the economy.

Technology – 1) new machines, equipment, ways on doing things that are based on modern knowledge about science and computers; 2) the application of science to commerce and industry.

Trade – 1) the activity of buying and selling or of exchanging goods or services between people or countries; 2) the activity of selling goods and services in order to make a profit.

Traditional economy – an economic system in which the allocation of scarce resources and other economic activities are based on ritual, habit or custom.

Transaction – a piece of business that is done between people, especially an act of buying and selling.

Unemployment – represents the number of people in the work force who want to work but do not have a job.

Unlimited wants – the side of human nature that wants an endless number of things, yet has a limited amount of resources to achieve these wants.

Value – the worth of all the benefits and rights arising from ownership. Two types of economic value are (1) the utility of a good or service, and (2) power of a good or service to command other goods, services, or money, in voluntary exchange.

Want – a means of expressing a perceived need.

Wealth – total of all assets of an economic unit that generate current income or have the potential to generate future income. It includes natural resources and human capital but generally excludes money and securities because they represent only claims to wealth. Two common types of economic wealth are (1) Monetary wealth: anything that can be bought and sold, for which there is market and hence a price. The market price, however, reflects only the commodity price and not necessarily its value. For example, water is essential for human existence but is usually very cheap. (2) Non-monetary wealth: things which depend on scarce resources, and for which there is demand, but are not bought and sold in a market and hence have no price. Examples are education, health, and defense.

Wholesale – the business of selling goods in large quantities at low prices to other businesses, rather than to the general public.

Work – 1) an activity, such as a job, that a person uses physical or mental effort to do, usually for money; 2) the material used by someone at work, or what they produce; 3) something created as a result of effort.

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