



МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ

ХАРКІВСЬКИЙ ДЕРЖАВНИЙ УНІВЕРСИТЕТ
ХАРЧУВАННЯ ТА ТОРГІВЛІ

А.О. Борисова,
В.О. Архипова,
О.М. Муравйова,
О.Ф. Белікова

ENGLISH FOR ECONOMISTS

НАВЧАЛЬНО-МЕТОДИЧНИЙ ПОСІБНИК

для студентів денної та заочної форм навчання
економічних спеціальностей

Харків 2015

УДК 811.111-057.87

ББК 81.2 Англ.

А - 64

Авторський колектив:

А.О. Борисова, В.О. Архипова, О.Ф. Белікова,
О.М. Муравйова

Розповсюдження і друк без офіційного дозволу ХДУХТ заборонено.

Навчально-методичний посібник розглянуто і схвалено на засіданні кафедри іноземних мов, протокол № 15, від 23.04.2015 р.

Навчально-методичний посібник розглянуто і схвалено Вченою радою ХДУХТ, протокол № 9, від 28.05.2015 р.

Рецензенти:

зав.кафедри іноземних мов ХНУРЕ, канд. пед. наук, проф. Сукнов М.П.
доцент каф. мистецтвознавства, літературознавства та мовознавства
Харківської державної академії культури, канд. пед. наук, доц. О.М. Білик.

ENGLISH FOR ECONOMISTS = АНГЛІЙСЬКА ДЛЯ ЕКОНОМІСТІВ

А - 64 [Текст] /А. О. Борисова [та ін.]; Харківський держ. ун-т.
харчування та торгівлі. – Х. : ХДУХТ, 2015. – 180 с.

Посібник містить автентичні навчальні тексти та систему різноманітних інтерактивних вправ, які сприяють розширенню термінологічного лексичного запасу, формуванню у студентів навичок усного мовлення у сфері професійного спілкування

УДК 811.111-057.87

ББК 81.2 Англ.

© Харківський державний
університет харчування
та торгівлі, 2015

ПЕРЕДМОВА

Посібник «Англійська мова для студентів денної та заочної форми навчання економічних спеціальностей» створено відповідно до вимог програми з іноземних мов для студентів 1-2 курсів немовних вузів.

Мета, яку ставили перед собою автори посібника, полягає в підготовці майбутніх фахівців до самостійного опрацювання, читання та розуміння фахово спрямованого навчального матеріалу англійською мовою. Усі тексти посібника тематично співвідносяться з майбутніми професіями студентів.

Посібник складається з трьох тематичних розділів: Unit 1 – Basic economic issues in Ukraine and the USA, Unit 2 – Principles of economy, Unit 3 – Economy of an enterprise. Усього посібник містить 18 уроків, які розбиті на дві частини: одна опрацьовується студентами під час аудиторної роботи (Class Assignments), а Self-study має на меті самостійне опрацювання студентами матеріалу, вивченого разом в викладачем.

Щодо самих текстів, то їх побудовано з дотриманням дидактичного принципу наростання лексико-граматичних труднощів. Це стосується як дібраних із фахових першоджерел і відповідним чином опрацьованих і адаптованих англійських текстів, так і створених авторами, з використанням тих чи інших джерел. Як ті, так і інші тексти опрацьовувались і вносились до підручника з метою виробити у студентів вміння читати, перекладати літературу зі свого майбутнього фаху, розуміти, орієнтуватися в ній і видобувати з неї необхідну фахову інформацію.

Поряд із основним завданням, що має вирішуватись за допомогою цього посібника – навчання читанню та розумінню фахово орієнтованої літератури, використання його служить також реалізації й іншої мети – вироблення навичок підготовленого і не підготовленого мовлення в межах засвоєної професійної тематики. Саме тому вправи у посібнику поділяються на мовні та вправи для самостійного опрацювання студентом (Self-study). Вправи для самостійного опрацювання виконуються вдома, деякі завдання спрямовують студентів до відповіді на будь-яке питання за текстом, ряд завдань виконується письмово і носить тестовий характер. Мовні завдання виконуються в аудиторії. Усього у посібнику близько 50 видів граматичних і лексичних вправ.

ЗМІСТ

<i>Передмова</i>		
UNIT I	BASIC ECONOMIC ISSUES IN UKRAINE AND THE USA	6
LESSON 1	INTRODUCTION TO ECONOMIC SCIENCE	6
	Text 1. What is economics?	10
	• <i>Self-study</i>	14
	Text 2. Central questions in economics	15
LESSON 2	ECONOMIC GEOGRAPHY OF UKRAINE	19
	Text 1. Ukraine, its geographical position and climate	23
	• <i>Self-study</i>	26
	Text 2. Economy of Ukraine	26
LESSON 3	THE BASIS OF THE US ECONOMY	30
	Text 1. Geographical position and climate of the USA	35
	• <i>Self-study</i>	37
	Text 2. The US sectors of economy	37
LESSON 4	INTERNATIONAL ECONOMIC RELATIONS OF THE USA	41
	Text 1. The US foreign trade	44
	• <i>Self-study</i>	48
	Text 2. Global economic influence of the USA	50
LESSON 5	INTERNATIONAL ECONOMIC RELATIONS OF UKRAINE	56
	Text 1. Ukraine's trade policy. A strategy for integration into global trade	60
	• <i>Self-study</i>	64
	Text 2. The World Trade Organization. The path of Ukraine into the WTO	65
UNIT II	PRINCIPLES OF ECONOMY	67
LESSON 6	METHODOLOGY OF ECONOMICS	67
	Text 1. Methodology of economics	70
	• <i>Self-study</i>	73
	Text 2. Methodology of economics (continued)	73
LESSON 7	ECONOMIC SYSTEMS (PART I)	75
	Text 1. Traditional economy	79
	• <i>Self-study</i>	81
	Text 2. Command economy	82
LESSON 8	ECONOMIC SYSTEMS (PART II)	85
	Text 1. Pure capitalism	87
	• <i>Self-study</i>	91
	Text 2. Mixed economic systems	92
LESSON 9	GOODS AND SERVICES	94

	Text 1. Goods and services	97
	• <i>Self-study</i>	100
	Text 2. Public goods	101
LESSON 10	FACTORS OF PRODUCTION: LAND AND LABOUR	104
	Text 1. Land	107
	• <i>Self-study</i>	111
	Text 2. Labour	112
LESSON 11	FACTORS OF PRODUCTION: CAPITAL AND ENTREPRENEURSHIP	114
	Text 3. Capital	117
	• <i>Self-study</i>	121
	Text 4. Entrepreneurship	122
LESSON 12	DEMAND AND SUPPLY	124
	Text 1. Demand	126
	• <i>Self-study</i>	130
	Text 2. Supply	130
LESSON 13	COMPETITION	132
	Text 1. Perfect competition	135
	• <i>Self-study</i>	138
	Text 2. Imperfect competition	139
UNIT III	ECONOMY OF AN ENTERPRISE	141
LESSON 14	FORMS OF BUSINESS ORGANIZATION	141
	Text 1. Types of firms	143
	• <i>Self-study</i>	147
	Text 2. Corporate securities	147
LESSON 15	FINANCING A BUSINESS	149
	Text 1. Financing a business	151
	• <i>Self-study</i>	154
	Text 2. Company's assets and liabilities	155
LESSON 16	COST AND PRODUCTION	157
	Text 1. Cost	159
	• <i>Self-study</i>	161
	Text 2. Production function	162
LESSON 17	RENT AND INTEREST	164
	Text 1. Rent	166
	• <i>Self-study</i>	169
	Text 2. Interest	170
LESSON 18	PROFITS AND LOSSES	171
	Text 1. Profits	174
	• <i>Self-study</i>	177
	Text 2. Profits and losses	178

UNIT I
BASIC ECONOMIC ISSUES
IN UKRAINE AND THE USA

LESSON 1

INTRODUCTION TO ECONOMIC SCIENCE

CLASS ASSIGNMENTS

VOCABULARY

<i>economics</i>	['i:kq'nɔmlks]	<i>n</i> економіка (як наука)
<i>economic</i>	[']kq'nɔmlk]	<i>a</i> економічний
<i>environment</i>	[In'valqrqnmqnt]	<i>n</i> середовище; оточення
<i>business</i>	['blznls]	<i>n</i> справа; бізнес
<i>to influence= to affect</i>	['Influqns]	<i>v</i> впливати
<i>to produce</i>	[prq'djʃls]	<i>v</i> виробляти
<i>to distribute</i>	[dls'trlbjʊ:t]	<i>v</i> розподіляти
<i>to consume</i>	[kq'n'sjʃlm]	<i>v</i> споживати
<i>to earn</i>	[Wn]	<i>v</i> заробляти
<i>to spend</i>		<i>v</i> витратити
<i>to satisfy</i>	['sxtlsfəl]	<i>v</i> задовольняти
<i>resources</i>	[r'l'slsz]	<i>n</i> ресурси
<i>scarce resources</i>	[skʃqs]	<i>a</i> недостатні, рідкісні ресурси
<i>free resources</i>	[fr]	<i>a</i> вільні ресурси
<i>goods</i>	[gudz]	<i>n</i> товари
<i>service</i>	['sʷvls]	<i>n</i> послуга
<i>human needs and wants</i>	['hjʃlmq'njdz]	<i>n</i> потреби та бажання людини
<i>to obtain = to get</i>		<i>v</i> отримувати
<i>without charge</i>	[CRG]	<i>a</i> тут: безкоштовно
<i>equipment</i>	[I'kw]pmqnt]	<i>n</i> обладнання
<i>labour</i>	['lɛlbq]	<i>n</i> труд, праця
<i>to concern</i>	[kq'n'sʷn]	<i>v</i> займатися чимось

I. Memorize the following rules of reading. Read the words and translate them:

➤ **MEMORIZE !**

Буквосполучення

- **wa** читається [wɔ], якщо за ним іде приголосний або сполучення приголосних (у закритому складі): **wash** [wɔʃ] мити;
- **war** читається [wɔ:]: **warm** [wɔ:m] теплий;

- **wor** перед приголосною читається [wʌ]: **work** [wɜ:k] робота;
- якщо за буквосполученням **wh** іде буква **o**, то буква **w** не читається: **who** [hu:] хто; **whole** [həʊl] цілий; в інших випадках – не читається буква **h**: **white** [wait] білий.

a) wash, water, wall, watch, want, was, wander;
 war, warn, ward, warder, warty, wardrobe;
 work, word, worm, world, worse, worst, worth, workplace;
 who, whom, whose, why, white, while, where, when, whether, which, wheel;
 wholesale.

➤ **MEMORIZE !**

Буквосполучення **al** перед приголосною читається [ɔl]: **salt** [sɔlt] сіль.

- Якщо за **al** іде **k**, то **l** не вимовляється: **walk** [wɔ:k] іти пішки.

б) talk, always, ball, chalk, small, call, hall, also, mall, fall

➤ **MEMORIZE !**

-ure – суфікс іменника.

- Якщо цьому суфіксу передують приголосний **t**, то сполучення **-ture** читається [Cə]: **structure** ['strʌktʃə] структура, будова.
- Якщо йому передують приголосний **s**, то буквосполучення **-sure** читається [Zə]: **measure** ['meʒə] міра, вимір.
- Якщо **ss**, то сполучення **-ssure** читається [ʃə]: **pressure** ['preʃə] тиск.

в) lecture, picture, nature, culture, future, pleasure

➤ **MEMORIZE !**

- Суфікс **-y** утворює прикметники від іменників: **sun** [sʌn] сонце – **sunny** ['sʌni] сонячний.
- Суфікс **-y** також зустрічається в іменниках і дієсловах: **energy** ['enəʒi] енергія; **carry** ['kæri] нести.
- У дієсловах цей суфікс може читатися [ai]: **to supply** [sə'plai] постачати.

г) *іменники*: body, study, activity, bankruptcy, delay, property;
дієслова: study, multiply, cry, try;
прикметники: healthy, dietary, icy, cosy, happy,

➤ **MEMORIZE !**

Суфікс **-ion** утворює іменники від дієслівних коренів.

- Сполучення **-tion**, **-ssion** читаються [ʃn], а сполучення **-sion** після голосного читається [Z(q)n].
- У словах з суфіксом **-ion** наголошується склад, що передують цьому суфіксу: **to protect** [prə'tekt] захищати – **protection** [prə'tekʃn] захист; **to decide** [di'said] вирішувати – **decision** [di'siʒn] рішення.

д) attention, introduction, nutrition, commission, permission, recession,
 information, conclusion, corporation, action, fusion

II. Memorize the abbreviations used in the dictionary. Name the part of speech:

body *n*, adapt *v*, ill *a*, book *v*, according *adv*, since *cj*, since *prp*, sent *p.p.*, ourselves *pron*

III. Read and memorize the following:

<i>to determine</i>	[dɪ'tɜːmɪn]	<i>v</i>	визначати
<i>choice</i>	[tʃɔɪs]	<i>n</i>	вибір
<i>output</i>	['aʊtput]	<i>n</i>	випуск; продукція
<i>input</i>	['ɪnput]	<i>n</i>	вклад; витрати
<i>consumer</i>	[kɒn'sʌjɪmɜː]	<i>n</i>	споживач
<i>factors of production</i>	[prɒ'dʌktɪv]	<i>n</i>	чинники виробництва
<i>manufacture</i>	['mænʃʌ'fæktʃə]	<i>v</i>	виробляти
<i>commodity</i>	[kɒ'mɒdɪtɪ]	<i>n</i>	товар, крам
<i>return</i>	[rɪ'tɜːn]	<i>n</i>	обіг, відшкодування
<i>distribution</i>	['dɪstrɪ'bjuːʃn]	<i>n</i>	збут, розподіл
<i>entrepreneurship</i>	['ɒntrəprəʒ'nʃɪp]	<i>n</i>	підприємництво
<i>ownership</i>	['ɒnɪŋʃɪp]	<i>n</i>	власність, володіння
<i>wage</i>	[weɪʒ]	<i>n</i>	заробітна плата (<i>щотижнева</i>)
<i>salary</i>	['sælərɪ]	<i>n</i>	заробітна плата, оклад
<i>rent</i>		<i>n</i>	орендна плата; рента
<i>interest</i>	['ɪntrɪst]	<i>n</i>	відсоток
<i>profit</i>	['prɒfɪt]	<i>n</i>	прибуток
<i>substitute</i>	['sʌbstɪtjuːt]	<i>n</i>	замінник
<i>value</i>	['væljuː]	<i>n</i>	цінність
<i>opportunity</i>	['ɒpɔːtjuːnɪtɪ]	<i>n</i>	нагода, можливість
<i>issue</i>	['ɪʃuː, 'ɪʃɪ]	<i>n</i>	питання

IV. Answer the questions:

1. Скільки відмінків має англійська мова?
2. Як передаються українські відмінкові відношення в англійській мові?
3. Назвіть способи передачі кожного з українських відмінків в англійській мові.

V. Read and translate the sentences. Explain the use of prepositions:

1. It is accepted by the target company and recommended by its directors to its shareholders. 2. Saudi Arabia will no longer adjust its production to match short-term supply with demand. 3. The chairman admitted he had taken the cash from the company's safe. 4. She has access to large amounts of venture capital. 5. The estate agent sent me a list of properties for sale. 6. A distribution channel usually consists of a chain of intermediaries, for example wholesalers and retailers

VI. Answer the questions:

Як перекладаються прийменники *at, in, on (to, into; from, out of)*? В якому ще

значенні можуть виступати ці прийменники?

VII. Read and translate the sentences. Explain the use of prepositions:

1. We attend lectures in Physics on Fridays. 2. The third-year students had practice at the restaurant in February. 3. The spring session lasts from the beginning till the end of June. 4. I shall go to my parents during my summer holidays. 4. Economic stability depends upon a number of factors.

VIII. Pay attention to “*there is/there are*”, and the way it is translated:

A	There is a book on the table.	На столі (лежить) книжка.
	There are books on the table.	На столі (лежать) книжки.
B	There is no book on the table.	На столі немає книжки.
	There are no books on the table.	На столі немає книжок.
C	Is there a book on the table?	На столі є книжка?
	Are there books on the table?	На столі є книжки?

Answer the questions:

1. Коли вживається зворот *there is/there are*? Як він перекладається?
2. Чи вживається артикль *a* з іменником в однині (множині) після звороту *there is / there are*?
3. Яке заперечення вживається після цього звороту?
4. Як утворюється питальна форма речень зі зворотом *there is/there are*?
5. Чи вживається цей зворот у минулому і майбутньому часі? Що в цьому звороті змінюється?

IX. Translate the following sentences:

1. There are two terms in the academic year. 2. There is a good bar in our hotel. 3. Is there a journal on the table? 4. There will be meetings tomorrow. 5. There are two phones on the table. 6. Is there any water in the cooler?

X. Read the sentences and answer the questions:

It is warm today.	Сьогодні тепло.
It was interesting.	Було цікаво.
It will be cold.	Буде холодно.

1. Чи є підмет у зазначених українських реченнях? Як називаються такі речення?
2. Чи є підмет у відповідних англійських реченнях? Якщо є, то чим він виражений? 3. Чи перекладається підмет *it*?
4. З чого складається присудок безособового англійського речення?

XI. Read and translate the following words and word combinations:

- **Earn:** to earn money; how much do you earn? ; he earns his living selling goods; to earn one's daily bread.
- **Satisfy / satisfaction:** to satisfy hunger; every person tries to satisfy his/her

needs and wants; to get satisfaction; the student's answer satisfied the teacher.

- **Need:** human needs and wants; this man is in need now; this task doesn't need great efforts; a friend in need is a friend indeed.
- **Spend (spent):** to spend efforts; they spend much money on food; to spend time; she spends money like water.
- **Obtain:** to obtain important information; student's main task is to obtain knowledge.

XII. Choose and insert necessary words of those given below.

Satisfactory

Earn

Complete

Obtain

1. Students who study at the economics faculty ____ (1) deep knowledge on the Basics of Management.
2. This young man) _____ (2) his living working as a manager at a hotel.
3. You'll find it _____ (3) reading Agatha Christie's books in English.
4. Many young people _____(4) national courses in bookkeeping and audit.

XIII. 1. Read the text. 2. Find in the text the sentences: a) impersonal; b) which contain the structure “there is/there are”. Analyze these sentences and translate them.

TEXT I

What is economics?

As individuals, we can do one of three things about the economic events. First, we can ignore them. Second, we can read on them. Third, we can try to change the environment through our efforts and through the political process.

Many college and university students complete some courses in economics. Why so much attention to economics? The reason is simple. In business and everyday life there are a large number of questions which are fundamentally economic in nature. Economics often affects our decisions. Economic principles influence all choices that people do. Knowledge of, the study of how people and countries use their resources to produce, distribute and consume goods and services, is important to everyone now. Your understanding of economics will influence how you earn a living and help you make better economic decisions.

Economists try to solve many problems, which have a great and significant influence on human life and events. So, we can say that a large part of what economists do, is studying economics. But what is economics?

Informally, economics is a science of making a living. Knowledge of basic economic principles helps us earn our living and make our money, and get satisfaction.

More formally, economics is a study of how people and countries can use their resources to satisfy their needs and wants. Economics is also the study of how people decide who will get the goods and services produced.

The economy as a whole, like an individual, can produce only products for which it has the necessary resources. Resources are the materials (things and services) that people use to produce goods for satisfaction of their wants. No economy can produce the things people want if it does not have enough of the right kinds of resources. And no economy has an unlimited amount of resources, which people can use in order to produce goods and services for satisfaction of human needs and wants. Even the very rich, who seem to have everything, find new things to buy.

So, we can speak of three major kinds of resources:

❖ **Human resources (or labour)** are people. A person's knowledge, skills, attitudes, and ability to work determine that individual is important as a human resource.

❖ **Natural resources (or land)** are raw materials, such as land, water, oil, timber, iron ore, and coal, from which goods are made.

❖ **Capital resources (or capital)** are the money or property, such as tools, equipment, machines and buildings that are used to produce consumer goods or services.

Two other extremely important types of resources are entrepreneurship and information.

A person's role as producer depends on available resources. People or businesses without enough of the right kinds of resources cannot produce the desired goods or services. For example, shoveling snow in winter is a service that requires two types of resources. To shovel snow, both a human resource – a person willing and able to work – and a capital resource – a shovel - are needed. If either of these resources is missing, production will stop. If a person catches a cold and is unable to work, his or her level of production will go down. If the snow shovel breaks, production will probably stop completely.

NOTES

shovel [ʃəʊvl] – *v* загібати лопатою;
n лопата.

XIV. State which of the sentences are true and which are false:

1. Every person can react on economic events or ignore them, or he can try to change the environment.
2. In business and everyday life people seldom face questions which are economic in nature.
3. Knowledge of foreign languages helps us earn our living and make our money.

4. People use scarce resources to produce goods for satisfaction of their wants and needs.
5. The number of free resources, which are obtained without charge, is not limited.
6. Raw materials, energy, and labor constitute free resources.
7. Scarce resources include land, labour, and capital.
8. Most of the best things in life are free.

XV. Multiple choice: there is one best answer for each sentence.

1. Economics often _____ our everyday decisions.
 1. chooses
 2. affects
 3. satisfies
 4. determines
2. Many important problems which influence human life and events are _____ by economists.
 1. solved
 2. spoken about
 3. produced
 4. well known
3. Informally, _____ is a science of making a living.
 1. audit
 2. book-keeping
 3. economics
 4. marketing
4. Economics is a study of how people can use _____ resources to satisfy their needs and wants.
 1. absolute
 2. free
 3. scarce
 4. unlimited
5. People use scarce resources for _____ of their human needs and wants.
 1. distribution
 2. satisfaction
 3. information
 4. production
6. Land is an important and valuable _____ in agriculture.
 1. resource
 2. business
 3. effort
 4. environment

XVI. Fill in the blanks with the appropriate words:

a) necessary resources	b) events	c) living
d) satisfaction	e) distribute and consume	f) production

- The study of how people and countries use their resources to produce, _____ goods and services is important to everyone now.
- Economics is a science of making a _____.
- The economy as a whole can produce only products for which it has the _____.
- If a person catches a cold and is unable to work, his or her level of _____ will go down.
- We can do one of three things about the economic _____.
- Resources are the materials that people use to produce goods for _____ of their wants.

XVII. Put the words in the correct order to make sentences:

- economist/ an/ studies/ the/ agricultural/ economics/ industry/ of/ agriculture/ the
- the/ government/ is/ nationalize/ system/ planning/ to/ banking/ the
- an/ idea/ has/ of/ entrepreneur/ new/ founding/ the/ organization/ a
- salary/ her/ around/ \$85,000/ is
- company/ the/ very/ time/ became/ short/ a/ profitable/ in
- up/ value/ pushes/ yen/ the/ that/ of/ the
- its/ reached/ in/ since/ has/ ceiling/ fallen/ output/ June/ and/ back
- are/ consumers/ gas/ at/ increase/ protesting/ the/ in/ prices
- return/ to/ I/ ticket/ to/ a/ Edinburgh/ want
- Bank/ the/ banknotes/ England/ of/ new/ issued

XVIII. Match the words and their definitions:

1	scarce	A	machinery and furniture required to make a factory or office work
2	charge	B	something sold in very large quantities, especially a raw material such as a metal or a food such as wheat
3	wage	C	a person who directs a company and takes commercial risks
4	commodity	D	money which must be paid, or the price of a service
5	interest	E	a person or company that buys and uses goods and services
6	entrepreneur	F	not easily found or not common
7	consumer	G	a person or thing that takes the place of some-one or something else
8	substitute	H	a profit or income from money invested
9	equipment	I	money paid as income on investments or loans
10	return	J	money paid to an employee in return for work done, especially when it is paid weekly and in cash

XIX. Answer the questions:

1. Why is so much attention paid to economics?
2. What kinds of problems do economists try to solve?
3. What is economics? (Formally and informally)
4. What are resources used for?
5. What kinds of resources do you know?
6. How many categories of scarce resources do you know? Name them.

XX. Write the following verbs in Past Simple.

To distribute; to spend; to produce; to get; to contribute; to earn; to result; to study; to speak; to satisfy; to need; to solve; to go; to decide; to want; to become; to obtain; to be; to complete

SELF-STUDY

I. Complete the sentences choosing word combinations from those given below:

1. Economics is a study of how people and countries can use their resources to satisfy...
a) the demand; b) their needs and wants.
2. ... influence all choices that people do.
a) Economic principles; b) Wages.
3. A person's role as producer depends on...
a) available resources; b) the manager.
4. Economists try to solve...
a) their individual tasks; b) many problems.
5. It is ... to finish our lesson.
a) time; b) always.

II. Form the adjectives by means of the suffix "-y":

wind, dirt, health, rain, sun, risk, fun

III. Translate the following word combinations:

1. униз по річці; 2. нижче рівня; 3. за (поза) нашим університетом; 4. під час уроку; 5. протягом тижня; 6. біля гуртожитку, поруч з гуртожитком; 7. з п'ятої до сьомої години; 8. на лекції; 9. о дев'ятій вечора; 10. тринадцятого червня 2008 року.

IV. Make the sentences negative and interrogative:

1. There are twelve registered letters to be sent in addition to this packet. 2. There are no facilities for disabled visitors. 3. There will be thirty days in June. 4. There were mistakes in your work.

V. Put in the proper form of the verb "to be". Define the type of each sentence. Translate the sentences:

1. There ... thirty men on the night shift. 2. They ... at home last night. 3. He ... in Kyiv now. 4. It Friday tomorrow.

VI. Put the predicate in *Present Indefinite* (in writing):

1. Last semester the students attended lectures in different subjects. 2. The week before he received many important documents. 3. When I was in hospital, my doctor regulated the value of my diet very carefully. 4. They sent a formal letter of complaint.

VII. Change the sentences. Put the subject in the required tense form:

1. We have several lectures today (*yesterday; tomorrow*)
2. She works in a company that is a partnership (*last year*)
3. Our students take some credit tests at the end of the term (*at the end of the last term; at the end of the next term*)

TEXT 2

Central questions in economics

Individuals and countries face the basic problem of scarcity. Economists are interested in how people deal with this problem. The following are economic questions that every country must answer:

- ❖ What goods and services will be produced?
- ❖ How will goods and services be produced?
- ❖ Who will get them?
- ❖ How much will be produced for now and how much for later?

Economists are particularly concerned with four basic questions which regard the working of any economic system. These questions are directed at the major characteristics of economic systems.

Question #1. What is to be produced?

Every society should determine how much of each product must be produced during each period of time. What people must produce is a very important question because resources are limited or scarce. Many possible mixtures of goods and services can be produced with a country's human, natural and capital resources. Thus, the first question raises many others. For example, are more goods and services for consumers wanted? If so, is it better to produce more shoes or more electric dishwashers? Does the country want more capital resources? If so, then what tools and machines must be produced? Which public policies are favored? Do people want more national defense or better health care, more roads or better schools? Economists are very interested in nation's answers to these questions. They also study the ways a country makes its economic choices. So, it means that the country must make choices.

Question #2. How to produce the output?

The answer to this question is related to each country's basic economic system and the knowledge and skills of its work force.

Once a business firm determines the quantity of each product that it must manufacture, it is necessary to make decisions on how to produce this item. There are many types of factors of production – something that can be used in the production of a commodity or service. Economists usually classify them into four categories: *labour, land, capital and entrepreneurship*. Usually a business firm can use a lot of different combinations of these factors to produce a certain product.

Question #3. Who gets that? – Distribution.

The first two questions deal with the production of goods and services. The third question concerns the way goods and services are distributed to consumers.

To be able to answer this question, it is necessary to determine the returns to each type of productive input – labour, land, capital and entrepreneurship, which are firm ownership. These returns can be classified as:

- ❖ ***Wages and salaries***: payments for the service of labour;
- ❖ ***Rent***: the payment for the use of land and other natural resources;
- ❖ ***Interest***: the payment for the use of capital;
- ❖ ***Profit***: the return to owners of business firm for their innovative skills and risk taking.

Question #4. How much will be produced for now and how much for the future?

Each society must decide at what rate it will use up its natural resources and if it will try to replenish or develop substitutes for these resources.

All countries must answer the basic economic questions. Each wants answers that will best satisfy its people and protect its self-interests. The answers to economic questions involve important choices both for countries and for individuals. These choices reflect values and priorities, and both limit and create opportunities. Your study of economics will help you to understand the basic economic issues facing you and the country. Understanding economics will help you to make more effective economic choices now and in the future.

To illustrate the nature and basic importance of these questions, suppose that, because of war or natural catastrophe, your town is isolated from the adjoining territory. No longer, it is possible for the town's inhabitants to leave, or for people or goods to enter. (*Note that Leningrad was under siege in World War II for over two years*). In this situation, you must somehow resolve each of these questions. You must decide what goods and services will be produced, how each will be produced, who will receive what, and how much provision there will be for the increased output in the future.

In a situation of this sort, your survival will depend on how effectively you answer these questions. If a decision is made to produce too much clothing and too little food, some of the townspeople may starve. If a decision is made to produce wheat from soil which is excellent for potatoes, the same result may happen. And if a decision is made to eat, drink, and be merry today, and not to worry about

tomorrow, life may be very poor in the days ahead.

NOTES

at what rate – за яких умов

quantity ['kwɒntɪtɪ] – кількість

to face – зустрічати; стояти обличчям (до)

to replenish [rɪ'plɛnɪʃ] – поповнювати

deal [dɪl] (*with smth*) – мати справу, стикатися (з чим-небудь); боротися (з чимось)

scarcity ['skɑːsɪtɪ] – недостатня кількість, брак (чогось)

priority [praɪ'ɔːrɪtɪ] – пріоритет, черговість

siege [sɪdʒ] – блокада

adjoining [ə'dʒɔɪnɪŋ] – що прилягає

provision [prə'vɪʒn] – постачання; забезпечення

survival [sə'vaɪv] – виживання

starve [stɑːrv] – голодувати

VIII. State which of the sentences are true and which are false:

1. There are three central economic questions that economists are concerned with.
2. The basic economic questions regard the working of any economic system.
3. Because all resources are free, the question "what people must produce" is not important.
4. Labor, land, capital, and entrepreneurship are four factors of production.
5. Any business firm can use only one combination of factors of production.
6. Businessmen pay rent for the use of land and other natural resources.

IX. Multiple choice: there is one best answer for each sentence.

1. Labor, land, capital, and entrepreneurship are major types of productive _____.

- a) item;
- b) input;
- c) output,
- d) resources.

2. Wages and _____ are payments for the services of labor.

- a) profits;
- b) rent,
- c) salaries;
- d) interest.

3. The payment for the use of capital is called _____.

- a) interest;
- b) payment,
- c) profit;
- d) risk taking.

4. The return to owners of business firms for their risk taking is known as _____.

- a) profit;
- b) interest;
- c) rent,

d) salary.

X. Match the words on the left with their explanations on the right:

1	environment	A	to get as a payment in return for work or services
2	labour	B	surroundings, especially the materials and spiritual influences, which affect the growth, development and existence of a living-being
3	earn	C	the study of the way in which natural resources are used and how the wealth they produce is divided
4	spend	D	something that a country, etc. has or can use to produce goods and services
5	resources	E	physical or mental work done by people
6	economics	F	to give or pay money for something
7	land	G	nonhuman resources other than capital

XI. Read and translate:

• **Input:** financial input; human input; input from the work force; this business needs more input.

• **Commodity:** expensive commodity, a scarce commodity; cotton isn't a cheap commodity; the country exports such commodities as coffee and tea.

• **Profit:** total profit; do something for profit; a rise in profits; make a profit; the company's profits rose; we make a profit of \$1 on each book we sell.

• **Salary:** to increase salary; an annual salary, salary agreement; a monthly salary; his starting salary isn't very high.

• **Interest:** to pay interest, absolute interest; life interest; if you borrow (take) 100 hrn, the interest will be 10 hrn.

• **Wage:** minimum wage; real wages; wages check; wage level; guaranteed wage; to receive wages; she is earning a good wage.

XII. Answer the questions:

1. What are major economic questions directed at?
2. Is the society able to produce such quantity of goods as it needs?
3. How many factors of production do you know? Name them.
4. How many kinds of the returns of each type of productive input do you know? Name them.
5. What are wages and salaries paid for?
6. What is rent paid for?
7. What is interest?
8. What is profit?

XIII. Write a definition for each of the following terms:

- a) economics;
- b) consumer;

- c) consumer goods;
- d) services;
- e) producer;
- f) resources;
- g) scarcity;
- h) capital goods.

XIV. Make the following sentences interrogative and negative:

1. Individuals and countries face the basic problem of scarcity.
2. Human wants tend to be unlimited.
3. Macroeconomic decisions involve the national economy.
4. A person's role as producer depends on available resources.
5. Scarcity is the situation that exists when demand for a good, service, or resource is greater than supply.
6. Economists try to find relationships in the data they collect.

LESSON 2

ECONOMIC GEOGRAPHY OF UKRAINE

CLASS ASSIGNMENTS

VOCABULARY

<i>sovereign</i>	['sOvrln]	<i>a</i>	незалежний
<i>to proclaim</i>	[prɔ'klɛzm]	<i>v</i>	проголошувати
<i>crossroad</i>	['krOs'roud]	<i>n</i>	перехрестя
<i>national emblem (coat of arms)</i>	[kout]	<i>n</i>	герб
<i>flat</i>	[flɪt]	<i>a</i>	рівнинний
<i>stream</i>	[strɪm]	<i>n</i>	струмок
<i>legislative</i>	[lɛʒɪs'lɛtlv]	<i>a</i>	законодавчий
<i>executive</i>	[ɛʒɛkjʊtlv]	<i>a</i>	виконавчий
<i>valuable</i>	['vɪljʊəbəl]	<i>a</i>	цінний
<i>steel</i>	[sti:l]	<i>n</i>	сталь
<i>deposits</i>	[dɪ'pɔzɪts]	<i>n</i>	запаси
<i>contain</i>	[kən'teɪn]	<i>v</i>	містити (в собі)
<i>coal</i>	[kəʊl]	<i>n</i>	вугілля
<i>proximity</i>	[prɒk'sɪmɪtɪ]	<i>n</i>	близькість
<i>heavy</i>	['heɪvɪ]	<i>a</i>	важкий
<i>ore</i>	[ɔ:]	<i>n</i>	руда
<i>complementary</i>	['kɒmplɪ'mentɔrɪ]	<i>a</i>	додатковий
<i>potassium salts</i>	[pɒ'tæsjəm sɒlts]	<i>n</i>	солі калію
<i>account for</i>	[ə'kaʊnt]	<i>v</i>	відповідати за

I. Read the following words and answer the questions:

[ʃ]	she, shelf, short, shame, sharp
[tʃ]	fetch, much, such, catch
[f]	physics, photo, phase
[ð]	this, the, that, father, mother
[θ]	thick, thing, health, three, thirty

Яке буквосполучення передає:

а) звук [ʃ]? [tʃ]? [f]?

б) звук [ð] на початку службових слів і між голосними в повнозначних словах?

в) звук [θ] на початку і в кінці повнозначних слів?

II. Read and explain the pronunciation of the words:

а) something, rich, with, they, chairman, phrase, share, change, both.

б) definition, conclusion, negotiation, attention, session, commission, absorption, mission, adoption, assumption, permission, alteration, combination, solution, formation, association, discussion, competition, invasion, aeration, examination.

в) warm, worn, always, world, watch, ball, wall, walk, worthy, war, whole, when, where, what, why.

III. Name the part of speech for every word by the abbreviation:

water *n*, impossible *a*, ever *a*, for *cj*, for *prp*, after *prp*, almost *adv*, result *v*

IV. Memorize the pronunciation of the following words. Find their translation below:

anthem [ˈænθəm], fringe [frɪŋdʒ], anthracite [ˈænrətʃaɪt], length [lɛŋθ].

край, країна, кордон; довжина, відстань; антрацит; гімн.

V. Read and translate:

deposit	[dɪˈpɒzɪt]	to deposit money into a bank, bank deposits, to cover deposits, interest on deposits
valuable	[ˈvæljuəbəl]	valuable items, something valuable, valuable to investors
complementary	[ˈkɒmplɪˈmɛntərɪ]	complementary colour, complementary devices, complementary factor, complementary medicine

VI. Translate the following word combinations:

1. *into* the room, *from* the room; 2. *at* the window; *to* the window; *between* the windows; 3. *among* the students; 4. *at* the hotel; 5. *at about* 7 o'clock; 6. *on* the 1st of March; 7. *from* 10 a.m. (ante meridiem) *till* 3 p.m. (post meridiem); 8. *during* the examination session; 9. *in* February; 10. *in* 1987.

VII. Translate the following sentences into English:

1. Ви пишете олівцем чи ручкою? 2. Ви їдете до інституту автобусом чи трамваем? 3. Ви складаєте заліки в середині чи в кінці семестру? 4. Вони прийшли о шостій годині вечора. 5. Я візьму цю книжку в бібліотеці. 6. Я чекатиму на вас з другої до шостої години.

VIII. Pay attention to the use of modal verbs *can*, *may*, *must* and answer the questions:

A.	I can speak English.	Я можу (вмію) розмовляти англійською мовою.
	We can go to the cafe.	Ми можемо (маємо змогу) піти до кафе.
	You may take this book.	Ви можете (вам дозволене) взяти цю книжку.
	He may come today.	Він може (можливо) прийти сьогодні. (Можливо, він прийде сьогодні).
	She must come today.	Вона повинна (зобов'язана) прийти сьогодні.
B.	I could go to Lviv.	Я могла поїхати до Львова.
	They might stay at home.	Вони могли залишитися вдома.
C.	He cannot work.	Він не може (не в змозі) працювати.
	I can't speak French.	Я не можу (не вмію) розмовляти французькою мовою.
	They could not go to Kharkiv.	Вони не могли поїхати до Харкова.
	You must not smoke.	Вам не можна (заборонено) палити.
D.	Can you speak English?	Чи вмієте Ви розмовляти англійською мовою?
	May I come in?	Можна увійти?
	Must we come too?	Чи повинні ми (чи зобов'язані) теж прийти?

1. Як перекладаються модальні дієслова *can*, *may*, *must*?
2. Чи можуть вони вживатися самотійно, чи тільки в сполученні з іншими дієсловами?
3. В якій формі стоять смислові дієслова після модальних?
4. Чи змінюються модальні дієслова за особами і числами?
5. Які модальні дієслова мають форму минулого часу (В)?
6. Як утворюється заперечна форма з модальними дієсловами (С)? З яким дієсловом частка *not* пишеться разом?
7. Як утворюється питальна форма з модальними дієсловами?

IX. Read and translate the following sentences. Answer the questions:

1. Can you help me to check the meaning or pronunciation of a business term? 2. Does she know him? 3. Didn't you come by train? 4. Must they work in the evening? 5. May I come in? 6. Can you speak any foreign languages?
- Як називаються такі питання? Який в них порядок слів?

X. Substitute all known to you modal verbs for the modal verbs in bold type.

Then translate the sentences:

1. We **must** attend the lectures. 2. I **can** do this work myself. 3. You **may** take this book. 4. He **can** speak four languages. 6. You **must** keep a secret. You **mustn't** tell anyone about this.

XI. Analyze the following sentences and answer the questions below:

1. Who studies Business English? 2. When can we go to the library? 3. Where can I have a lunch? 4. Whose book is this?

- Які питання називаються спеціальними?
- До яких членів речення поставлено ці питання?
- Якого порядку слів потребує побудова таких питань?

XII. a) Compare the questions and answers to them:

Whose friend speaks French?	– His friend speaks French.
What students study Business English?	– The students of marketing study Business English.

- 1. Якого порядку слів потребує побудова питання до означення?
- 2. Якими питальними словами починаються такі питання?
- 3. Як називаються питання, що їх ставлять до другорядних членів речення, і який порядок слів у цих питаннях?

б) Analyze the questions to the sentence:

My sister reads English books at home in the evening.

1. Does my sister read English books at home in the evening? 2. What does my sister read at home in the evening? 3. What books does my sister read at home in the evening? 4. Where does my sister read English books in the evening? 5. When does my sister read English books at home?

XIII. Define the parts of speech of the words in bold type:

1. **Where** do you study? 2. The institute **where** I study has different departments. 3. **When** are people in good health? 4. The development programme had to be abandoned **when** the company ran out of cash. 5. **Who** entered the institute last year? 6. My brother **who** entered the institute last year studies successfully. 7. **What** are you? 8. **What** do you remember well? 9. I remember well **what** the teacher told us at the lecture. 10. **Which** month is March? 11. The month **which** comes after May is June. 12. **How well** do you speak English? 13. We know **how well** she speaks English. 14. **How** can I get to the office? – I don't know **how** to get to the University.

XIV. Read the text. Transform the sentences using the modal verbs.

Answer the following questions:

- 1. What do you think should be done to make people feel really patriotic?
- 2. What feeling do you think people have when they sing their national anthem?

TEXT 1

Ukraine, its geographical position and climate

Ukraine is a sovereign state, it was proclaimed on August 24, 1991. Ukraine was recognized by the international community and established diplomatic relations with many countries.

The name Ukraine means Borderland. It was the traditional crossroads between the Baltic and the Black seas, the fringe between Europe and Central Asia.

The country has its own territory, government national emblem, state flag and anthem. There are 24 administrative regions and the Crimean autonomous republic in Ukraine.

Now Ukraine is one of the largest countries in Europe. It covers the territory of 603.700 sq. km. and stretches from the west to the east for 1316 km. and from the north to the south for 893 km. The geographic centre of Europe is near Ukrainian town Rakhiv.

The geographical position of Ukraine is very favourable to the development of its relations with countries of Europe. It borders on Russia, Byelorussia, Moldova, Poland, Slovakia, Hungary, and Romania. It is washed by the Black sea and the sea of Azov. The greater part of its territory is plains and steppes. 95% of the Ukrainian area is flat and the rest of it is mountainous. The Ukrainian Carpathians (with its highest peak Hoverla (2061m)) and the Crimean Mountains make up those 5 % of its area. Mixed forests of pines, fir trees, bushes, limes, oaks and elms cover the mountains. The thickest woods can be found in the northern part of country.

There are 71 thousand rivers and streams in Ukraine, their total length is 248 thousand km. The major rivers are the Dnieper, the Dniester, the Bug, the Donets, the Prypyat, the Desna. The Dnieper is one of the longest European rivers and one of the country's main sources of hydroelectric power. Its total length is 2285 km., 1205 km. over the territory of Ukraine.

Ukraine has a relatively moderate continental climate and subtropical on the southern coast of the Crimea.

The population of the country is about 46 million. Over half of the population (66%) lives in urban areas. Five cities have more than a million citizens – Kyiv, Kharkiv, Dnipropetrovsk, Odessa and Donetsk.

Kyiv is the official capital. Lviv is the cultural capital of the west and Kharkiv is the centre of the east. Simferopol is the political capital of the Crimean Republic.

The seat of the national government is Kyiv. Executive power is in the hands of the president and prime minister. Legislative power is in the hands of Supreme Council (Verkhovna Rada).

The light blue above yellow flag is a symbol of the Ukrainian unity. The contemporary national coat of arms, a trident, is found on the gold and silver coins of Volodymyr the Great (979-1015). The Ukrainian anthem is based on the poem of Pavlo Chubynsky and music by Mykhailo Verbytsky.

XV. State which of the sentences are true and which are false:

1. Ukraine has a dry continental climate and wet on the southern coasts of Crimea.
2. The population of the country is about 55 million.
3. There are 80 thousand rivers and streams in Ukraine; their total length is 254 thousand km.
4. The country has 24 regions and the autonomous republic Crimea.
5. Ukraine is the industrial country.
6. The country has own territory, government national emblem, state flag and anthem.
7. A great disaster happened to Ukraine in 1989.
8. 87% of Ukrainian area is flat and the rest of it is mountainous.
9. Ukraine is washed by the Black Sea and the Sea of Azov.
10. The country has metallurgical and heavy industries.

XVI. Choose the correct statement:

1. 95% of the Ukrainian area is **mountainous/ flat**.
2. Legislative power is in the hands of **Supreme Council (Verkhovna Rada)/ prime minister**.
3. The Dnieper is one of the longest European rivers and one of the country's main sources of hydroelectric **force/ power**.
4. Over half of the population (66%) lives in **country/ urban** areas.
5. Kyiv is the **cultural/ official** capital.
6. The thickest woods can be found in the **western/ northern** part of country.
7. Ukraine is a **liberal/ sovereign** state.
8. The **seat/ residence** of the national government is Kyiv.
9. Five cities have more than a million **citizens/ native**.
10. It is **cleansed/ washed** by the Black sea and the sea of Azov.

XVII. Fill in the blanks with appropriate words:

Hoverla	the Dnieper	greater
ancient	the thickest	

1. The _____ part of its territory is plains and steps.
2. The highest peak of the Carpathian mountains is _____
3. _____ is the largest river in Europe.
4. Ukraine has an _____ history.
5. _____ woods can be found in the northern part of country.

XVIII. Put the words in the correct order to make sentences.

1. universities/ has/ and/ Ukraine/ about/ colleges/ 900
2. has/ of/ presidential-parliamentary/ Ukraine/ government/ a /system
3. occupy/ a/ lowlands/ part/ of/ considerable/ country/ a
4. treeless/ called/ flat/ of/ area/ the/ is/ the/ polonyna/ summit/ a

5. kilometer/ average/ today/ the/ 82/ population/ is/ density/ per/ people/ square/
 6. was/ Ukrainian/ formed/ influenced/ by/ mentality/ factors/ many
 7. economy/ minerals/ are/ necessary/ there/ all/ almost/ the/ for/ important/ a/
 national
 8. different/ differences/ the/ in/ contribute/ climate/ in/ to/ regions/ the/ of/
 richness/ the/ economy/ national
 9. elect/ the/ Ukraine/ people/ of/ president/ term/ for/ five-year/ a
 10. yellow/ the/ light/ Ukrainian/ above/ blue/ is/ flag/ symbol/ a/ unity/ of/ the

XIX. Match the words and their definitions.

1	source	A	complete or with everything added together
2	official	B	to give money or add to money
3	community	C	referring to manufacturing work
4	total	D	a part of a country, a division for commercial purposes
5	contribute	E	the place where something comes from
6	industrial	F	putting decisions into action
7	rest	G	a group of people living or working in the same place
8	area	H	an arrangement or organization of things which work together
9	executive	I	from a government department or organization
10	system	J	what is left

XX. Match the words in the right column with the words in the left column to make word combinations.

1	continental	<i>a</i>	wood
2	thick	<i>b</i>	region
3	silver	<i>c</i>	state
4	administrative	<i>d</i>	coin
5	official	<i>e</i>	forests
6	sovereign	<i>f</i>	climate
7	geographical	<i>g</i>	power
8	mixed	<i>h</i>	coast
9	southern	<i>i</i>	position
10	hydroelectric	<i>j</i>	capital

XXI. Give English equivalents to the following:

1. Найвища точка (гори).
2. Міжнародна спільнота.
3. Встановити дипломатичні відносини.
4. Виконавча, законодавча влада.

5. Помірно-континентальний клімат.
6. Металургійна та важка промисловість.
7. Головні джерела.

SELF-STUDY

I. Choose the necessary words (given below) and put them into the proper place:

1. Our ... are motivated by a desire to carry out a project to the best of their ability.
2. American business as a whole is increasingly free from ... dependence on manufacturing.
3. The company has grown from a small repair shop to a ... electronics business.
4. The reps have to ... all their expenses to the sales manager.
5. This system ... both nationalised industries and private enterprise.

heavy, multinational, account for, executives, contains

II. Write the verbs in Past Indefinite:

To increase, to take, to need, to produce, to result, to grow, to lose, to absorb, to contain, to prevent, to come, to give, to live, to regulate, to meet, to use.

III. Make the following sentences affirmative:

1. Must we attend this lecture?
2. I cannot do this work myself.
3. Can your friend speak German?
4. May we change coffee for ice-cream?
5. They can't smoke here.
6. May I ask you a question?

IV. Put questions to the words in bold type:

1. **We** need **a lot of** time to prepare for this examination.
2. I **became** a student **last year**.
3. **Sometimes** we meet at this **enterprise**.
4. **He** likes **Politology**.
5. We must give all **our** knowledge and abilities **to people**.

V. Fill in the gaps with the question words:

1. ... do you usually read newspapers in the evening? (*When?; Where?*)
2. ... is on the table? (*Who?; What?*)
3. He works at the factory. ... is he? (*Who?; What?*)
4. ... sister is she? (*Which?; Whose?*)
5. ... day is Tuesday? (*Which?; Whose?*)

VI. Ask questions to *all* parts of the sentence:

Last year my best friend spent his summer holidays in the Carpathians.

TEXT 2

Answer the following questions:

1. What the most valuable achievements of Ukrainian economy do you know?
2. Everyone knows that focusing on opportunities rather than problems will yield better results. What steps, in your opinion, should be taken to improve the economic situation in Ukraine?

Economy of Ukraine

Two interrelated processes are characteristic of Ukraine's economy today, namely its assertion as an independent state, and its transformation from planned-centralized to market-controlled. These processes are rather complicated, but there are all prerequisites for their effective accomplishment.

The economy of Ukraine is formed by both agriculture and industry.

Industry contributes more than 40 per cent of GDP and accounts for more than one-fourth of total employment. Ukraine is a major center of heavy machinery and equipment production, machine tools, large electrical transformers, ships, locomotives, rail cars, passenger and cargo aircraft, agricultural machinery. It also has a well-developed chemical industry that produces various plastics, tires and fertilizers. Ukraine has a major ferrous-metals industry, and it rivals China as the fourth largest steel producer in the world. Another important branch of the economy is mining. Its main produce is coal, natural gas and iron ore. The most prominent manufactured goods include metallurgical equipment, diesel locomotives, tractors and TV sets. Ukraine also has well-developed chemical and food industries. There are more than 50 plants which produce a wide range of agricultural equipment. Machine-tool and instrument-manufacturing industries are also being developed. The growing importance of consumer goods is reflected in the increasing output of cameras, refrigerators, washing machines, etc. Some of the principal products of light industry are textiles, ready-made clothes and shoes.

Agriculture accounts for about 25 per cent of Ukraine's total GDP and approximately the same percentage of total employment. Mainly due to extremely fertile soil, Ukraine is a major producer and exporter of a wide variety of agricultural products, including sugar, sunflower oil, flax, different crops and dairy products. This sector offers diverse opportunities for foreign investments, especially in the field of food-processing and storage.

The chernozem (black) soils of the forest-steppe zone are among the world's more productive farmlands. They are exceptionally good for wheat and sugar beet. Besides wheat, Ukraine produces such grains as barley, buckwheat and rice. Other crops include potatoes, vegetables, melons, berries, fruit, nuts and grapes. Ukraine's most important industrial crop, sugar beet, is concentrated in the forest-steppe zone. Truck farming or market gardening is particularly developed on the outskirts of large cities like Kyiv, Kharkiv, and others.

Cattle and pigs are raised throughout Ukraine, while chicken, geese and turkey are kept for meat and egg production. There are many large-scale broiler and egg-laying farms close to big cities. Bees are kept in all parts of Ukraine for honey and wax.

Through the collective and state farms still remain in the country, the declared intent of the Ukrainian government is to provide a gradual privatization of farming, but it is a difficult and costly process.

Ukraine has extremely rich and complementary mineral resources in high concentrations and close to each other. Rich iron ore reserves located near Kryvyi Rih, Kremenchuk, Bilozerka, Mariupol and Kerch form the basis of Ukraine's

large iron and steel industry. One of the richest areas of manganese bearing ores in the world is located near Nikopol. Bituminous and anthracite coal used for coke are mined in the Donets Coal Basin (commonly called Donbas). Energy for thermal power stations is obtained using the large reserves of brown coal in the Dnipro basin (north of Kryvy Rih) and the bituminous coal deposits of the Lviv-Volynian Basin north of Lviv.

Ukraine can be divided into three economic areas: Southwestern, Donets-Dnieper and Southern.

The Southwestern Economic Area has a dense network of roads and railways. The largest reserves of minerals and valuable wood of the Carpathian forests are used in the chemical, gas, mining, timber, paper and porcelain industries. Local agriculture forms the basis of the food industry. The area is widely known for its grain-milling industry; it produces vast amounts of butter, cheese, meat, sugar, fruit and vegetables. The engineering industry produces test instruments, machine tools and electrical engineering equipment.

The Donets-Dnieper Economic Area has rich mineral deposits. A large industrial output is yielded by the mining, ferrous metallurgy, chemical and machine-building industries. The Donets Basin contains a cluster of plants producing zinc, mercury, fertilizers, plastics, soda, acid and dyes. The area has the greatest concentration of thermal and hydroelectric power station in Ukraine. The Donbas produces vegetable oil, meat and milk products, sugar and butter.

The proximity of the Southern Economic Area to the sea is reflected in its industry: shipbuilding, chemical, fishing and canning. The food industry is allied with the cultivation of grapes, fruit and vegetables.

Ukraine has a considerable potential to develop its economy quickly – it is explained not only by the favourable natural conditions, but also by the convenient geographical position in terms of international trade exchanges.

VII. Match the term and the definition:

mining	an area of land used for cultivation or animal breeding under individual or collective management
output	gross national product, minus net property income from abroad; used frequently as a means to evaluate a nation's economy
aircraft	the process of extracting coal, from a mine; the industry based on this
farmland	any flying machine: an airplane, airship, glider or balloon
GDP	the total product of a factory, mill etc.

VIII. Answer the questions:

1. What processes are characteristic of Ukraine's economy today?

2. What does Ukraine produce?
3. How would you characterize the three economic areas of Ukraine?
4. Where are the richest areas of mineral resources located?
5. Has Ukraine a considerable potential to develop its economy quickly? Why?

IX. State which of the sentences are true and which are false:

1. The Donbas produces grapes, fruit and vegetables.
2. The proximity of the Southern Economic Area to the sea is reflected in its industry: shipbuilding, chemical, fishing and canning.
3. Ukraine has a considerable potential to slowly develop its economy.
4. The area has not the greatest concentration of thermal and hydroelectric power station in Ukraine.
5. The economy of Ukraine is formed only by the industry.
6. Agriculture accounts for 15 per cent of Ukraine's total GDP and approximately the same percentage of total employment.
7. Ukraine can be divided into four economic areas.
8. Local agriculture forms the basis of the food industry.
9. The engineering industry produces metal instruments and chemical equipment.
10. This sector offers diverse opportunities for foreign investments, especially in the field of food-processing and storage.

X. Complete the sentences with the appropriate word:

minerals	accounts	a wide variety
dense network	grain-milling	fertile soil

1. The area is widely known for its _____ industry and produces vast amounts of butter, cheese, meat, sugar, fruit and vegetables.
2. Industry contributes more than 40 per cent of GDP and _____ for more than one-fourth of total employment.
3. Mainly due to extremely _____ Ukraine is a major producer and exporter of _____ of agricultural products, including sugar, sunflower oil, flax, different crops and dairy products.
4. The Southwestern Economic Area has a _____ of roads and railways.
5. The largest reserves of _____ and valuable wood of the Carpathian forests are used in the chemical, gas, mining, timber, paper and porcelain industries.

XI. Find synonyms to the following words in the text:

- 1) different
- 2) reserves
- 3) freight
- 4) calculation
- 5) inscribe
- 6) production

XII. Find antonyms to the following words in the text:

- 1) unemployment
- 2) little
- 3) simple
- 4) rare
- 5) poor
- 6) distant

XIII. Give English equivalents to the following:

- 1) валовий внутрішній продукт
- 2) інші типи важкого машинобудування
- 3) виробничі відносини
- 4) приватна власність
- 5) мати достатній потенціал
- 6) околиця великого міста
- 7) різні можливості

XIV. Complete the sentences:

1. Truck farming or market gardening is particularly developed on the _____
2. There are many large-scale broiler and egg-laying _____
3. Other crops include potatoes, vegetables, melons, berries _____
4. The Donets Basin contains a cluster of plants producing zinc, mercury, fertilizers _____
5. Cattle and pigs are raised throughout Ukraine, while chicken, geese and turkey are kept _____

LESSON 3

THE BASIS OF THE US ECONOMY

CLASS ASSIGNMENTS

VOCABULARY

<i>state</i>	[stɛɪt]	<i>n</i> держава
<i>to border on smth</i>	['bɔːdɔː]	<i>v</i> межувати з чимось
<i>gulf</i>	[gʊlf]	<i>n</i> затока
<i>coast</i>	[kəʊst]	<i>n</i> узбережжя
<i>community</i>	[kə'mjuːnɪtɪ]	<i>n</i> суспільство
<i>federal</i>	['fɛdərəl]	<i>a</i> федеративний, федеральний
<i>major</i>	['meɪdʒə]	<i>a</i> основний, головний
<i>to elect</i>	[ɪ'leɪkt]	<i>v</i> вибирати
<i>star</i>	[stɑː]	<i>n</i> зірка
<i>to stay in the lead</i>	[ɪl:d]	<i>v</i> знаходитись на чолі
<i>science and</i>	[saɪəns] [teknɒlɒdʒi]	<i>n</i> наука і техніка

<i>technology</i>		
<i>environmentalism</i>	[ɛnv"ɑlrqn'mqntɛlɪzm]	<i>n</i> охорона навколишнього середовища
<i>flooding</i>	['flʌdɪŋ]	<i>n</i> затоплення
<i>soil erosion</i>	['rɔʊzən]	<i>n</i> ерозія ґрунту
<i>to supply</i>	[sq'plɑ]	<i>v</i> забезпечувати
<i>oil well</i>		нафтова свердловина
<i>petroleum</i>	[pl'trɔʊljqm]	<i>n</i> нафта
<i>gasoline</i>	['gɜsəlɪn]	<i>n</i> бензин
<i>pipeline</i>	['paɪplɑɪn]	<i>n</i> нафтопровід
<i>fertilizer</i>	['fɜtɪlaɪzɜ]	<i>n</i> мінеральне добриво
<i>related products</i>	[rɪ'leɪtɪd 'prɒdɜkts]	супутні продукти
<i>canned fish</i>	[kænd fɪʃ]	консервована риба
<i>assembling</i>	[q'sɛmbllɪŋ]	<i>n</i> монтаж
<i>to turn out</i>	[tɜn aʊt]	<i>v</i> виготовляти
<i>to spread out</i>	[sprɛd aʊt]	<i>v</i> поширювати
<i>to be engaged in</i>	[ɪn'gɛɪdɪd]	<i>v</i> бути зайнятим
<i>to employ</i>	[ɪm'plɔɪ]	<i>v</i> наймати на роботу, користуватися послугами (когось)
<i>to reinvest</i>	[rɪɪn'vest]	<i>v</i> реінвестувати; вносити гроші знову
<i>skilled labour</i>	[skɪld 'leɪbɜ]	кваліфікована праця
<i>to contribute</i>	[kɒn'trɪbjʊt]	<i>v</i> робити внесок
<i>break-through</i>	['breɪk'truː]	<i>n</i> досягнення, успіх, прорив, відкриття

➤ **MEMORIZE !**

Буквосполучення

- **air**, як правило, читається [eə]: **chair** [tʃeə] стілець, кафедра.
- **ear, eer** читаються [iə]: **clear** [kɪə] ясний, світлий; **engineering** [ɪnʃɪnɪərɪŋ] інженерія.
- **ear** перед приголосним читається [ɜ:]: **early** ['ɜ:li] рано.

I. Read:

1. air, fair, hair, chair, pair;
2. clear, rear, dear, appear, deer, steer;
3. earn, heard, research, learn, earth.

II. Read and translate the following words and combinations:

1. Employ [ɪm'plɔɪ]: an employment agency, terms of employment, the employers' association.
2. Contribute [kɒn'trɪbjʊt]: to contribute 10% of the profits, to contribute a percentage of salary, employer's contribution.

3. Environment [ɛnv'ɑlrqɪn'mɛnt]: damage to the environment, environmental management, business environment, environmental resources.

III. Suggest the Ukrainian equivalents for the following nouns with the suffix - ion:

Institution; commission; application; legislation; interpretation; integration; introduction; elimination.

IV. Put the proper form of the verb "to have":

1. This year we. . . some production growth.
2. Yesterday they ... only total indicators.
3. Next year you ... improvement in labour resources.
4. This idea ... nothing to do with our decisions.
5. In five years our students ... a new hostel.

V. Read and translate the II verb form:

occured, contained, produced, provided, increased

VI. Translate and memorize the verbs forming the nouns:

to act – action, to know – knowledge, to enter – entrance, to grow – growth, to maintain – maintenance, to produce – production, to move – movement, to store – storage.

VII. Form verbs from these nouns and translate them:

act, date, rest, group, aim, air.

VIII. Translate the words in bold type:

1. Professor Bilyk is the head of the **chair** of foreign **languages**. 2. There are some **chairs** at the entrance of the hall. 3. **First** you must read this article. 4. We have our **first** examination today. 5. He **aims** to add the sensitivity of a new European to the broad skills of the new professional manager 6. An organization concentrates on achieving its **aims**.

IX. Read these sentences and answer the questions:

A	This work is hard.	That work is not hard.
	Ця праця складна.	Та праця не складна.
	These countries are rich in minerals.	Those countries are not rich in minerals.
	Ці країни багаті на мінерали.	Ті країни не багаті на мінерали.
B	This is a rule.	Це – правило.
	These are rules.	Це – правила.
	That is a sample.	То – зразок.
	Those are samples.	То – зразки.

1. Якою частиною мови є слова **this, that** і як вони перекладаються українською мовою?

2. Яку форму мають вказівні займенники у множині?

X. Translate these word combinations:

That purpose, this time, those companies, this economic system, these goods, that decision, those funds, these oil wells.

XI. Translate these sentences in writing:

1. Це – система. 2. Це – дипломи. 3. То – студентський гуртожиток. 4. То – мої родичі.

XII. Pay attention to the translation of the words in bold type. Answer the questions:

Have you got any books?	Чи є у вас які-небудь книжки (скільки-небудь книжок)?
Yes, I have some books.	Так, у мене є декілька книжок.
No, I have not any books. No, I have no books.	Ні, у мене немає (ніяких) книжок.

Якою частиною мови є виділені слова, і в яких реченнях вживаються; а) **some**, б) **any**, в) **no**?

XIII. Fill in the blanks with prepositions **some, any, no**:

1. Are there ... pure examples of planned and market economies? 2. There are ... projects. 3. There is ... society, which is completely a command economy. 4. In mixed economies ... resources are controlled by the government. 5. A computer may perform ... task. 6. ... other area of marketing operations has been a subject to bad practice. 7. ... manager has ... functions.

XIV. Pay attention to the translation of the adjectives in bold type. Answer the questions:

The pen is long .	Ручка довга .
The story is long .	Оповідання довге .
The towel is long .	Рушник довгий .
The pens are long .	Ручки довгі .
The long pens are on the table	Довгі ручки на столі.

Чи змінюються англійські прикметники за родами, числами і відмінками, і які синтаксичні функції в реченні вони виконують?

XV. Pay attention to the degrees of comparison of adjectives and adverbs. Answer the questions:

long	longer	longest
big	bigger	biggest
large	larger	largest
easy	easier	easiest
difficult	more difficult	most difficult
interesting	more interesting	most interesting
good	better	best
bad	worse	worst
many	more	most
much	more	most
little	less	least

1. Як утворюються ступені порівняння односкладових прикметників?
2. Які зміни відбуваються при цьому в односкладових прикметниках, що закінчуються одним приголосним, і в двоскладових, що закінчуються на -у?
3. Як утворюють ступені порівняння багатоскладові прикметники?
4. Як утворюють ступені порівняння прикметники **good, bad, many, much, little**?

soon	sooner	soonest
late	later	latest
correctly	more correctly	most correctly
well	better	best
badly	worse	worst

Як утворюють ступені порівняння прислівники?

XVI. Form the degrees of comparison of these adjectives and adverbs in writing:

Narrow, successful, happy, far, great, new, easy, dangerous, much, clear, high, deep, attentively, boring.

XVII. Determine the words used for comparison in these sentences and translate them:

1. This phone is as cheap as that one.
2. She is much cleverer (much more intelligent) than her brother.
3. She knows English worse than her brother does.
4. Petrenko's knowledge of Economics is not so deep as Lutsenko's.
5. This book is not so interesting as that one.
6. They came to the institute earlier than usual.

XIV. Remember:

This phone is *as cheap as* that one.

Цей телефон такий же дешевий, як той.

This phone is *not as/so cheap as* that one.

Цей телефон не такий дешевий, як той.

This telephone is *twice as expensive as* that one. Цей телефон удвічі дорожчий, ніж той.
This telephone is *half as expensive as* that one. Цей телефон удвічі дешевший, ніж той.

Recast the sentences below according to the model.

*Model: The Hudson is shorter than the Mississippi (long). –
The Hudson isn't so long as the Mississippi.*

1. Kharkiv is younger than Kyiv (old).
2. The dictionary is cheaper than the encyclopedia (expensive).
3. My room is darker than yours (light).
4. The novel is duller than the story (exciting).
5. Ann is eighteen; Jane is nine (old).
6. Bob is 90 cm tall, his elder brother is 1m 80 cm (6 foot) tall (tall).
7. Today is colder than yesterday (warm).

XV. Read and translate the text.

Answer the following questions:

1. What do you remember about the discoverer of America? (Where was he born? Where did he live? What country was he looking for in 1492 when he discovered the new country?)
2. What do you know about the first English settlements in America and the first English colonists? (When and why did England become interested in America?)
3. Why did people in America fight for their independence from England?
4. What big US cities do you know?
5. What do Americans celebrate on the 4th of July?

TEXT 1

Geographical position and climate of the USA

The United States of America occupy a large area over 9.4 million square kilometers. The USA is situated in the central and southern parts of the continent of North America and includes Alaska and the Hawaii Islands in the Pacific Ocean. The USA is washed by the Atlantic Ocean in the east, the Gulf of Mexico in the south-east and by the Pacific Ocean in the west. In the north it borders on Canada and in the south – on Mexico. The USA consists of 50 states and the District of Columbia. The Hawaii Islands is a young state. It became one only in 1959.

The climate in the country varies from part to part. It is arctic in Alaska with temperatures lower than 55-60°C and tropical in Florida and California. Along the western coast and in the south-east the climate is hot and dry and in the central part it is continental.

The people living in the USA are called Americans. It is a mixed community of every national and racial group from all around the world. The official language is English, but it is somewhat different from English spoken in Great Britain. Its

grammar is almost the same but there are different meanings in its vocabulary. There are also marked differences in pronunciation.

The capital of the USA is Washington, situated on the Potomac River in the District of Columbia. George Washington was the first President of the USA. Washington is a political, administrative and cultural centre. It is the seat of the US Government.

The USA is a federal republic. The President is the head of the government. He is elected for four years. The government calls the Congress. It consists of two parts – the Senate and the House of Representatives. The Republican and Democratic Parties are the major political parties in the United States.

The colours of the U.S. National Flag are red, white and blue. There are 13 stripes and 50 stars on the flag. The numbers correspond to the number of the states originally and at present.

The USA is one of the world's science centers. A great number of priceless breakthroughs in all fields of research have been achieved by the American scientists who stay in the lead of modern technology and science, medicine and environmentalism.

XVI. Are these sentences true or false? Correct the false sentences.

1. The USA is situated in the northern part of the continent of North America.
2. Along the western coast the climate is hot.
3. The Congress consists of two parts.
4. There are 10 stripes and 55 stars on the flag.

XVII. Find antonyms to the following words in the text:

- a) cold and wet,
- b) the smallest,
- c) obsolete technology,
- d) unknown.

XVIII. Give English equivalents to the following:

Західне узбережжя, новий штат, змішане суспільство, офіційна мова, політичний та культурний центр, республіканська партія, головні політичні партії, світовий науковий центр.

XIX. Complete the sentences:

1. The colours of the U.S. National Flag _____.
2. The USA consists of 50 states and _____.
3. George Washington was _____.
4. One of the largest cities in the U.S. _____.
5. The USA is situated in _____ of the continent of North America and includes _____ in the Pacific Ocean.
6. The capital of the USA _____, situated on the _____.
7. A great number of _____ have been achieved by the _____ who stay in the lead of _____.

SELF-STUDY

I. Explain the rules of reading:

Share, where, near, ear, hear, heard, earn, cheer, clear, deer.

II. Give the plural of the following words. Translate them:

That island, this scientist, that businesswoman, this government.

III. Translate the following sentences:

1. Це узбережжя. Це східне узбережжя. На цьому узбережжі тропічний клімат. 2. Це науковці. Це хороші науковці. Ці науковці дуже розумні.

IV. Turn these sentences into negative and interrogative:

1. The great American economist Paul Samuelson said that any economic system has to answer three main questions. 2. I read some articles on unemployment a week ago. 3. There were some English books on this table.

V. Answer the questions:

1. Will you have any credit tests in the middle of the term? 2. Are there any students in your group who get an increased grant? 3. Will you have any lectures on Saturday?

VI. Translate the following word combinations:

Найпростіше завдання, найдавніша система, найгірша оцінка, глибші знання, найцікавіша лекція, найменша шкода, більш досвідчений спеціаліст.

VII. Translate the following sentences:

1. Many firms wish to employ skilled workers. 2. Most of the group profit was contributed by the subsidiaries in the Far East. 3. Firms tend to be highly competitive in such an environment. 4. He has a master's degree in business science. 5. The engines are made in Japan and the bodies in Scotland, and the cars are assembled in France.

TEXT 2

Answer the following questions:

1. When did the US become a world's leading industrial nation? Why?
2. What is the contribution of the USA to the world body of scientific and technological knowledge?

The US sectors of economy

The availability of water has been an important factor in America's growth. The early development of a prosperous agricultural system and the later development of an industrial base were made possible largely by vast water

resources.

About a third of the land area of the United States is covered by forests. Properly managed forests prevent flooding and soil erosion and stabilize climatic conditions. Wood, resins and other forest products are the basic raw materials of several of the nation's largest industries.

The United States is rich in most of the metals and minerals needed to supply its basic industries. The nation produces more than 75 million tons of iron a year for its steel mills.

Coal is the second major natural resource found in large quantities in the United States. Most of the coal is used by steam plants to produce electricity. Much coal also is used in chemical industries for the manufacture of plastics and other synthetics.

Oil wells in the United States produce more than 2,700 million barrels of petroleum a year. The production, processing and marketing of such petroleum products as gasoline and oil make up one of America's largest industries.

Natural gas and manufactured gas furnish more than one-third of the nation's power.

Other basic metals and minerals mined on a large scale in the United States include zinc, copper, silver and phosphate rock (which is used for fertilizers).

More than 18.5 million Americans are employed in manufacturing, including over two million engaged in the manufacture of machinery (excluding electrical and transportation equipment). Other industries with more than a million workers each include production of food and related products, clothing, metal goods, electrical machinery, wood products and furniture, textiles, printing, publishing and paper products. Canned fish and lumber are the chief manufactured products of the state of Alaska, while Hawaii's are sugar and canned pineapples.

The United States has been the world's leading industrial nation since early in the 20th century. Until the second half of the 19th century, agriculture remained the dominant US economic activity. After the Civil War, great advances were made in the production of basic industrial goods. By World War I, exports of manufactured goods had become more important than the export of raw materials; as manufacturing grew, agriculture became increasingly mechanized and efficient, employing fewer and fewer workers.

In recent years there has been a great increase in the number of engineers and scientists employed in American industries as companies emphasize research and the development of labour-saving machines. Some plants in the oil and chemical industries are built almost entirely around self-acting controls. Machines are doing more and more of the work of processing, assembling, packaging and distributing products. To meet the demands of the rapidly increasing population, industry today turns out more products at greater speed and with less labour.

The growing use of machines to perform routine tasks in agriculture, industry and other fields has brought about a shift of workers to new employment. Though some have been displaced because of automation, most have been absorbed by new industries and by the growth of service and leisure industries.

Other changes have taken place in the business world. Today industry reinvests twice as much of its profit in modernization and development as it did a century ago. New industries are formed as new discoveries are made. Atomic energy, for example, has created a wide range of new activities. So has the invention of plastic materials, which are used in many products. Electronics has become a major industry, employing more than a million people. About 80 per cent of the products of one leading electronics firm did not exist 10 years ago.

Most American industry is located in the eastern and Midwestern parts of the country. Industries are spreading out, building modern factories far from the home plant, closer to natural resources, markets and a supply of skilled labour.

The United States has long had a reputation as a pioneer in ingenious technology – from incandescent lights, sewing machines and cotton gins to telephones, television equipment, computers, airplanes and spaceships. But only in the last 40 years have American scientists become known for their contributions to research in basic and applied science, and today the country is among the world's leaders in both areas.

The US economy consists of three main sectors – the primary, secondary, and tertiary.

Primary economic activities are those directly involving the natural environment, including agriculture, forestry, fishing, and mining, and usually contribute about 4 per cent of the yearly GDP.

Secondary economic activities involve processing or combining materials into new products, and include manufacturing and construction, this sector accounts for approximately 23 per cent of the GDP.

Tertiary economic activities involve the output of services rather than goods. Examples of tertiary activities include wholesale and retail trade, banking, government, and transport. The tertiary is the most important sector by far and accounts for almost 73 per cent of the annual GDP.

The United States contributions to the world body of scientific and technological knowledge range from discoveries about subatomic particles, earthquake prediction, clues to the origin and evolution of the sun and the planets to break-throughs in the fight against cancer and heart diseases, organ transplantation and substitution, genetic research and new sources of energy.

NOTES

resin ['rɛzɪn] – смола

copper [kʌpə] – мідь

lumber ['lʌmbə] – лісоматеріали

incandescent lights [ˈɪnkændɪsnt laɪts] – лампи розжарювання

sewing machines ['səʊɪŋ] – швейні машини

cotton gin [dʒɪn] – бавовноочишувальна машина

subatomic particles [ˈsʌbətɪk ˈpɑːtɪkls] – субатомні частини

earthquake prediction [ˈɜːθkwɛk prɪˈdɪkʃən] – прогнозування (передбачення) землетрусів

clue [kluː] – ключ (до розгадки чогось)

heart diseases [hɑːt dɪˈzɪzɪz] – серцеві захворювання

substitution [sʌbsɪtɪˈjuːʃən] – заміна, заміщення

genetic research [dʒiˈnetɪk rɪˈsɜːtʃ] – генетичне дослідження

IV. Answer the following questions:

1. What are the main natural resources of the USA?
2. What industries are developed on their basis?
3. What industries are the most Americans employed in?
4. What is the role of engineers and scientists in the development of the American industries?
5. What changes have taken place in the business world?
6. What are the three major sectors of American economy?

V. Are these sentences true or false? Correct the false sentences:

1. Coal is the first major natural resource found in large quantities in the USA.
2. Canned fish and lumber are the chief manufactured products of the state of Hawaii Islands, while Alaska's are sugar and canned pineapples.
3. Most American industry is located in the eastern and Midwestern parts of the country.
4. The US economy consists of two main sectors – the primary and secondary.
5. Electronics has become a major industry, employing more than a million people.
6. Some plants in the oil and chemical industries are built almost entirely around self-acting controls.
7. About a half of the land area of the United States is covered by forests.

VI. Complete the sentences with the appropriate word:

processing, assembling, packaging	new activities	gasoline, oil
natural environment, forestry, fishing, mining	a shift of workers to new employment	resins, other forest products

1. The production, processing and marketing of such petroleum products as _____ and _____ make up one of America's largest industries.
2. Primary economic activities are those directly involving the _____, including agriculture, _____, _____ and usually contribute about 4 per cent of the yearly GDP.
3. Wood, _____ are the basic raw materials of several of the nation's largest industries.
4. Machines are doing more and more of the work of _____ and distributing products.
5. The growing use of machines to perform routine tasks in agriculture, industry and other fields has brought about _____
6. Atomic energy, for example, has created a wide range of _____

VII. Match the words in column one with their antonyms in column two:

1) rich	a) extraordinary
2) recent	b) far from
3) routine	c) slowly

4) close	d) ancient
5) efficient	e) poor
6) consistently	f) retail
7) rapidly	g) incapable
8) wholesale	h) inconsistently

VIII. Give English equivalents to the following:

- 1) система сільського господарства
- 2) стабілізувати кліматичні умови
- 3) виробництво електроенергії
- 4) промислова основа
- 5) виробництво та переробка
- 6) широке коло
- 7) фундаментальна та прикладна наука

XIX. Complete the sentences:

1. Wood, resins and other forest products are the basic raw materials of several of _____ .
2. Much coal also is used in chemical industries for _____ .
3. _____ are the chief manufactured products of the state of Alaska, while Hawaii's are sugar and canned pineapples.
4. The growing use of machines to perform routine tasks in agriculture, industry and other fields has brought about a shift _____ .
5. Industries are spreading out, building modern factories far from the home plant, closer to _____ .
6. _____ involve the output of services rather than goods.

LESSON 4

INTERNATIONAL ECONOMIC RELATIONS OF THE USA

CLASS ASSIGNMENTS

VOCABULARY

<i>trading nation</i>	['trɛɪdɪŋ 'neɪʃən]	торговельна нація
<i>to be engaged in</i>	[ɪn'geɪdʒd]	v бути зайнятим
<i>foreign trade</i>	['fɔːrɪn]	зовнішня торгівля
<i>to share world dominance</i>	['ʃeɪʃ] ['dɒmɪnəns]	розділяти світовий вплив
<i>to play a central role in the world economic scene</i>	['sɛntrəl] [sɪn]	відігравати центральну роль на світовій економічній сцені
<i>trade status</i>	['steɪtəs]	торговельний статус
<i>international</i>	[kə'mjʌntɪl]	міжнародна громада

<i>community</i>		
<i>quality of life</i>	['kwɔɪltɪ]	якість життя
<i>to grow rapidly</i>	[grəʊ 'ræpɪdli]	швидко зростати
<i>huge capacity</i>	[hɪʒ kə'pæsɪtɪ]	тут: величезна здатність, спроможність
<i>reciprocal consumption</i>	[rɪ'sɪprɒkəl kɒn'sʌmpn]	взаємне споживання
<i>remarkable trade statistics</i>	[rɪ'mɑ:kəbl]	чудова торговельна статистика
<i>standard of living</i>	['stændəd əv'li:vɪŋ]	рівень життя
<i>per capita</i>	[pɜ 'kæpɪtə]	на душу населення
<i>to exceed</i>	[ɪk'si:d]	<i>v</i> перевищувати, перевершувати
<i>exchange</i>	[ɪks'tʃeɪnʒ]	<i>n</i> обмін
<i>tangible</i>	['tæŋɡəbl]	<i>a</i> відчутний; реальний
<i>price</i>	['praɪs]	<i>n</i> ціна
<i>single commodity</i>	['sɪŋɡl kə'mɒdɪtɪ]	окремий товар (продукт; предмет ужитку)
<i>source of wealth</i>	[sɔ:s] [weɪlθ]	джерело багатства
<i>advertising</i>	['æd'vɜ:tɪzɪŋ]	<i>n</i> реклама
<i>insurance</i>	[ɪn'sʊərəns]	<i>n</i> страхування
<i>accounting</i>	[ə'kaʊntɪŋ]	<i>n</i> бухгалтерський облік
<i>entertainment</i>	['entə'teɪnmənt]	<i>n</i> розвага
<i>to provide a surplus</i>	[prə'vaɪd] ['sɜ:pɪləs]	забезпечувати надлишок
<i>further development</i>	['fɜ:ðə]	подальший розвиток
<i>lowering trade barriers</i>	['ləʊərɪŋ]	зменшення (зниження) торговельних обмежень
<i>EES (European Economic Community)</i>	['ju:ərə'pi:ən]	ЄЕС (Європейське Економічне Співтовариство)
<i>successive stages of development</i>	[sək'sɛsɪv] ['stɛɪʒɪz]	наступні етапи розвитку
<i>foreign investment</i>		іноземні інвестиції (внески)
<i>trade incentive</i>	[ɪn'sentɪv]	торговельний стимул
<i>global economic influence</i>	['ɡləʊəbl] [ɪn'fluəns]	глобальний (всесвітній, загальний) економічний вплив
<i>leading economic power</i>	['li:dɪŋ] ['paʊə]	провідна економічна сила
<i>chief international currency</i>	[tʃɪf 'ɪntə'næʃənəl 'kʌrənsɪ]	головна міжнародна валюта

MEMORIZE !

Префікси

- **un-, in-** вказують на заперечення того, що виражається в корені слова: **happy** щасливий – **unhappy** нещасливий; **necessary** потрібний – **unnecessary** непотрібний, **correct** правильний – **incorrect** неправильний, невірний.
- **il-, im-, ir-** є фонетичними варіантами префікса **in-**.

I. Read and translate paying attention to the meaning of the newly formed words:

Definite – indefinite; possible – impossible; effective – ineffective; do – done – undone; regular – irregular; legal – illegal; material – immaterial, respective – irrelative.

II. Read and translate the words with the opposite meaning. What are such words called? Memorize them:

Late – early; different – similar; return – leave; large – little; strength – weakness.

III. Read and translate:

1. Excitement, department, development, agreement, achievement. 2. Reality, possibility, activity, humanity, fluidity, property, quality, ability.

IV. Memorize these words and word combinations:

<i>emission</i>	[ɪ'mɪʃn]	<i>n</i>	емісія
<i>declining</i>	[dɪ'klaɪnɪŋ]	<i>n</i>	зниження
<i>to create instability</i>	[krɪ'zeɪt 'ɪnstə'bɪlɪtɪ]		створювати нестійкість
<i>world-wide</i>	['wɜ:ldwaɪd]		по всьому світу
<i>balance of trade</i>	['bæləns əv 'treɪd]		торговельний баланс
<i>trade deficit</i>	['deɪfɪsɪt]		торговельний дефіцит
<i>to provide export benefits</i>	[prə'vaɪd 'eksɪpɔ:t 'benɪfɪts]		забезпечувати експортні виплати
<i>leading producer</i>	[prɪ'dʒɪnɪʃə]		провідний виробник
<i>economic growth</i>	[grouθ]		економічне зростання
<i>to invest money</i>	[ɪn'vest 'mʌni]		вкладати гроші
<i>employment</i>	[ɪm'plɔɪmənt]	<i>n</i>	зайнятість, робота (за наймом)

V. Pay attention to the verbs, words formed from them and their translation. Answer the questions:

to look дивитися – **looking** що дивиться; **to sit** сидіти – **sitting** що сидить; **to work** працювати – **working** що працює; **to translate** перекладати – **translating** що перекладає; **to lie** лежати – **lying** що лежить

1. Як утворюється Present Participle а) якщо інфінітив дієслова закінчується на *e*? б) якщо інфінітив дієслова закінчується на *ie*?

2. Чому в дієприкметнику *sitting* подвоюється буква *t*?

VI. Form the Present Participle of these verbs and translate them:

to stop, to meet, to count, to set, to open, to study, to give, to maintain, to operate.

VII. Determine the tense form of the predicate in these sentences.

The students are writing a dictation at present .	Студенти пишуть диктант (в даний момент).
Don't make noise, she is doing yoga now .	Дотримуйте тиші, вона зараз займається йогою.
I am teaching Web design at the moment .	В цю хвилину я викладаю веб-дизайн.
They are not (aren't) looking through the papers now.	Вони зараз не переглядають папери.
Is the service sector providing a lot of new working places at this moment ? No, it is not (isn't) .	Чи забезпечує зараз сфера обслуговування багато робочих місць? Ні.

VIII. Use the verbs in the proper form:

1. What (to be) he doing now? He (to be) sitting in front of the computer. 2. Yesterday from 11 till 12 o'clock we (to be) having our English classes. 3. I (to be) reading a book when you entered. 4. We (to be) working on it the whole tomorrow evening.

IX. Think of a general and special questions to the parts of the sentence:

I was writing an essay at 7 o'clock in the evening yesterday.

X. Read the text. Find the sentence in the Present Indefinite Active and translate it.

Answer the following questions:

1. What multinational institutions are considered to stimulate international trade?
2. Why does the United States play a central role in both the world practical and economic scene?

TEXT 1

The US foreign trade

The United States is a major world trading nation. It has engaged in foreign trade from the moment of its independence over two centuries ago. Growing to a position of world dominance in trade after World War II, the 1980s, 1990s and 2000s have seen its role change. It now shares world dominance with China, Japan and the countries of the European Economic Community. Importantly, the U.S. is the only nation which plays a central role in both the world practical and economic

scene. But its trade status has been under stresses as the 1980s close, stresses which threaten both the nation's role in the international community, and the quality of life of the American people. United States exports have continued to grow, but imports have grown more rapidly. The importance of trade should be apparent. But the huge capacity of the United States to consume foreign products is out of balance with its ability to find reciprocal consumption for its products abroad. That it due to many reasons, problems of quality, real and perceived, problems of barriers to trade imposed by every nation, and problems of government leadership. The United States generates a formidable share of world trade and will continue to do so. Even individual states have remarkable trade statistics. California alone generates nearly \$20 billion of U.S. world trade, making its "gross state product" greater than the gross national products of all but some seven nations of the world. In the last few years, however, the per capita standard of living of several other nations has reached and arguably exceeded that in the United States.

Trade has traditionally been measured by the exchange of tangible goods, both raw materials and finished products. The prominence of oil beginning in the early 1970s with the formation of the Organization of Petroleum Exporting Countries (OPEC), illustrated the shift of wealth caused by remarkable changes in the price of a single commodity. But that shift has moderated and even reversed, oil is lessening as a dominant trading commodity. Extractable raw materials nevertheless remain the principle source of wealth.

In recent years considerable focus has shifted from trade in tangibles and technology to trade in services (e.g., advertising, banking, insurance, accounting, consulting, entertainment, tourism). United States trade in these "invisibles" may exceed \$150 billion annually. While trade in tangibles is marred by an increasing deficit, trade in services continues to provide a surplus. Many other nations are eager to develop their own services and to protect them from the developed nation's encroachment. Nations such as Mexico which have completed considerable basic infrastructure projects (e.g., roads, communications systems, hospitals) are now developing hotel and tourist services to sell vacationers from abroad. Tourists bring in hard currencies needed for further development such as to obtain priority imports. The industrialized nations, led by the United States, successfully fought to include lowering trade barriers to services on the agenda of the current General Agreement of Tariff and Trade (GATT) over the objections of several third world nations which fear dominance in ownership of services by the industrialized nations.

Viewing trade from a balanced perspective, one must conclude that the earlier dominance of the United States is attributable to the increasing prominence of China and Japan, the cooperation of the European nations within the EES (European Economic Community), and the movement through successive stages of development of many developing nations. The competition for markets has become more tense as countries joust over international trade by regulating more closely foreign investment coming into the country and by legislating increased trade

incentives to stimulate greater exports to (and foreign investment within) other countries.

NOTES

to threaten [ˈθreɪt] – загрожувати

to be apparent [q'pʁɪqnt] – бути очевидним

due [dʒi] **to** – внаслідок, через

formidable [ˈfɔːmɪdəbəl] – величезний, значний

shift – тут: переміщення

to perceive [pɪˈsɪv] – осягати; розуміти; розпізнавати; відчувати

arguably [ˈɹɡjuəbəl] – можливо

agenda [q'ʒɛndə] – порядок денний

to joust [ʒəʊst] – змагатися

annually [ˈɹnjuəl] – щорічно

to be marred [mɪˈɹd] – бути зіпсованим

to be eager [ˈiːɡɜː] – з нетерпінням очікувати

objection [qɒˈʒɛkʃən] – заперечення

XI. State which of the sentences are true and which are false:

1. The earlier dominance of the United States is attributable to the increasing prominence of China and Japan.
2. The U.S. is the nation which plays a central role in the world economic scene only.
3. While trade in services is marred by an increasing deficit, trade in tangibles continues to provide a surplus.
4. Mexico has completed considerable basic infrastructure projects.
5. Extractable raw materials remain the principle source of wealth.
6. GATT means Gatlinburg Agreement of Tariff and Trade.
7. United States exports have continued to grow, but imports have grown more rapidly.
8. The prominence of oil began in the early 1960s with the formation of the Organization of Petroleum Exporting Countries (OPEC).
9. The examples of trade in tangibles are advertising, banking, insurance, accounting, consulting, entertainment, and tourism.
10. Many nations are eager to develop their own services and to protect them from the developed nation's encroachment.

XII. Choose the correct statement:

1. Foreign trade has increased the profits of manufacturers by reducing cost of **raw stuff/ raw materials**, labour, and world-class technologies.
2. **Competition / row** reduces the world price to the level of international value of the goods, which is lower than in the less developed countries, and higher than in developed countries.
3. Countries with low levels of development may also have **beneficent/ benefited** from foreign trade.
4. The export of capital leads to an expansion of **foreign trade turnover/ foreign trade turnery**.

5. The development of large-scale machine production has increased **request/ demand** for raw materials, food products to major industrial centers.
6. The **huge capacity/ massive capacity** of the United States to consume foreign products is out of balance with its ability to find reciprocal consumption for its products abroad.
7. The development of specialized mass production required **capacious/ spacious** market, exceeding the national demand for manufactured goods.
8. The General Agreement of Tariff and Trade, an international organization set up in 1947, had the objectives of encouraging international trade, of making the tariffs the only form of protectionism, and of **degrading/ reducing** these as much as possible.
9. The progressive reduction of tariff **hurdles/ barriers** has caused world trade to increase by several hundred per cent since 1945, and there is no doubt that this has created both work and prosperity.
10. The United States **has hired/ has engaged** in foreign trade from the moment of its independence over two centuries ago.

XIII. Fill in the blanks with the appropriate words:

apparent	currencies	tangible
share	per capita	commodity

1. The United States generates a formidable _____ of world trade and will continue to do so.
2. The importance of trade should be _____.
3. In the last few years, however, the _____ standard of living of several other nations has reached and arguably exceeded that in the United States.
4. Trade has traditionally been measured by the exchange of _____ goods.
5. The prominence of oil illustrates the shift of wealth caused by remarkable changes in the price of a single _____.
6. Tourists bring in hard _____ needed for further development such as to obtain priority imports.

XIV. Put the words in the correct order to make sentences.

1. excellent/ the/ enough/ of/ quality/ the/ but/ products/ force/ firm's/ is/ its/ not/ sales/ is/ large
2. very/ in/ computer/ grew/ 1980s/ industry/ the/ rapidly/ the
3. industry/ longer/ the/ meet/ to/ primary/ no/ has/ taxes/ capacity/ new/ capital
4. a/ the/ of/ factory/ consumption/ has/ coal/ heavy
5. are/ if/ \$50/ forecasts/ corporate/ met/ will/ sales/ exceed/ next/ million/ year
6. is/ a/ wealth/ founders/ established/ start-up/ in/ to/ company/ order/ personal/ produce/ for/ its
7. in/ the/ trade/ he's/ secondhand/ car
8. decided/ work/ money/ incentive/ he/ to/ to/ rig/ the/ go/ on/ an/ an/ as/ of/ because/ oil/ danger/ offered

XV. Match the words and their definitions.

1	instability	A	an agreement that in return for regular payments called 'premiums', a company will pay compensation for loss, damage, injury or death
2	benefit	B	to plan a budget so that expenditure and income are equal
3	commodity	C	an amount of money remaining after all liabilities have been met
4	surplus	D	to put money into shares, bonds, a building society, etc., hoping that it will produce interest and increase in value
5	insurance	E	the act of buying or using goods or services
6	consumption	F	something sold in very large quantities, especially a raw material such as a metal or a food such as wheat
7	invest	G	the amount by which spending is higher than income
8	growth	H	payments which are made to someone under a national or private insurance scheme
9	balance	I	the state of being unstable or moving up and down
10	deficit	J	the fact of becoming larger or increasing

XVI. Match the words in the right column with the words in the left column to make word combinations.

1	trading	<i>a</i>	dominance
2	economic	<i>b</i>	rapidly
3	foreign	<i>c</i>	nation
4	huge	<i>d</i>	of living
5	trade	<i>e</i>	trade
6	to grow	<i>f</i>	community
7	reciprocal	<i>g</i>	status
8	world	<i>h</i>	consumption
9	standard	<i>i</i>	scene
10	international	<i>j</i>	capacity

SELF-STUDY

I. Form the nouns a) from the verbs by adding the suffix "-ment". Translate these nouns:

To develop, to state, to require, to move, to enlarge.

b) Form the adjectives by adding the suffix "-(i)ty". Translate the nouns:
Real, possible, active, intensive, flexible, extreme.

II. Fill in the pronouns and prepositions where it is necessary:

1. Where is ... book? – It is ... the table. 2. I get up ... 7 o'clock. 3. I like to sit ... the sofa ... my room. 4. Put ... flowers ... the vase. 5. ... Wednesday I usually have

a lot of homework. 6. The teacher is ... the blackboard. 7. He bought a book ... Peter Drucker and gave it ... his sister. 8. (We) periods are usually ... 8 ... 2 o'clock. 9. It is very late. Go ... bed at once. 10. The boy cut ... finger ... a knife. 11. We went ... the garden and sat down ... the bench. 12. America was discovered ... Columbus. 13. ... the twenty-fifth of December people celebrate Christmas.

III. Translate the participles. Give the corresponding infinitives:

Becoming, getting, depending, containing, providing, consisting, living, studying, setting.

IV. Use the verbs given in brackets in the necessary tense-forms. Translate them:

1. What you (to do) here now? – We (to listen) to tape-recordings. 2. You (to want) to see my father? – Yes, I 3. Michael (to know) German rather well. He (to want) to know English, too, but he (to have) little time for it now. 4. What magazine you (to read) ? – It (to be) a French magazine. There (to be) good articles on business here. You (to be) interested in business? – Yes, I But I (not to know) French. 5. We (to have) an English lesson now. 6. Lina usually (to prepare) her homework at the institute? – No, she ... As a rule, she (to work) at home. – And what she (to write) now? – Oh, she (to write) an article for our wall newspaper. 7. Your family (to leave) Sumy in summer? – Yes, we always (to go) to the sea-side. We all (to like) the sea. Mother (to stay) with us to the end of August, but father (to return) much earlier. 8. Where Tom and Nick (to be) now? – They (to play) in the garden.

V. Supply questions to the following answers:

1. She showed a price-list to him. 2. The export market has become very difficult since the rise in the dollar. 3. You can get a ticket for New York at below £150 on the Internet.

VI. Insert the necessary preposition (*at, in, to, into, out of, by, with, for, on, of*). Turn the following sentences into negative:

1. ... the 1st ... August he arrived ... Liverpool and was met ... the station ... his wife and his daughters. 2. The garden is surrounded ... a high wall. 3. Our train stopped ... five minutes ... a small station. 4. The journal was illustrated ... very good pictures. 5. My brother lives ... the fourth floor ... a big house ... the centre ... the town. 6. I use this textbook myself; so I can only give it ... you ... a short time. 7. This plant equipped ... machinery made ... German plants. 8. I have received a letter ... my friend. 9. Italy has to import coal and oil ... other countries. 10. ... six o'clock the taxi stopped ... the door we got ... it and went ... the station. 11. He opened the door and went out ... the street. 12. He has just returned ... his flight ... the north. 13. His watch is made ... gold. 14. Do you go ... the University

... Thursdays? 15. Yesterday he went ... the Crimea ... a month. 16. The factory was destroyed ... the fire. 17. I hope he will come back ... Ukraine ... five days. 18. On my way home I walk ... your office every day. 19. I shall stay in Odessa ... about two month. 20. I expect to get an answer ... PR manager ... two days.

TEXT 2

Answer the following questions:

1. When did the US become the leading economic power? Why?
2. What are the confirmations of this fact?

Global economic influence of the USA

It is common knowledge that the USA is the leading economic power. This fact can be confirmed. **The status of the dollar** is the world's chief international currency. The dollar until recently (until the time of emission of the EURO) is used for most international trading. But the recent times dollar shares with the EURO its status of the international currency which points to the declining of the US economic power. However high volatility of the American dollar continues to create instability on the world-wide trade markets.

The balance of trade. The USA has experienced massive trade deficit. This trade imbalance has promoted growth in the rest of the world; other countries were able to sell more of their products to the United States, and these sales have provided them with export benefits. While the U.S. trade deficit has benefited foreign economies, it has created severe distress for the American economy.

As **a leading producer and exporter of technology** the USA contributes to the world-wide economic growth. It exports more machinery and invests more money in technological research than any other country.

Foreign investment. American businesses and industries operate all over the world. American investment boosts of other economies by providing them employment, technology and new products.

NOTES

to **confirm** [kɔn'fɪm] – підтвердити

VII. Are these sentences true or false? Correct the false sentences:

1. The USA has experienced massive trade deficit.
2. American dollar doesn't create instability on the world-wide trade markets.
3. American businesses and industries operate all over the world.
4. The world-wide economic growth is contributed by the USA.
5. American investment boosts of other economies by providing them employment, technology and dated ideas.
6. One can confirm the fact that the USA is the leading economic power.
7. The trade imbalance has promoted decline of economies in the rest of the world.

VIII. Complete the sentences with the appropriate word:

currency	declining	benefits
world-wide	emission	investment

1. Dollar is the world's chief international _____.
2. The dollar until recently (until the time of _____ of the EURO) is used for most international trading.
3. Dollar shares its status of the international currency with the EURO which points to the _____ of the US economic power.
4. A fall in inflation _____ the exchange rate.
5. The US now accounts for more than half of our _____ sales.
6. The government's decision has freed millions of pounds for _____.

IX. Match the words in the right column with the words in the left column to make word combinations.

1) international	a) deficit
2) trade	b) instability
3) has promoted	c) growth
4) create	d) development
5) economic	e) trading
6) technological	f) currencies
7) hard	g) research
8) stages of	h) power

X. Give English equivalents to the following:

- 1) з нетерпінням очікувати розвитку;
- 2) рівень життя на душу населення;
- 3) якість життя міжнародної громади;
- 4) світова економічна сцена;
- 5) джерело багатства;
- 6) провідна економічна сила;
- 7) глобальний економічний вплив.

XI. Write an essay to the topic:

1. Globalism and national economies.
2. The world economy: trends and tendencies.

XII. Read and check yourself

International trade

Why should countries trade? Simply put, if a country can produce a good for less than another country, then the opportunity for advantageous trade exists. Of course, the opportunity for advantageous trade also exists when a country can

produce a good that another country is unable to produce. In each of these cases, both the consuming country and the producing country will be better off with trade than without it.

Let's use an example to explain. Say Jim lives on an island with a coconut tree. Sally lives on another island with a banana tree. Jim tires of eating coconuts and desires something new to eat. Surprisingly enough, Sally is tired of bananas and would love some nice sweet coconut. In this example, trade would benefit both parties.

This example presents only one of the two cases in which trade is advantageous. In the other case, a country can produce goods at an absolutely or relatively lower price than another country. These conditions are called the absolute advantage and the comparative advantage respectively.

Advantages in Trade

A country may have two advantages over another country (or countries) regarding trade. Absolute advantage occurs when a producer can use the smallest amount of inputs to produce a given amount of output compared to other producers. Absolute advantage may apply to many countries. Comparative advantage happens when a producer has a lower opportunity cost of production than another producer. Comparative advantage may also apply to many countries, but in this SparkNote it will be restricted to cases of two countries and two goods. Each of these two cases will be discussed in detail in the following paragraphs.

Farmer John has a pistachio farm. It takes him five hours worth of work to harvest one pound of nuts. Farmer Rick also has a pistachio farm. It takes him four hours worth of work to harvest one pound of nuts. Farmer Erica owns a third pistachio farm. She can harvest one pound of nuts in three hours. In this example, Farmer Erica is said to have the absolute advantage in pistachio production since she is able to produce the largest amount of output in the smallest amount of time.

In terms of trade, it is always most beneficial for the producer with the absolute advantage in the production of a good to specialize in the production of that good. For instance, in the above example, it was far more productive for Farmer Erica to spend time harvesting pistachios than it was for Farmer Rick or Farmer John to do the same. Farmer Erica therefore has a lower cost of production than either of the other two producers. Applying this idea to international trade leads us to the conclusion that goods should be produced for which the cost of production is lowest.

In a more complex model though, producers can produce many different goods. Often times, if a producer chooses to produce one good, he or she must give up the opportunity to produce another good. This is called the opportunity cost of producing a good. The opportunity cost describes what is sacrificed or relinquished when one choice is taken over another.

Let's use another example. Revisiting the farms belonging to Farmer Erica and Farmer Rick, we discover that they are both able to produce pistachios and soybeans. Farmer Erica can harvest 1 pound of pistachios in 2 hours and she can harvest 5 pounds of soybeans in 2 hours. Farmer Rick, on the other hand, can

harvest 1 pound of pistachios in 10 hours and 50 pounds of soybeans in 2 hours.

Looking at this information in terms of the total amount of time each farmer takes to harvest a pound of each product is the next step to understanding comparative advantage. Farmer Erica can harvest 1 pound of pistachios in an hour while it takes Farmer Rick 10 hours to harvest 1 pound of pistachios. On the other hand, Farmer Rick can harvest 1 pound of soybeans in about 2.5 minutes, but it takes Farmer Erica about 24 minutes to harvest a pound of soybeans.

Since each of these farmers only has a fixed number of hours to spend harvesting, each hour spent harvesting pistachios cannot be spent harvesting soybeans, and similarly, each hour spent harvesting soybeans cannot be spent harvesting pistachios. For every hour Farmer Erica spends picking soybeans, she gives up 0.5 pounds of pistachios; and for every hour that Farmer Erica spends picking pistachios, she gives up 0.1 pounds of soybeans. Farmer Rick gives up 25 pounds of soybeans for every hour that he spends harvesting pistachios, and for every hour that Farmer Rick spends harvesting soybeans, he gives up 0.1 pounds of pistachios.

We can reexamine this example in terms of opportunity costs. Farmer Erica has an opportunity cost of 0.1 pounds of soybeans for every 0.5 pounds of pistachios harvested, or similarly, 5 pounds of pistachios for every 1 pound of soybeans harvested. Farmer Rick has an opportunity cost of 0.1 pounds of pistachios for every 25 pounds of soybeans harvested, or 250 pounds of soybeans for every pound of pistachios harvested.

	Opportunity cost of pistachios in terms of soybeans	Opportunity cost of soybeans in terms of pistachios
Farmer Erica	1/5	5
Farmer Rick	250	1/250

Opportunity costs of production

Figure 1 depicts the situation described above. Notice that for Farmer Erica, the opportunity cost of harvesting pistachios is lower than the opportunity cost of harvesting soybeans. Similarly, for Farmer Rick, the opportunity cost of harvesting soybeans is lower than the opportunity cost of harvesting pistachios. In both of these cases, this means that both farmers are better off spending their time harvesting the product that they can produce most efficiently.

The producer with the lower opportunity cost of production is said to have the comparative advantage. Notice that in a case with two producers and two products, each producer must have a comparative advantage in one, and not both, products. Figure 1 makes finding the comparative advantage easy. Simply represent the opportunity cost of one product in terms of the other product for both producers, and then compare these numbers. Whichever producer has the lower opportunity cost has the comparative advantage and should produce that product.

Absolute advantage and comparative advantage are theoretically

straightforward. When a producer has an absolute advantage, he can produce a given output by using fewer inputs than any competing producer. When a producer has a competitive advantage, he can produce one product with a smaller amount of inputs than the competition. He therefore must produce another product with a greater amount of inputs than the competitor, hence the designation of comparative advantage. When either an absolute advantage or a comparative advantage exists, benefits from trade are guaranteed.

Test

1. Why should countries trade?
 - (A) To help them thrive
 - (B) To increase output
 - (C) To decrease output
 - (D) To keep them busy
2. Which of the following is a situation in which trade is advantageous?
 - (A) Two countries produce the same goods for the same costs
 - (B) Two countries produce different goods for different costs
 - (C) Two countries are isolated
 - (D) Two countries have the same markets
3. When one producer can create a given amount of output with fewer inputs, what exists?
 - (A) Comparative advantage
 - (B) Comparative disadvantage
 - (C) Absolute advantage
 - (D) Absolute disadvantage
4. When one producer has a lower opportunity cost of production than another producer for a given item, what exists?
 - (A) Absolute disadvantage
 - (B) Absolute advantage
 - (C) Comparative disadvantage
 - (D) Comparative advantage
5. Farmer John has a pistachio farm. It takes him 5 hours worth of work to harvest 1 pound of nuts. Farmer Rick also has a pistachio farm. It takes him 10 hours worth of work to harvest 1 pound of nuts. Finally, Farmer Erica owns a third pistachio farm. She can harvest 1 pound of nuts in 2 hours. Who has the absolute advantage in this example?
 - (A) Farmer Erica
 - (B) Farmer Rick
 - (C) Farmer John
 - (D) Unclear
6. There are three producers. Producer A spends \$10 to make a widget. Producer B

spends \$50 to make a widget. Producer C spends \$4. Who has the absolute advantage?

- (A) Producer B
- (B) Producer C
- (C) Producer A
- (D) Unclear

7. Mechanic A can change a tire in 1 hour and change a sparkplug in 2 hours. Mechanic B can change a tire in 0.5 hours and change a sparkplug in 0.25 hours. Who has the comparative advantage in changing sparkplugs?

- (A) Need more information
- (B) Both mechanics
- (C) Mechanic B
- (D) Mechanic A

8. Rancher Tom can raise 10 goats and 20 pigs in a year. Rancher Joe can raise 20 goats and 100 pigs in a year. Who has the comparative advantage for raising pigs?

- (A) Need more information
- (B) Both ranchers
- (C) Rancher Tom
- (D) Rancher Joe

9. What term applies when one option is chosen from among several possibilities?

- (A) Opportunity cost
- (B) Absolute advantage
- (C) Comparative advantage
- (D) Lost possibilities

10. If there are two producers and two products, which of the following cannot happen?

- (A) A producer has an absolute advantage on one product
- (B) A producer has the comparative advantage on both products
- (C) A producer has the comparative advantage on one product
- (D) A producer has an absolute advantage on both products

11. When a comparative advantage exists, what should the producer with the comparative advantage do?

- (A) Produce the item for which he does not have the comparative advantage
- (B) Produce both items
- (C) Produce the item for which he does have the comparative advantage
- (D) Produce neither item

12. When an absolute advantage exists, what should the producer with the absolute advantage do?

- (A) Produce the item for which he does not have the absolute advantage
- (B) Produce both items
- (C) Produce the item for which he does have the absolute advantage

(D) Produce neither item

13. Is it possible for a producer to have both an absolute advantage and a comparative advantage?

(A) Yes

(B) No

(C) Only if the market is small

(D) Only if there are two producers

LESSON 5

INTERNATIONAL ECONOMIC RELATIONS OF UKRAINE

CLASS ASSIGNMENTS

VOCABULARY

integration	[ɪntɪ'grɪʃən]	<i>n</i> об'єднання, інтеграція
global trade	['glɔʊbəl]	всесвітня/ світова торгівля
	global interest	всесвітній інтерес
turnover	['tʌn'əʊvə]	<i>n</i> товарообіг
to exceed	[ɪk'si:ɪd]	<i>v</i> перевищувати, перевершувати
center-stage	['sɛntə'steɪʒ]	<i>n</i> амер. центральне положення, основна позиція
economic strategy	['strɪtɪʒɪ]	економічна стратегія
prominence	['prɒmɪnəns]	<i>n</i> популярність, чільне місце
agenda	[ə'ʒɛndə]	порядок денний (план, наміри)
	political and economic agenda	політичні та економічні наміри
“European Choice”	['juərə'pɪjən]	«Європейський вибір» (зміцнення стосунків з європейськими країнами з метою побудови громадянського суспільства та соціально орієнтованої ринкової економіки європейського типу)
to attach	[ə'tʌtʃ]	<i>v</i> приєднуватися
	attach value to	надавати значення (чому-небудь)
membership	['mɛmbəʃɪp]	<i>n</i> членство
	to grant membership	прийняти до складу (організації)
	associate membership	статус кандидата у члени якого-небудь товариства
term	[tɜ:m]	<i>n</i> строк, визначений період
	short-term	<i>a</i> короткостроковий
	medium-term	<i>a</i> середньостроковий

	long-term	<i>a</i> довгостроковий
	term of office	строк повноважень (президента, сенатора і т.д.)
institutional reform	[ˈɪnstɪˈtʃʃl̩sɒnq̩l rɪˈfɔːm]	інституціональна (встановлена) реформа
completion	[kəmˈplɪʃn]	<i>n</i> завершення
WTO (World Trade Organization)		ВТО (Всесвітня Торговельна Організація)
accession	[əˈseʃn]	<i>n</i> вступ, приєднання
	accession to Europe	вступ до ЄС
to streamline	[ˈstriːmlaɪn]	<i>v</i> спрощувати, модернізувати, раціоналізувати
to upgrade	[ʌpˈɡreɪd]	<i>v</i> оновити, покращити (якість), замінити на більш досконале, реконструювати
CIS (Commonwealth of Independent States)	[ˈkɒmɒnwəlθ]	СНД (Співтовариство Незалежних Держав)
junction	[ˈdʒʌŋkʃn]	<i>n</i> з'єднання, приєднання
	critical juncture of things	критичний збіг обставин
improvement	[ɪmˈpruːvmənt]	<i>n</i> покращення, прогрес
impact	[ˈɪmpækt]	<i>n</i> великий (сильний) вплив
overall	[ˈoʊvərl]	<i>a</i> загальний, глобальний
	overall economic growth	загальне економічне зростання
account surplus	[əˈkaʊnt ˈsʊplʌs]	рахунковий залишок
to boost	[ˈbɔːst]	<i>v</i> підвищити, підтримати
demand		<i>n</i> попит
revenue	[ˈrevɪnjuː]	прибуток
to fuel	[ˈfjuːl]	<i>v</i> підживлювати, жити
consumption	[kənˈsʌmpʃn]	споживання
transfer	[ˈtrænsfɜː]	<i>n</i> перехід, переміщення; переказ
diversification	[dɪˈvɜːsɪfɪˈkeɪʃn]	<i>n</i> диверсифікація, розповсюдження промислово-господарської діяльності на нові сфери (напр., розширення асортименту продукції і т.ін.)
sustainable	[səˈsteɪnəbəl]	<i>a</i> стійкий, сталий
FDI (foreign		прямі іноземні інвестиції

<i>direct investment</i>)		
<i>furthering</i>	[ˈfʊðərɪŋ]	сприяння
<i>fostering</i>	[ˈfɒstərɪŋ]	заохочення, підбадьорювання
<i>obstacle</i>	[ˈɒbstəkl]	<i>n</i> труднощі, перешкода
<i>trade flow</i>	[ˈfləʊ]	торговий потік
<i>GATT (General Agreement on Tariffs and Trade)</i>		ГАТТ, генеральна домовленість з митних тарифів та торгівлі (країн Атлантичного союзу)
<i>multilateral</i>	[ˈmʌltɪˈlɪtərəl]	<i>a</i> багатосторонній
	<i>multilateral trading system</i>	багатостороння торговельна система
	<i>prosperous trading system</i>	процвітаюча торговельна система
<i>merchandise exports</i>	[ˈmɜːtʃəndaɪz]	експорт товарів
<i>negotiation</i>	[nɪˈɡəʊʃɪˈzɪʃn]	<i>n</i> переговори
<i>headquarter</i>	[ˈhɛdˈkwɔːtə]	<i>n</i> штаб-квартира
<i>intellectual property</i>	[ɪntɪˈlɛkʃuəl ˈprɒpərti]	інтелектуальна власність

➤ **MEMORIZE !**

У буквосполученнях

- **igh, ind, ild** буква **i** читається [ai],
- **gh** не читається: light [laɪt] легкий.

➤ **MEMORIZE !**

Букви **c, s, t** перед сполученням голосних **ia, ie, io** читаються [ʃ]: specialist [ˈspeʃlɪst] спеціаліст.

I. Read:

- high, fight, might, mild, wild, child, kind, mind, find, light
- delicious, physician, social, Russian, official, initial, special, professional

II. Read these words and determine the part of speech by their suffixes:

Exhibition, possibility, supervision, synergy, successful, several, structure, question, irresistible, movement, ability, early, pressure, angry, usually, portable.

III. Read and translate these sentences, pay attention to the words in italics:

- European manufacturers rely heavily on *imported* raw materials, which are mostly priced in dollars.
- Import quota is a *fixed* quantity of a particular type of goods which the government allows to be imported.

Answer the questions:

- Якою формою дієслова є виділені слова?
- Як перекладається *Past Participle*?

IV. Copy out of the dictionary the infinitives of these participles. Translate them:

mixed, followed, improved, used, lifted, increased, noticed, planned, had, gone, designed, seen, given, shown, found, chosen

V. Write three forms of these verbs:

Begin, mix, follow, speak, understand, invite, state, choose, start, forget, offer, leave; be, do, show, buy, go, have, give, take, know, make, meet, see, become, hold

VI. Determine the tense-form of the verbs and translate these sentences:

I <i>brought</i> my documents.	I <i>was brought</i> my documents.
He <i>brought</i> his documents.	He <i>was brought</i> his documents.
They <i>brought</i> their documents.	They <i>were brought</i> their documents.

VII. Translate these sentences:

1. The first printed money appeared in China, around 800 AD. 2. Some characterize those that have a mixture of state and private ownership as "mixed economies". 3. If there are no willing buyers at their offered price, they have the freedom to retain the property.

VIII. Use the Past Participle of the verbs in brackets:

1. Capitalism is identical with (renew) profit. 2. It was a contract document promising to repay money borrowed by a company or by the government on a specific date. 3. A special form of corporation is a corporation (own) by shareholders who can sell their shares in a market. 4. The owners receive some of the profits (generate) by the company. 5. A record of financial transactions over a period of time, such as money (pay), (receive), (borrow) or (owe), is (call) an account.

IX. Translate these sentences into English:

1. Нам показали калейдоскоп із різних документів. 2. Заяви подають з восьмої години ранку. 3. У цьому супермаркеті вас консультують найкращі фахівці. 4. Швидкість, з якою ціни реагують на нову інформацію, називається інформаційною ефективністю.

X. Learn the pronunciation of these terms:

merchandise ['mɜːtʃəndaɪz], transfer ['trʌnsfɜː], revenue ['rɛvɪnjuː]
прибуток, переказ, товар

XI. Learn these word combinations:

economic integration	економічна інтеграція
rapid integration	швидка інтеграція
close integration	тісна інтеграція
labor turnover	плинність робочої сили
upgrade smth to the required standard	підвищити якість чого-небудь до необхідного стандарту
export revenue	прибуток від експорту
domestic consumption	внутрішнє споживання

XII. Read and translate these word combinations:

sustainable	sustainable advantage, sustainable development, sustainable economic growth
demand	total demand, raw materials and product demand, current demand, a product is in demand
merchandise	to order merchandise, assorted merchandise, high-quality merchandise, buying and selling merchandise

XIII. Read the text. Find the sentences in the Passive Voice and translate them:

Answer the following questions:

1. What are the main trade/ investment partners of Ukraine?
2. What products and materials does Ukraine export and import?

TEXT 1

Ukraine's trade policy. A strategy for integration into global trade

Ukraine is a relatively open economy with foreign trade turnover exceeding GDP. Since the mid-1990s, broad trends in the country's foreign trade have been quite closely correlated with major macroeconomic developments. It is not surprising then that trade policy issues have taken center-stage in the government's economic strategy.

Recently, the trade policy has received even more prominence as a critical element of Ukraine's political and economic agenda. The Government's new economic strategy is founded on the principle of "European Choice", and attaches a particular priority to rapid integration with the EU. Membership in the EU should be viewed as a long-term anchor for institutional and structural reforms in Ukraine. Completion of the WTO accession process has also been among the top government policy priorities.

Ukraine has also been active in its efforts to streamline and upgrade its trade and economic relationship with the CIS. At this juncture, there is an essential need for Ukraine to develop a consistent and well-prioritized medium-term strategy for its trade integration, which would take into account the country's various regional as well as global interests.

Furthermore, improvements in trade performance had a beneficial impact on overall economic growth in Ukraine through a number of the following indirect channels:

- Trade and current account surpluses advanced Ukraine's macroeconomic stability, boosted private sector confidence and investments, and stimulated an increase in money demand.
- Increased export revenues fueled growth in domestic consumption and investments.
- Spillover effects from exporters were essential through both an increase in demand for domestic inputs and services, and transfer of new knowledge and technologies.

The global trade integration agenda should become an anchor for Ukraine's medium trade strategy. That is, over the short to medium-term, global trade integration efforts should be given priority over any regional integration strategies, either with the EU or within the CIS. Indeed, attaining global integration would help Ukraine accelerate its regional integration efforts, and help Ukraine avoid potential contradictions among its various regional integration agendas.

Export development and diversification are crucial to Ukraine's growth. While recent trade performance has been successful, the current trade patterns have been driven by temporary market developments and are unlikely to be sustainable in the longer term. Yet, for export diversification, significant additional domestic reforms are needed in order to facilitate new entry and integration in global value chains, and to attract higher levels of FDI.

Indeed, the main obstacles to furthering Ukraine's global trade integration are domestic and relate to improving the business environment. These include ensuring low and uniform tariffs, modernizing customs administration, improving standardization, and reducing administrative barriers for new entry. The potential for expanding trade is large. The best strategy for Ukraine for fostering its global trade integration is through an accelerated completion of WTO accession.

NOTES

recently ['rɪsntli] – нещодавно

particular [pɑːtɪkjʊlə] – окремих

anchor ['æŋkə] – якор

consistent [kən'sɪstənt] – послідовний

spillover ['spɪləʊvə] – побічний, додатковий

accelerate [ək'seləreɪt] – прискорюватись

contradiction [ˈkɒntrə'dɪkʃən] – протиріччя, протилежність

crucial [ˈkruːʃəl] – вирішальний

pattern [ˈpætərn] – зразок

XIV. State which of the sentences are true and which are false:

1. The government's new economic strategy is founded on the principle of "European Choice".
2. Membership in the EU shouldn't be viewed as a long-term anchor for institutional and structural reforms in Ukraine.

3. Completion of the GATT accession process has also been among the top government policy priorities.
4. CIS has also been active in its efforts to streamline and upgrade its trade and economic relationship with Ukraine.
5. Improvements in trade performance had a beneficial impact on overall economic decrease in Ukraine through a number of the following direct channels.
6. Trade and current account surpluses stimulate an increase in money demand.
7. Attaining global integration would help Ukraine avoid potential contradictions among its various regional integration agendas.
8. Export development and diversification are unimportant for Ukraine's growth.
9. Significant additional domestic reforms are crucial in order to facilitate new entry and integration in global value chains.
10. The main obstacles to furthering Ukraine's global trade integration are international and relate to improving the domestic environment.

XV. Choose the correct statement:

1. Ukraine is a relatively open economy with foreign **trade turnover/ labour turnover** exceeding GDP.
2. Increased export **renderings/ revenues** fueled growth in domestic consumption and investments.
3. Spillover effects from exporters were essential through both an **reduction/ increase** in demand for domestic inputs and services, and transfer of new knowledge and technologies.
4. The global trade integration **agenda/ agendum** should become an anchor for Ukraine's medium trade strategy.
5. The current trade patterns have been driven by temporary market developments and are unlikely to be **sustentive/ sustainable** in the longer term.
6. Significant additional domestic reforms are needed in order to **facilitate/ slow down** new entry and integration.

XVI. Fill in the blanks with the appropriate words:

unsustainable	labor force	WTO	negotiate
potential	exports	diversification	trade policy strategy

1. Ukraine as a developing country has great economic _____.
2. A relatively cheap local _____ and favorable climate conditions, make it very attractive for the foreign investor.
3. Ukraine _____ metals, fuel, petroleum products, chemicals, machinery, and imports energy and some types of machinery and equipment.
4. While Ukraine's recent trade performance has been successful, the current trade patterns are _____ in the longer term because they depend heavily on temporary factors.
5. Significant export _____ is critical for export to become a reliable source of

future economic growth.

6. The policy of global trade integration, based upon _____ principles, should be given priority over regional integration processes.
7. Ukraine needs to formulate a realistic _____ which anticipates a period of economic development outside of the EU.
8. It also has to be prepared to _____ a FTA with the EU.

XVII. Put the words in the correct order to make sentences.

1. must/ WTO/ integration/ be/ just/ viewed/ accession/ not/ as/ of/ an/ instrument/ global
2. CIS/ as/ Ukraine/ a/ benefits/ trade/ member/ area/ from/ of/ the/ the/ free/
3. CIS/ WTO-style/ disciplines/ countries/ principles/ and/ introduce/ should
4. zone/ improve/ it/ interests/ to/ is/ in/ Ukraine's/ free/ efficiency/ trade/ of/ the
5. Ukraine/ EU/ neighborhood/ fully/ potential/ should/ of/ utilize/ the/ benefits/ new/ initiatives
6. issues/ the/ strategy/ policy/ trade/ economic/ have/ taken/ center-stage/ government's/ in/ the
7. expanding/ the/ is/ potential/ trade/ for/ large
8. Ukrain's/ Europe/ Schroder/ closer/ with/ favours/ intergation
9. was/ to/ the/ cheque/ letter/ attached/ our
10. seems/ even/ our/ exceed/ economy/ itself/ to

XVIII. Match the words and their definitions.

1	diversification	A	the act of bringing several businesses together under a central control
2	accession	B	the act of joining an organization
3	completion	C	more of something than is needed
4	integration	D	the process of getting better
5	consumption	E	the process of adding another quite different type of business to a firm's existing trade
6	negotiation	F	the act of buying or using goods or services
7	revenue	G	the work of planning the production of a new product and constructing the first prototypes
8	improvement	H	the discussion of terms and conditions in order to reach an agreement
9	development	I	the act of finishing something
10	surplus	J	money received by a government in tax

XIX. Match the words in the right column with the words in the left column to make word combinations.

1	to facilitate	a	reforms
2	trade	b	choice
3	domestic	c	integration

4	macroeconomic	d	new entry
5	structural	e	growth
6	European	f	performance
7	rapid	g	environment
8	a number of	h	input
9	Ukraine's	i	channels
10	business	j	stability

Explain the meaning of the following expressions.

SELF-STUDY

I. Form and translate the Past Participle of the following words:

Include, classify, do, try, become, compose, lose, write, buy.

II. Translate the following:

a) 1. Я часто відправляю листи своєму товаришу. 2. Мене часто відправляють на південь. 3. Цей журнал користується великим попитом. 4. Цей матеріал буде використано для нової книги.

b) Викладач, який виправляє помилки; помилки, виправлені викладачем; квитки, продані учора; людина, яка продає квитки; телеграма, відправлена негайно; власник підприємства відправив телеграму.

III. Change Active Voice into Passive. Translate the following sentences:

1. This mine will produce large quantities of coal this year. 2. A railway line connects the village with the town. 3. Everybody objected to his proposal. 4. The student read the text aloud. 5. Our scientists made wonderful discoveries.

IV. Make the following sentences interrogative:

1. The letter was signed by director. 2. The cases will be counted by the customs officer. 3. Many questions were asked by the workers. 4. The buyers will be informed of the arrival of the steamer by the agent. 5. The home task will be prepared tomorrow. 6. This foreign delegation was met at the airport.

V. Put the verbs into the Present Indefinite Passive:

1. Flowers (to sell) in shops and in the streets. 2. Bread (to eat) every day. 3. Many houses (to build) in our town every year.

VI. Translate the sentences. Pay attention to the translation of the word "if":

1. He wants to know if her work is finished at 7. 2. I do not remember if we are told many interesting things. 3. My fellow-student asks me if the text is translated well.

VII. Translate the following word combinations into Ukrainian:

Global rules, growth in world trade, merchandise exports, developing countries, the membership in the WTO, numerous specialized committees, individual agreements, accession process.

TEXT 2

Answer the following questions:

1. What do you know about the WTO?
2. What are its primary functions?

The World Trade Organization. The path of Ukraine into the WTO

The World Trade Organization (WTO) is the only international organization dealing with the global rules of trade between nations. Its main function is to ensure that trade flows as smoothly, predictably and freely as possible. One of the youngest of the international organizations, the WTO is the successor to the General Agreement on Tariffs and Trade (GATT) established in the wake of the Second World War. So while the WTO is still young, the multilateral trading system that was originally set up under GATT is well over 50 years old.

The past 50 years have seen an exceptional growth in world trade. Merchandise exports grew on average by 6% annually. Total trade in 2000 was 22-times the level of 1950. GATT and the WTO have helped to create a strong and prosperous trading system contributing to unprecedented growth.

Facts about the WTO

Location: Geneva, Switzerland

Established: 1 January 1995

Created by: Uruguay Round negotiations (1986-94)

Membership: approximately 155 countries

Budget: 196 million Swiss francs for 2011

Secretariat staff: 640

Head: Pascal Lamy (Director-General)

Functions:

- Administering WTO trade agreements.
- Forum for trade negotiations.
- Handling trade disputes.
- Monitoring national trade policies.
- Technical assistance and training for developing countries.
- Cooperation with other international organizations.

Structure of the WTO

The WTO has nearly 150 members, accounting for over 97% of world trade. Around 30 others are negotiating membership. Decisions are made by the entire

membership. This is typically by consensus. The WTO's agreements have been ratified in all members' parliaments.

The WTO's top level decision-making body is the Ministerial Conference which meets at least once every two years. Below this is the General Council (normally ambassadors and heads of delegation in Geneva, but sometimes officials sent from members' capitals) which meets several times a year in the Geneva headquarters.

The General Council also meets as the Trade Policy Review Body and the Dispute Settlement Body. At the next level, the Goods Council, Services Council and Intellectual Property (TRIPS) Council report to the General Council.

Numerous specialized committees, working groups and working parties deal with the individual agreements and other areas such as the environment, development, membership applications and regional trade agreements.

The history of negotiations

In accordance with Article XII of the Marrakesh Agreement Establishing the World Trade Organization, an accession to the WTO will be carried out on terms to be agreed upon between the government of an applying country and the WTO. As opposed to accessions to other international organizations, the accession to the WTO in the first place is a matter of negotiations.

At present, Ukraine has reached the final stage of the accession process. There had been 17 formal meetings and a good few of informal meetings of the Working Party for consideration of the application of Ukraine for the accession to the WTO. At the last meeting, held on January 25, 2008, members of the Working Party adopted the "accession package" of Ukraine: the Report of the Working Party, the schedules of specific market access commitments of Ukraine in goods and services, a draft decision of the WTO General Council and a draft Protocol of Accession.

On February 5, 2008, the accession package was considered and approved by the WTO General Council. The President of Ukraine and Director General of the WTO signed the Protocol of Accession of Ukraine to the WTO.

On April 10, 2008, the Verkhovna Rada of Ukraine approved the following Law of Ukraine No. 250-VI "On Ratification of the Protocol of Accession of Ukraine to the World Trade Organization": "The Verkhovna Rada of Ukraine hereby resolves: To ratify the Protocol of Accession of Ukraine to the World Trade Organization (981 049), signed in the city of Geneva on February 5, 2008 (as annexed herein)."

On April 16, 2008, the President of Ukraine signed the Law on the ratification of the Protocol into law, and in the same day, the Ministry of Foreign Affairs of Ukraine sent an official notification about this to the WTO.

Starting from that day, the countdown of the 30 days, i.e. the official period from the notification to the membership in the WTO, started. On May 16, 2008, Ukraine became the 152nd member country of the World Trade Organization.

NOTES

path [pRT] – стежка

smoothly ['smʊθli] – гладко, рівно, безперебійно
successor [sək'sesə] – спадкоємець
wake ['weɪk] – тут: наслідок, пробудження
to ratify ['rætiʃaɪ] – затвердити
ambassador [æm'bæsədɔː] – посол
schedule ['ʃedʒl, амер. 'skɛdʒl] – графік, розклад
commitment [kə'mɪtmənt] – передача, вручення
draft [draʊt] – чернетка
hereby ['hɪəbaɪ] – цим, при цьому, таким чином
herein ['hɪəɪn] – у цьому, тут, при цьому
countdown ['kaʊntdaʊn] – зворотний відлік

VIII. State which of the sentences are true and which are false:

1. Numerous specialized committees, working groups and working parties deal with the global agreements.
2. On April 16, 2008, the Ministry of Foreign Affairs of Ukraine sent an official notification about this to the WTO.
3. The WTO has nearly 150 members, accounting for over 97% of world trade.
4. The WTO is handling trade disputes.
5. The General Council reports to the Goods Council, Services Council and Intellectual Property (TRIPS) Council.

IX. Find antonyms to the following words in the text:

International, growth, numerous, final, approve.

UNIT II

PRINCIPLES OF ECONOMY

LESSON 6

METHODOLOGY OF ECONOMICS

CLASS ASSIGNMENTS

VOCABULARY

<i>to observe the events</i>	[əb'zɜːv] [ɪ'vents]	спостерігати за подіями
<i>controlled experiment</i>	[kən'trəʊld ɪks'perɪmənt]	керований (контрольований) експеримент
<i>to collect the data</i>	[kə'lekt] [dætə]	збирати дані
<i>depression</i>	[dɪ'preʃən]	<i>n</i> екон.: депресія, економічна криза
<i>to find relationship</i>	[faɪnd rɪ'lɪʃənʃɪp]	знайти зв'язок, відношення

<i>economic event</i>		економічна подія
<i>recession</i>	[rɪˈseʃən]	<i>n</i> спад, регрес, зниження (темнів), падіння (цін, виробництва, попиту на товари, ділової активності)
<i>economic theorizing</i>		економічне теоретизування
<i>constant factors</i>	[ˈfæktəz]	постійні чинники
<i>valid theory</i>	[ˈvælɪd ˈθiəri]	дійсна (та, що має силу; ефективна; надійна) теорія
<i>application of the theory</i>	[æplɪˈkeɪʃən]	тут: вживання, використання теорії
<i>to predict the outcomes</i>	[prɪˈdɪkt] [ˈaʊtkʌmz]	передбачити результати (наслідки)
<i>particular case</i>	[pɑːˈtɪkjələ kɑːs]	окремий (особливий) випадок

➤ **MEMORIZE !**

- Суфікс **-ive** – це суфікс прикметників, утворених від дієслів: **attract** приваблювати – **attractive** привабливий (e.g. fancy goods – small **attractive** items).

I. Read:

Connective, effective, decisive, active, relative, attentive, executive, productive.

II. Copy out nouns and adjectives in two columns. Underline suffixes:

Scientific, partition, application, experimental, recession, economic, important, generalization, arrangement, bureaucratic, flexible, calculation.

III. Find the translation of these word combinations:

A construct theory, natural sciences, controlled experiment, collecting the relevant data, impossible to list, a certain type, a variety of facts.

IV. Complete the sentences:

1. Meeting is an ... at which a group of people come together in order to discuss matters of common interest to them.
2. Reducing the money supply has the effect of ... demand for consumer goods.
3. The chart shows the sales ... diagrammatically.
4. Can you ... to the secretary that the date of the next meeting has been changed?
5. Network organization ... teams to handle specific projects.

pattern, creates, event, mention, depressing

V. Use the Past and Future Indefinite Passive in these sentences:

1. The report is typed by the secretary.
2. A lot of money is given to help the

hungry. 3. The service is provided under a contract. 4. It is proposed that prices should increase. 5. A new government is elected. 6. It is agreed by the committee to support the idea. 7. Drivers are advised to use an alternative route. 8. Twenty potential candidates are asked to complete the test. 9. The invoices are processed by the finance department. 10. Unfortunately, the project isn't completed on time.

VI. Learn these words and word combinations:

<i>depression of trade</i>	застій у торгівлі
<i>to cause a depression</i>	спричинити депресію
<i>a minor depression</i>	незначна депресія
<i>have a relationship</i>	мати відносини
<i>to bear a relationship to smth.</i>	мати відношення до чого-небудь
<i>to establish a relationship</i>	встановлювати відносини
<i>significant event, major event</i>	важлива подія
<i>outstanding event</i>	знаменна подія
<i>spectacular event</i>	яскрава подія
<i>current events</i>	новини
<i>to come out of a recession</i>	виходити з кризи
<i>to go into a recession</i>	опинитися в кризовій ситуації
<i>business recession</i>	спад ділової активності
<i>economic recession</i>	економічний спад
<i>social and economic factors</i>	соціальні та економічні фактори
<i>application of new techniques</i>	застосування нових методів

VII. Read and translate these words and word combinations:

<i>to collect</i>	[kɔ'lekt]	to collect the stock, to collect the data, a collection of documents, letters are collected twice a day, collecting agency, the sum to be collected;
<i>to predict</i>	[prɪ'dɪkt]	to predict a rise in interest rates, predictable error, climatic predictability, money flow prediction; predictably, the commentary is authoritative;
<i>to observe</i>	[əb'zɜ:v]	to observe the behaviour of the people, a TV programme "Money Observer", to observe attentively, outside observer.

VIII. Read the text. Speak about methodology of economics:

Answer the following questions:

1. What does the knowledge of economics provide you with?
2. In what way can you collect the data?
3. What world-famous economic theorists do you know?

TEXT 1

“If you think that education is expensive, try to ignore it. But to be ignorant of economics is expensive, because economics helps us to understand the nature and organization of our society”.

Methodology of economics

1. Observation of facts

The first job of the economic theorist is to observe the events about which he showed a construct theory. In the natural sciences, such observations are easier because of the use of controlled experiments. But in economics collecting the relevant data or facts is often more difficult. (For example, economists will not create depression to understand its causes and objects).

2. Formulating a theory

Economists try to find relationships in the data they collect. There are so many facts surrounding any economic event that it is impossible to list them all. For example, we cannot analyze all the facts connected with only one depression or recession, without mentioning the facts associated with several depressions.

Next, economic theorists look for patterns in the data collected. From such patterns economists formulate an economic theory or model which explains a certain type of economic event.

An economic theory or model is a generalization, based on a variety of facts, about why or how an economic event takes place.

NOTES

to formulate [ˈfɒmjʊleɪt] – формулювати

to surround [səˈraʊnd] – оточувати

generalization [ˈdʒenərəlɪzəlʃən] – узагальнення

to take place [teɪk pleɪs] – мати місце

IX. State which of the sentences are true and which are false:

1. Economists can always create any economic event – for example, depression – to understand its causes and objects.
2. An economic theory or model is a generalization, based on a variety of facts.
3. The data, collected by the economists, is clear and understandable without any experiment.
4. The first job of the economic theorist is to show a construct theory about which he observed the events.
5. In economics, collecting the relevant data or facts is often more difficult than in the natural sciences.
6. It is impossible to list all the facts surrounding any economic event.
7. We cannot analyze all the facts connected with only one depression or recession,

without mentioning the facts associated with several depressions.

8. Economists formulate an economic theory or model, which explains a certain type of economic event, using different patterns in the data collected.

9. All the facts must be mentioned and analyzed.

10. Economic theorists use controlled experiments.

X. Here are given four essential methods used by economic theorists. Match the right and the left columns:

empirical finding	the statistical technique of finding a straight line which approximates the information in a group of data points. Used throughout empirical economics, including in both international trade and finance
filters	a way of treating or adjusting data before it is analysed. More exactly, it is an algorithm or mathematical operation that is applied to a time series sample to get another sample, often called the 'filtered' data. For example, a filter might remove some high-frequency effects from the data
least squares learning	something which is observed from real-world observation or data, in contrast to something that is deduced from theory
regression analysis	the kind of learning that an agent in a model exhibits by adapting to past data, by running least squares on it to estimate a hypothesised parameter and behaving as if that parameter were correct

XI. Fill in the blanks with the appropriate words:

variety	data	causes	expensive
collect	sample	deduce	high-frequency

1. A filter might remove some _____ effects from the data.
2. A filter is an algorithm or mathematical operation that is applied to a time series _____ to get another _____ .
3. To be ignorant of economics is _____ .
4. An agent in a model exhibits by adapting to past _____ .
5. An economic theory is based on a _____ of facts.
6. Economists will not create depression to understand its _____ and objects.
7. A tariff is one of the easier taxes to _____ .
8. A diagram have been used to _____ patterns of specialisation and factor.

XII. Put the words in the correct order to make sentences.

1. grounds/ the/ were/ agricultural/ crowded/ visitors/ exhibition/ with
2. has/ made/ the/ division/ approximate/ sales/ an/ forecast/ expenditure / of
3. a/ this/ theory/ the/ economist/ of/ formulated/ way/ companies/ run/ be/ should
4. weekly/ to/ the/ calculate/ wages/ need/ data/ you/ on/ of/ pay/ rates
5. mine/ she/ a/ is/ of/ business/ associate
6. market/ they/ to/ had/ potential/ the/ analyse
7. the/ the/ the/ to/ for/ has/ new/ company/ contract/ bridge/ tendered/ construct
8. mathematical/ a/ an/ filter/ is/ operation/ algorithm/ or
9. 10,000/ because/ connection/ they/ washing/ of/ electrical/ recalled/ machines/ a/ faulty
10. adjusted/ inflation/ prices/ for/ are

XIII. Match the words and their definitions.

1	theory	A	a thing which is shown
2	exhibit	B	to link or to join
3	data	C	to build
4	associate	D	a process of analysis applied to incoming information in order to identify any material that could be of interest to an organisation
5	approximate	E	not exact, but almost correct
6	analyze	F	to examine someone or something in detail
7	construct	G	a statement of the general principle of how something should work
8	filter	H	information available on computer, e.g. letters or figures
9	connect	I	to change something to fit new conditions
10	adjust	J	a person who works in the same business as someone

XIV. Match the words in the right column with the words in the left column to make word combinations.

1	to be ignorant of	a	relationships
2	hypothesised	b	economics
3	mathematical	c	depression
4	to find	d	of facts
5	variety	e	data
6	to formulate	f	theory
7	to look for	g	patterns
8	to create	h	parameter
9	relevant	i	operation
10	construct	j	an economic model

SELF-STUDY

I. Read the words with the same root. State the part of speech and translate these words:

Contribute – contribution, value – valuable, per cent – percentage, give – given, condition – conditionally, formula – formulate, apply – application.

II. Fill in the blanks with the proper prepositions if necessary:

1. I forgot my purse so I couldn't pay ___ the shopping. 2. What are you thinking ___? 3. Do you want to pay ___ cheque? 4. Richard is away ___ business this week. 5. Please, fill in this form ___ black ink. 6. What did you spend all your money ____ ? 7. We need to cut ____ (=to reduce) on our spending. 8. If you compare these results ____ last year, you'll see the improvement. 9. She showed a price-list to him. 10. The takeover resulted ___ job losses.

III. Read the pairs of sentences. State the grammar difference between them:

A 1. Everyone expected a decision yesterday.

2. A decision was expected yesterday.

B. 1. We don't require the employees to do overtime.

2. Employees are not required to do overtime.

IV. Find and correct the errors in these passive sentences:

1. A leading London accountant was elect to a senior post within the industry.

2. An established insurance firm, which locates to the north of Warsaw, has gone bankrupt. 3. MK Vehicles has taken over by its rivals. 4. It is expect that staff at R Media will receive a pay increase of 4%. 5. A project aimed at helping companies become more competitive have been launched by SMT finance group.

TEXT 2

Answer the following questions:

1. Why is the testing process one of the most difficult aspects of economic theorizing?

2. Where can you apply the knowledge of economics – different terms and theories?

Methodology of economics (continued)

3. Testing the Theory

Once a theory has been formulated, it must be tested. The testing process is one of the most difficult aspects of economic theorizing because it is hard to set up controlled experiments. In a controlled experiment all factors are constant. But in economics it may be difficult or even impossible to keep it constant.

4. Application of the Theory

If an economic theory has been accepted as valid, we can use it. The theory can

predict the outcomes of specific economic events or to explain them. With the help of a general rule or theory we deduce what will happen or why something happened in a particular case.

Economic theories are developed in the same way as theories are developed in other sciences. Economists observe economic events, formulate theories about them, test their theories, and apply them.

V. State which of the sentences are true and which are false:

1. Every theory must be tasted.
2. Economic theories are developed in the different way than theories are developed in other sciences.
3. The application process is the most difficult aspect of economic theorizing.
4. It is easy to keep constant all factors in a controlled experiment.
5. Despite the difficult aspects of an economic theory, it always remains valid.

VI. Here are given some interesting economic theories. Match the right and the left columns:

normative theory	the theory that states that the less developed countries are poor because they allow themselves to be exploited by the developed countries through international trade and investment
quantity theory of money	the body of economic thought which seeks to explain why and how countries engage in international trade and the welfare implication of that trade
trade theory	the theory of advertising is that established firms use advertising as a barrier to entry through product differentiation. Such a firm's use of advertising differentiates its brand from other brands to a degree that consumers see that its brand is a slightly different product, not perfectly substituted by existing or potential competitors. This makes it hard for new competitors to gain consumer acceptance.
dependency theory	the theory which depends on underlying values, not on facts. It identifies 'what ought to be' if such values are adhered to
market power theory of advertising	the idea that there is a direct link between the quantity of money in the economy and the price level

digital Darwinism	a theory that the amount of money in the economy affects the level of prices, so that inflation can be controlled by regulating money supply
monetarism	the theory that Internet companies develop in the same way as species, according to Darwin's theory of evolution, and that those that are most successful in adapting to their environment will survive

VII. Read and translate the text. Do you agree the following statement?

Implicit in a full understanding of information literacy is the realisation that several conditions must be simultaneously present. First, someone must desire to know, use analytic skills to formulate questions, identify research methodologies, and utilise critical skills to evaluate experimental results. Second, the person must possess the skills to search for answers to those questions in increasingly diverse and complex ways. Third, once a person has identified what is sought, he should be able to access it.

LESSON 7

ECONOMIC SYSTEMS (PART I)

“If you think that education is expensive, try to ignore it. But to be ignorant of economics is expensive, because economics helps us to understand the nature and organization of our society”.

CLASS ASSIGNMENTS

VOCABULARY

<i>basic economic questions</i>	[ˈbeɪsɪk] [ˈkwɒsɪʃnz]	основні економічні питання
<i>society</i>	[ˈsəʊsɪəti]	<i>n</i> суспільство
	<i>civilized society</i>	цивілізоване суспільство
<i>economic decisions</i>	[dɪˈsɪʒənz]	економічні рішення
	<i>trade-off decision</i>	компромісне рішення
<i>item</i>	[ˈaɪtəm]	<i>n</i> тут: товар, виріб

command (planned) economic system	[kq'mQnd] [plɪnd] ['sɪstqm]	командна (планова) економічна система
planner	['plɪnq]	<i>n</i> планувальник
society as a whole	[hou]	суспільство в цілому
to produce	[prq'dʒfɪs]	<i>v</i> виробляти
job	[ʒOb]	<i>n</i> робота, робоче місце
	to hunt for, look for a job	шукати роботу
	to lose a job	втратити роботу
	to get, land, take a job	отримати роботу
	give a job (to)	працевлаштовувати
to assign production goals	[q'saɪn] [prq'dʒkʃn ɡouɪz]	визначати виробничі цілі
machinery	[mq'ʃɪnqri]	<i>n</i> машинне устаткування; машини; механізми
	to operate, run machinery	управляти машинами (механізмами)
supply	['sq'plal]	<i>n</i> пропозиція; збут; постачання;
	to bring up, provide supplies	забезпечити постачання
work force	[wʊk fɪs]	робоча сила (кількість людей, які працюють за наймом)
to set wage	[wɛɪʒ]	встановлювати заробітну плату
	to draw, earn a wage	заробляти гроші, отримувати зарплату
	to pay a wage	платити зарплату
goods and services	[ɡudz] ['sʌvlslz]	<i>n</i> товари та послуги
to own	[oun]	<i>v</i> володіти

➤ **MEMORIZE !**

Буквосполучення

- **au, aw** читаються [ɔ]: auction [ɔkʃn] аукціон, raw [rɔ] materials сировина
- **oi, oy** читаються [ɔi]: point [pɔɪnt] акцентувати, soy [sɔɪ] соя
- **ou** здебільшого читається [aʊ]: house [haʊs] дім

I. Read:

1. daughter, autumn, law, drawn, clause, Australian, authority, because;
2. oil, joy, choice, appoint, poison, enjoy, oyster, join;
3. out, found, compound, count, about, round.

II. Read the words and determine the parts of speech:

Production, improvement, effective, contribution, planner, command, assign, where, major.

III. Write sentences in the Past Indefinite Passive. Translate them:

1. The goods properly (pack). 2. My question (to answer) yesterday. 3. The letter (to receive) yesterday. 4. I (to ask) at the lesson yesterday. 5. I (to give) very interesting book at the library last Friday.

IV. Read the sentences. Translate them:

1. Our aim is **to maximise** profits. 2. **To elect** and **to be elected** to the parliament is the right of every citizen of Ukraine guaranteed by the Constitution. 3. I went to the shop **to buy** some sugar. 4. The company has the means **to launch** the new product. 5. Union leaders came **to meet** the negotiating committee.

V. Answer these questions:

1. Якою формою дієслова є виділені слова в англійських реченнях(ex.IV)? 2. На які питання відповідають? 3. Якими членами речення вони є? 4. Як можна перекласти інфінітиви у різних реченнях?

VI. Read the sentences; determine the tense and voice of the verbs:

1. In the UK and USA, minister is called secretary: the Foreign Secretary, Secretary for Commerce. 2. Items of minor expenditure are not listed separately. 3. Most orders were dealt with the same day. 4. The offices will soon be heated by natural gas.

VII. Pay attention to the translation of the predicate in the object clause.

Answer the questions:

He said that he felt tired.	Він сказав , що від чуває себе змореним.
---	--

*1. Чи збігається час присудка в англійському і українському реченнях? 2. В якому часі стоїть присудок в англійському і українському додаткових підрядних реченнях? 3. Скажіть, як перекладається присудок додаткового підрядного речення, якщо присудок головного речення стоїть у **Past Indefinite**?*

VIII. Translate these sentences:

1. Nora said she learned English. 2. He said he saw you at the meeting. 3. She told us that she noted the cheque number.

IX. Learn the commonly misused words:

<i>alike</i> My CEO and I are alike.	<i>similar</i> We have similar interests.
<i>confident</i> Steve is confident of his abilities.	<i>confidential</i> The information is confidential.
<i>considerable</i> Paul has considerable knowledge.	<i>considerate</i> Paul is a considerate person.
<i>industrial</i> Kharkiv is an important industrial centre.	<i>industrious</i> Mary is a very industrious secretary.
<i>economic</i> He gave a talk about the economic situation in the country.	<i>economical</i> She's very economical and spends money reasonably.

X. Learn these word combinations:

million dollar question	«питання на мільйон доларів» (головне питання; найскладніше питання)
information-oriented society	інформаційне суспільство
stock-produced item	серійний виріб
privately owned land	земля, яка знаходиться у приватній власності

XI. Read and translate the following:

- **law:** law academy; to break law; civil law; to obey the law; commercial law; law of supply and demand; lawyer,
- **to perform:** to perform job; he performs his duties well; performance;
- **economy:** a market economy, to stabilize economy; to help struggling economies of the developing world; to practise some economy, black economy, economy pack;
- **industry:** to finance an industry; heavy industry, the tourist industry; to develop new industries; industrial;
- **enterprise:** an economy is based on free enterprise; to start up a new enterprise; catering enterprise; a successful enterprise; she works for a private enterprise;
- **to cost:** How much does it cost?; This is costing an extra hour's work; the cost of a new computer, high cost; to cover costs; average costs;
- **property:** private/public property; to buy a property; personal property, to invest in property; property development.

XII. Read the text. Find the infinitives, determine their functions and translate the sentences. Make the sentences with the sequence of tenses and translate them:

Answer the question:

Compare the way you and your friend spend money. Each of you not only spends your money in different ways but also uses different procedures to

determine what to buy. For example, you may buy the least expensive cellular telephone available. Your friend may buy the brand that his or her parents have always purchased. The same way, countries make different decisions about basic economic questions. They also use different procedures to arrive at economic policies. Do you know these procedures?

TEXT 1

Traditional economy

In studying an economic system, you first need to analyze the system's answers to the four basic economic questions. Second, you need to analyze the ways these answers are reached. The way a society makes economic decisions says a lot about its culture. Culture is a society's way of life. It includes the society's language, housing, food, clothing, religion, family life, and political system. A society's economic system is only one part of its culture. That system influences, and is influenced by all the other parts.

Economist Robert L. Heilbroner found a simple way to look at the different methods of economic decision-making. He said that economic systems can be classed into three main types or a mix of those types. Economies operate: (a) by tradition, (b) by command, and (c) by the market, or (d) represent different ends of the spectrum of mixed economies.

Traditional systems base economic decisions on what always has been done in past. In traditional systems, habits and customs are very important for making decisions.

Until recently, tradition was the most widespread system for making economic decisions. It is still common in many parts of the world. People in these economies generally produce the same items their ancestors made, using the methods their ancestors used. Jobs are handed down from parents to children so that skills can be retained and the economy can survive.

Answers to the questions "for whom" and "how much" in traditional cultures are fixed by custom, habit, religion, or law. In traditional cultures, change comes slowly. Wars, climate, and other outside forces can cause traditional economic systems to change. When change does come, it is not always welcomed and may even be opposed.

In a traditional culture economic choices are limited. People do things "the way they are supposed to be done" because in the past the society survived by choosing what is considered to be the best method of performing a task. The people may not know any other way. They believe that their way of doing things and their elders' choices are right. They find it hard to believe that any other or better methods may exist.

NOTES

habit ['hɪbɪt] – звичка

custom ['kʌstəm] – звичай

ancestor ['ænsəstɔː] – предок

to survive [sə'vaɪv] – виживати

to influence ['ɪnfluəns] – впливати

to exist [ɪg'zɪst] – існувати

XIII. State which of the sentences are true and which are false:

1. A society's economic system is the only part of its culture.
2. Nowadays, tradition is the most widespread system for making economic decisions in many parts of the world.
3. For the economy to survive jobs have to be handed down from children to parents.
4. Culture includes the society's language, housing, food, clothing, religion, family life, and political system.
5. In studying an economic system, you first need to analyze the system's answers to the seven basic economic questions.

XIV. Find in the text words opposite by meaning to the following ones.

To fail, complicated, descendant, maintaining, unlimited, wrong, worse.

XV. Make the following sentences complete:

1. The way a society lives may be called its _____.
2. According to Robert L. Heilbroner, all economic systems can be classed into _____ types or a _____ of those types.
3. For making decisions in traditional systems the most important are _____ and _____.
4. Economic choices are limited in _____ culture.
5. Wars, climate, and other outside forces can cause _____.
6. When _____, it is not always welcomed and may even be opposed.

XVI. Put the words in the correct order to make sentences.

1. in/ the/ the/ the/ to/ method/ best/ past/ by/ society/ choosing/ what/ survived/ is/ be/ considered
2. a/ practice/ is/ of/ way/ a/ doing/ custom/ habit/ things/ or
3. structure/ has/ the/ very/ company/ hierarchical/ a/ traditional/
4. to/ the/ decision-making/ skills/ training/ aim/ is/ of/ develop/ in
5. found/ economist/ a/ Robert L. Heilbroner/ simple/ to/ way/ look/ methods/ at/ the/ different
6. different/ the/ economies/ economies/ of/ ends/ represent/ of/ mixed/ spectrum
7. base/ past/ traditional/ decisions/ systems/ on/ economic/ always/ what/ done/ been/ has/ in
8. generally/ people/ ancestors/ items/ traditional/ produce/ in/ economies/ the/ their/ same/ made
9. may/ the/ other/ way/ people/ not/ any/ know
10. may/ hard/ sometimes/ methods/ it/ it/ to/ is/ or/ any/ other/ that/ believe/ better/ exist

XVII. Match the words and their definitions.

1	mixed	A	to take something and work with it
2	mixed economy	B	a system which contains both nationalised industries and private enterprise
3	limited	C	to make or manufacture something
4	cause	D	an ability to do something because you have been trained
5	fix	E	to arrange or to agree
6	retain	F	restricted
7	skill	G	to make something happen
8	use	H	to keep something or someone
9	operate	I	made up of different sorts or of different types of things together
10	produce	J	to be in force; to make something work or function

XVIII. Match the words in the right column with the words in the left column to make word combinations.

1	to pay	a	item
2	provide	b	a wage
3	stock-produced	c	question
4	spend	d	supplies
5	economic	e	decision
6	way	f	money
7	perform	g	of life
8	cellular	h	a task
9	million dollar	i	telephone
10	trade-off	j	choices

SELF-STUDY

I. Form the Past Participle of the verbs given in brackets. Translate these sentences into Ukrainian.

1. Every economist needs to analyze the ways the four basic economic questions are (to answer). 2. R.L.Heilbroner said that economic systems could be (to class) into three major types. 3. In traditional cultures economic choices are (to limit). 4. The former USSR had a central planning agency (to call) Gosplan. 5. Even in market economies some decisions are (to make) by command. 6. Capitalism is also (to call) a free enterprise system. 7. In a market economy, the basic economic questions are (to answer) by the exchange of buyers and sellers.

II. Translate the following sentences, paying attention to the words *which* and *who*:

1. Most people who buy the product do so at a fairly late stage. 2. We have sums

on deposit which are a useful amount when cash flow is tight. 3. An office is being set up for employees who have professional or social problems. 4. The computer automatically sends the bills after sixty days to customers who have not paid. 5. We are trying to assess the damage, which the shipment suffered in transit.

III. State the tense-form and voice of the verbs in the following sentences:

1. A person was given a warranty. 2. The company occupies three floors of an office block. 3. When they got there people stood in groups talking and laughing. 4. The bus arrives at 10 o'clock. 5. How many users were visiting the site and what they were interested in was very important marketing information.

IV. Find the Infinitive and state its function in the sentence:

1. Each member of the sales staff has to pass an obligatory medical examination. 2. Producers often ask their customers to complete questionnaires on their products 3. The government continues to regulate these newly privatized industries by controlling prices and monitoring performance. 4. English is one of the most interesting subjects to study. 5. We turned off all the heating so as not to waste energy. 6. Inflammable wet goods are the most dangerous type of product to transport.

V. Translate the following sentences:

1. На лекції ми дізналися, що люди, захоплені своєю роботою, почуваються щасливішими. 2. У підручнику було написано, що надмірна кількість грошей в обігу породжує інфляцію. 3. На першому ж уроці ми зрозуміли, що ринок має регулюючий вплив на економіку. 4. Аналіз ринкового господарства, зроблений А.Смітом, дає можливість пояснити, як формуються ціни.

VI. Choose the right word to complete the sentences below:

1. Twins often buy **alike/similar** things.
2. If you want to buy a new laptop, try to be more **economic/economical**.
3. He's changed a lot lately, has become more **considerable/considerate** and **industrial/ industrious**.
4. Put down the letter. It's **confident/confidential**.

VII. Read the text. Speak about the peculiarities of command and planned economic systems:

TEXT 2

Answer the following questions:

1. Can the group of central planners have the power to make economic decisions for the society as a whole? Why?
2. Can some elements of a command economy exist in a democracy?

Command economy

In a **command economic system**, a group of central planners answers the basic economic questions. These planners have the power to make economic decisions for the society as a whole. Many of the great cultures of the past, such as Egypt, Rome, or Soviet Union were command economies. Today, Cuba and China almost always use the command system. Other countries, such as Sweden and the United States, use the command system in part.

A command economy is also known as a **planned economy**, and answers the "what to produce" question in several ways. Leader of a country may decide to produce what they want for themselves – such things as palaces and works of art or what they believe is good for the people – such as modern weapons or schools. Finally, they may decide to produce what they think the people want – such as low-cost housing or cheap food. Whatever the choices, the leaders of a command system decide what to produce.

In command economies, the leaders also answer the "how to produce" question. They decide how many people will work, which workers will get jobs, and where they will work. The Soviet Union, for example, had a central planning agency called Gosplan. It assigned to each factory or farm its production goals, its machinery and supplies, and its work force.

By setting wages, the leaders of a command economy also answer the "for whom" question. That is, they decide how much of the country's goods and services each worker will be able to buy. Leaders can decide to provide some goods and services (such as housing or medical care) to everyone. Also, by the way they set prices and fix goals they can control who is able to buy goods and services.

It is important to understand that some elements of a command economy can exist in either a democracy or a dictatorship. Many democratic countries use a command system to make some of their major economic decisions. In the democratic countries of Britain, France, Sweden, and Japan, the government owns some important industries. Even in market economies, some decisions are made by command. In the United States, for example, the federal government has controlled prices and wages in wartime, and occasionally in peacetime as well.

NOTES

weapon ['wɛpən] – зброя

occasionally [ə'keɪʒənəli] – інколи

VIII. Answer the following questions:

1. Until recently, which type of economic system was the most common?
2. In what parts of the world today are you most likely to find a traditional economic system?
3. What is the major disadvantage of a traditional economic system?
4. How are basic economic questions answered in a command economy?
5. Explain why a command economy also can be called a planned economy.
6. How does a command economy decide for whom it will produce?

7. What is the longest time you have ever waited in line to purchase an item? What did you buy? Would you like to wait in a long line on a weekly basis for this item? Explain your answer.
8. What economic activities take place in all markets?
9. What are the four requirements for the efficient working of a market system?

XIX. Are these sentences true or false? Correct the false sentences:

1. The only part of the society's culture is its economic system.
2. Economies operate by tradition, by command, and by businessmen.
3. Changes come very slowly in traditional cultures.
4. A group of central planners have the power to make economic decisions for the whole society in a planned economic system.
5. Not any element of a command economy can exist in a democracy.
6. Most economic decisions are made by the government rather than privately in a market system called capitalism.
7. The ability of people to buy the goods and services that have been produced is determined by the income they get.
8. Any market system, regardless of political systems, must have five elements.

XX. Find in the text and say the following in English:

Витрачати гроші; купувати; приймати рішення; чотири основні економічні питання; спосіб життя суспільства; політична система; звички та звичаї; виробляти; традиційна культура; економічний вибір; команда; планова економіка; дешевий; отримувати роботу; товари та послуги; забезпечувати товарами і послугами; встановлювати ціни; намічати цілі; демократичні країни; диктатура; важливі галузі виробництва; уряд; заробітна платня; споживач; система вільного підприємництва; бажання заробляти гроші; прибуток; люди з високим (низьким) рівнем прибутку.

XXI. Make the following sentences complete:

1. A group of central planners answers the basic economic questions in a _____ economic system.
2. A command economy may be called a _____ .
3. Answering the basic economic questions by the exchanges of buyers and sellers is possible in _____ economy.
4. _____ is the major principle of market system.
5. Private individuals and businesses own most of the resources in a type of system called _____ .
6. Desire to make money, or profit motive, determines _____.

LESSON 8

ECONOMIC SYSTEMS (PART II)

CLASS ASSIGNMENTS

VOCABULARY

<i>market economy</i>	[ˈmɑːkɪt]	ринкова економіка
<i>buyer</i>	[ˈbaɪə]	<i>n</i> покупець
<i>seller</i>	[ˈselə]	<i>n</i> продавець
<i>major principle</i>	[ˈmeɪdʒəˈprɪnsɪpl]	головний принцип (правило)
<i>to reach the agreement</i>	[rɪtʃ] [əˈɡriːmənt]	укласти угоду (договір); досягти згоди
<i>capitalism</i>	[ˈkæpɪtəlɪzəm]	<i>n</i> капіталізм
<i>private</i>	[ˈpraɪvət]	<i>a</i> приватний
<i>free enterprise (private enterprise system)</i>	[frɪ ˈentəpraɪz] [ˈsɪstəm]	вільне підприємництво (система приватного підприємництва)
<i>to compete</i>	[kəmˈpiːt]	конкурувати, змагатися
<i>profit</i>	[ˈprɒfɪt]	<i>n</i> прибуток
<i>purchase</i>	[ˈpɜːtʃəs]	<i>n</i> покупка; закупівля
<i>income</i>	[ˈɪnkwɪn]	<i>n</i> прибуток
<i>rent</i>	[rɛnt]	<i>n</i> орендна плата; рента
<i>interest</i>	[ˈɪntrɪst]	<i>n</i> частка (пай); відсотковий прибуток, фіксований відсоток
<i>to operate efficiently</i>	[ˈɒpəreɪt ɪˈfɪʃiəntli]	працювати (діяти) ефективно
<i>to determine a minimum wage</i>	[dɪˈtɜːmɪn ə ˈmɪnɪmə wɛɪdʒ]	визначати мінімальну заробітну плату (прожитковий мінімум)
<i>environmental protection</i>	[ɛnˈvaɪrənməntl prəˈtɛkʃən]	екологічний захист, захист навколишнього середовища
<i>price supports</i>	[praɪs sʌˈpɔːt]	підтримка ціни
<i>agricultural products</i>	[ˈæɡrɪkʌltʃərəl ˈprɒdʌkts]	сільськогосподарська продукція
<i>to restrict</i>	[rɪˈstrɪkt]	<i>v</i> обмежувати
<i>import</i>	[ɪmˈpɔːt]	<i>n</i> ввезення, імпорт
<i>export</i>	[ˈɛkspɔːt]	<i>n</i> вивезення, експорт
<i>local production</i>	[ˈləʊkəl prɒˈdʌkʃən]	міське виробництво
<i>health</i>	[helθ]	<i>n</i> здоров'я
<i>retirement</i>	[rɪˈtaɪəmənt]	<i>n</i> вихід у відставку або на пенсію
<i>services</i>	[ˈsɜːvɪsɪz]	<i>n</i> послуги

heavy industry	[ˈheɪvɪ ˈɪndʒəstri]	важка промисловість
barter	[ˈbɑːrtə]	<i>n</i> бартер, обмінна торгівля
government intervention	[ˈɡʌvənmənt ˈɪntəˈvɛnʃən]	урядове втручання
government ownership	[ˈɡʌvənmənt ˈɔːnəʃɪp]	урядова власність
means of production	[miːnz ˈprɒdʒəkʃən]	засоби виробництва

I. Learn these word combinations:

market prices	ринкові ціни
down a principle	сформулювати правило (закон)
private account	рахунок приватної особи або фірми
private ownership (property)	приватна власність
aggregate profit	сукупний прибуток
to bring (in), yield a profit	давати прибуток
to clear (earn, make, realize, reap, turn) a profit	отримувати прибуток
to make some purchases	робити покупки
purchase and sale	купівля та продаж
annual income	річний прибуток
environmental engineer	спеціаліст з охорони навколишнього середовища
to fix, set prices	встановлювати ціни
to hike (increase, mark up, raise) prices	підвищувати ціни
to bring down (cut, lower, mark down, reduce, roll back, slash, undercut) prices	знижувати ціни
range of products	номенклатура продукції
marketable products	товарна продукція
export trade	експортна торгівля
to increase (speed up, step up) production	збільшити обсяги виробництва
retirement age	пенсійний вік
municipal services	міське комунальне господарство
branch of industry	галузь промисловості
means of employment	засоби забезпечення зайнятості
means of transportation	засоби перевезення
means of payment	платіжні засоби

II. Find the equivalents of these word combinations:

Buy an item, pure capitalism, exchanges of buyers and sellers, self-interest, the highest possible prices, to reach the agreements, market system, to own the resources, free enterprise, consumer, to compete, behavior of producers, high-income people.

III. Change the Ukrainian words in brackets for the English ones:

1. They informed (покупець) that the goods would arrive at Southampton on the morning of the 10th. 2. We made \$6,000 clear (прибуток) on the deal. 3. We have (купувати) only from these suppliers over the last few months. 4. We pay (прибуток) tax direct to the government. 5. Free currency is allowed by the government to be bought and sold without (обмеження). 6. A situation where a business is owned by the people who work in it is known as common (власність).

IV. Read the text. Find and translate the sentences: a) with an infinitive; b) with verbs in the Passive Voice:

Think of three economic decisions you made in the past week. Answer the following questions:

1. Did you buy an item because you thought the price was low?
2. Did you agree to work for a neighbor because you needed some extra money?
3. Did you make any decision on the basis of price, quality, or personal references?

If so, then the forces of the market system influenced you!

TEXT 1

Pure capitalism

In a **market economy**, the basic economic questions are answered by the exchanges of buyers and sellers. The major principle of market system is self-interest. Individuals do what they believe will help them most. Sellers want to sell at the highest possible prices. Buyers want to buy at the lowest possible prices. The agreements that buyers and sellers reach, answer the four basic economic questions. The economy of the United States is an example of a market system called capitalism. **Capitalism** is a type of market system in which private individuals and businesses own most of the resources. Since most economic decisions are made privately rather than by the government, such economy is also called a **free enterprise** or a **private enterprise system**. How does the market system answer the basic economic questions? Producers and consumers together answer the question of "what to produce". Producers compete for the business of consumers in order to make a profit. **Profit** is the difference between what it costs to make something and the price at which it sells. The **profit motive**, or desire to make money determines the behavior of producers. Every consumer purchase is an order to producers to provide a greater supply of that good or service.

The questions "how to produce" and "for whom to produce" are answered at

the same time as the "what" question. The income that people get as profits, wages, rent or interest determines their ability to buy the goods and services that have been produced. High-income people are better able to buy products than low-income people.

Regardless of political systems, to operate efficiently, a market system must have four components:

- Private property;
- Freedom of exchange;
- Competition;
- Profit motive.

NOTES

neighbor ['nɛləbɔː] – сусід

extra money – додаткові гроші

regardless [rɪ'gɔːdlɪs] of – незважаючи на

to determine [dɪ'tɜːmɪn] – визначати

behavior [bɪ'heɪvjə] – поведінка

V. State which of the sentences are true and which are false:

1. Capitalism is a type of market system in which communities own most of the resources.
2. The question of “what to produce” is answered by both producers and consumers.
3. The basic economic questions are answered by the exchanges of buyers and sellers in a private enterprise system.
4. The highest interest rate is the major principle of market system.
5. Individuals do what they believe will help them most, that’s why buyers usually want to buy at the highest possible prices.
6. Producers together answer the question of “what to produce” despite the interests of consumers.
7. Producers compete for the business of consumers in order to make a profit.
8. Profit is money gained from a sale which is more than the money spent on making the item sold or on providing the service offered.
9. The profit motive is the behavior of producers.
10. Profits, wages, rent or interest are the kinds of income.

VI. Choose the correct statement:

1. Regardless of political systems, to operate efficiently, a **market system/ buyers and sellers** must have four components.
2. Individuals do what they **interest/ believe** will help them most.
3. The agreements that buyers and sellers **win over/ reach**, answer the four basic economic questions.
4. Capitalism is a type of market system in which private individuals and businesses own most of the **resources/ profits**.
5. Most economic decisions are made **by the government/ privately**.
6. Capitalism is a type of market system in which economy is also called a **free**

enterprise/ private proprietorship.

7. Producers and **users/ consumers** together answer the question of “what to produce”.
8. Profit is the difference between what it **values/ costs** to make something and the price at which it sells.
9. Every consumer **price/ purchase** is an order to producers to provide a greater supply of that good or service.
10. **High-income/ low-income** people are better able to buy products.

VII. Fill in the blanks with the appropriate words:

capitalism	exchanges	desire	exchange
enterprise	own	efficiently	possible

1. Regardless of political systems, to operate _____ , a market system must have four components.
2. The basic economic questions are answered by the _____ of buyers and sellers.
3. Buyers want to buy at the lowest _____ prices.
4. The economy of the United States is an example of a market system called _____.
5. Capitalism is a type of market system in which private individuals and businesses _____ most of the resources.
6. Such economy is also called a free enterprise or a private _____ system.
7. The profit motive is a _____ to make money.
8. Freedom of _____ is one of a market system components.

VIII. Put the words in the correct order to make sentences.

1. try/ Britain/ to/ help/ her/ overseas/ must/ industries/ import/ from/ fewer/ so/ goods/ as/ to/ own
2. London/ frequent/ the/ railway/ to/ local/ trains/ station/ has
3. is/ the/ at/ rent/ flat/ let/ an/ economic
4. Far East/ compete/ we/ imports/ have/ the/ to/ with/ from/ cheap
5. of/ the/ an/ economist/ agricultural/ agriculture/ the/ studies/ industry/ economics
6. funded/ enterprise/ the/ is/ completely/ project/ private/ by
7. documents/ asked/ they/ agreement/ relation/ see/ to/ all/ in/ to/ the
8. later/ June/ months/ the/ and/ car/ resold/ was/ buyer/ sold/ in/ dealer/ the/ it/ to/ an/ two
9. washing/ refrigerators/ shop/ the/ machines/ sells/ and
10. negotiated/ deal/ privately/ the/ was

IX. Match the words and their definitions.

1	enterprise	A	work in buying or selling; a commercial company; affairs discussed
2	consumer	B	something that forces someone to take a particular

			action
3	motive	C	coins and notes used for buying and selling
4	income	D	money which a person receives as salary or dividends
5	compete	E	to try to do better than another person or another company
6	capitalism	F	the economic system in which each person has the right to invest money, to work in business, and to buy and sell, with no restriction from the state
7	supply	G	the act of providing something which is needed
8	money	H	a system of carrying on a business
9	market	I	an area where a product might be sold or the group of people who might buy a product
10	business	J	a person or company which buys and uses goods and services

X. Match the words in the right column with the words in the left column to make word combinations.

1	consumer	<i>a</i>	a greater supply
2	economic	<i>b</i>	decisions
3	to determine	<i>c</i>	the behavior
4	to provide	<i>d</i>	the agreement
5	profit	<i>e</i>	purchase
6	private	<i>f</i>	for the business
7	the lowest	<i>g</i>	of buyers and sellers
8	to compete	<i>h</i>	individuals
9	exchanges	<i>i</i>	motive
10	to reach	<i>j</i>	possible prices

XI. Complete the sentences:

1. Four components of a market system are... 2. Capitalism is a type of market system in which... 3. Profit is the difference between... 4. Every consumer purchase is an order to producers to provide... 5. The income that people get as profits, wages, rent or interest determines their ability to buy...

XII. Write these sentences in the Past Indefinite Passive:

1. A firm will use this amount of money to meet its expenses next week. 2. The firms will produce these goods which are in demand in two days. 3. The couple will buy the things they want and need in this supermarket tomorrow.

XIII. Translate these sentences, pay attention to the tense and voice of the verb:

1. The wage talks are focusing on employment issues such as sharing of work

among employees and extension of employment beyond the mandatory retirement age of 60 years. 2. We are restricted to twenty staff by the size of our offices. 3. Real wages have been held down dramatically: they have risen as an annual rate of only 1% in the last two years. 4. He has rented a unit in the local business park. 5. The product is marketed by an agricultural cooperative.

SELF-STUDY

I. Read and translate the words of the same root:

To capitalize, capital, capitalist, capitalism, capitalistic; private, privately, privatization, to privatize; to produce, producer, producing, producible; product, production, productivity, productive; to act, active, activity, actively, action, activist; system, systematic, to systematize.

II. Answer the following questions:

1. What people are called high-income? 2. Do you know the basic economic questions? 3. Do you take examinations at the beginning or at the end of the term? 4. Is self-interest the major principle of market system? 5. How does the market system answer the basic economic questions?

III. Translate the sentences, paying attention to the words in bold type:

1. Today's wide daily variations in **exchanges** show the instability of a system based on a single currency, namely the dollar. 2. He **exchanges** business documents such as invoices and purchase orders over the Internet. 3. The seller pays for the **call**. 4. He is in the next room, **call** him.

IV. Finish the sentences choosing word combinations from those given below:

1. Most economic decisions are made...
2. Producers and consumers together answer the question of...
3. Producers compete in order...
4. Profit is the difference between...
5. The questions "how to produce" and "for whom to produce" are answered at the same time as...

"what to produce"; the "what" question; to make a profit; what it costs to make something and the price at which it sells; privately rather than by the government.

V. Turn the following active constructions into passive:

1. Consumers purchased over 40% of the GNP. 2. You received a wage in return for working. 3. We compare products and prices before making a decision. 4. Consumer credit provided goods and services. 5. Partners brought additional funds to a proprietorship.

VI. Put the following sentences in the Future tense:

1. The principal elements of the economic system were described by Adam Smith.
2. Expenditures were determined by income.
3. The stabilization policies were used because they could move the economy toward full employment.

VII. Translate the following sentences:

1. Я прочитала, що ціни було знижено виробниками.
2. З підручника ми дізналися, що реальне виробництво визначається реальними ресурсами.
3. Ми знали, що держава зазвичай імпортує товари, які не виробляються національною економікою.
4. Лектор сказав студентам, що основні економічні питання відіграють велику роль у процесах, які відбуваються в економіці держави.

VIII. Translate and answer the following questions using the words given in brackets:

1. Як називається специфічна програма з публікації, що використовується для введення рекламного повідомлення? (media vehicle)
2. Як називаються коштовні товари, якими користуються впродовж великого періоду часу? (yellow goods)
3. Як називається продукт, який можна купити замість іншого? (substitute product)
4. Як називається суспільство, яке регулярно користується комп'ютерними мережами? (network society)

TEXT 2

Answer the following questions:

1. Can any economy in the world be purely market determined? Why?
2. What economy is generally considered to be a free market system?

Mixed economic systems

Most economies blend some elements of both market and command economies in answering the three fundamental economic questions: *What and how much will be produced? How will it be produced? For whom will it be produced?* Furthermore, within any economy, the degree of the mix will vary.

The economy of the United States is generally considered to be a free market or capitalist economic system. However, even in the United States the government has determined a "minimum wage", has set rules and regulations for environmental protection, has provided price supports for agricultural products, restricts the imports of items that might compete with local production, restricts the exports of sensitive output, provides for public goods such as a park system, and provides health and retirement services. All of these detract from the essential nature of a capitalist economy. However, most decisions continue to be left to free markets, leaving the United States as a mixed economy that leans heavily toward the capitalist economic system.

In contrast, the economy of the former Soviet Union is generally considered to be communist. However, the strict controls of the central planning unit of the

country tended to be more intensely focused on heavy industry, including the defense and aerospace industries, than on agricultural industries. Farmers often had significant freedom to produce and sell (or barter) what they wished.

No economy in the world can be purely market determined or centrally planned. The United States and the former Soviet Union represent different ends of the spectrum of mixed economies. In practice, however, mixed economies generally have a higher degree of government intervention than is found in the United States and a greater degree of reliance on market forces than is found in the former Soviet Union. Government intervention can be regarded in two ways: actual government ownership of means of production and government influence in economic decision making.

NOTES

to blend – змішувати

furthermore [fʷɔq'mlə] – більш того

essential [ɪ'sɛnʃl] – основний, суттєво необхідний

IX. State which of the sentences are true and which are false:

1. The economy of the former Soviet Union is generally considered to be a free market or capitalist.
2. Every economy is mixed, the degree of the mix varies.
3. A "minimum wage" – rules and regulations for environmental protection, price supports for agricultural products, health and retirement services – detracts from the essential nature of a capitalist economy.
4. The United States are purely market determined and the former Soviet Union – centrally planned, that's why they represent different ends.
5. Mixed economies generally have a higher degree of government intervention.

X. Choose the the correct definitions. Match the right and the left columns:

Economic Overhead Capital (EOC)	a situation where a country is in financial collapse
economic development	any return which a factor of production receives, in excess of its opportunity cost
economic indicators	expansion of the commercial and financial situation
economic model	a period during which trade expands, then slows down and then expands again
economic rent	economic infrastructure, such as roads, railways, port facilities, power facilities
economic crisis	a computerised plan of a country's economic system, used for forecasting economic trends
economic cycle	a set of statistics which shows how the

	economy is going to perform in the short or long term, e.g. the unemployment rate or overseas trade
--	---

LESSON 9

GOODS AND SERVICES

CLASS ASSIGNMENTS

VOCABULARY

<i>economic discoveries</i>	["jɪkə'nɒmɪk] [dɪs'kʌvərɪz]		економічні відкриття
<i>commercial</i>	[kə'mɜːʃɪəl]	<i>a</i>	комерційний, пов'язаний з торгівлею
<i>consumer</i>	[kɒn'sʌjmə]	<i>n</i>	споживач
<i>producer</i>	[prɒ'dʒʌsə]	<i>n</i>	виробник
<i>resale</i>	[rɪ'sɛl]	<i>n</i>	перепродаж
<i>to satisfy people's economic needs or wants</i>	['sɪtɪsfaɪ] [pɪ'plz] [nɪdʒ] [wɒnts]	<i>v</i>	задовольняти економічні потреби або бажання людей
<i>capital goods</i>	['kæpɪtəl ɡʊdz]		засоби виробництва; капітальна власність
<i>production line</i>	[prɒ'dʒʌkʃn laɪn]		поточкова лінія
<i>to pay</i>	[peɪ]	<i>v</i>	платити
<i>benefit</i>	['benɪft]	<i>n</i>	користь; вигода; допомога
<i>to benefit</i>	['benɪft]	<i>v</i>	отримати вигоду, користь; давати прибуток
<i>tax</i>	[tæks]	<i>n</i>	податок, мито
<i>facilities</i>	[fə'sɪlɪtɪz]	<i>n</i>	послуги; засоби обслуговування; зручності
<i>expenditure</i>	[ɪks'pɛndɪtʃə]	<i>n</i>	витрати; видатки
<i>public goods</i>	['pʌblɪk ɡʊdz]		товари громадського користування
<i>to achieve a standard</i>	[ə'ʃi:v] ['stændəd]	<i>v</i>	досягти рівня
<i>wealthy</i>	['welθɪ]	<i>a</i>	багатий

➤ **MEMORIZE !**

Буквосполучення

- **oa** читається [ou]: **goal** [gəʊl] мета

I. Read:

loan, soak, coat, soap, boat, abroad, approach, road

➤ **MEMORIZE !**

- Префікс **sub-** відповідає українському префіксу **під-**: **group** група – **subgroup** підгрупа

II. Read and translate:

Subdivide, subscription, subclass, subspecies, subsign, submission.

III. Read the sentences and answer the questions:

1. The delivered lecture was very interesting.
2. The lecture delivered interested everybody.
3. A credit card system formerly operated by some British banks was a part of the MasterCard network.

*Яку функцію виконує **Past Participle** в кожному з даних речень? Як він перекладається?*

IV. Determine which part of speech is the word *taken* in each sentence. What is its function? Translate these sentences:

1. We have **taken** 4,000 items on sale or return.
2. It was a check on items **taken** from a group without any special selection.
3. A page **taken** from a published magazine or newspaper was sent to an advertiser as proof that their advertisement has been run.
4. From the production line the goods are **taken** directly to the packing station.

V. Which English words are used to substitute repeated nouns? Translate the sentences paying attention to substitutes *one* — *ones* and *that* — *those*:

1. They are selling their house to move to a smaller one.
2. This journal is more interesting than that one I bought yesterday.
3. I want to buy a new computer. – But computers cost so much money! What's wrong with the one we've got?
4. You can buy or sell a bill of exchange at a lower price than that written on it in order to cash it later.
5. The actual hours that an employee spends working, may often be more than those stated in his or her contract of employment and sometimes are not covered by overtime payments.
6. The basic wage is £110 a week, but you can expect to earn more than that with overtime.
7. The existing goods, services, or organisations are replaced by new ones as a result of innovation.

VII. Fill in the gaps in the sentences below with appropriate prepositions:

1. The necessity to construct a new supermarket was argued _____ for hours.
2. I don't understand why this article is being spoken so much _____.
3. There was no time to read the article. It was only looked _____.
4. His research is often referred _____.
5. This problem must be thought _____ properly.
6. Ken has already been spoken _____ about his promotion.
7. Who was this palace designed _____?

VIII. Read and memorize these word combinations:

<i>a dramatic discovery</i>	значне, важливе відкриття
<i>commercial cargo</i>	комерційний вантаж
<i>commercial treaty</i>	торгова угода
<i>commercial business</i>	комерційний бізнес, торгівля
<i>consumer commodities (consumer goods)</i>	споживчі товари
<i>industrial producer</i>	виробник промислових товарів, промисловець
<i>production objective</i>	виробниче завдання
<i>production expenses</i>	витрати на виробництво
<i>pay in cash</i>	платити готівкою
<i>to the benefit</i>	на благо
<i>heavy tax</i>	високий, обтяжливий податок
<i>income / profits tax</i>	податок на прибутки
<i>purchase tax</i>	торговельне мито
<i>direct taxes</i>	прямі податки
<i>transportation facilities</i>	транспортні засоби
<i>recreational facilities</i>	місця для відпочинку та розваг
<i>to curb (curtail, cut down (on), reduce) expenditures</i>	скорочувати витрати
<i>advertising expenditure</i>	витрати на рекламу
<i>capital goods expenditures</i>	витрати на засоби виробництва
<i>public expenditure</i>	суспільно-державні витрати, витрати на державні потреби
<i>welfare expenditure</i>	витрати на соціальне забезпечення, на соціальні потреби
<i>public service</i>	комунальні послуги
<i>to raise the standard of living</i>	підвищувати рівень життя
<i>standard of price</i>	рівень цін

IX. Read and translate these words and word combinations:

benefit	['bɛnlɪt]	to benefit from a highly centralised organisational structure, benefits offered with a job, due to benefit, added benefits;
resale	[rɪ'sɛl]	the price of a resold home, resale of the goods to the USA;
capital	['kæpɪtəl]	physical capital, cost of capital, capital that attracted special attention, previously produced capital;
consumer	['kɒn'sʌjmər]	demanding by a consumer, consumers with different incomes, individual consumers and firms.

X. Read the text. Make its plan and retell it.

Answer the following questions:

1. When did you begin to learn about economics? What important economic discoveries did you make?
2. What do you think should be done to produce more consumer goods and services?

TEXT 1

Goods and services

People begin to learn about economics when they are still very young. Even before they start school, they make two very important economic discoveries. They find that there are a lot of things in the world they want. They also find that they cannot have them all. There is a big gap between what they want and what they can have.

Later, young people learn another lesson. When they watch television commercials, they discover that there are thousands of things they or their parents could buy. Gradually, they settle into the two major economic roles: consumer and producer.

In the role of consumer, a person buys goods and services for personal use, not for resale. Consumer goods are products, such as food, clothing, and cars that satisfy people's economic needs or wants. Some consumer goods, such as food, do not last a longtime. Other goods, such as cars or notebooks, last longer. Sooner or later, consumer goods are used up. Services are actions, such as haircutting, cleaning, or teaching. Services are used up at the time they are provided.

A producer makes the goods or provides the services that consumers use. A person who shovels snow during the winter or clerks in a store is providing a service. Students working after school or during the summer earn money to buy some of the things they want – players, notebooks, or a car. They are learning about the role of the producer.

Capital goods are goods that are used to produce other items. Tools, machines on a production line, and buildings are examples of capital goods. Some items can be either capital or consumer goods.

The decision on the relative amounts of consumer and capital goods to produce is very important, for it will shape a country's economy for years to come. On the one hand, by creating more capital goods (machines, tools, and factories) the country is adding to its capital resources. With more capital resources, the country will be able to produce more consumer goods and services in the future. On the other hand, by deciding to produce more consumer goods the country will be able to satisfy some of the immediate needs and wants of its population.

NOTES

gap [gæp] – розрив, велике розходження

gradually ['grædʒuəli] – поступово

shape [ʃeɪp] – форма

XI. State which of the sentences are true and which are false:

1. In the role of consumer, a person can buy goods and services for resale.
2. Some consumer goods, such as food, do not last a longtime.
3. Tools, machines on a production line, and buildings are used to produce other items.
4. There is a big gap between two major economic roles – consumer and producer.
5. A primary function of television commercials is to help people discover that there are thousands of things they could buy.
6. Services are products, such as haircutting, cleaning, or teaching.
7. A producer provides the services that consumers use.
8. Some items can be both capital and consumer goods.
9. The decision on the relative amounts of consumer and capital goods to produce will shape a country’s economy for years to come.
10. With more capital resources, the country was able to produce more consumer goods and services.

XII. Choose the correct statement:

1. Students working after school or during the summer **spend/ earn** money to buy some of the things they want – players, notebooks, or a car.
2. Services are used up at the time they are **provided/ divided**.
3. Capital goods are goods that are used to produce other **items/ goods**.
4. Creating more capital goods (machines, tools, and factories) the country is adding to its **natural/ capital** resources.
5. By deciding to produce more consumer goods the country will be able to **satisfy/ answer** some of the immediate needs and wants of its population.
6. Even before people start school, they make two very important economic **disadvantages/ discoveries**.
7. There is a big **capital/ gap** between what people want and what they can have.
8. Some consumer goods, such as food, do not **last/ cost** a longtime.
9. Services are actions, such as **haircutting/film-cutting**, cleaning, or teaching.
10. Tools, machines on a **productive/ production** line, and buildings are examples of capital goods.

XIII. Fill in the blanks with the appropriate words:

resale	adding	resources	clothing
shovels	producer	capital	relative

1. Gradually, people are divided into two major economic roles: consumer and _____ .
2. Consumer buys goods and services for personal use, not for _____ .
3. Consumer goods are products, such as food, _____ , and cars.
4. A person who _____ snow during the winter is providing a service.
5. Buildings are examples of _____ goods.

6. The decision on the _____ amounts of consumer and capital goods to produce is very important.
7. The country is _____ to its capital resources.
8. With more capital _____, the country will be able to produce more consumer goods.

XIV. Put the words in the correct order to make sentences.

1. 90%/ new/ would/ a/ of/ type/ bank/ revenue/ that/ of/ its/ earn
2. course/ a/ of/ organization/ particular/ be/ action/ advantageous/ would/ or/ to/ profitable/ an
3. wants/ to/ encourage/ the/ exports/ government
4. discovering/ priceless/ name/ can/ many/ that/ well-recognized/ companies/ a/ brand/ are/ be
5. gap/ the/ the/ new/ small/ range/ market/ cars/ of/ fills/ a/ in
6. are/ and/ Canada/ of/ France/ major/ Germany/ industrial/ Italy/ group/ Japan/ the UK/ the US/ a/ nations/ central
7. consumables/ have/ because/ used/ up/ they/ are/ are/ items/ the/ to/ that/ be/ on/ regular/ bought/ a/ basis
8. students/ business/ vocabulary/ basic/ book/ this/ provides/ the/ with/ the/ used/ in
9. bill/ include/ does/ service/ the
10. calculated/ exchange/ bank/ clerk/ dollar/ the/ the/ the/ rate/ of/ for

XV. Match the words and their definitions.

1	producer	A	a person, company or country that manufactures
2	service	B	to be paid money for working
3	immediate	C	items which can be moved and are for sale
4	commercial	D	a quantity of money
5	goods	E	happening at once
6	amount	F	an advertisement on television
7	production line	G	something for sale
8	resource	H	a form of business (e.g. insurance, banking, or transport) that provides help in some form when it is needed, as opposed to making or selling goods
9	item	I	a system of making a product, where each item such as a car moves slowly through the factory with new sections added to it as it goes along
10	earn	J	a supply of something

XVI. Match the words in the right column with the words in the left column to make word combinations.

1	economic	a	a service
2	television	b	money
3	services	c	commercial

4	to provide	d	line
5	to earn	e	a country's economy
6	to produce	f	for personal use
7	production	g	amount
8	relative	h	discoveries
9	to shape	i	needs
10	immediate	j	other items

SELF-STUDY

I. Read the following words and explain the pronunciation of the letter combinations in bold type:

Board, round, author, raw, coast, amount, cause, saw, loan, account, claw, faulty, drawer.

II. Form and translate the new words by adding the prefix *sub-*:

Total, contract, mission, divide, family, tropical, way, standard.

III. Form the Past Participle of the verbs given in brackets. State their functions. Translate the following sentences:

1. I bought a text-book of chemistry (*publish*) this year. 2. The question (*discuss*) by the students is very important. 3. The (*write*) letter is on the table.

IV. Give the English equivalents:

Відносна кількість грошей; виробляти інші товари; надавати послуги; телевізійна реклама; послуги для особистого використання; заробляти гроші.

V. Read the following sentences and define the words substituted by "one – ones", "that – those":

1. It is any policy or official practice that alters the conditions of international trade, including ones that act to increase trade as well as those that restrict it. 2. Every country, even capitalis ones, places some restrictions on the ownership and exchange of commodities. 3. Many households or families, e.g. young ones, cannot borrow to consume or invest as much as they would want.

VI. Choose the correct adverb to complete the sentences below. Translate the sentences:

1. Professor Peyton is **wide/widely** known in scientific circles.
2. The wind is blowing **hard/hardly** now.
3. The wind is **hard/hardly** blowing today.
4. Why did you come so **late/lately**?
5. What have you been doing **late/lately**?

6. He is always **high/highly** spoken about.
7. I live **close/closely** to Kharkiv State University of Food Technology and Trade.
8. The oil deposit is **deep/deeply** under the ground.
9. Everybody was **deep/deeply** touched by his words.

VII. Read the text. Make its plan and retell it:

Answer the following questions:

1. What products can be used without paying the full price for them?
 2. What is the difference between public and private goods?
-

TEXT 2

Public goods

You use some products without paying the full price for them. If you swim in a city swimming pool or play tennis on a public tennis court, you benefit from the taxes paid for the facilities. Everyone shares in paying for these facilities through taxes. Since not everyone is a tennis player or a swimmer, many people get no use from such expenditures. The government provides a wide variety of goods to the public.

Defining Public Goods

Those who use them pay for most goods and services. However, people enjoy some kinds of goods and services without paying the full price. Economists call them public goods. Public goods are goods and services used collectively and often paid for through the government. Public schools, highways, and police protection are examples of public goods.

Public goods benefit many people at once, even those who do not pay for it. A person can use the local park without preventing others from using it. All can swim at a public beach. Everyone benefits from the country's system of national defense.

Choosing Public or Private Goods

Private companies could provide most public goods. Schools, hospitals, and parks are examples of products that both government and private companies provide. Some people believe, in fact, that private companies should supply more of these items.

Some people think that the government could better provide some private goods that the market system now supplies. One example is health care. Those who support a national health care plan claim that more people would have access to better care if the government offered and largely paid for it. Funds could be raised through some system of taxation. If health care were a public good, poor people would have a chance to achieve a standard of care similar to that of wealthy people. Equality is one reason why education is a public good.

These examples show that the line between public goods and private goods is not always easy to draw.

NOTES

highway ['haɪwɛɪ] – шосе
to defend [dɪ'fɛnd] – захищати
health care [hɛlθ kɛə] – охорона здоров'я
to claim [kleɪm] – вимагати
equality [ɪ'kwɒlɪtɪ] – рівність

VIII. State which of the sentences are true and which are false:

1. The government provides a wide variety of goods to the public.
2. People enjoy some kinds of goods and services paying the full price.
3. Private companies provide private goods.
4. Private companies supply schools, hospitals, and parks.
5. The government can provide some private goods.

IX. Choose the correct statement:

1. Funds could be raised through some system of
 a) subsidies b) regulation c) taxation d) negotiation
2. is one reason why education is a public good.
 a) Quality b) Equality c) Uniformity d) Ability
3. The line between public and private goods is not always easy to
 a) show b) withdraw c) paint d) draw
4. If you swim in a city swimming pool, you benefit from the taxes paid for the
 a) responsibilities b) facilities c) possibilities d) utilities
5. Public goods many people at once, even those who do not pay for it.
 a) benefit b) profit c) fit d) serve

LESSON 10

FACTORS OF PRODUCTION: LAND AND LABOUR

CLASS ASSIGNMENTS

VOCABULARY

factors of production	[ˈfæktəz əv prɒdʊkʃən]		чинники виробництва
to develop production functions	[dɪˈvɛləp prɒdʊkʃən ˈfʌŋkʃən]		розвивати виробничі функції
production techniques	[prɒdʊkʃən tɛk'nɪk]		виробнича техніка
land	[lænd]	<i>n</i>	земля
labour	[ˈleɪbɜː]	<i>n</i>	праця
labour productivity	[ˈleɪbɜː prɒdʊk'tɪvɪtɪ]		продуктивність праці

labour theory of value	[ˈlɔlbɔ ˈtɪqrɪ ˈvɒljʊtɪ]		трудова теорія вартості
management labour	[ˈmænlɪdʒmənt ˈlɔlbɔ]		управлінська праця
labourer	[ˈlɔlbɔrɪ]	<i>n</i>	робітник, що займається ручною працею (часто некваліфікований), чорнороб
artisan	[ˈɑːtɪzən]	<i>n</i>	ремісник; syn: artificer , handicraftsman
capital	[ˈkæpɪtəl]	<i>n</i>	капітал
capital accounting	[kəˈkaʊntɪŋ]		облік операцій з капіталом; головний бухгалтерський облік
entrepreneurship	[ˈɒntrɪprəʊzɪp]	<i>n</i>	підприємництво
to contribute to the productive process	[kɒnˈtrɪbjʊtɪtɪv ˈprɒdʒʌktɪv ˈprəʊses]		робити внесок у продуктивний процес, сприяти продуктивному процесу
property resources	[ˈprɒpɪrtɪ ˈrɪsɔːsɪz]		майнові ресурси
human resources	[ˈhjuːmən ˈrɪsɔːsɪz]		трудові ресурси, людські резерви; персонал, кадри, штат працівників
non-human resources	[nɒnˈhjuːmən ˈrɪsɔːsɪz]		нетрудові ресурси
natural resources	[ˈnætʃrəl ˈrɪsɔːsɪz]		природні ресурси
renewable / nonrenewable resources	[rɪˈnjuːəbəl ˈnɒnˈrɪˌnjuːəbəl ˈrɪsɔːsɪz]		поновлювані / непоновлювані ресурси
value	[ˈvɒljʊtɪ]	<i>n</i>	вартість; цінність; валюта; розмір, значення; важливість;
to value	[ˈvɒljʊtɪ]	<i>v</i>	оцінювати
distribution	[ˈdɪstrɪˈbjʊtʃən]	<i>n</i>	збут, розподіл
manner of payment	[ˈmænə ɒv ˈpeɪmənt]		спосіб оплати
gain	[ɡeɪn]	<i>n</i>	прибуток
excess supply	[ɪkˈsɛs sʌˈplaɪ]		надмірна, надлишкова пропозиція
subsistence-level income	[sʌbˈsɪstəns ˌleɪv ˈɪnkoʊm]		прибуток прожиткового мінімуму
to cover wages	[kəˈvɜː ˈweɪdʒɪz]		покривати заробітні плати
input costs	[ˈɪnpʊt kɒsts]		витрати, видатки
self-sustaining input	[sɛlf sʌsˈteɪnɪŋ ˈɪnpʊt]		самопідтримуючі витрати
output	[ˈaʊtpʊt]	<i>n</i>	випуск продукції; продуктивність; виробництво

<i>margin</i>	['mʀʒɪn]	<i>n</i>	запас, резерв (грошей, часу і т.ін.); маржа (різниця між цінами, курсами, ставками); поправка, припущення на щонебудь
<i>marginalism</i>	['mʀʒɪnəlɪzəm]	<i>n</i>	маргіналізм
<i>marginal productivity</i>	['mʀʒɪnəl prɒdʌk'tɪvɪtɪ]		гранична продуктивність
<i>proprietor</i>	[prɒ'prɪətɔː]	<i>n</i>	власник
<i>to collect surplus</i>	[kə'lekt 'sʊplʌs]		отримувати прибуток; збирати надлишок
<i>to raise revenue</i>	[reɪz 'revɪnjuː]		підняти прибуток
<i>the government's revenue base</i>	[gʌvnmənts 'revɪnjuː 'beɪs]		основа урядових прибутків (митна основа уряду)
<i>land-grabbing</i>	[lænd 'græbɪŋ]	<i>g</i>	захват, привласнення землі
<i>scarcity</i>	['skæʃəti]	<i>n</i>	дефіцит; недостатня кількість, брак (чогось)
<i>accessibility</i>	['æksɪsə'bɪlɪtɪ]	<i>n</i>	доступність
<i>to depreciate</i>	[dɪ'preɪʃɪeɪt]	<i>v</i>	знецінювати
<i>assets</i>	['æsets]	<i>n</i>	активи (балансу)
<i>innovative</i>	['ɪnəʊ'veɪtɪv]	<i>a</i>	інноваційний
<i>technical innovation</i>	['teknɪkəl 'ɪnəʊ'veɪʃən]		технічне нововведення
<i>advance of technology</i>	[əd'vɑːns tək'nɒlɒʒɪ]		прогрес технології
<i>expansion of production and trade</i>	[ɪks'pænʃən prɒdʌkʃən]		розширення виробництва і торгівлі
<i>enterprise</i>	['entɹpraɪz]	<i>n</i>	підприємство
<i>at prevailing prices</i>	[prɪ'veɪlɪŋ 'praɪsɪz]		за переважаючими цінами
<i>premium</i>	['priːmjəm]	<i>n</i>	більш висока ціна, переплата; винагорода, премія
<i>to increase</i>	[ɪnkrɪːz]	<i>v</i>	increases labour productivity збільшує продуктивність праці
<i>to reduce</i>	[rɪ'djuːs]	<i>v</i>	скоротити, зменшити, знизити
<i>market power</i>	['mɑːkɪt 'paʊə]		ринкова сила
<i>to possess</i>	[pə'zɛs]	<i>v</i>	володіти
<i>a host of skills</i>			велика кількість навичок

I. Learn these word combinations:

<i>social and economic factors</i>	соціальні та економічні фактори
<i>to redistribute land</i>	перерозподіляти землю

<i>private land</i>	приватні володіння
<i>land reform</i>	земельна реформа
<i>land-bank</i>	земельний банк
<i>labour contract</i>	трудоий договір
<i>labour exchange</i>	біржа праці
<i>labour legislation</i>	трудоє законодавство
<i>industrial capital</i>	промисловий капітал
<i>permanent capital</i>	основний капітал
<i>floating capital</i>	оборотний капітал (<i>товари, гроші</i>)
<i>to sell property</i>	продавати власність
<i>to transfer property</i>	передавати майно
<i>property insurance</i>	страхування власності
<i>human element</i>	людський фактор
<i>human services</i>	сфера послуг
<i>contract value of the goods</i>	вартість товарів згідно контракту
<i>market value</i>	ринкова вартість
<i>to yield a reliable gain</i>	давати надійний прибуток
<i>to nullify a gain</i>	анулювати прибуток
<i>a considerable (enormous, notable, substantial, tremendous, tangible) gain</i>	значний прибуток
<i>gain in sales</i>	зростання обсягу продаж
<i>immigrant labourer</i>	робочий-емігрант
<i>supply-and-demand principle</i>	принцип попиту та пропозиції
<i>per capita income</i>	прибуток на душу населення
<i>to cover costs</i>	покривати витрати
<i>to raise the price</i>	піднімати ціну
<i>on the margin of poverty</i>	на межі бідності
<i>money margins</i>	грошові запаси
<i>landed proprietor</i>	землевласник
<i>sole proprietorship</i>	одноосібне володіння
<i>to collect revenue</i>	отримати прибуток
<i>to generate (produce, yield) revenue</i>	давати прибуток
<i>weekly revenue</i>	тижневий прибуток
<i>net revenue</i>	чистий річний прибуток
<i>extra output</i>	додатковий випуск продукції
<i>innovative equipment</i>	інноваційне устаткування
<i>to make profit</i>	отримати прибуток

<u>MEMORIZE !</u>	
<i>Adjective</i>	<i>Adverb</i>
a fast train	to run fast
a hard frost	to work hard
a late visit	to come late

an early breakfast	to get up early
a good lesson	to read well

II. Give the comparative and superlative forms of each word:

Important, young, beautiful, good, common, a lot, pretty, careful, bad, far, famous, lucky, simple, hard, high, little, foolish, elegant, fast, tired, new, sad.

Heavily, close, quickly, well, gladly, hard, badly, clearly, far, near, luckily, simply, often, nicely, quietly, slowly, late, angrily, cheaply.

III. Complete the sentences with the appropriate words given below:

1. He offered an ... 5% to clinch the deal. 2. They wanted to get rid of large quantities of ... goods cheaply in an overseas market. 3. Flexitime should mean that employees work when they feel most 4. The two sisters are co-owners of the

excess, productive, extra, property

IV. Translate these sentences, determine the tense and voice of the predicate:

1. The name of the company was especially designed 2. We have acquired (=bought) a new office building in the centre of town. 3. The train starts at ten o'clock. 4. Their furniture will be sold in the auction rooms next week. 5. The item is sold to the person who makes the highest offer. 6. The company is looking for someone with a background of success in the electronics industry.

V. Give the present participles of these verbs and give all their possible translations:

To possess, to reduce, to contribute, to increase, to distribute, to depreciate, to collect, to cover.

VI. Answer the questions:

1. Які синтаксичні функції *Present Participle* у реченні? 2. Яке місце займає *Present Participle* у реченні, виконуючи функції означення, частини дієприкметникового звороту? 3. Як перекладається *Present Participle* у кожній із синтаксичних функцій?

VII. Determine the function of the *Present Participle* in these sentences:

1. They spent two hours speaking about the price. 2. There is a growing interest in comments on our advertising. 3. Having come home she began to to examine every option. 4. I looked at the Sarah working hardly.

VIII. Read the text. Find the sentences with the *Present Participle* and translate them:

Answer the following questions:

1. What factors of production do you know?

2. What is land – a soil, a natural resource or an economic factor?

TEXT 1

Land, labour, capital, and entrepreneurship. These are four generally recognized factors of production. Of course, in a literal sense anything contributing to the productive process is a factor of production. However, economists seek to classify all inputs into a few broad categories, so standard usage refers to the categories themselves as factors. Before the twentieth century, only three factors making up the "classical triad" were recognized: land, labour, and capital. Entrepreneurship is a fairly recent addition. Factors of production are economic resources used in the production of goods, including natural, man-made, and human resources. They may be broken down into two broad categories: (1) property resources, specifically capital and land; and (2) human resources, specifically labour and entrepreneurial ability.

The factor concept is used to construct models illustrating general features of the economic process without getting caught up in inessential details. These include models purporting to explain growth, value, choice of production method, income distribution, and social classes. A major conceptual application is in the theory of production functions. One intuitive basis for the classification of the factors of production is the manner of payment for their services: rent for land, wages for labour, interest for capital, and profit for entrepreneurship. A discussion of each of the factors follows.

Land

This category sometimes extends over all natural resources. It is intended to represent the contribution to production of non-human resources as found in their original, unimproved form.

For the French physiocrats led by Francois Quesnay in the 1750s and 1760s, land was the only factor yielding a reliable gain to its owner. In their view, labourers and artisans were powerless and in excess supply, and hence they earned on average only a subsistence-level income; and in the same way what they produced outside of agriculture fetched enough to cover only their wages and input costs with no margin for profit. Only in agriculture, due to soil fertility and other "gifts of nature," could a labourer palpably produce more than required to cover subsistence and other costs, so only in agriculture could proprietors collect surplus. Thus the physiocrats explained land rent as coming from surplus produced by the land. They recommended taxes on land as the only sound way to raise revenue and land-grabbing as the best means to increase the government's revenue base.

In 1821 David Ricardo, in *The Principles of Political Economy and Taxation*, stated what came to be known as the classical view: that rent reflects scarcity of good land. The value of a crop depends on the labour required to produce it on the worst land under cultivation. This worst land yields no rent – as long as some of it remains unused – and rent collected on better land is simply its yield in excess of that on the worst land. Ricardo saw rent as coming from differences in land quality

(including accessibility) and scarcity. The classical economists assumed only land – understood as natural resources – could be scarce in the long term.

Marginalism, as expounded in 1899 by John Bates Clark in *The Distribution of Wealth*, takes a different approach. It declares that rent reflects the marginal productivity of land – not, as with Ricardo, the productivity of good versus marginal land. Marginal productivity is the extra output obtained by extending a *constant* amount of labour and capital over an *additional* unit of land of uniform quality. Marginalists held that any factor of production could be scarce. Their theory is based on the possibility of substituting among factors to design alternative production methods, whereby the optimal production method allocates all the factors to equalize their marginal productivity with their marginal costs.

Long thought of as a self-sustaining input, land might depreciate just like produced assets do. In 1989 Herman Daly and Jonathan Cobb, in *For the Common Good*, distinguished between nonrenewable resources that are consumed or depreciate irretrievably and renewable resources where the rate of natural renewal is important. One consequence of this work in environmental economics is that natural resource accounting increasingly resembles capital accounting.

To an economist, *land* is the fundamental natural resource that is used in production. This resource includes water, forests, oil, gas, and mineral deposits. These resources are rapidly becoming scarce. Land resources, which include natural resources above, on, and below the soil, are distinguished by the fact that man cannot make them.

NOTES

generally recognized ['dʒɛnqrqll 'rɛkqgnalzd] – загально визнаний

in a literal sense ['lɪtqrqll sɛns] – у буквальному значенні

recent addition [rɪsnt q'dɪʃn] – недавнє доповнення

specifically [spɪsɪfɪkəlɪ] – особливо

inessential [ɪnɪsɛnʃəl] – неістотний

to purport ['pɜ:pɔ:t] – мати за мету, претендувати (на що-небудь)

to extend over [ɪks'tɛnd] – простягатися

unimproved form [ʌnɪm'prɪvɪd] – незмінна форма; необроблена (якщо мова йде про землю) форма

physiocrats ['fɪzɪɔkrɪts] – фізіократи

hence [hɛns] – віднині

to fetch – приносити, приводити, привозити

due [dʒu:] **to soil fertility** [fɪ'wɔ:təlɪtɪ] – завдяки родючості ґрунту

palpably – відчутно

sound way – здоровий спосіб

to state ['steɪt] – заявити

to reflect [rɪ'fɛkt] – відображати

crop – культура (напр., зернова)

to assume [ə'sju:m] – припускати

to expound [ɪks'paʊnd] – пояснювати, викладати

approach [ə'prəʊtʃ] – підхід

to equalize ['i:kwəlaɪz] – зрівнювати

versus [vɜ:sq:s] – проти

to distinguish [dɪs'tɪŋgwɪʃ] – визначати

irretrievably [ɪrɪ'trɪəvəbəlɪ] – безповоротно

consequence [kɒnsɪkwɛns] – наслідок

IX. State which of the sentences are true and which are false:

1. Factors of production are economic resources used in the production of goods, including natural, hand-made, and human resources.
2. Marginal productivity is the constant output obtained by extending an extra amount of labour and capital over an additional unit of land of uniform quality.
3. Land is a self-sustaining input.
4. Natural resource accounting increasingly resembles capital accounting.
5. French physiocrats were led by Francois Quesnay.
6. Land is the fundamental natural resource that is used in production.
7. One intuitive basis for the classification of the factors of production is the manner of payment for their services: wages for labour, profit for capital, and rent for entrepreneurship.
8. Natural resources include water, forests, oil, gas, and mineral deposits.
9. The physiocrats explained land as coming from surplus produced by the rent.
10. A man cannot make land resources below the soil.

X. Choose the correct statement:

1. There are four generally recognized factors of production: land, labour, capital, and **entrepreneurship/ proprietorship**.
2. Anything **consuming/ contributing** to the productive process is a factor of production.
3. The factor concept is used to construct models illustrating general **futures/ features/ feathers** of the economic process without getting caught up in inessential details.
4. Land is intended to represent the contribution to production of **nonrenewable/ non-human** resources as found in their original, unimproved form.
5. Land was the only factor yielding a **renewable/ reliable** gain to its owner.
6. Labourers and artisans were powerless and hence they earned on average only a **subsistence-/ subdivisible-** level income.
7. Taxes on land were the only sound way to raise revenue and **land-improvement/ land-grabbing** as the best means to increase the government's revenue base.
8. Rent reflects **scarcity/ ability** of good land.
9. Natural resource accounting increasingly **resembles/ assembles** capital accounting.
10. Land resources are **distinguished/ distinctive** by the fact that man cannot make them.

XI. Fill in the blanks with the appropriate words:

cultivation	productivity	contribution	assets
scarce	entrepreneurship	distribution	application

1. _____ is a fairly recent addition.
2. A major conceptual _____ is in the theory of production functions.
3. Is intended to represent the _____ to production of non-human resources.
4. The value of a crop depends on the labour required to produce it on the worst

land under _____ .

5. Marginalism declares that rent reflects the marginal _____ of land.

6. Marginalists held that any factor of production could be _____ .

7. Land can depreciate just like produced _____ do.

8. The general features of the economic process include models purporting to explain growth, value, choice of production method, income _____ , and social classes.

XII. Put the words in the correct order to make sentences.

1. popular/ involved/ automatic/ is/ of/ selling/ costs/ because/ low/ the/ labour

2. resources/ business/ use/ future/ effective/ the/ success/ hold/ and/ of/ to/ development/ management/ human/ and/ key

3. has/ the/ of/ increased/ re-exports/ value

4. 18 months/ sharply/ distribution/ last/ costs/ have/ over/ the/ risen

5. shares/ showed/ Stock/ oil/ gains/ Exchange/ on/ the

6. of/ 25%/ our/ is/ output/ exported

7. have/ dollar/ oil/ in/ rise/ revenues/ risen/ with/ the/ the

8. a/ there/ trained/ of/ is/ scarcity/ staff

9. the/ in/ we/ aspects/ accessibility/ assessing/ must/ geographical/ analyse/ the/ market's

10. £1bn/ assets/ the/ has/ company/ total/ of/ over

XIII. Match the words and their definitions.

1	labourer	A	political administration
2	artisan	B	the owner of a business establishment
3	proprietor	C	a person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk
4	physiocrat	D	a person skilled in an applied art
5	entrepreneur	E	a person who owns, possessor; proprietor
6	economist	F	one that believes in the use of marginal analysis in economics
7	human	G	one of a school of political economists who followed Quesnay in holding that an inherent natural order properly governed society, regarding land as the basis of wealth and taxation, and advocating a laissez-faire economy
8	owner	H	a person who does a job which involves a lot of hard physical work
9	government	I	relating to the social aspect of people
10	marginalist	J	a specialist in economics

XIV. Match the words in the right column with the words in the left column to make word combinations.

1	factors	<i>a</i>	accounting
2	inessential	<i>b</i>	unit
3	environmental	<i>c</i>	irretrievably
4	natural resource	<i>d</i>	details
5	to depreciate	<i>e</i>	productivity
6	additional	<i>f</i>	a rent
7	marginal	<i>g</i>	of production
8	self-sustaining	<i>h</i>	ability
9	to yield	<i>i</i>	economics
10	entrepreneurial	<i>j</i>	input

SELF-STUDY

I. Name the part of speech of the following words. Translate them:

Input, surplus, wages, non-human, production, usually, entrepreneurship, value, of, artisan, handicraftsman, land-grabbing, accessibility, self-sustaining, nonrenewable, expansion, developed.

II. Translate the following participles:

Existed – existing, connected – connecting, bought – buying, included – including, advertised – advertising, built – building, improved – improving.

III. Give the English equivalents to the following word combinations:

Принцип попиту та пропозиції; соціальні та економічні фактори; біржа праці; продавати власність; сфера послуг; вартість товарів згідно контракту.

IV. Make the following sentences affirmative:

1. Does anything contribute to the productive process? 2. Construct models do not illustrate general features of the economic process. 3. Is land necessary for production? 4. Land resources are not distinguished by the fact that man cannot make them.

V. Translate these sentences; underline the Participle I and state the function:

1. They have booked two seats for the plane leaving for Paris tomorrow morning. 2. Not knowing his new address I could not send him a letter. 3. We shall contact the firm advertising the latest model of boiler. 4. He received a letter from an insurance company giving details of an insurance policy.

VI. Use the adverbs given in brackets in the comparative or superlative form:

- Who can do it _____ (fast) than you?
- Henry works on his English _____ (hard) of all.

3. Could you come a little bit _____ (early) tomorrow?
 4. I would be glad if you spoke _____ (loudly).
 5. Which of you lives _____ (far) from the office?
 6. She did the translation _____ (well) of all.
 7. I don't understand you, speak _____ (distinctly).
 8. Claudia studies at the library _____ (often) of all.
 9. I know where to buy this laptop _____ (cheaply).
-

TEXT 2

Answer the following questions:

1. Why do wages differ for different types of labour?
2. How do you understand the word "labour-intensive"?

Labour

The classical "labour theory of value" was an innovative theory in response to the physiocratic doctrine that only land could yield surplus. In 1776 Adam Smith, in *The Wealth of Nations*, observed that with expansion of production and trade, enterprises were making profits over long periods of time, although they either had nothing to do with agriculture or else as agricultural enterprises. Classical economists tried to answer the question: Where does profit come from? Their answer was that it came from labour. At prevailing prices, labour can yield a surplus over subsistence costs in many industries.

The question arises of why proprietors, but not labourers, earn profit. David Ricardo arrived at one answer: Technical innovation increases labour productivity. Owners of innovative equipment, until its general adoption, get the premium from reduced costs. In 1867 Karl Marx in *Capital*, added that wages reflect the cost of subsistence, not what labourers can produce, and that profit is the difference between the two. Even without innovation proprietors would reap surpluses, Marx held, since labourers lack market power and cannot afford their own equipment.

Why do wages differ for different types of labour? Marx's answer was that higher wages cover costs, beyond personal subsistence, of training and cultivation of skills, acknowledging that one kind of "equipment," now known as human capital, was available at least to some labourers.

Marginalist economists noticed the advance of technology, which according to classical and Marxist views made labour ever more productive, continually throws labourers out of work. This led them to attribute productivity to equipment rather than only to labour. Referring to equipment as capital, they developed production functions featuring labour and capital as substitutes for each other. Choice among production techniques involving different combinations of labour and capital became a major theme in marginalist growth theory.

Labour is a broad term that covers all the different capabilities and skills possessed by human beings. While this often this means direct production labour,

it includes management labour as well. The term *manager* embraces a host of skills related to the planning, administration, and coordination of the production process.

NOTES

in response to [rɪs'pɒnz] – у відповідь на
adoption [ə'dɒpʃən] – прийняття
to reflect – відображати
to reap [ri:p] – отримувати результат
afford [ə'fɔ:d] – дозволяти
beyond [bi'jɒnd] – за межами, поза
acknowledge [ək'nɒlɪdʒ] – визнання
to notice ['nəʊtɪs] – звертати увагу
continually [kən'tɪnju:əli] – безперервно, знову й знову
to attribute [ˈætrɪbjʊt] – відносити
to refer [rɪ'fɜː] – посилатися
featuring [ˈfi:tʃərɪŋ] – зображати
capability [kə'pæbəlɪti] – здібність
to embrace [ɪm'breɪs] – користуватися
to relate [rɪ'leɪt] – відноситися

VII. State which of the sentences are true and which are false:

1. Technical innovation reduces labour productivity.
2. Choice among production techniques involving different combinations of labour and capital became a major theme in marxist growth theory.
3. The classical physiocratic doctrine was an innovative theory in response to the "labour theory of value".
4. The term “labour-intensive” embraces a host of skills related to the planning, administration, and coordination of the production process.
5. Higher costs cover wages.

VIII. Choose the correct statement:

1. Labour is a broad term that covers all the different and skills possessed by human beings.
a) capabilities b) meanings c) potentiality d) gifts
2. Marginalist economists noticed the of technology.
a) control b) release c) advance d) boom
3. Owners of innovative equipment, until its general, get the premium from reduced costs.
a) adoration b) admission c) adduction d) adoption
4. Adam Smith observed that with of production and trade, enterprises were making profits over long periods of time.
a) expanse b) extinction c) stretching d) expansion
5. Only land can surplus.
a) yield b) take c) make d) build

LESSON 11

FACTORS OF PRODUCTION: CAPITAL AND ENTREPRENEURSHIP

CLASS ASSIGNMENTS

VOCABULARY

<i>finance</i>	[fai'næns]	<i>n</i> фінанси, гроші
<i>to carry on production</i>	['kæri prɒ'dʌkʃən]	проводити виробництво
<i>wage fund</i>	['weɪdʒ fʌnd]	фонд заробітної плати
<i>personal fund</i>	['pɜːsnəl fʌnd]	особистий фонд
<i>intangibles</i>	[ɪn'tæŋɡɪbəlz]	<i>n</i> нематеріальні активи
<i>commodity</i>	[kəm'ɒdɪtɪ]	<i>n</i> товар, продукт, товар ужитку
<i>payment of interest</i>	[peɪ'mənt 'ɪntərɪst]	виплата відсотків
<i>investment</i>	[ɪn'vestmənt]	<i>n</i> інвестиція
<i>aid</i>	[eɪd]	допомога, підтримка
<i>facilitating the production</i>	[fə'sɪlɪtɪŋ prɒ'dʌkʃən]	сприяння виробництву
<i>consumable goods</i>	[kɒn'sʌməbl ɡʊdz]	споживчі товари
<i>entrepreneur</i>	['ɒntrəprəʊz]	<i>n</i> підприємець
<i>entrepreneurship</i>	['ɒntrəprəʊzɪp]	<i>n</i> підприємництво
<i>to manage a business</i>	[mænɪʃ 'bɪznɪs]	керувати бізнесом, справою
<i>planning</i>	['plænɪŋ]	<i>g</i> планування
<i>to associate</i>	[ə'səʊʃeɪt]	<i>v</i> приєднуватися
<i>stockholder</i>	['stɒk'həʊldə]	<i>n</i> акціонер
<i>to bear the risk</i>	[bɪ'eɪ]	нести ризик, ризикувати
<i>drawback</i>	['drɒbæk]	<i>n</i> недолік; <i>також</i> – перешкода, негативний бік; поступка
<i>Small Business Administration (SBA)</i>		управління у справах малого бізнесу (незалежне федеральне відомство, створене у 1953 році, яке надає допомогу невеликим компаніям)
<i>to estimate</i>	['estɪmeɪt]	<i>v</i> підраховувати, оцінювати
<i>rewarding</i>	['riːwɜːdɪŋ]	<i>a</i> корисний, вартий
<i>perspective</i>	[pɜː'spektɪv]	<i>n</i> перспектива, ракурс, проекція
<i>to acquire</i>	[ə'kwɪə]	<i>v</i> купувати; отримати, здобувати

➤ **MEMORIZE !**

Буквосполучення

- **qu** перед голосними читається [kw]: **quite** [kwait] абсолютно, цілком;
- **qua** читається [kwɔ]: **quality** ['kwɔliti] якість; **quantity** ['kwɔntiti] кількість
- **quar** читається [kwɔ:]: **quarter** ['kwɔ:tɔ] чверть
- **queue** [kjʊ] черга
- **antique** [æn'tɪk] стародавній

I. Read:

Question, quickly, quarter, quiet, antiquity, squire, equal, qualify, quota, squirrel.

II. Learn these word combinations:

<i>an independent entrepreneur</i>	незалежний підприємець
<i>investments in oil stocks</i>	інвестиції капіталу у нафтові державні цінні папери
<i>bad/ poor investment</i>	незначні інвестиції
<i>good/ lucrative/ profitable investment</i>	прибуткове інвестування
<i>heavy investments</i>	значні внески
<i>long-term investments</i>	довгострокові інвестиції
<i>overseas investments</i>	іноземні інвестиції
<i>stockholder of record</i>	зареєстрований акціонер
<i>common stockholder</i>	власник звичайних акцій
<i>stockholders meeting</i>	загальні збори акціонерів
<i>pension fund</i>	пенсійний фонд
<i>commodity exchange</i>	товарна біржа
<i>to own an interest</i>	отримати частку (у бізнесі)
<i>to add interest</i>	додавати відсоток
<i>at a certain (rate of) interest</i>	під визначений (встановлений) процент

III. Complete the sentences below with appropriate active and passive forms of the verbs in brackets:

1. I (sit) in front of a computer now. 2. Big changes (see) in the next ten years. 3. Martin Luther King (be) a great American. 4. There (be) many changes in the twentieth century. 5. Jack (get) a driver's license last week. 6. Last Sunday we (arrive) at the station, (take) a taxi and (drive) to the hotel. 7. I (translate) the article by next Friday. 8. Business letters (write) on special forms. 9. The luggage (examine) at the customs when we arrived. 10. They (discuss) the question next week. 11. This house (buy) last year. 12. The house (build) before I arrived. 13. In about 40 countries, laws (pass) that prohibit drivers from using cell phones.

IV. Complete the sentences below with appropriate forms of the verbs *make* and *do*:

Verbs MAKE and DO

make a date/an appointment	do (the) homework
make a plan	do an exercise
make a decision	do the dishes
make a telephone call	do the cleaning/laundry/ ironing/washing etc.
make a reservation	do the shopping
make a mistake	do one's best
make an effort	do a favor
make an improvement	do the right/wrong thing
make a promise	do a job
make money	do business
make noise	What do you do for a living? (asked about a job)
make the bed	How do you do? (said when you meet someone for the first time)
make an attempt	
make an impression	
make a pause	
make a step	

1. _____ a copy of this letter. 2. _____ something! 3. She _____ her best to learn English. 4. Let's _____ a decision where to arrange a meeting. 5. I must _____ my hair. 6. You've _____ progress for the past week. 7. She always _____ crazy plans. 8. Let's _____ a phone call. 9. She _____ a lot of mistakes in the dictation. 10. It's high time to _____ some work. 11. They _____ a lot of money yesterday. 12. You've _____ your job pretty well. 13. You should _____ a reservation beforehand.

V. Determine the tense forms of the predicates in these English sentences:

<p>We have deposited the money in your current account.</p> <p>He has deposited the money in your current account.</p>	<p>Ми (вже) поклали гроші на ваш поточний рахунок.</p> <p>Він (вже) поклав гроші на ваш поточний рахунок.</p>
<p>He had deposited the money in your current account yesterday by 2 o'clock.</p> <p>He had deposited the money in your current account before we asked him.</p>	<p>Він (вже) поклав гроші на ваш поточний рахунок учора до другої години.</p> <p>Він (вже) поклав гроші на ваш поточний рахунок перед тим, як ми його попросили.</p>
<p>I shall (will) have deposited the money in your current account tomorrow by two o'clock.</p>	<p>Я (вже) покладу гроші на ваш поточний рахунок завтра до другої години.</p>
<p>She will have deposited the money in your current account tomorrow by two o'clock.</p>	<p>Вона (вже) покладе гроші на ваш поточний рахунок завтра до другої години.</p>

VI. Note the negative and interrogative constructions:

1. We have not received a letter from him accepting the offer. She will not have received a letter from him accepting the offer tomorrow by 8 o'clock.
2. Has he paid for the goods? Has she ever paid for the goods? Had she paid for the goods by 3 o'clock yesterday? Will you have paid for the goods tomorrow by 12 o'clock? Who has paid for the goods?

VII. Note the use of adverbs in bold type in the Perfect Tenses constructions. Copy out and learn these adverbs.

1. He said he has **never** received the message.
2. She has **already** purchased the product.
3. Have the prices **ever** reached the highest point?
4. 25,000 school-leavers have **just** come on to the labour market.
5. Has the mail arrived **yet**?

VIII. Determine which part of speech is the word "since" in each of these sentences. Translate the sentences:

1. Imports from Poland have risen since Monday.
2. All sectors of industry have shown rises in output since institutional and structural reforms were held.
3. Only two informants have said that they never buy the product since last year.
4. Foreign producers have set up factories here since I came back from London.
5. She left left a note on her desk, and I haven't seen her since.

IX. Use the verbs in brackets in the Present Perfect:

1. The company (to achieve) its objectives.
2. She (to open) a shop in the High Street by 10 o'clock.
3. An item ever (to order) at our hotel?
4. When an asset (to fall) in value?
5. Mr. Bladers never (to acquire) a patent.

X. Use the verbs in brackets either in the Present Perfect or Past Indefinite:

1. The service (to complete) already? – No, I only just (to begin) it.
2. When the delegation (to arrive) in Kharkiv? It (to arrive) yesterday.
3. He not (to reach) the peak of his career.
4. I (to find) a permanent job since I (to leave) home.

XI. Read the text. Speak about the capital:

Answer the following questions:

1. Could you give a definition of capital?
2. Does this term differ from the managers' and economists' points of view?

TEXT 3

Capital

This most controversial of factors is variously defined as produced equipment; as finance used to acquire produced equipment; as all finance used to begin and carry on production, including the "wage fund"; and as the assessed value of the whole productive enterprise, including intangibles such as "goodwill." In 1960 Piero Sraffa, in *Production of Commodities by Means of Commodities*,

showed that capital in the sense of produced equipment can fail to behave as expected in marginalist production functions when an entire economy is modeled. Specifically, equipment adopted to replace labour after wages rise from a low level, relative to interest on capital, may be abandoned again in favor of labour as wages rise still higher. This counterintuitive "reswitching" can happen because the equipment used is itself a product of labour and equipment, and because the ratio of labour to equipment varies for different products.

Frequently capital is treated as finance, associated with the payment of interest. Yet the connection with equipment, in spite of Sraffa's demonstration, has never been severed entirely. One still studies capital depreciation, distinguishing wear-and-tear from obsolescence, and from the present value of investments in capital. Increasingly, theory has come to treat any investment as a capital investment. Furthermore, acquired skills (as opposed to "know-how", an attribute of society rather than individuals) have come to be viewed as analogous to physical equipment, capable of yielding their owners a return. This analogy suggests their current designation as human capital. Thus capital is a concept still mired in confusion, and care must be taken in its use to be sure what it means.

Managers often speak of **capital** when referring to money, especially when they are talking about the purchase of equipment, machinery, and other productive facilities. Financial capital is the more accurate term for the money used to make such purchases. An economist would refer to these purchases as investments. *The economist* uses the term **capital** to mean all the man-made aids used in production. It is sometimes referred to as investment goods. Capital consists of machinery, tools, buildings, transportation and distribution facilities, and inventories of unfinished goods. A basic characteristic of capital goods is that they are used to produce other goods. Capital goods satisfy wants indirectly by facilitating the production of consumable goods, while consumer goods satisfy wants directly.

NOTES

controversial [kɒntrəvɜː(r)ʃ(ə)l] – сумнівний, суперечливий, спірний

to abandon [ə'bændən] – залишати

counterintuitive ['kauntəɪn'tjuːɪtɪv] – нелогічний, протирічний

reswitching ['riːswɪtʃɪŋ] – перебудова

frequently ['friːkwəntli] – часто

to treat [tri:t] – звертатися, ставитися

entire [ɪn'taɪə] – увесь, цілий

in spite of [ɪn'spaɪt] – зважаючи на

to be severe [sɪ'veɪə] – бути серйозним, критично налаштованим

wear-and-tear ['weɪənd'teə] – знос, амортизація

obsolescence [ɒbsə'les(ə)ns] – застарілість

capable ['keɪpəb(ə)] – здатний

to suggest [sə'dʒest] – припускати, вважати, передбачати

to mire [maɪə] – загрузнути

confusion [kən'fjuːʒ(ə)n] – непорозуміння, збентеження

accurate [ækjərət] – точний, вірний

inventory [ɪn'vent(ə)ntri] – інвентарний список, реєстр

XII. State which of the sentences are true and which are false:

1. Capital is treated as finance.

2. Capital is a money fund still mired in confusion, and care must be taken in its use to be sure what it means.
3. Distribution consists of machinery, tools, buildings, transportation and capital facilities.
4. Financial capital is the more accurate term for the money used to make such purchases.
5. Other goods goods are used to produce capital.
6. Equipment may be abandoned again in favour of labour as wages rise still higher.
7. The ratio of labour to equipment doesn't vary for different products.
8. Practice has come to treat any investment as a capital investment.
9. Managers use the term capital to mean all the man-made aids used in production.
10. Capital goods satisfy wants directly by facilitating the production of consumable goods.

XIII. Choose the correct statement:

1. Managers often speak of capital when **referring/ rejecting** to money, especially when they are talking about the purchase of equipment, machinery, and other productive facilities.
2. Capital is variously defined as the **assembled/ associated/ assessed** value of the whole productive enterprise.
3. In the sense of produced equipment it can fail to behave as expected in marginalist production functions when an **enter/ entire/ entity** economy is modeled.
4. The ratio of labour to **capital/ equipment** varies for different products.
5. The connection with equipment has never been **served/ severed** entirely.
6. One can distinguish wear-and-tear from **intangibles/ obsolescence/ demonstration**.
7. Physical equipment is capable of yielding a **reswitching/ return** for their owners.
8. An economist would refer to these **purchases/ goods** as investments.
9. The economist uses the term capital to mean all the man-made **aims/ aids** used in production.
10. Capital consists of machinery, tools, buildings, transportation and distribution facilities, and **inventories/ incentives/ investments** of unfinished goods.

XIV. Fill in the blanks with the appropriate words:

distribution	fail	care	suggests
counterintuitive	satisfy	accurate	investment

1. Financial capital is the more _____ term for the money used to make such purchases.
2. Capital consists of machinery, tools, buildings, transportation and _____ facilities.

3. Consumer goods _____ wants directly.
4. A _____ "reswitching" can happen because the equipment itself is used as a product of labour.
5. This analogy _____ their current designation as human capital.
6. Capital in the sense of produced equipment can _____ to behave as expected in marginalist production functions when an entire economy is modeled.
7. _____ must be taken in the use of any term to be sure what it means.
8. Capital is sometimes referred to as _____ goods.

XV. Put the words in the correct order to make sentences.

1. if/ sum/ get/ you/ you/ the/ add/ capital/ a/ quite/ interest/ to/ the/ will/ large
2. is/ up/ a/ made/ company's/ from/ sources/ capital/ various
3. expenditure/ long-term/ requires/ programme/ capital/ funding/ the
4. lacks/ capital/ company/ the
5. is/ programme/ the/ to/ capital/ company/ raise/ trying/ to/ expansion/ the/ fund/ its
6. invested/ shop/ he/ computer/ capital/ has/ his/ spare/ in/ a
7. communication/ are/ channeling/ they/ their/ into/ research/ developing/ systems/ funds/ European
8. the/ expansion/ does/ programme/ company/ not/ its/ enough/ resources/ have/ to/ fund
9. launch/ for/ the/ is/ bank/ funding/ new/ providing/ the/ the/ product
10. for/ to/ pay/ programme/ the/ funds/ has/ company/ the/ research/ no

XVI. Match the words and their definitions.

1	capital	A	an industry which needs a large amount of capital investment in plant to make it work
2	capital goods	B	an amount of capital which a company is allowed to have, as stated in the memorandum of association
3	capital-intensive industry	C	the economic system in which each person has the right to invest money, to work in business and to buy and sell, with no restrictions from the state
4	capital market	D	money which is not invested to make a profit
5	circulation of capital	E	equipment which a factory or office uses to work
6	dead capital	F	skills and experiences of employees, which give them the ability to communicate and form interpersonal relationships successfully, considered as an intangible asset of a company
7	capital equipment	G	machinery, buildings and raw materials which are used to make other goods
8	capitalism	H	a movement of capital from one investment to another
9	emotional capital	I	the money, property and assets used in a business

10	authorised capital	J	an international market where money can be raised for investment in a business
-----------	--------------------	----------	--

XVII. Match the words in the right column with the words in the left column to make word combinations.

1	produced	a	enterprise
2	productive	b	depreciation
3	the ratio	c	capital
4	payment	d	goods
5	capital	e	of interest
6	to yield	f	facilities
7	human	g	a return
8	man-made	h	aids
9	investment	i	of labour to equipment
10	distribution	j	equipment

SELF-STUDY

I. Read the following words and explain the pronunciation of the letters and letter combinations in bold type:

Question, quantity, quite, adequate, furnish, float, coat, quick, quality, spread, month, cause, cover, qualified, further.

II. Form the adjectives adding the necessary suffixes to the following words. Translate them:

Act, assume, reward, entrepreneur, base, use, innovate, person.

III. Name and translate the verbs from which the following nouns are formed:

Definition, investment, maintenance, variety, organization, initiative.

IV. Answer the following questions using the *Present Perfect Tense* with "just" or "already":

1. Is the staff going to be underemployed because of the cutback in production?
2. Is he going to finish the work?
3. Is this company going to sell more cheaply than someone?
4. Aren't you going to come to the understanding about the divisions of the market?
5. Are they going to do better than another company?
6. Are we going to cancel the contract?

V. Complete the following sentences with the given alternatives using "since" or "for":

1. I haven't seen you a) Saturday; b) ages.
2. We have been here a) an hour and a half; b) January.
3. They have lived in this street a) more than two years;

b)last month. 4. I've asked you to come and see us a) over a month; b) the beginning of the year.

VI. Put the verbs in the required form. Translate the following sentences:

1. We (to travel) around Europe last year. 2. My father knows so much because he (to read) a lot. 3. I (to see) Pete today. 4. She (to see) this presentation last Sunday. 5. I just (to meet) our teacher. 6. Helen speaks French so well because she (to live) in France. 7. She (to live) there last year.

VII. Translate the following sentences paying attention to the words in bold type:

1. Я **часто** отримую відсотки від інвестицій. 2. Я **щойно** купив обладнання для нашого підприємства. 3. **Вчора** я отримав погодинну заробітну плату. 4. **Вчора** я підготував презентацію перед тим, як пішов на зустріч. 5. **Наступного вівторка** я принесу вам кілька цікавих статей про зелену економіку. 6. **До кінця цього тижня** я прочитаю статтю про порівняльний аналіз англійських та американських банків.

VIII. Read the following sentences. Translate them paying attention to the words in bold type:

1. We hired Mr Smith because of his expertise in **finance**. 2. Where will they get the necessary **finance** for the project? 3. They plan to **finance** the operation with short-term loans. 4. It was the largest London **finance** house. 5. The central bank and **finance** ministry officials of the industrialized countries will continue work on the report.

IX. Translate the following sentences from Ukrainian into English:

1. Прибуткове інвестування – обов'язковий компонент економічного розвитку. 2. Фірма нещодавно зробила інвестиції капіталу у нафтові державні цінні папери. 3. Агент з продажу Іван Петрович Кузьменко мріє бути незалежним підприємцем. 4. У четвер відбудуться загальні збори акціонерів. 5. Як власник звичайних акцій ви маєте право на участь в управлінні товариством.

TEXT 4

Answer the following questions:

1. What is entrepreneurship?
2. What abilities are generally considered to be entrepreneurial?

Entrepreneurship

A subject taught in many high schools and colleges, *entrepreneurship* is actually defined as "the state of being an entrepreneur." An entrepreneur is an individual who owns, organizes, and manages a business and, in so doing, assumes

the risk of either making a profit or losing the investment. According to the Small Business Administration (2009), the total number of businesses in the United States in 2005 was somewhere between 16 million and 24 million, of which approximately 15,000 were large. In 2007, there were an estimated 8.5 million businesses owned by women.

For any business to be successful, an adequate level of funding must be furnished. The amount needed varies according to the scope and nature of the business. Another key factor in the success of an entrepreneurial organization is planning, including planning for the marketing, management, and financial aspects of the business.

From a personal perspective, becoming an entrepreneur is not a simple task. It certainly has its drawbacks. However, it can also be quite rewarding.

Entrepreneurial ability also is known as enterprise. Entrepreneurs have four basic functions. First, they take initiative in using the resources of land, capital, and labour to produce goods and services. Second, entrepreneurs make basic business policy decisions. Third, they develop innovative new products, productive techniques, and forms of business organization. Finally, entrepreneurs bear the risk. In addition to time, effort, and business reputation, they risk their own personal funds, as well as those of associates and stockholders.

NOTES

scope [skəʊp] – масштаб, межі, можливості

X. State which of the sentences are true and which are false:

1. Becoming an entrepreneur is a simple task.
2. In 2007, there were an estimated 8.5 million personal funds owned by women.
3. An adequate level of funding must be furnished for any business to be successful.
4. Entrepreneurs hear the risk.
5. In the United States all businesses are large.

XI. Choose the correct statement:

1. An entrepreneur is an individual who owns, organizes, and manages a business and, in so doing, of either making a profit or losing the investment.
a) manages b) becomes c) uses d) assumes
a business an entrepreneur the resources the risk
2. The amount needed varies according to the and nature of the business.
a) develop b) scope c) bear d) key
3. Becoming an entrepreneur is not a simple task. It certainly has its
a) success b) drawbacks c) rewards d) services
4. Entrepreneurial ability also is known as
a) enterprise b) financing c) funding d) maintenance
5. Entrepreneurs risk their own personal , as well as those of associates and stockholders.
a) life b) capital c) funds d) health

LESSON 12

DEMAND AND SUPPLY

CLASS ASSIGNMENTS

VOCABULARY

<i>demand</i>	[dɪ'mə:nd]	<i>n</i> попит
<i>demand schedule</i>	[dɪ'mə:nd] ['ʃedju:l]	графік попиту
<i>demand curve</i>	[dɪ'mə:nd] [kɜ:v]	крива попиту
<i>to supply</i>	[sə'plai]	<i>v</i> пропонувати, постачати
<i>supply</i>	[sə'plai]	<i>n</i> пропозиція
<i>supplier</i>	[sə'plaiə]	<i>n</i> постачальник
<i>supply schedule</i>	[sə'plai] ['ʃedju:l]	графік пропозиції
<i>supply curve</i>	[sə'plai] [kɜ:v]	крива пропозиції
<i>to purchase</i>	['pɜ:ʃɪs]	<i>v</i> купувати
<i>purchasing power</i>	[pɜ:ʃeɪzɪŋ] ['paʊə]	купівельна спроможність
<i>credit terms</i>	['kredit] [tɜ:mz]	умови надання кредиту
<i>loan</i>	[ləʊn]	<i>n</i> позика
<i>advertising</i>	['ædvɛtəɪzɪŋ]	<i>n</i> реклама
<i>to manufacture</i>	[mænju'fæktʃə]	<i>v</i> виробляти
<i>to distribute</i>	[dɪs'trɪbjʊ(:)t]	<i>v</i> розподіляти
<i>market conditions</i>	['mɑ:kɪt] [kən'dɪʃ(ə)ns]	ринкові умови
<i>government tax policy</i>	['gʌv(ə)n,m(ə)nt] [tæks] ['pɒlɪsi]	урядова політика оподаткування
<i>production cost</i>	[prə'dekʃ(ə)n] [kɒst]	<i>n</i> собівартість

MEMORIZE !

- Суфікси **-ance**, **-ence** утворюють іменники від дієслова: **to maintain** підтримувати, зберігати – **maintenance** підтримання, зберігання

I. Read and translate:

a) insurance, entrance, difference, maintenance, presence, importance, acceptance, attendance;

MEMORIZE !

- Суфікси **-able** [əbl], **-ible** [ɪbl] утворюють прикметники від основи дієслів: **payable** ['peɪəbl] той, що належить до оплати

b) comfortable, allowable, taxable, responsible, convertible, suitable, insurable.

II. Note the various ways of translating the Ukrainian sentence:

Відомо, що він студент економічного факультету	1. They know that he is a student of the Economics faculty.
	2. It is known that he is a student of the Economics faculty.
	3. One knows that he is a student of the Economics faculty.

III. Translate the impersonal statements using different ways to translate them:

1. Виявлено that selling and advertising are parts of marketing. 2. Відомо, that we have the right to possess a product or service in exchange for money. 3. Безсумнівно, the budgeting process is complex in nature. 4. Можна сказати, that the science of economics is concerned with basic needs like food, clothes and shelter. 5. Говорять, that in a market economy production alters swiftly to meet changing demands.

IV. Determine which parts of speech are the words in bold type and translate them:

1. When microeconomic analysis ignores indirectly induced **effects** it is said to be partial analysis. 2. Your understanding of economics **effects** how you earn a living and help you make better economic decisions. 3. In a true **market** economy the government plays no role in the management of the economy, the government doesn't intervene in it. 4. Generally indirect channels are used to **market** manufactured consumer goods. 5. The retailer can **finance** the customer by extending credit. 6. **Finance** in an economic system comprises two parts: public **finance** and **finance** of economic entities.

V. Learn these word combinations:

<i>consumer's willingness</i>	бажання споживача
<i>quantity of the product</i>	кількість товару
<i>variable</i>	змінна величина
<i>determinants of supply</i>	чинники пропозиції
<i>price behaviour</i>	динаміка (коливання) цін

VI. Translate these sentences and explain the use of tense forms in them:

1. Rising prices, first of oil and then of food, ate into real incomes and depressed spending. 2. The trade balance has had a big positive effect on Germany's GDP figure. 3. European companies have become more exposed to America through foreign direct investment. 4. Last year the government banned the use of foreign currency as payment in the domestic retail and service sectors. 5. Adam Smith emphasized the importance of increased specialization and division of labor. 6. Professor Kulyk has not yet delivered the lecture on major minerals. 7. Substantial

efforts will be made to harmonise accounting standards across countries.

VII. Match these adjectives with the corresponding nouns below. Translate the word combinations:

natural, available, economic, international, potential, foreign, global
decisions, company, investments, goods, markets, resources, trade

VIII. Read and translate the text.

Answer the following questions:

1. How do economists explain the term “demand”?
2. What does the Law of demand state?
3. What are the determinants of demand?

TEXT 1

Demand

Economic system rely on markets and on free interaction of buyers and sellers to answer the questions “what, how, and for whom”. Prices are the guide to what is produced, how it is made, and who gets the output. All prices depend on supply and demand. Thus, every market has its demand and supply side. The question is how they work.

When economists speak of demand, they mean the specific relationship between possible values of the price and the quantities of the product that consumers will buy; the relationship between the product’s own price and the quantity demanded. Finally, it is important to view demand as a “willing and able” concept – something different from consumers’ willingness to purchase something that has no impact on demand if the consumer does not have the sufficient purchasing power to buy it.

The demand for a product can be easily represented by means of a table, known as a demand schedule.

A demand schedule is a table showing the relationship between the possible prices of a good or service and the quantity of that good or service purchased over a certain period of time.

A graphical representation of a demand schedule is called a demand curve.

The law of demand states that the amount of a product that consumers want and can buy during some period of time, varies with the price of this product, when other things are equal (i.e. other variables in the demand function do not change). For example, a demanded quantity of a product rises as the price on this product falls.

The law of demand has been around a long while. The early British economists, Adam Smith, David Ricardo, and John Stuart Mill, all struggled with various explanations of demand and price behaviour that implied a demand law.

Determinants of demand are:

1. Consumer incomes.

2. Prices of related goods and services.
3. Consumer tastes.
4. Number of consumers in the market.
5. Credit terms on loans.
6. Advertising.
7. Consumers' expectations about the future.

It is a very short list. If we tried to list all possible determinants of demand for all the worlds' goods and services, we would probably have a very long list.

NOTES

to rely on [rɪlaɪ] – покладатись на

interaction [ɪntə'rækj(ə)n] – взаємодія

output ['aʊtpʊt] – обсяг виробництва, продукція

relationship [rɪleɪʃ(ə)nʃɪp] – відношення

impact ['ɪmpækt] – вплив

i.e. [aɪ i:] – тобто

expectation [ekspek'teɪʃ(ə)n] – очікування

IX. State which of the sentences are true and which are false:

1. Economic system rely on markets and on free interaction of buyers and suppliers to answer the questions “what, how, and for whom”.
2. When economists speak of demand, they mean the specific relationship between possible values of the price and the quantities of the product that consumers will buy.
3. A graphical representation of a demand schedule is called a demand table.
4. A demanded quantity of a product rises as the price on this product falls.
5. All prices depend on the purchasing power of a consumer.
6. The demand for a product can be easily represented by means of a table, known as a demand schedule.
7. A demand schedule shows the relationship between the possible prices of a good or service and the quantity of that good or service purchased over a certain period of time.
8. The early British economists struggled with various explanations of demand and supply that implied a demand law.
9. It is important to view demand as a “willing and able” concept that is consumers' willingness to purchase something.
10. Consumer incomes, prices of related goods and services and consumer tastes are determinants of demand.

X. Choose the correct statement:

1. **Prices/consumer incomes** are the guide to what is produced, how it is made, and who gets the output.
2. Every **economic system/ market** has its demand and supply side.
3. Consumers' willingness to purchase something that has no impact on **supply/ demand** if the consumer does not have the sufficient purchasing power to buy it.
4. A demand schedule is a table showing the relationship between the possible

prices of a good or service and the quantity of that good or service **produced/purchased** over a certain period of time.

5. A graphical representation of a demand schedule is called a demand **table/curve**.

6. The law of demand states that the amount of a product that consumers want and can buy during some period of time, varies with the **price/output** of this product, when other things are equal.

7. A demanded quantity of a product **falls/rises** as the price on this product falls.

8. Determinants of demand include consumer **spending/incomes**, consumers' expectations about the future and consumer tastes.

9. Number of **suppliers/consumers** in the market is one of the determinants of demand.

10. Demand can be described as the relationship between the product's **own/possible** price and the quantity demanded.

XI. Fill in the blanks with the appropriate words:

demand schedule	quantities	price behaviour	determinants
output	markets	purchase	
consumers	prices	demand curve	

1. Economic system rely on _____ and on free interaction of buyers and sellers to answer the questions “what, how, and for whom”.

2. All _____ depend on supply and demand.

3. Prices are the guide to what is produced, how it is made, and who gets the _____.

4. Demand means the specific relationship between possible values of the price and the _____ of the product that consumers will buy.

5. A “willing and able” concept is something different from consumers' willingness to _____ something that has no impact on demand if the consumer does not have the sufficient purchasing power to buy it.

6. The demand for a product can be easily represented by means of a table, known as a _____.

7. The law of demand states that the amount of a product that _____ want and can buy during some period of time, varies with the price of this product, when other things are equal.

8. A graphical representation of a demand schedule is called a _____.

9. Adam Smith, David Ricardo and John Stuart Mill struggled with various explanations of demand and _____ that implied a demand law.

10. If we tried to list all possible _____ of demand for all the worlds' goods and services, we would probably have a very long list.

XII. Put the words in the correct order to make sentences.

1. supply/ depend/ all/ and/ prices/ on/ demand/

2. to/ “willing and able”/ view/ it/ as/ concept/ demand/ a/ important

3. table/ represented/ the/ demand/ easily/ for/ a/ schedule/ of/ product/ known/

can/ be/ by/ as/ a/ demand/ mean/ a/

4. can/ means/ the/ product/ demand/ a/ be/ a/ demand/ easily/ for/ schedule/ represented/ by/ of/

5. called/ a/ demand/ graphical/ of/ a/ schedule/ a/ curve/ representation/ is/ demand/

6. product/ quantity/ of when/ the/ rises/ price/ a/ falls/ a/ demanded/ this/ product/ on/

7. and/ loans/ are/ demand/ terms/ on/ advertising/ determinants/ of/ credit/

8. prices/ service/ quantity/ the/ is/ between/ the/ possible/ of/ the/ or/ purchased/ shown/ in/ a/ schedule/ relationship/ and/ demand/ the/ good/

9. good/ of/ obtain/ price/ a/ requested/ is/ the/ of/ money/ or/ offered/ to/ one/ or/ service/ amoun/ unit/

10. medium/ for/ a/ buyers/ market/ and/ is/ exchanges/ between/ sellers/

XIII. Match the words and their definitions.

1	demand	A	a product or service which has been bought
2	output	B	money which has to be paid to buy something
3	consumer	C	The system of ownership, institutions and allocation mechanisms of an economy
4	market	D	money which a person receives as salary or dividends
5	price	E	which changes
6	purchase	F	the graph of quantity demanded drawn with the quantity on the horiwntal axis and price on the vertical axis
7	economic system	G	the amount which a company, person or machine produces
8	income	H	an area where a product might be sold or the group of people who might buy a product
9	variable	I	The amount of factors of production or their products desired at a particular price.
10	demand curve	J	a person or company which buys and uses goods and services

XIV. Match the words in the right column with the words in the left column to make word combinations.

1	free interaction of	a	a product
2	prices depend on	b	power
3	possible values of	c	loans
4	consumers' willingness	d	demand

5	sufficient purchasing	<i>e</i>	behaviour
6	a demanded quantity of	<i>f</i>	the price
7	possible determinants of	<i>g</i>	the output
8	credit terms on	<i>h</i>	buyers and sellers
9	price	<i>i</i>	to purchase something
10	to get	<i>j</i>	supply and demand

SELF-STUDY

I. Translate the following impersonal sentences:

1. It is known that every economic system has three functions. 2. They say that trade fairs and exhibitions usually attract thousands of visitors and many potential buyers among them. 3. One knows that business in private sector can be of three different forms: sole proprietorship, the partnership and the corporation. 4. It is established that the authorized fund of a joint venture is formed from contributions made by the partners.

II. Make the following sentences interrogative:

1. Sole proprietorship is a dominant form in small business segment. 2. Their shares of ownership are represented by stock certificates. 3. Corporations need financing for the purchase of assets and the payment of expenses. 4. Liabilities are obligations that a company owes to another organization, to an individual or to the government. 5. In modern economies, taxes are the most important source of government revenues.

III. Give the English equivalents of the following word combinations:

Попит та пропозиція; взаємодія продавців та покупців; впливати; можлива ціна товару; концепція «бажання та можливості»; споживач; реклама.

IV. Make up sentences with the predicate in the *Passive Voice*. Translate them:

1. Published, the, in, first, on, was, Economics, 1776, book. 2. Is, everyday, the, science, upon, the, facts, of, our, of, economics, lives, based. 3. Sometimes, called, planned, are, "command economics", economics.

V. Supply "*already*" or "*yet*". Translate the following sentences:

1. The man has not explained the purpose of investment. 2. He has prepared a report "Requirements for Additional Audit Information". 3. Auditors have not found any fraud in the case. 4. The auditor has not looked through the financial statement of our joint venture.

TEXT 2

Answer the following questions:

1. What does a supply function show?

2. What are the determinants of supply?
3. What does the Law of supply say?

Supply

The job of sellers is to supply what buyers demand. The seller's actions are influenced by a number of things.

The amount of any good or service that producers want and are able to sell during certain period of time depends on the price that the producer can get for that good or service. Besides the price of the product itself, a number of other variables are also very important.

Thus, a supply function shows the relation between the amount of a product which sellers want and are able to offer for sale and variables that determine this product.

The variables are called the determinants of supply. The supply function for a good or service includes the following determinants of supply:

1. The prices of resources that must be bought in order to manufacture or distribute the product.
2. The production technology which helps to make the product.
3. The prices of alternative products.
4. Producer's expectations about future market conditions.
5. The number of suppliers in the market.
6. Producer's objectives, which regard profit.
7. Government tax policy.

Changes in any of the variables may lead to a change in supply.

When all the variables of the supply function except the price are constant, we can define the supply schedule, which relates the price of a good to the quantity supplied.

Thus, a supply schedule is a table that relates the quantity of a good or service supplied during some period of time to the various prices of that good or service.

A supply curve is a graphical representation of a supply schedule. The law of supply says that sellers will increase the quantity of a product which they want and are able to offer for sale as the price for this product is increased.

Normally, we expect to find a direct relationship between price and quantity supplied, especially when the time period is relatively short and variables do not change. However, over longer time periods suppliers sometimes offer more output at lower prices, because modern industry is often successful at introducing changes that reduce production cost.

NOTES

to offer ['ɔfə] – пропонувати

variables ['ve(ə)rɪəb(ə)ls] – змінні

to determine [dɪ'tɜ:mɪn] – визначати

objective [əb'dʒektɪv] – мета. ціль

to increase [ɪn'kri:s] – збільшувати

profit ['prɒfɪt] – прибуток

to reduce [rɪ'dju:s] – зменшувати

VI. State which of the sentences are true and which are false:

1. The seller's actions are influenced by a number of things.
2. When all the variables of the supply function except the quantity are constant, we can define the supply schedule.
3. A supply function shows the relation between the price of a product which sellers want and are able to offer for sale and variables that determine this product.
4. The variables are called the determinants of supply.
5. Changes in any of the variables may lead to a change in supply.

VII. Choose the correct statement:

1. A supply shows the relation between the amount of a product which sellers want and are able to offer for sale and variables that determine this product.
a) curve b) function c) shedule d) determinant
2. Changes in any of the variables may lead to a in supply.
a) increase b) reduction c) decrease d) change
3. The job of is to supply what buyers demand.
a) manufacturers b) suppliers c) sellers d) distributers
4. The law of supply says that sellers will increase the of a product which they want and are able to offer for sale as the price for this product is increased.
a) output b) quantity c) price d) quality
5. We expect to find a direct relationship between and quantity supplied, especially when the time period is relatively short and variables do not change.
a) demand b) price c) output d) offer

LESSON 13

COMPETITION

CLASS ASSIGNMENTS

VOCABULARY

<i>competition</i>	[kəm'pi:tɪʃ(ə)n]	<i>n</i>	конкуренція
<i>perfect competition</i>	['pɜ:fɪkt] [kəm'pi:tɪʃ(ə)n]		досконала конкуренція
<i>imperfect competition</i>	[ɪm'pɜ:fɪkt] [kəm'pi:tɪʃ(ə)n]		недосконала конкуренція
<i>to reduce competition</i>	[rɪ'dju:s] [kəm'pi:tɪʃ(ə)n]		зменшувати конкуренцію
<i>market conditions</i>	['mɑ:kɪt] [kən'dɪʃ(ə)ns]		ринкові умови
<i>a deal</i>	[di:l]	<i>n</i>	угода
<i>to compete</i>	[kəm'pi:t]	<i>v</i>	конкурувати, змагатися
<i>profit</i>	['prɒfɪt]	<i>n</i>	прибуток

<i>to charge</i>	[tʃɑ:(r)dʒ]	<i>v</i>	призначати (ціну)
<i>costly</i>	['kɒstli]	<i>adv</i>	коштовний, дорогий
<i>production cost</i>	[prə'dekʃ(ə)n] [kɒst]		собівартість
<i>losses</i>	[lɒsɪz]	<i>n</i>	втрати, збитки
<i>competitive market</i>	[kəm'petitiv] ['mɑ:kɪt]		конкурентоспроможний ринок

MEMORIZE !

- Буквосполучення **ew, eu, ue** читаються [ju:]: **stew** [stju:] тушковане м'ясо; тушкувати; після букв **l, r, j** — [u:]: **brew** [bru:] варити (пиво)
- Буква **u** після **l, r, j** читається [u:]: **rule** [ru:l] правило; **lunar** [lu:nə] місячний; **jubilee** ['dʒu:biːli] ювілей

I. Read these words:

a) new, few, glue, tissue, dew, newspaper, drew, suety, stew, Tuesday, blue, brew, pneumatic, crew, strew, true, due, grew, flew;

b) motion, luster, rude, July, solution, truth, June, luminous, delute, ruler, juice, conclude

II. Turn the verbs below into nouns and translate them:

compete, investigate, conclude, improve, reduce, differ, produce, maintain, require, exist, satisfy, distribute, consume.

IV. Learn the words:

<i>to achieve</i>	[ə'tʃi:v]	<i>v</i>	досягти успіху
<i>success</i>	[sək'ses]		
<i>to cooperate</i>	[kəʊ'pɒrəɪt]	<i>v</i>	взаємодіяти
<i>special packaging</i>	['speʃ(ə)l] ['pækɪdʒɪŋ]	<i>n</i>	особлива упаковка
<i>disadvantage</i>	[dɪsəd'vɑ:ntɪdʒ]	<i>n</i>	недолік
<i>production costs</i>	[prə'dekʃ(ə)n] [kɒsts]	<i>n</i>	витрати на виробництво
<i>employee</i>	[ɪm'plɔ:ɪ]	<i>n</i>	співробітник
<i>trade union</i>	['treɪd'ju:niən]	<i>n</i>	профсоюз

V. Read and translate the words and word combinations:

<i>competition</i>	[kəm'pi:tɪʃ(ə)n]	business competition results in profits or losses; it's an example of perfect competition; perfect competition really exists; to demonstrate imperfect competition; to limit competition; to reduce competition
<i>condition</i>	[kən'dɪʃ(ə)n]	in excellent condition; his working conditions are bad; under market conditions

<i>deal</i>	[di:l]	no agreement was reached - the deal fell through; to arrange a deal; after negotiations we made a deal; It's a deal!
-------------	--------	---

VI. Translate these sentences. Determine the tense forms of the predicates:

1. The science of economics is concerned with basic needs like food, clothes and shelter. 2. "The Wealth of Nations" was written by Adam Smith in 1776. 3. Once we have produced goods and services we now have to decide how these will be divided. 4. In three years the turnover of our company's securities will be very high. 5. The recording of the data will have been done by three o'clock tomorrow. 6. In 1986 there was a most sharp fall in world oil prices.

VII. Learn Read the sentences. Note the translation of object clauses. Compare the tense forms of the main and subordinate clauses:

She <u>said</u> (<i>that</i>)	she <u>worked</u> at the "Ambassador" hotel. she <u>had worked</u> at the " Ambassador " hotel. she <u>would work</u> at the " Ambassador " hotel.	Вона сказала, що	<u>працює</u> в готелі «Амбасадор». <u>працювала</u> в готелі «Амбасадор». <u>буде працювати</u> в готелі «Амбасадор».
---------------------------------	--	------------------	--

VIII. Find the sentences where the action of the subordinate clause is simultaneous with the action of the principal clause. Translate the sentences:

1. The economist said that the objective of monetary policy was the achievement and maintenance of price stability. 2. They informed us that tax-bodies would visit these two companies. 3. The owner asked if the accounting department had prepared a balance sheet for the past quarter. 4. I didn't know that the company you worked at was going bankrupt. 5. It was estimated that many people are interested only in the low price and not in the extra services.

IX. Translate into English:

1. Вона сказала, що знає дві іноземні мови. 2. Він сказав, що скоро повернеться. 3. Він сказав, що раніше вона жила в Києві.

X. Read the text.

Answer the following questions:

1. What does business competition result in? Why?
2. What are the four traits of a perfect competition?
3. Can you describe some disadvantages of a perfect competition?

Perfect competition

Competition is part of everyday life. You may compete in schoolwork, sports, or other aspects of life. Competition with others encourages you to try harder to achieve personal and team success. In economics, competition is also important. Business competition results in profits or losses.

Perfect competition is the situation that exists when a market is completely competitive. In such a model, all economic decisions are made only on price. An economy must have four traits in order to be an example of perfect competition.

First, every good or service (such as shoes, cars, or medical care) would have many buyers and sellers. No one of them would be large enough to control prices. None of them would be able to influence the actions of the others, and none of them would cooperate in setting prices.

Second, all suppliers in the market would make identical products. There would be no differences in quality. Buyers would make their decisions about what to buy based only on market prices. Buyers would ignore such things as advertising and special packaging.

Third, all buyers and sellers would have full knowledge of all market conditions. Producers would know where the cheapest resources could be found. Consumers would know what store charged the lowest prices. If a woman wanted to buy a new pair of shoes, for instance, she would know what every store was charging for the kind of shoes she liked.

Fourth, there would be perfect mobility of buyers and sellers. Everyone would be free to move in search of the highest profits or the best deal.

In a real market economy, perfect competition rarely, if ever, exists. Each of the four conditions is very difficult to meet. *First*, suppliers of goods and services are not all the same size. Luck, skill, and other factors permit some firms to grow larger than others. *Second*, not all the producers in an industry make the same product. *Third*, perfect knowledge of market conditions is hard to achieve in any economy. It would be very hard to know all prices everywhere. *Fourth*, perfect mobility does not exist. People cannot move every time they hear of a chance to make more money. Nor can producers simply switch from one product to another. Changing production methods is costly and takes time.

Perfect competition also has numerous disadvantages. Perfect competition, if it were true, would drive production costs down. But it would mean less money for employees and for profits. In the past, therefore, when competition got too stiff, those who suffered from it, organized trade unions or business groups. They forced the prices of resources back up to higher levels. The tactics vary, but the goal is always the same. People try to reduce competition so that they can make more money.

NOTES

to **encourage** [ɪn'kʌrɪdʒ] – сприяти, заохочувати

trait [treɪt] – характерна риса, особливість

identical [aɪ'dentɪk(ə)l] – однаковий

to permit ['pɜːmɪt] – дозволяти

to set a price – встановлювати ціну

skills – навички, кваліфікація

XI. State which of the sentences are true and which are false:

1. Business competition encourages you to try harder to achieve personal and team success.
2. In the model of perfect competition all economic decisions are made only on price.
3. Neither buyers nor sellers would be able to influence the actions of the others, and they would cooperate in setting prices.
4. Sellers would ignore such things as advertising and special packaging.
5. Consumers would know what store charged the lowest prices.
6. All buyers and sellers would not have full knowledge of all market conditions.
7. Everyone would be free to move in search of the highest profits or the best deal.
8. Perfect knowledge of market conditions is quite easy to achieve in any economy.
9. Changing production methods is costly and takes time.
10. Perfect competition would mean less money for employees and for profits.

XII. Choose the correct statement:

1. It's difficult to meet **monopoly/perfect competition** in the real world.
2. Perfect competition is the situation that exists when a **business/ market** is completely competitive.
3. Every good or service (such as shoes, cars, or medical care) would have many **buyers and sellers/producers and distributors**.
4. All **providers/suppliers** in the market would make identical products.
5. Buyers would make their decisions about what to buy based only on market **conditions/prices**.
6. **Consumers/producers** would know where the cheapest recourses could be found.
7. Everyone would be free to move in search of the highest **income/profits** or the best deal.
8. Not all the producers in a **market/industry** make the same product.
9. Perfect knowledge of market **traits/conditions** is hard to achieve in any economy.
10. People try to **increase/reduce** competition so that they can make more money.

XIII. Fill in the blanks with the appropriate words:

money	product	economy	prices
advertising	profits	competitive	
conditions	consumers	good or service	

1. Perfect competition is the situation that exists when a market is completely

- _____.
2. An _____ must have four traits in order to be an example of perfect competition.
 3. Every _____ (such as shoes, cars, or medical care) would have many buyers and sellers.
 4. Buyers would ignore such things as _____ and special packaging.
 5. _____ would know what store charged the lowest prices.
 6. Each of the four _____ is very difficult to meet.
 7. It would be very hard to know all _____ everywhere.
 8. People cannot move every time they hear of a chance to make more _____.
 9. Nor can producers simply switch from one to another.
 10. But it would mean less money for employees and for _____.

XIV. Put the words in the correct order to make sentences.

1. personal/ harder/ competition/ with/ encourages/ to try/ to achieve/ team/ others/ you/ and/ success/
2. situation/ competition/ is/ that/ when/ competitive/ perfect/ exists/ completely/ the/ is/ a market/
3. ignore/ special/ buyers/ things/ as/ and/ packaging/ would/ such/ advertising
4. knowledge/ all/ have/ buyers/ and/ conditions/ sellers/ would/ of/ full/ all/ market/
5. profits/ everyone/ search/ would/ in/ be/ deal/ free/ the/ to/ the/ move/ of/ highest/ or/ best/
6. of/ same/ not/ suppliers/ goods/ the/ services/ all/ size/ and/ are/
7. market/ in/ achieve/ any/ knowledge/ of/ conditions/ hard/ to/ economy/ perfect/ is/
8. methods/ takes/ costly/ and/ changing/ is/ time/ production/
9. numerous/ competition/ also/ disadvantages/ perfect/ has
10. so/ make/ try/ that/ reduce/ money/ competition/ they/ more/ people/ to/ can

XV. Match the words and their definitions.

1	competition	A	a person or company that supplies or sells goods or services
2	achieve	B	a business agreement, affair or contract
3	change	C	money which must be paid, or price of a service
4	influence	D	money gained from a sale which is more than the money spent on making the item sold or on providing the service offered
5	supplier	E	the making or manufacturing of goods for sale
6	charge	F	make or become different
7	profit	G	the present state of things
8	deal	H	gain or reach by effort
9	condition	I	the state of a market in which several suppliers

			of goods or services struggle with each other to acquire the custom of buyers.
10	production	J	power to affect

XVI. Match the words in the right column with the words in the left column to make word combinations.

1	to achieve	a	decisions
2	completely	b	goods and services
3	economic	c	a price
4	perfect	d	price
5	to set / charge	e	methods
6	to make	f	competition
7	market	g	economy
8	suppliers of	h	competitive
9	production	i	personal and team success
10	market	j	decisions

SELF-STUDY

I. Translate the following sentences. Explain the choice of tense forms while translating the predicates of the Object Clauses:

1. The scientists came to the conclusion that people or businesses without enough of the right kinds of resources could not produce the desired goods or services. 2. He told us that economic principles influenced all choices that people do. 3. I found out that two years ago I had made the decision to buy a flat based on its price. 4. We suggested that the advertisement should be placed in the local newspaper. 5. It was decided that she was to stay at work and get our annual report ready.

II. Translate the following sentences according to the model:

Model	No conclusions were drawn from this experiment. З цього експерименту не було зроблено ніяких висновків
--------------	--

What have you noticed while translating this model?

1. Not a newspaper wrote about this discovery. 2. I bought some books on Economics, but he bought none. 3. No information has been received from him yet. 4. No economy has an unlimited amount of resources.

III. Translate the following word combinations:

the solution of salts, water-soluble vitamins, widely distributed mineral, fatty foods, to come to conclusion, the vitamin B complex, to investigate the phenomenon, fat-soluble vitamins, pure milk, the absence of vitamins.

IV. State the part of speech by suffixes. Translate the following words:

economic, difference, consumer, rarely, competition, supplier, accomplishment, conclusion, maintenance, scientific, competitive, employee, completely

V. Answer the following questions:

What do you call a person who

1. manages a business? 2. manufactures goods? 3. supplies goods or materials? 4. deals with correspondence and makes appointments for a particular member of staff ?

TEXT 2

Answer the following questions:

1. What kind of imperfect competition is called differentiated competition?
2. What is oligopoly?
3. How can the government limit competition?

Imperfect competition

The system of capitalism that exists in the United States today is not an example of perfect competition. Like other market economies, the economy of the United States demonstrates imperfect competition, when the market is partially but not completely competitive.

Since suppliers do not make identical products, the industry is not an example of perfect competition. Producers make clothes in a wide variety of styles and fabrics. Clothes come in all price ranges. This kind of imperfect competition, in which producers are numerous and prices vary greatly, is called differentiated competition. Some economists call this kind of market situation monopolistic competition.

Another example of imperfect competition is when products are nearly identical, and knowledge of prices is easy to obtain. However, since a few large producers dominate the market, the industry is not an example of perfect competition. Further, the prices the major companies charge are usually similar. Therefore, competition is rarely based on price. Through advertising, each company tries to win consumer loyalty to its product. Imperfect competition involving few producers and little price variation is called oligopoly.

For any competition to exist, more than one firm must be in a market. A firm that controlled a market would have no competition. The situation in which one seller supplies all the demand for a particular product is a monopoly. A company with a monopoly is less pressed to power prices, improve products, or change production methods.

Monopolies and imperfect competition often result when a company or the government tries to limit competition in an industry. The economy of the United States is based on the profit motive. Each company tries to earn as much profit as it

can. A firm that can limit the competition it faces can often increase its prices and profits.

Government also limits competition at times. In a capitalist country that is also democratic, such as the United States, the role of the government is often debated. Some people believe that the economy of the country would run better if the government allowed competition to work freely. Government tries to limit competition in three different situations.

First, the government limits competition when a single supplier can meet the needs of a group of people most cheaply. These situations are called natural monopolies. Public utilities, such as electric and water companies, are natural monopolies. Two or more companies competing to provide a community with electricity, for example, would be wasteful. Each company would have no duplicate the expenses of the others in producing and distributing the electricity. To prevent wasteful duplication, the government has granted a monopoly on selling electricity in each area of the country. To keep electrical power companies from taking advantage of their monopolies, the government regulates the companies' prices and policies.

Second, the government limits competition through licensing. For example, the government has set strict requirements for people who want to become doctors. The purpose of the requirements is to prevent unqualified people from practicing medicine. Without these requirements, more people probably would become doctors, increasing competition in providing health care. Society, through government, has decided to limit competition in order to protect itself from unqualified doctors.

Third, government limits competition by granting patents and copyrights. A patent is an official document that gives an inventor the exclusive right to make, use, or sell an invention for a specified number of years. A copyright is the exclusive right to publish or perform literary, artistic, or musical works for a certain number of years. Patents and copyrights protect the works of inventors and artists from use by competitors for a limited time period. Consequently, inventors and artists can benefit more from their products than they could in perfect competition. In effect, patents and copyrights are temporary monopolies. They are designed to encourage and reward inventors and artists.

In other aspects of life, such as school, competition also plays an important role. Like business owners, students often compete with one another for success. Yet, competition is rarely perfect competition.

NOTES

to obtain [əb'tein] – одержувати, отримувати

partially [pɑ:(r)ʃəli] – частково

to duplicate [ˈdju:plɪkɪt] – дублювати, робити дублікат або копію

advantage [əd'vɑ:ntɪdʒ] – перевага

temporary [ˈtemp(ə)rəri] – тимчасовий тимчасовий

inventor [ɪn'ventə] – винахідник

VI. State which of the sentences are true and which are false:

1. The situation in which one seller supplies all the demand for a particular product is an oligopoly.
2. Patents and copyrights protect the works of inventors and artists from use by competitors for an unlimited time period.
3. The government limits competition through licensing.
4. When the government tries to limit competition in an industry, monopolies may result.
5. A firm that can limit the competition it faces can often increase its prices and profits.

VII. Choose the correct statement:

1. Every good or service would have a lot of
a) consumers b) buyers and sellers c) buyers d) promoters
2. It's difficult to meet in the real world.
a) perfect competition b) monopoly c) imperfect competition d) oligopoly
3. Competition is based on price.
a) often b) rarely c) never d) only
4. Government tries to competition in some situations.
a) widen b) reduce c) limit d) increase
5. Patents and copyrights protect the works of inventors and artists from use by
a) managers b) government c) sellers and buyers d) competitors

UNIT III

ECONOMY OF AN ENTERPRISE

LESSON 14

FORMS OF BUSINESS ORGANIZATION

CLASS ASSIGNMENTS

VOCABULARY

<i>consumer</i>	[kən'sju:mə]	<i>n</i> споживач
<i>to reap profit</i>	[ri:p] ['prɒfɪt]	отримувати прибуток
<i>to hire</i>	['haɪə]	<i>v</i> наймати
<i>to issue</i>	['ɪʃu:, 'ɪsju:]	<i>v</i> випускати, видавати

<i>stock</i>	[stɒk]	<i>n</i> акція
<i>bond</i>	[bɒnd]	<i>n</i> облигація
<i>private</i>	['praɪvɪt]	<i>a</i> приватний
<i>proprietorship</i>	[prə'praɪətəʃɪp]	<i>n</i> власність (приватна)
<i>to contribute</i>	[kən'trɪbjʊ:t]	<i>v</i> вносити, робити внесок
<i>partnership</i>	['pɑ:tənəʃɪp]	<i>n</i> товариство (компанія)
<i>corporation</i>	[kɔ:pə'reɪʃ(ə)n]	<i>n</i> корпорація, акціонерне товариство
<i>legal</i>	['li:g(ə)l]	<i>a</i> законний
<i>to own</i>	[əʊn]	<i>v</i> володіти
<i>to state</i>	[steɪt]	<i>v</i> повідомляти
<i>to do book-keeping</i>	[du:] ['bʊkki:pɪŋ]	вести бухгалтерію
<i>to borrow</i>	['bɔ:rəʊ]	<i>v</i> позичати
<i>to incur losses</i>	[ɪn'kz:] [lɔ:sɪz]	зазнавати втрат
<i>liable (for)</i>	['laɪəb(ə)l] [fɔ:]	<i>a</i> відповідальний (за)
<i>debt</i>	[det]	<i>n</i> борг
<i>to conduct a business</i>	[kəndʌkt] ['bɪznɪs]	вести справу
<i>expense</i>	[ɪk'spens]	<i>n</i> витрата
<i>bill</i>	[bɪl]	<i>n</i> рахунок
<i>stockholder</i>	['stɒk,həʊldə]	<i>n</i> акціонер
<i>to signify</i>	['sɪgnɪfaɪ]	<i>v</i> означати
<i>share</i>	[ʃeə]	<i>n</i> частка, пай, акція
<i>Board of Directors</i>	[bɔ:d] [ɔv] [d(a)'rɛktəs]	<i>n</i> Рада директорів
<i>to raise money</i>	[reɪz] [mʌni]	отримувати (заробляти)
<i>double taxation</i>	['debl] [tæk'seɪʃ(ə)n]	подвійне оподаткування
<i>tax rate</i>	[tæks] [reɪt]	<i>n</i> рівень податку
<i>earned</i>	[z:nd]	<i>a</i> зароблений

MEMORIZE !

- **-ian** є суфіксом прикметників та іменників. Після **ss** або **s** суфікс **-ian** читається [n] = **Asian** азіатський, азійський
- префікс **dis-** утворює слова за значенням, протилежним кореню: **order** порядок, лад — **disorder** безладдя

I. Read and translate the words:

1. Siberian, Crimean, Russian, Indian, Ukrainian, Romanian, Bulgarian;
2. dismiss, discontinue, discover, discovery, disconnect, discomfort, dislike, disagree

II. Read and compare these sentences:

1. I know my friend is a manager at the "Intourist" hotel.
2. My friend you know well is a manager at the "Intourist" hotel.

III. Determine the type of subordinate clauses and translate the sentences

1. The most common form of business operated in main western countries is the sole proprietorship. 2. You can buy almost all you need at the department store. 3. The man you see at the desk is a Sales manager. 4. The contract they are going to discuss is the most profitable.

IV. Learn these words and word combinations:

<i>to overestimate</i>	[əʊvə'restɪmɪt]	<i>v</i>	оцінювати занадто високо; переоцінювати
<i>percentage</i>	[pə'sentɪdʒ]	<i>n</i>	відсоток; процентне відношення
<i>deliver order(s)</i>	[dɪ'lɪvə] ['ɔ:də]		доставляти замовлення
<i>to establish</i>	[ɪ'stæblɪʃ]	<i>v</i>	засновувати; створювати, організовувати
<i>drawback</i>	['drɔ:bæk]	<i>n</i>	недолік, вада
<i>vote</i>	[vəʊt]	<i>n</i>	ГОЛОС, ПРАВО ГОЛОСУ
<i>extra</i>	['ekstrə]	<i>a</i>	ДОДАТКОВИЙ

V. Translate the words with the same root:

act, active, action, activity, acting; expend, expensive, expenditure; change, exchange, changing, changeable, changed; connect, connection, connected, connective; own, ownership, owner, owning; lose, loss, loser, losing

VI. Read the text.

Answer the following questions:

1. What advantages of a proprietorship can you mention?
2. How is a corporation formed?
3. What is the main disadvantage of a corporation?

TEXT 1

Types of firms

Consumers, firms and markets are the basic elements that make up the private, or non-governmental, sector of the economy.

A firm is an organization that produces a good or a service for sale. In contrast to non-profit organizations, firms want and try to make a profit. It is obvious that the activity of firms is the centre of the economy, and it is hard to overestimate the importance of business firms in the economy. They produce goods and services; hire most of the nation's workers, and issue stocks and bonds that represent a large percentage of the nation's wealth.

Economists define the following types of business firms: proprietorships, partnerships and corporations. A proprietorship is a legal form of business organization, the most common form in most countries, and also the simplest. A proprietorship is one-owner business. Many entrepreneurs start their own businesses as sole proprietorships. The proprietorship's owner hires the people he needs to wait on customers, deliver orders, do the bookkeeping etc. He borrows, if he can, whatever money he feels he needs. He reaps the profit, or incurs losses. The advantages of this form of business are:

- owners of proprietorships have complete control over their businesses;
- a proprietorship is easy and inexpensive to establish.

But proprietorships have important disadvantages as well – and for this reason, they are seldom found in many important industries. First, it is difficult for a proprietor to put together enough financial resources to enter industries like automobiles, computers etc. Another disadvantage is that proprietors are liable for all the debts of the firm.

A partnership is more complicated than a proprietorship. It is a form of business organization where two or more people agree to own and conduct a business. Each partner agrees to contribute some proportion of the capital and labour used by the business, and to receive some proportion of the profits or losses. A partnership also has certain advantages:

- it can be established without great expense;
- it can usually put together more financial resources and specialized knowledge than a proprietorship.

Though a partnership also has certain drawbacks:

- each partner is liable without limit for the bills of the firm;
- it is not a very effective way to obtain the large amounts of capital required for some modern industries.

Corporation is a legal person, separate and distinct from its owners. It is a far more complicated form of business organization. A corporation is formed by having lawyers draw up all the necessary papers stating what sorts of activities the owners of the corporation, the stockholders, should perform. Stock, pieces of paper signifying ownership of the corporation is issued to the owners, in exchange for their cash. Each share of stock gives its owner one vote. The corporation's board of directors is elected by the stockholders. The firm's owners can sell their stock to someone else. The corporation has many advantages. In particular,

- each of the corporation's owners has limited liability,
- the corporation has unlimited life;
- it can raise large sums of money.

One disadvantage of the corporation is double taxation of income: the tax rate is often almost one-half of every extra dollar earned.

NOTES

obvious ['ɒbvɪəs] - явний, очевидний; помітний

to represent [reprɪ'zent] - представляти (у якому-небудь аспекті)

complicated ['kɒmplikeɪtɪd] - складний, ускладнений

lawyer ['lɔːjə] - юрист; адвокат

VII. State which of the sentences are true and which are false:

1. The governmental sector of the economy is based on consumers, firms and markets.
2. Goods and services are produced for sale by the firms which want and try to make a profit.
3. A proprietorship is owned by a group of individuals.
4. Corporation is the most complicated form of business organization.
5. Only the president of the corporation is liable for all the debts of the firm.
6. Partnership can be established without great expense.
7. Each share of stock gives its owner one vote.
8. All the corporation's owners have unlimited liability.
9. Proprietors are liable for all the debts of the firm.
10. Many entrepreneurs start their own businesses as stockholders of a corporation.

VIII. Find in the text and say the following in English:

Неприбуткові фірми та організації, виробляти товари на продаж, законна форма бізнесу, вести справи, діяльність фірми, наймати робітників, випускати акції та облігації, вкладати капітал у бізнес, обслуговувати клієнтів, доставляти замовлення, вести бухгалтерію, отримати прибуток, зазнавати втрат, фінансові ресурси, вести безмежну відповідальність, отримувати капітал, кожна акція дає один голос, рада директорів, акціонер, обмежена відповідальність, кожен додатково зароблений долар.

IX. Choose the correct statement:

1. The **governmental/non-governmental** sector of the economy is formed by consumers, firms and markets.
2. **Like/in contrast to** non-profit organizations, firms want and try to make a profit.
3. It is hard to overestimate the importance of **consumers/business firms** in the economy.
4. A **corporation/proprietorship** is a legal form of business organization, the most common form in most countries, and also the simplest.
5. Owners of proprietorships have **limited/complete** control over their businesses.
6. A partnership is **more/less** complicated than a proprietorship.
7. A **proprietorship/partnership** is a form of business organization where two or more people agree to own and conduct a business.
8. One disadvantage of the **partnership/corporation** is double taxation of income.
9. Each of the corporation's owners has **unlimited/limited** liability.
10. Corporation is a legal person, **unseparable/separate** and distinct from its owners.

X. Fill in the blanks with the appropriate words:

contribute	amounts	bonds	entrepreneurs
incurs	sale	income	
cash	to own	legal	

1. A firm is an organization that produces a good or a service for_____.
2. Firms issue stocks and _____that represent a large percentage of the nation's wealth.
3. A proprietorship is a _____ form of business organization, the most common form in most countries.
4. Many _____ start their own businesses as sole proprietorships.
5. A proprietor reaps the profit or _____ losses
6. It is a form of business organization where two or more people agree _____and conduct a business.
7. Each partner agrees to _____ some proportion of the capital and labour used by the business.
8. A partnership is not a very effective way to obtain the large _____ of capital.
9. Stock is issued to the owners, in exchange for their _____.
10. One disadvantage of the corporation is double taxation of _____.

XI. Put the words in the correct order to make sentences.

1. business/ it/ is/ the/ of/ economy/ the/ to/ in / overestimate/ hard/ importance/ firms
2. goods/ nation's/ firms/ most/ produce/ the/ hire/ services/ of/ and/ workers/
3. have/ their/ control/ owners/ complete/ businesses/ proprietorships/ of/ over/
4. their/ sole/ many/ businesses/ as/ entrepreneurs/ own/ proprietorships/ start/
5. a/ to/ easy/ proprietorship/ and/ establish/ is/ inexpensive/
6. all/ the/ debts/ proprietors/ of/ liable/ the/ firm/ for/ are/
7. a/ proprietorship/ more/ complicated/ a/ partnership/ is/
8. of/ without/ the/ each/ than/ partner/ for/ is/ limit/ bills/ the/ firm/ liable/
9. and/ distinct/ is/ legal/ separate/ its/ a/ owners/ corporation/ person/ from/
10. elected/ directors/ corporation's/ of/ is/ the/ stockholders/ board/ by/ the/

XII. Match the words and their definitions.

1	debt	A	a person wishing to make a purchase from a store or firm;
2	stockholder	B	the excess of returns over expenditure.
3	lawyer	C	legally responsible for smth;
4	cash	D	a great amount of property, money, etc.
5	tax rate	E	to take something understanding that it will be returned later,
6	consumer	F	something, especially money, owed to another, the state of owing;
7	profit	G	someone qualified to practise law;
8	borrow	H	money in the form of coins or paper, ready money;

9	liable	<i>I</i>	a person who owns a stock (shares of corporate capital);
10	wealth	<i>J</i>	the imposition of tax.

XIII. Find the words in the right-hand column that match in meaning the words in the left-hand column.

1	to possess	<i>a</i>	ready money
2	responsible	<i>b</i>	to serve
3	to manufacture	<i>c</i>	liable
4	to wait on	<i>d</i>	to own
5	work	<i>e</i>	to get
6	bookkeeping	<i>f</i>	income
7	to receive	<i>g</i>	to produce
8	cash	<i>h</i>	borrower
9	profit	<i>i</i>	labor
10	debtor	<i>j</i>	accounting

SELF-STUDY

I. Translate the following words. Find in them:

- a) **suffixes** —several, various, competitive, promotion, changeable, scientific, investigator, politician, management, maintenance;
b) **prefixes** — discovery, exchange, impossible, insufficient, deflation, discount, increase, underemployment, decrease

II. Change the sentences according to the model. Translate them:

Model.	The product comes from Ukraine. It is a Ukrainian product.
---------------	--

1. This camera comes from Japan. It is a ... camera. 2. This furniture comes from Romania. It is ... furniture. 3. The car comes from Germany. It is a ... car. 4. This cognac comes from France. It is ... cognac. 5. This watch comes from Switzerland. It is a watch.

III. Add the missing relative pronoun or make a contact clause (безсполучникове підрядне речення) where it is possible. Translate the sentences:

1. The book on financial analysis... you have lent me is very interesting and useful.
2. The girl ... works at this company is my sister
3. Can you remember the secretary ... has taken your papers?
4. The man ... you see at the table is the manager of the hotel.
5. The shop ... we usually buy stationary is shut.

TEXT 2

Answer the following questions:

1. What kinds of corporate securities can you name?

2. How is the outflow of the corporation's capital formed?
3. What values can be used for making foreign investments?

Corporate securities

The corporation makes money issuing various kinds of securities. The most significant are: common stock, preferred stock, and bonds.

Common stock is the ordinary certificate of ownership of the corporation. Holders of common stock are owners of the firm. They share in the firm's profits. At certain intervals, the board of directors of the firm may declare a dividend.

Dividends are the income of owners of common stock receive.

Preferred stock is a special kind of certificate of ownership that pays at most a stated dividend.

Bonds are quite different from both common and preferred stocks. Bonds are debts of the firm. The bondholders (in contrast to stockholders) are not owners of a firm: they are its creditors, and receive interest, but not dividends.

From the point of view of the investor, bonds are less risky than preferred stock, and preferred stocks are less risky than common stock.

When running the corporation, management must consider both the outflow and inflow of the capital. The outflow is formed by the purchase of inventory and supplies, payment of salary. The inflow is formed by the sale of goods and services. In the long run the inflow must be greater than the outflow. It results in a profit. In addition, the company must deduct its costs, expenses, losses on bad debts, interest on borrowed capital and other items. It helps to determine if the financial management has been profitable. The amount of risk involved is also an important factor. It determines the fund raising and it shows if a particular corporation is a good investment.

All kinds of values invested by the foreign investors into objects of corporate activity and other kinds of activities for obtaining profit or achieving social effect are considered to be the foreign investments. Values which can be used for making foreign investments include currency, movable and real property, rights to carry out economic activity, paid services, securities, rights of intellectual property and other values.

NOTES

to receive interest [ri'si:v][i'ntrist] – отримувати процентний дохід (відсоток)

intellectual property [inti'lektʃʊəl][i'grɔ:pəti] – інтелектуальна власність

securities [si'kju(ə)ritiz] – цінні папери

preferred stock [pri'fɜ:d][stɔ:k] – привілейована акція

common stock ['kɒmən][stɔ:k] – звичайна акція; пай

bond [bɒnd] – облигація

to consider [kən'sidə] – розглядати

IV. State which of the sentences are true and which are false:

1. Bonds are quite different from both common and preferred stocks.
2. Preferred stock is the ordinary certificate of ownership of the corporation.

3. The outflow is formed by the sale of goods and services.
4. From the point of view of the investor, bonds are less risky than preferred stock, and preferred stocks are less risky than common stock.
5. Dividends are the income of owners of bonds receive.

V. Choose the correct statement:

1. Like the , the partnership is not a very effective way to obtain the large amounts of capital.
a) proprietorship b) monopoly c) corporation d) oligopoly
- 2 The corporation's..... is responsible for setting overall policy for the firm.
a) president b) stockholder c) board of directors d) owner
3. Stock is usually issued to the owners of the corporation in exchange for their.....
a) goods b) cash c) money d) securities
4. The owners of the are stockholders.
a) proprietorship b) partnership c) corporation d) monopoly
5.is a special kind of certificate of ownership that pays at most a stated dividend.
a) bonds b) preferred stock c) common stock d) securities

LESSON 15

FINANCING A BUSINESS

CLASS ASSIGNMENTS

VOCABULARY

<i>internal funds</i>	[in'tɜ:nl] [fʌndz]	внутрішні борги
<i>external funds</i>	[ik'stɜ:n(ə)l] [fʌndz]	іовнішні борги
<i>depreciation</i>	[dɪpri:ʃɪ'eɪʃ(ə)n]	<i>n</i> знецінення
<i>to wear out</i>	[weə] [aʊt]	<i>v</i> зношуватися, спрацьовуватися
<i>short-term loan</i>	[ʃɔ:t tɜ:m] [ləʊn]	короткострокова позика
<i>long-term loan</i>	[lɔŋ tɜ:m] [ləʊn]	довгострокова позика
<i>the principal</i>	['prɪnsɪp(ə)l]	<i>n</i> запозичена сума
<i>security exchange</i>	[si'kjʊ(ə)rɪtɪ] [iks'tʃeɪndʒ]	фондова біржа
<i>default</i>	[dɪ'fɔ:lt]	<i>n</i> невиконання договору
<i>to cover the cost</i>	['keɪvə] [kɒst]	покрити вартість чого-небудь

<i>of smth.</i>		
<i>to meet one's expenses</i>	[mi:t] [wʌnz] [ik'spensiz]	покривати чиїсь витрати
<i>balance sheet</i>	['bæləns] [ʃi:t]	балансовий звіт
<i>income statement</i>	[ɪnkʌm] ['steɪtmənt]	звіт про прибуток
<i>assets</i>	['æsets]	<i>n</i> актив (балансу)
<i>liabilities</i>	[laɪə'bɪlɪtɪz]	<i>n</i> пасив (балансу), борги
<i>net worth</i>	[net] [wɜ:(r)θ]	власний капітал підприємства

I. Read and translate these sentences:

the principal	['prɪnsɪp(ə)l]	Creditors expect to receive interest and the return of the principal at the end of a specific period of time.
assets	['æsets]	Depreciation represents the cost of replacing assets that wear out.
internal funds	[ɪn'tɜ:nl] [fʌndz]	Businesses use internal funds to cover the cost of depreciation.
expenses	[ɪk'spensɪz]	As a firm sells its products or services, it receives money which it uses to meet its expenses.

II. Form nouns with the help of suffixes *-ion (-ation)*, *-or (er)* and translate them into Ukrainian:

to connect, to compete, to translate, to investigate, to distribute, to prepare, to observe, to regulate, to promote

III. Use the verbs in brackets in the proper tense:

1. If buyers no longer want certain products, sellers (stop) producing them. 2. In this case demand (form) by supply. 3. For a long time it (to be known) that mutual funds sell stock in order to invest or speculate in the securities market. 4. The company (repay) the principal within last year. 5. The couple just (buy) the things they need at this supermarket.

IV. Compile two sentences into one using conjunctions *who*, *which*, *that* according to the model:

The scientists are young. They carry on a research of great importance. — The scientists who carry on a research of great importance are young.

1. The data presented by this website are reliable. I often use it. 2. The conference was on problems of financial crisis. I attended it. 3. The objects are very interesting. We study their properties. 4. The customer addressed the shop assistant. The shop assistant showed him a suit. 5. These mixers are produced in Germany. Their quality is well-known.

V. Read and translate the text:

Answer the following questions:

1. How are business loans classified?
2. What is a security exchange?
3. What do mutual funds do?

TEXT 1

Financing a business

Most of the money used by business comes from the sale of its products and services. Since these funds come from within the firm they are described as internal funds. The rest must come from outside, or external funds.

As a firm sells its products or services, it receives money, which it uses to meet its expenses. One of these expenses, depreciation, represents the cost of replacing assets (like tools, machinery and buildings) that wear out. Typically, businesses use internal funds to cover the cost of depreciation.

Business loans are generally classified as either short-term or long-term loans. For short-term loans, the principal (the amount borrowed) must be repaid within one year. Long-term loans mature (come due) in more than a year.

Short-term loans are used to finance the everyday costs of doing business, such as payrolls, raw materials and merchandise. Long-term loans are more likely to be used to purchase equipment, buildings and other high cost items.

All corporations issue common stock; some, however, issue preferred stock. Unlike common stockholders, preferred stockholders usually do not have voting rights.

A security exchange is a market where brokers meet to buy and sell stocks and bonds for their customers.

The largest of the securities exchanges are the New York Stock Exchange and the American Stock Exchange.

There is some risk of default (failure to pay interest or principal) on the bonds of even the strongest corporations. For this reason many people invest in mutual funds. Mutual funds are corporations that sell stock and use the proceeds to invest or speculate in the security markets.

Two of the most important pieces of information contained in every prospectus and annual report are the balance sheet and the income statement. The balance sheet summarizes a corporation's assets, what it owns; its liabilities, what it owes; and its net worth, the difference between the two sums at a given time. The income statement summarizes a firm's revenues, costs, and the difference between the two (the profit or loss) over a period of time.

NOTES

annual report ['ænjʊəl] [gɪ'pɔ:t] - річний звіт

speculate ['spekjuleɪt] - спекулювати; грати на біржі

broker ['brəʊkə] - брокер, посередник

mutual funds ['mju:ʃuəl] [fʌndz] - спільні фонди

payroll ['preɪəʊl] - фонд заробітної плати (підприємства); відомість

merchandise [ˈmɜːtʃ(ə)nɒdɪs,-z] - товары

VI. State which of the sentences are true and which are false:

1. As a firm sells its products or services, it receives money, which it uses to meet its expenses.
2. Typically, businesses use external funds to cover the cost of depreciation.
3. For short-term loans, the principal (the amount borrowed) must be repaid within one year.
4. Long-term loans are used to purchase equipment, buildings and other high cost items.
5. Unlike common stockholders, preferred stockholders usually do not have voting rights.
6. All corporations issue preferred stock; some, however, issue common stock.
7. A security exchange is a market where brokers meet to buy and sell stocks and bonds for their customers.
8. There is some risk of default on the stocks of even the strongest corporations.
9. Every prospectus and annual report of a corporation contains the balance sheet and the income statement.
10. The balance sheet summarizes a corporation's assets, its liabilities, and its net worth.

VII. Choose the correct statement:

1. Most of the money used by business comes from the **production/sale** of its products and services.
2. Depreciation, represents the cost of **replacing/selling** assets (like tools, machinery and buildings) that wear out.
3. Businesses use **external/internal** funds to cover the cost of depreciation.
4. Short-term loans are used to finance the **overall/everyday** costs of doing business, such as payrolls, raw materials and merchandise.
5. **Like/Unlike** common stockholders, preferred stockholders usually do not have voting rights.
6. A security exchange is a market where **representatives/brokers** meet to buy and sell stocks and bonds for their customers.
7. There is some risk of default (failure to pay interest or principal) on the **stocks/bonds** of even the strongest corporations.
8. Mutual funds are corporations that **buy/sell** stock and use the proceeds to invest or speculate in the security markets.
9. The **annual report/balance sheet** summarizes a corporation's assets, what it owns; its liabilities, what it owes; and its net worth, the difference between the two sums at a given time.
10. The **balance sheet/income statement** summarizes a firm's revenues, costs, and the difference between the two (the profit or loss) over a period of time.

VIII. Fill in the blanks with the appropriate words:

revenues	loans (2)	expenses	income
issue (2)	security	liabilities	
mutual	internal	purchase	

1. Since these funds come from within the firm they are described as _____ funds.
2. As a firm sells its products or services, it receives money, which it uses to meet its _____.
3. Business _____ are generally classified as either short-term or long-term _____.
4. Long-term loans are used to _____ equipment, buildings and other high cost items.
5. All corporations _____ common stock; some, however, _____ preferred stock.
6. A _____ exchange is a market where brokers meet to buy and sell stocks and bonds for their customers.
7. _____ funds are corporations that sell stock and use the proceeds to invest or speculate in the security markets.
8. The balance sheet and the _____ statement are two of the most important pieces of information contained in every prospectus and annual report.
9. The balance sheet summarizes a corporation's assets, its _____ and its net worth.
10. The income statement summarizes a firm's _____, costs, and the difference between the two (the profit or loss) over a period of time.

IX. Translate the following into English:

1. Найбільша кількість грошей, що використовується бізнесом, надходить з продажу продукції та різноманітних послуг.
2. Фірма продає товари та послуги та одержує гроші, які вона використовує для покриття своїх витрат.
3. Бізнесові позики класифікуються як довгострокові та короткострокові.
4. Короткострокові позики використовуються для фінансування повсякденних статей щодо ведення бізнесу, таких як платіжні відомості, сировина, товари.
5. Довгострокові позики використовуються для купівлі обладнання, будинків та інших цінних предметів.
6. Фондова біржа – це ринок, де посередники купують та продають акції та облігації для своїх клієнтів.
7. Існує певний ризик невиплати навіть за облігаціями найсильніших корпорацій.
8. На відміну від власників спільних акцій, власники привележованих акцій не мають права голосу.
9. Спільні фонди – це корпорації, що купують акції та використовують виручені суми для інвестування або гри на фондових біржах.
10. Звіт про прибуток підбиває підсумки річного прибутку, вартості фірми та різниці між прибутком і збитком.

X. Match the words and their definitions.

1	mutual fund	A	the difference between assets and liabilities
2	asset	B	a contract document promising to repay

			money borrowed by a company or by the government on a specific date, and paying interest at regular intervals
3	balance sheet	C	the amount of money which has to be paid for something
4	principal	D	money which has been lent
5	stock	E	investments in stocks and shares
6	bond	F	money invested or borrowed on which interest is paid
7	cost	G	an organization which takes money from small investors and invests it in stocks and shares for them
8	securities	H	shares in a company
9	loan	I	a statement of the financial position of a company at a particular time, such as the end of the financial year or the end of a quarter, showing the company's assets and liabilities
10	net worth	J	something which belongs to a company or person, and which has a value

XI. Match the words in the right column with the words in the left column to make word combinations.

1	to meet its	a	materials
2	the sale of	b	the cost of smth.
3	short-term	c	doing business
4	to wear	d	stock
5	to cover	e	voting rights
6	everyday costs of	f	market
7	raw	g	loans
8	common	h	expenses
9	to have	i	out
10	security	j	products and services

SELF-STUDY

I. Read the words with the same root. State the part of speech and translate these words:

add — additional; serve — service; cost — costly, depend — independent; produce — production; lose — loss; science — scientific; compete — competitive — competition; finance — financier

II. Make the following sentences interrogative:

1. Internal funds of a firm are usually used to cover the cost of depreciation. 2. The overall results can be considered satisfactory 3. Stock will be sold by the mutual fund. 4. Dividends are the income of owners of common stock receive. 5. The outflow is formed by the purchase of inventory and supplies, payment of salary.

III. Translate the words given in brackets into English and then translate the sentences:

1. Our representatives (працюють) at present at the draft of the contract on (постачання) equipment to our partners. 2. The delivery of the order (контролювалась) by the Sales manager. 3. Generally indirect channels are used (щоб збувати) manufactured consumer goods. 4. To use machinery efficiently, producers (повинні) use division of labour.

TEXT 2

Answer the following questions:

1. What does a company's total assets include?
2. How are liabilities classified?

COMPANY'S ASSETS AND LIABILITIES

The term "asset" means anything of value that is owned by a company and can be expressed in term of money. Economic resources that provide a potential future service to the organization are called assets in accounting. A company's total assets include such items as cash, buildings, equipment, and other property and accounts receivable, that is, money owned by its customers.

Assets are usually classified as current and long-term, both types consisting of tangible as well as of intangible items. Current tangible assets including cash, account receivable, stock-in-trade as usually converted into cash within one year and sometimes can be used as means of payment. On the other hand, current intangible assets consist of short-term investments in stocks and bonds.

Long-term intangible assets are not really visible and include such items as goodwill, patents, trademarks, copyrights, these assets often being the most important factor for obtaining future incomes. For example, goodwill means an intangible asset which takes into account the value added to a business as a result of its reputation which cannot be really calculated. In contrast, the real estate belongs to long-term assets.

Liabilities are obligations that a company owes to another organization, to an individual or to the government. Like assets, liabilities are divided into current and long-term ones. Current liabilities are usually amount that are paid within one year, including accounts payable, taxes on income and property, short-term loans, salaries and wages, and amounts of money owed to suppliers of goods and

services. Noncurrent liabilities often called long-term are usually debts, such as bonds and long-term loans.

All companies keep proper accounting system in order to know whether or not they are operating profitably, each of the assets and the liabilities and the equity being shown in a company's accounts separately. The balance sheet prepared by the company's accountants is one of the important financial report showing the value of the total assets, total liabilities and equity on the given date.

NOTES

annual report ['ænjʊəl] [ɪ'pɔ:t] - річний звіт

speculate ['spekjuleɪt] - спекулювати; грати на біржі

broker ['brɔ:kə] - брокер, посередник

mutual funds ['mju:ʃuəl] [fʌndz] - спільні фонди

payroll ['peɪrəʊl] - фонд заробітної плати (підприємства); відомість

merchandise ['mɜ:tʃ(ə)ndɪs,-z] - товари

IV. State which of the sentences are true and which are false:

1. Economic resources that provide a potential future service to the organization are called liabilities in accounting.
2. Assets are usually classified as current and long-term, both types consisting of tangible as well as of intangible items.
3. Current intangible assets consist of cash, account receivable and stock-in-trade.
4. Long-term intangible assets are not really visible and include such items as goodwill, patents, trademarks, copyrights.
5. Unlike assets, liabilities are divided into current and long-term ones.

V. Choose the correct statement:

1. The term "....." means anything of value that is owned by a company and can be expressed in term of money.
a) liability b) obligation c) asset d) security
2. resources that provide a potential future service to the organization are called assets in accounting.
a) tangible b) economic c) natural d) intangible
3. Long-term intangible are not really visible and include such items as goodwill, patents, trademarks, copyrights, these often being the most important factor for obtaining future incomes.
a) securities b) obligations c) liabilities d) assets
4. liabilities often called long-term are usually debts, such as bonds and long-term loans.
a) tangible b) noncurrent c) intangible d) current
5. The prepared by the company's accountants is one of the important financial report showing the value of the total assets, total liabilities and equity on the given date.
a) income statement b) payroll c) balance sheet d) annual report

LESSON 16

COST AND PRODUCTION

CLASS ASSIGNMENTS

VOCABULARY

<i>profitability</i>	[prɒfɪtə'bɪlɪtɪ]	прибутковість, рентабельність
<i>cost</i>	[kɒst]	<i>n</i> ціна; вартість
<i>cost of production</i>	[kɒst][ɔv] [prə'dekʃ(ə)n]	собівартість
<i>efficient production</i>	[i'fɪʃ(ə)nt] [prə'dekʃ(ə)n]	ефективне виробництво
<i>to increase profits</i>	[ɪn'kri:s] ['prɒfɪts]	збільшувати, підвищувати прибуток, дохід
<i>accountant</i>	[ə'kaʊntənt]	<i>n</i> бухгалтер
<i>explicit costs</i>	[ɪk'splɪsɪt] [kɒsts]	явні витрати; зовнішні витрати
<i>implicit costs</i>	[ɪm'plɪsɪt] [kɒsts]	внутрішні витрати; системні витрати
<i>to determine</i>	[dɪ'tɜ:mɪn]	<i>v</i> визначати, вимірювати, обчислювати
<i>profit</i>	['prɒfɪt]	<i>n</i> прибуток, дохід
<i>input</i>	['ɪnpʊt]	<i>n</i> внесок, інвестиція
<i>output</i>	['aʊtpʊt]	<i>n</i> продукція; випуск;
<i>entrepreneurship</i>	[ɒntrəprəʊ'nz:ʃɪp]	<i>n</i> підприємництво
<i>to require</i>	[rɪ'kwaɪə]	<i>v</i> вимагати
<i>to summarize</i>	[sʌmərəɪz]	<i>v</i> підсумовувати, підбивати підсумок
<i>equation</i>	[i'kweɪz(ə)n]	<i>n</i> рівняння

MEMORIZE !

- буква **o** перед **ld** і **st** читається [ou]: **cold** [kould] холодний; **most** [moust] найбільше
- За допомогою суфікса
- **-ize** утворюються дієслова: **memorize** [mətəraɪz] запам'ятовувати, заучувати напам'ять. Варіантами цього суфікса є **-yse, -yze**
 - **-ise**: **analyse** ['ænləɪz] аналізувати

I. Read these words:

cold, told, old, hold, sold, host, most, bold, post-office

II. Read and translate these words:

summarize, organize, specialize, criticize, generalize, recognize, realize, formalize

III. Find the predicates, determine their tense form and comment on how

they are formed:

1. The firm has improved the quality of its products. 2. This year the company has increased the volume of the output and foreign trade. 3. Agricultural firms have tried recently to increase productivity by introducing modern farming techniques, fertilizers and equipment. 4. The way to expand farm's output has been found by the manager.

IV. Find and translate the sentences with the predicate in the Passive Voice:

1. A partnership has both advantages and disadvantages. 2. The group of experts has levied effluent fees on polluters for discharging waste. 3. Much has been said in the past few years about necessary measures to stabilize the state of the national economy. 4. The quantity of resources available for production has not increased this year. 5. The lecture on foreign economic activity of a company has been delivered in the morning.

V. Determine the repeated syntactical construction. Translate the sentences:

1. It is the identical problem of scarcity that every society is faced with. 2. It was not until 1776 that Adam Smith gave the best description of the principles upon which our economic systems are based. 3. It was Adam Smith who described the principal elements of the economic system in his book "The Wealth of Nations".

VI. Use the intensifying construction to highlight the parts of the sentence in bold type:

1. **Human wants** are unlimited.
2. **Monopolies** can set the price at which their goods are sold.
3. **Economic incentives** influence our decisions about what and where to buy.
4. **Prices** direct market economies.
5. **The law of demand** describes the relationship between the prices and the quantity of goods and services.

VII. Read and translate these sentences:

determine	[dɪ'tɜ:mɪn]	The value of a share is determined by the net assets divided by the total number of shares outstanding.
profitability	[prə'fɪtə'bɪlɪtɪ]	Business analysts argue that 'profitability' is a vague concept as the data on profits is entirely dependent on accounting conventions and the nature of revenue/taxation law.
explicit cost	[ɪk'splɪsɪt] [kɒst]	Actual money expenditure incurred to obtain a factor of production or a good or service is called an explicit cost.

VIII. Read the text.

Answer the following questions:

1. What factors determine the profitability of a firm ?
2. What is a definition for “explicit costs”?
3. How do implicit costs differ from explicit costs?

TEXT 1

Cost

The demand for the firm’s product is the first of two basic factors that determine the profitability of a firm. The second of these factors is the cost of production. Cost and production are inseparable concepts for a firm. Efficient production is a goal of all firms which want to increase their profits.

But an accountant’s understanding of cost is different from an economist’s view of cost.

Accountants concentrate on explicit costs. Explicit costs are the costs for items for which the firm has paid in the past or for which it must pay in the future. Explicit costs are objective and based only on facts.

But implicit costs are not an adequate basis for decision-making. Implicit costs are the opportunities that a firm gives up using a resource in another way. Implicit costs are less objective than explicit cost figures.

According to economists, the economic cost of a firm includes both explicit and implicit costs. A firm cannot make profit-maximizing decisions if resources supplied by the owner are free.

NOTES

inseparable [in'sep(ə)rəb(ə)l] - невіддільний, невід’ємний

concept ['kɒnsept] - поняття, ідея, загальне уявлення; концепція

figure ['fɪgə] - цифра; число; кількісна інформація, кількісні дані; цифри

decision making [dɪ'sɪz(ə)n] ['meɪkɪŋ] - прийняття рішень

IX. State which of the sentences are true and which are false:

1. The demand for the firm’s product is the first of two basic factors that determine the productivity of a firm.
2. Cost and production are inseparable concepts for a firm.
3. Efficient production is a goal of all firms which want to increase their costs.
4. But an accountant’s understanding of cost is different from an economist’s view of cost.
5. Economists concentrate on implicit costs.
6. Implicit costs are objective and based only on facts.
7. Explicit costs are the costs for items for which the firm has paid in the past or for which it must pay in the future.
8. Explicit costs are the opportunities that a firm gives up using a resource in another way.
9. According to accountants, the economic cost of a firm includes both explicit and

implicit costs.

10. A firm can make profit-maximizing decisions if resources supplied by the owner are free.

X. Choose the correct statement:

1. The first of two basic factors that determine the **productivity/profitability** of a firm is the demand for the firm's product.
2. Efficient production is a goal of all firms which want to **reduce/increase** their profits.
3. **Economists/Accountants** concentrate on explicit costs.
4. **Explicit/Implicit** costs are the costs for items for which the firm has paid in the past or for which it must pay in the future.
5. Explicit **revenues/costs** are objective and based only on facts.
6. Implicit costs are the **possibilities/opportunities** that a firm gives up using a resource in another way.
7. Implicit costs are less objective than explicit cost **facts/figures**.
8. According to **accountants/economists**, the economic cost of a firm includes both explicit and implicit costs.
9. A firm cannot make profit-maximizing decisions if **finance/resources** supplied by the owner are free.
10. **Explicit/Implicit** costs are not an adequate basis for decision making.

XI. Fill in the blanks with the appropriate words:

owner	profits	profitability	decision-making
costs	implicit	explicit	production

1. The demand for the firm's product and the cost of production are the two basic factors that determine the _____ of a firm.
2. Cost and _____ are inseparable concepts for a firm.
3. Efficient production is a goal of all firms which want to increase their _____.
4. Accountants concentrate on _____ costs.
5. Explicit _____ are the costs for items for which the firm has paid in the past or for which it must pay in the future.
6. Implicit costs are not an adequate basis for _____.
7. _____ costs are the opportunities that a firm gives up using a resource in another way.
8. A firm cannot make profit-maximizing decisions if resources supplied by the _____ are free.

XII. Put the words in the correct order to make sentences.

1. of/ product/ two/ the/ for/ firm's/ the/ factors/ a/ demand/ the/ is/ first/ basic/ that/ determine/ profitability/ the/ of/ firm/
2. inseparable/ cost/ for/ and/ production/ concepts/ a/ firm/ are/
3. is/ want/ firms/ efficient/ a/ profits/ goal/ of/ which/ to/ their/ production/ all/

increase/

4. from/ view/ accountant's/ of/ cost/ different/ an/ economist's/ of/ cost/ an/ understanding/ is/

5. explicit/ concentrate/ accountants/ costs/ on/

6. for/ basis/ implicit/ are/ an/ decision-making/ adequate/ costs/ not/

7. costs/ objective/ implicit/ are/ than/ cost/ figures/ less/ explicit/

8. and/ both/ includes/ the/ cost/ a/ firm/ explicit/ costs/ of/ economic/ implicit/

9. resources/ decisions/ firm/ make/ profit-maximizing/ if/ the/ owner/ free/ cannot/ by/ a/ supplied/ are/

XIII. Match the words and their definitions.

1	profitability	A	a person who possesses smth.
2	opportunity	B	the act of coming to a decision
3	determine	C	expert in economics or political economy
4	demand	D	a person whose profession is to keep and examine business accounts
5	profit	E	single article or unit in a list
6	decision-making	F	the amount of factors of production or their products desired at a particular price
7	accountant	G	a surplus of revenue over cost
8	economist	H	calculate, find out precisely
9	item	I	favourable time or chance
10	owner	J	The rate of return to capital achieved by a firm

XIV. Match the words in the right column with the words in the left column to make word combinations.

1	demand	a	up
2	cost of	b	costs
3	inseparable	c	figures
4	to increase	d	decision-making
5	explicit	e	implicit
6	basis for	f	decisions
7	explicit cost	g	profits
8	_____ costs	h	concepts
9	to give	i	production
10	to make profit-maximizing	j	for

SELF-STUDY

I. Make necessary changes and say the following sentences in the *Past* and *Future Perfect Passive*:

1. The project has been completed. 2. Various techniques have been developed to improve the production process. 3. Intensive efforts have been made to produce

dried foodstuffs. 4. Some experiments has been done on the safety of new models of our roducts.

II. Make the following sentences negative and interrogative:

1. The turnover of our company's securities has significantly improved this year. 2. The new methods of research had been introduced into the scientist's work. 3. The Board of Directors has been elected by the stockholders of the corporation. 4. Our company regularly issues partly-paid shares now. 5. Stock certificates are issued by some governmental corporations.

III. Use the construction "it is (was) ... that" to emphasize the parts of the sentence in bold type:

1. **Organization structure** provides an efficient-work system as well as a system of communication. 2. **The balance sheet** shows a lot of useful financial information, but it does not show everything. 3. **Corporations** must submit a set of audited accounts to the Registrar of Corporations each year. 4. **The chief executive officer** is the link between the Board of Directors and senior management. 5. **The use of money** as a medium of exchange distinguishes money from other assets.

IV. Translate the following word combinations:

1. tangible assets; 2. current liabilities; 3. to set objectives; 1. to run a corporation; 5. intellectual property; 6. payment of expenses; 7. to issue stock; 8. profit and loss accounts; 9. balance sheet; 10. amount of money

V. Translate the words with the same root:

change, changeable, exchange; science, scientist, scientific; profit, profitable, profitability; connect, disconnect, connective; add, addition, additional, additive, additionally; produce, product, production, productive; developed, developing, development; compete, competitive, competition

VI. Read and translate the following words, name their suffixes:

sum, summerize; general, generalize; analyse, analysis; useful, usefulness; require, requirement; manage, management; produce, production; differ, difference

TEXT 2

Answer the following questions:

1. What is a factor of production? Supply examples.
2. Can you define the production function?

Production function

Usually the economists begin the analysis of an individual firm by

examining the relationship between inputs, or factors of production, and output. This relationship is expressed through the production function.

A factor of production or input is a resource a firm uses in production of goods or services. Examples of inputs are labour, fuel, raw materials, land, machinery as well as managerial skills. There are four main categories of inputs: land (including raw materials), labour, capital, entrepreneurship. Most business firms require some of these types of inputs. For example, a farm producing corn must have seed, land, labour (workers), water, fertilizer, machinery, and the time of the people managing the farm.

The production function is a relationship between the amounts of various inputs that the firm can use and the maximum level of output it can produce. All inputs are used with technological efficiency. In other words, no inputs are idle.

More specifically, the production function summarizes the characteristics of existing technology at a given period of time. It can be a table, a graph, or an equation.

NOTES

fuel [fjuəl] – паливо, пальне

fertilizer ['fɜ:tilaizə] – добриво

table [teib(ə)l] – таблиця

graph [græf] – графік

idle ['aɪdl] – марний

VII. State which of the sentences are true and which are false:

1. Usually the economists begin the analysis of an individual firm by examining the relationship between inputs, or factors of production, and output.
2. A factor of production or output is a resource a firm uses in production of goods or services.
3. There are four main categories of inputs: land (including raw materials), labour, capital, entrepreneurship.
4. The production function is a relationship between the amounts of various output that the firm can use and the maximum level of inputs it can produce.
5. The production function summarizes the characteristics of existing technology at a given period of time.

VIII. Choose the correct statement:

1. Usually the economists begin the analysis of an individual firm by examining the relationship between inputs, or, and output.
a) production function b) production c) factors of production
d) production process
2. A factor of production or is a resource a firm uses in production of goods or services.
a) raw material b) input c) output d) productivity
3. Most business firms require some of these types of
a) outputs b) resources c) materials d) inputs

4. The production is a relationship between the amounts of various inputs that the firm can use and the maximum level of output it can produce.
 a) process b) factor c) function d) method
5. The production function summarizes the of existing technology at a given period of time.
 a) indices b) characteristics c) parameters d) functions

LESSON 17

RENT AND INTEREST

CLASS ASSIGNMENTS

VOCABULARY

<i>define</i>	[dɪ'faɪn]	<i>v</i> визначати, давати визначення
<i>establish</i>	[ɪ'stæblɪʃ]	<i>v</i> створювати
<i>rent</i>	[rent]	<i>n</i> рента; дохід з нерухомості
<i>supply</i>	[sə'plaɪ]	<i>n</i> постачання; поставка; запас
<i>decrease</i>	['di:kri:s]	<i>v</i> зменшувати; знижувати
<i>payment</i>	['peɪmənt]	<i>n</i> сплата, оплата; платіж,
<i>quantity</i>	['kwɒntəti]	<i>n</i> кількість
<i>constitute</i>	['kɒnstɪtju:t]	<i>v</i> складати
<i>borrower</i>	[bɒrəʊə(r)]	<i>n</i> позичальник
<i>lender</i>	['lendə]	<i>n</i> позикодавець; кредитор
<i>interest</i>	['ɪntrɪst]	<i>n</i> відсоток
<i>interest rate</i>	['ɪntrɪst] [reɪt]	<i>n</i> відсоткова ставка
<i>determinant</i>	[dɪ'tɜ:mɪnənt]	<i>n</i> вирішальний чинник; визначник
<i>riskiness</i>	['rɪskɪnɪs]	<i>n</i> ризикованість
<i>to charge</i>	[tʃɑ:(r)dʒ]	<i>v</i> призначати плату; стягувати
<i>loan</i>	[ləʊn]	<i>n</i> позика; кредит

I. Read these words, determine their suffixes and prefixes:

estimate, impossible, requirement, cheaply, summarize, replace, successful, independent, supplier, payment, possibility, intangible, discover, significant, exchange

II. Form and write the infinitives according to the models below

MODEL		<u>to prepare:</u>
	to be + ing-form	to be manufacturing
	to be + III форма дієслова	to be manufactured
	to have + III форма дієслова	to have manufactured
	to have been + III форма дієслова	to have been manufactured

to produce, to distribute, to sell, to summarize, to analyze, to supply, to purchase, to advertise

III. Find and name the infinitives:

1. The company may raise our salaries. 2. The company may be raising our salaries. 3. The company may have raised our salaries already. 4. Our salaries may have been raised by the end of the month.

IV. 1. Read the sentences below. Note the translation of the modal verbs and the infinitives after them:

He cannot do it.	Він не може цього зробити.
He cannot (can't) have done it.	Не може бути , щоб він це зробив.
Can he have done it?	Невже він зробив це?
The accountant may prepare the annual report of the company.	Бухгалтер, можливо , готує річний звіт нашої компанії.
The accountant may have prepared the annual report of the company.	Бухгалтер, можливо , підготував річний звіт нашої компанії.
The company must lower the price of its goods because they are not in large demand.	Компанія повинна знизити ціну своїх товарів, тому що вони не користуються великим попитом.
The company must have lowered the price of its goods because they are not in large demand.	Компанія, певне (напевно) , знизила ціну своїх товарів, тому що вони не користуються великим попитом.

2. Answer the questions:

1. До якого часу можна віднести дію, виражену перфектним інфінітивом?
 2. У яких реченнях, як правило, вживається модальне дієслово *can* з Perfect Infinitive? Як перекладаються ці речення?
 3. Як перекладаються модальні дієслова *may* та *must* з Perfect Infinitive?

V. Translate these sentences:

1. Some issues may have arisen after having such a discussion. 2. The order is shipped now. The chief executive must have settled all the disputes. 3. Can the investigator have drawn such a conclusion after a number of experiments?

VI. Learn these words and word combinations:

factor of production	['fæktə] [ɔv] [prə'dekʃ(ə)n]	чинник виробництва
fixed supply	[fɪkst] [sə'plai]	твердо встановлене постачання
in terms of	[ɪn] [tɜ:mz] [ɔv]	з точки зору; у перерахунку на
to convert into	[kən'vɜ:t] ['ɪntə]	<i>v</i> перетворювати на
usage	['ju:sɪdʒ]	<i>n</i> застосування, використання
to pay interest on	[peɪ] ['ɪntrɪst] [ɔn]	платити відсоток по

VII. Translate the sentences below into English:

1. Власник повинен контролювати прибутки свого підприємства.
2. Бізнесмен вирішує питання стосовно найма та звільнення працівників.
3. Я не відповідаю за виробничі борги.
4. Малі підприємства мають податкові пільги.
5. Мені потрібно проконсультуватися з юристом.

VIII. Read and translate the sentences below. Determine the form of the predicate:

1. The factory may have run out of its supplies of raw materials.
2. The firm can have earned more profit due to the introduction of new methods of production.
3. You ought to have the firm re-registered as soon as possible or you may have trouble.
4. The price can be raised in the near future.
5. A foreign company in Great Britain must give certain information about itself to the government offices.

IX. Read and translate the text.

Answer the following questions:

1. What is rent? How does the term “rent” relate to the term “land”?
2. What will happen to the price of an input if its supply is completely fixed?

TEXT 1

Rent

To understand rent, one must know what economists mean by “land”. They define “land” as any input that is fixed in supply; limits of land are established by nature. Certain types of minerals and natural resources are in relatively fixed supply, that’s why economists also include them in the definition of land.

The supply of land, an essential natural resource, is limited and it cannot be easily increased to meet an increase in demand except in certain cases. Another essential characteristic of land is that it is durable, that is, land is not used up in the production process, although it may be depleted by use.

Price of or income from land, as well as from other natural resources, is called rent. Land itself has no cost of production, so rent depends on the degree of scarcity and on the demand for it.

Suppose that the supply of an input is completely fixed. Increases in its price

will not increase its supply and decreases in its price will not decrease its supply. Thus, as the classical economists of the 19th century said, rent is the price of such an input.

In other words, rent is a payment for a factor of production that is fixed in terms of the supplied quantity.

Rent which is paid for the use of an apartment or office space does not really constitute payment to a fixed factor of production. An apartment complex may be converted into an office building. Also, apartments or office may be built on unoccupied land. Thus, even land is not fixed in usage.

NOTES

relatively [relətɪvli] - відносно

completely [kəm'pli:tli] - зовсім, повністю, цілком

quantity ['kwɒntiti] - кількість

X. State which of the sentences are true and which are false:

1. Economists define “land” as any input that is fixed in supply.
2. Certain types of minerals and natural resources are in completely fixed supply, that’s why economists also include them in the definition of land.
3. Increases in the price of a completely fixed input will not increase its supply and decreases in its price will not decrease its supply.
4. The classical economists of the 19th century said, rent is the price of such an input.
5. Rent is a payment of interest on a factor of production that is fixed in terms of the supplied quantity.
6. Rent which is paid for the use of an apartment or office space constitutes payment to a fixed factor of production.
7. An apartment complex may be converted into an office building.
8. Also, apartments or office may be built on unoccupied land.
9. Thus, even land is fixed in its usage.

XI. Choose the correct statement:

1. To understand **interest/rent**, one must know what economists mean by “land”.
2. They **determine/define** “land” as any input that is fixed in supply; limits of land are established by nature.
3. Certain types of minerals and natural resources are in **completely/relatively** fixed supply, that’s why economists also include them in the definition of land.
4. Suppose that the supply of an **input/output** is completely fixed.
5. Increases in its price will not **decrease/increase** its supply and decreases in its price will not decrease its supply.
6. Thus, as the classical economists of the 19th century said, rent is the **cost/price** of such an input.
7. In other words, rent is a payment for a **function/factor** of production that is fixed in terms of the supplied quantity.
8. Rent which is **paid/charged** for the use of an apartment or office space does not

really constitute payment to a fixed factor of production.

9. Also, apartments or office may be built on unoccupied **ground/land**.

10. Thus, even land is not fixed in **supply/usage**.

XII. Fill in the blanks with the appropriate words:

payment	completely	rent
land	quantity	input
decrease	limits	fixed

1. Economists define “land” as any _____ that is fixed in supply.
2. _____ of land are established by nature.
3. Certain types of minerals and natural resources are in relatively _____ supply, that’s why economists also include them in the definition of land.
4. Suppose that the supply of an input is _____ fixed.
5. Increases in its price will not increase its supply and decreases in its price will not _____ its supply.
6. Thus, as the classical economists of the 19th century said, _____ is the price of such an input.
7. Rent is a payment for a factor of production that is fixed in terms of the supplied _____.
8. Rent which is paid for the use of an apartment or office space does not really constitute _____ to a fixed factor of production.
9. Thus, even _____ is not fixed in usage.

XIII. Put the words in the correct order to make sentences.

1. that/ fixed/ input/ they/ “land”/ any/ is/ supply/ define/ as/ in/
2. supply/ are/ minerals/ relatively/ certain/ of/ natural/ fixed/ resources/ types/ and/ in/
3. characteristics/ another/ essential/ is/ that/ it/ it/ durable/ land/ of/
4. Land itself has no cost of production so rent depends on the of scarcity and on the demand for it /
5. an/ input/ completely/ is/ degree/ suppose/ the/ supply/ of/ fixed/ that/
6. that/ rent/ a/ for/ factor/ production/ is/ fixed/ terms/ of/ the/ quantity/ payment/ is/ of/ in/ supplied/ a/
7. not/ of/ apartment/ use/ rent/ which/ is/ for/ the/ an/ or/ office/ does/ constitute/ payment/ to/ a/ fixed/ factor/ of/ production/ paid/ space/ really/
8. price/ not/ supply/ increases/ the/ of/ an/ will/ increase/ its/ in/ input/
9. not/ in/ even/ is/ usage/ land/ fixed/

XIV. Match the words and their definitions.

1	interest rate	A	a person or an institution that lends money to people
2	rent	B	a stock or amount of something supplied or available for use

3	charge	C	the amount of something produced by a person, machine, or industry
4	input	D	able to withstand wear, pressure, or damage; hard-wearing
5	supply	E	money paid regularly at a particular rate for the use of money lent, or for delaying the repayment of a debt
6	output	F	a person or organization that borrows money
7	durable	G	ask in payment
8	lender	H	a figure which shows the percentage of the capital sum borrowed or deposited which is to be paid
9	interest	I	what is put in, taken in, or operated on by any process or system
10	borrower	J	money paid to use an office, house or factory for a period of time

XV. Match the words in the right column with the words in the left column to make word combinations.

1	to be fixed in	a	factor
2	an essential natural	b	the use of
3	to meet an increase in	c	production
4	to be used	d	process
5	cost of	e	of
6	degree of	f	demand
7	in terms	g	up
8	a _____ of production	h	resource
9	production	i	scarcity
10	to pay for	j	supply

SELF-STUDY

I. Translate the following sentences paying attention to the infinitive used after modal verbs:

1. Households can be the ultimate suppliers of capital for an economy. 2. The government can have raised more taxes in order to improve economic situation in the country. 3. All the equipment may be replaced by the newer and improved models. 4. It must however be emphasized that these data are reliable enough to help our analysts in preparing report for this meeting.

II. Translate the pairs of sentences.

1. This method can be introduced into the production process in a short time. Can this method have been introduced into the production process in such a short time? 2. The article on the forms of business ownership must be translated into Ukrainian. I think this article must have already been translated.

III. Supply participles instead of subordinate clauses:

1. The firm manager must know the demand for the goods that his firm produces. 2. Money can be used to buy things we wish to consume. 3. Employment among young men is very low in Germany, which is due to the government's subsidies for education. 4. A consumer prefers the good which has high quality and a reasonable price.

IV. Translate the following:

1. Бухгалтерський облік надає дані для кредиторів та вкладників. 2. Корпорація може випускати і продавати акції Щорічно фірма платить великі податки. 3. Корпорація може пропонувати більш високу заробітну плату. 4. Вони готують балансовий звіт на кінець року. 5. Партнери не вклали однакову суму грошей у підприємство.

V. Read the text and retell it:

TEXT 2

Answer the following questions:

1. What is the rate of interest?
2. Can you define the terms "borrower" and "lender"?
3. What factors influence the interest rate?

Interest

Charles Lamb, the English essayist, once said, "The human species, according to the best theory I can form of it, is composed of two races, the men who borrow and the men who lend". Really, most of us, at one time or another, are borrowers or lenders of money. Thus, practically everyone is familiar with interest, which is a payment for the use of money. In other words, the rate of interest is the amount of money one must pay for the use of a sum of money for a year.

Everyone who borrows money pays interest. Consumers pay interest on personal loans taken out in order to buy appliances. Firms pay interest on bonds issued to purchase equipment. Governments pay interest on bonds issued to finance schools, highways, and other public projects.

Interest rates depend on the nature of the borrower and the type of loan. One of the most important determinants of the rate of interest charged borrowers is the riskiness of the loan. Another factor that influences the interest rate is the cost of bookkeeping and collection. If a firm makes many small loans and must hound the borrowers to pay up, these costs are much larger than if it makes one large loan.

NOTES

to be familiar with [fə'miliə] – бути ознайомленим з

determinant [dɪ'tɜ:mɪnənt] - вирішальний чинник, визначник

VI. State which of the sentences are true and which are false:

1. Practically everyone is familiar with interest, which is a payment for the use of money.
2. Creditors pay interest on personal loans taken out in order to buy appliances.
3. Governments pay interest on bonds issued to finance schools, highways, and other public projects.
4. Interest rates depend on the nature of the lender and the type of loan.
5. One of the most important determinants of the rate of interest charged borrowers is the riskiness of the loan.

VII. Choose the correct statement:

1. Everyone who borrows money pays
a) fee b) interest c) tax d) per cent
2. Firms pay interest on issued to purchase equipment.
a) stocks b) securities c) bonds d) shares
3. Interest rates depend on the nature of the and the type of loan.
a) lender b) borrower c) creditor d) consumer
4. Modern food processing technology developed in the 19th and 20th centuries was developed in a large part to serve needs.
a) infant b) adult c) military d) old people
5. Another factor that influences the is the cost of bookkeeping and collection.
a) credit b) loan c) payment d) interest rate

LESSON 18

PROFITS AND LOSSES

CLASS ASSIGNMENTS

VOCABULARY

<i>wage</i>	[weɪdʒ]	<i>n</i> заробітна платня (працівників)
<i>property</i>	['prɒpəti]	<i>n</i> власність, майно
<i>allowance (for)</i>	[ə'laʊəns]	<i>n</i> грошова допомога; утримання; суми, які виплачуються на утримання (кого-небудь, чого-небудь)
<i>depreciation</i>	[dɪ'pri:ʃi'eɪʃ(ə)n]	<i>n</i> амортизація, зношування
<i>current</i>	[kʌrənt]	<i>a</i> поточний; нинішній; сучасний

<i>in existence</i>	[ɪg'zɪst(ə)ns]	існуючий, наявний
<i>uncertainty</i>	[ʌnsɜ:(r)t(ə)ntɪ]	<i>n</i> невизначеність
<i>entry</i>	['entri]	<i>n</i> вхід; вступ
<i>to permit</i>	['pɜ:mit]	<i>v</i> давати можливість, дозволяти
<i>accuracy</i>	['ækjərəsɪ]	<i>n</i> точність, правильність;
<i>short-run</i>	[ʃɔ:t-rʌn]	короткотерміновий
<i>under conditions</i>	[ʌndə(r) [kən'dɪʃ(ə)ns]	в умовах
<i>inventor</i>	[ɪn'ventə]	<i>n</i> винахідник
<i>innovator</i>	['ɪnəveɪtə]	<i>n</i> новатор; раціоналізатор
<i>to predict</i>	[pri'dɪkt]	<i>v</i> прогнозувати, наперед підраховувати
<i>to carry out</i>	['kæri] [aʊt]	<i>v</i> виконувати
<i>reward</i>	[ri'wɔ:d]	<i>n</i> нагорода, винагорода, премія
<i>attempt</i>	[ə'tempt]	<i>n</i> спроба
<i>to involve</i>	[ɪn'vɒlv]	<i>v</i> включати, містити; залучати до участі
<i>to adapt</i>	[ə'dæpt]	<i>v</i> пристосовуватися, адаптуватися
<i>in the long run</i>	[ɪn][ðə] [lɒŋ] [rʌn]	через довгий період часу, у кінцевому підсумку, врешті-решт
<i>primary</i>	['praɪm(ə)rɪ]	<i>a</i> початковий, основний, найважливіший; головний
<i>cost of merchandise</i>	[kɒst] [ɔv] ['mɜ:tʃ(ə)ndɪz]	вартість товарів
<i>utilities</i>	[ju:'tɪlɪtɪs]	<i>n</i> плата за комунальні послуги
<i>loss</i>	[lɒs]	<i>n</i> збиток, втрата
<i>to incur losses</i>	[ɪn'kɜ:]	<i>v</i> терпіти збитки, зазнавати втрат
<i>mainspring</i>	['meɪn,sprɪŋ]	<i>n</i> головна рушійна сила; мотив
<i>abundant</i>	[əbʌndənt]	<i>a</i> більш ніж достатній; удосталь; чимало; розповсюджений, поширений
<i>incentive</i>	[ɪn'sentɪv]	<i>n</i> спонукальна причина, стимул
<i>appropriate</i>	[ə'prəʊprɪət]	<i>a</i> відповідний, підходящий; доречний
<i>to penalize</i>	['pi:n(ə)laɪz]	<i>n</i> штрафувати, накладати штраф
<i>to embark</i>	[ɪmbɑ:(r)k]	<i>n</i> починати (справу) ; братися (за щонебудь) ;
<i>a free enterprise</i>	[fri:] ['entəpraɪz]	вільне підприємництво

I. Turn these verbs into the Perfect Passive infinitives:

to offer, to estimate, to count, to improve, to calculate, to produce,

II. Write questions to the words in bold type:

1. **An improvement in technology** is something that makes it possible for firms to produce more goods with the same quantity of inputs as before. 2. Only **when demand equals supply**, people can buy or sell as much as they want. 3. Governments regulate **economic activities** imposing some restrictions.

III. Complete the translation of these sentences into English using the rules of the Sequence of Tenses:

1. We knew that ... рада директорів обере президента та інших посадових осіб для керівництва компанією. 2. Our Chief Executive told that ... міс Сміт має значний досвід у цій галузі виробництва. 3. His parents hoped that ... він стане успішним підприємцем, матиме власний бізнес та керуватиме ним.

IV. Learn these words and word combinations:

invention	[in'venʃ(ə)n]	<i>n</i>	винахід, створення
innovation	[inə'veɪʃ(ə)n]	<i>n</i>	нововведення; новаторство, раціоналізація
similar	[sɪmɪlə(r)]	<i>a</i>	схожий, подібний; відповідний
reason	['ri:z(ə)n]	<i>n</i>	причина; підстава
to disappear	[disə'piə]	<i>v</i>	зникати, пропадати
supplies	[sə'plais]	<i>n</i>	предмети постачання; ресурси; запаси
vital	['vaɪtəl]	<i>a</i>	життєво важливий; насущний
sufficient	[sə'fɪʃ(ə)nt]	<i>a</i>	достатній

V. Read and translate these sentences:

1. In many countries there was a large dose of central regulation and planning. 2. The company has made a decision to start producing new machines. 3. Prices are to regulate production and consumption. 4. The ideas of Adam Smith, the famous Scottish philosopher and economist, have been studied by economists for over two hundred years. 5. The high price for a good is the market mechanism telling suppliers it is now time to increase production.

VI. Translate these sentences into English:

1. Коли борги надходять із зовнішніх джерел, вони будуть описані як зовнішні борги. 2. Відомо, що акції будуть продані корпораціями для використання грошей на фондових біржах. 3. Коли кількість продукції зростає швидше за кількість населення, рівень життя поліпшується. 4. Оптові торговці та виробники скорочують кількість товарів і рівень виробництва, щоб знизити ціни.

VII. Read and translate the text. Make its plan and retell it.

Answer the following questions:

1. How is profit defined by accountants?
2. What do innovators do?
3. Why do profits exist?

TEXT 1

Profits

Besides wages, interest, and rent, another important type of property income is profit. According to accountants, profit is the amount of money the owner of a firm has left after paying wages, interest, and rent – and after providing proper allowance for the depreciation of buildings and equipment. But economists define profit differently. Economists do not assure that the firm tries to maximize the current, short-run profits.

They say that profit is the amount that a firm's owners receive over and above: what they could make from the capital and labour they provide, if this capital or labour were used outside the firm. Only if profit in this sense is non-negative the firm should stay in existence.

But why do profits – as economists define them – exist? Three important factors are innovation, uncertainty, and monopoly power. Suppose that an economy was composed of perfectly competitive industries, that entry was completely free, and that no changes in technology – no new processes, no new products, or other innovations – were permitted. Suppose that everyone could predict the future with accuracy. Under these conditions, there would be no profits.

But in the real world, innovations of various kinds are made. The people who carry them out are called innovators. The innovators may not be the inventors of new products, though in some cases the innovator and the inventor are the same. Quite often the innovator takes another's invention, adapts it, and introduces to the market. According to economists, profits are the rewards earned by innovators.

In the real world, uncertainty also exists. In attempt to be an innovator the risk is involved. Profit is the reward for risk taking. This is similar to the higher wages.

Still another reason for the existence of profits is the fact that markets are not perfectly competitive. Under perfect competition, there will be a tendency in the long run for profits to disappear. Instead, profits may exist very well in the long run in such imperfectly competitive industries as ours.

NOTES

income [ɪnkʌm] — дохід; надходження; прибуток

proper ['prɒpə] — належний; обґрунтований

to assure [ə'ʃʊə] — запевняти, завіряти

power ['paʊə] — сила; міць; потужність

to suppose [sə'pəʊz] — припускати, допускати

VIII. State which of the sentences are true and which are false:

1. Besides wages, interest, and rent, another important type of property income is

profit.

2. According to economists, profit is the amount of money the owner of a firm has left after paying wages, interest, and rent – and after providing proper allowance for the depreciation of buildings and equipment.
3. Economists assure that the firm tries to maximize the current, short-run profits.
4. Profit is the amount that a firm's owners receive over and above: what they could make from the capital and labour they provide, if this capital or labour were used outside the firm.
5. Three important factors are innovation, uncertainty, and monopoly power.
6. Suppose that an economy was composed of imperfectly competitive industries, that entry was completely free, and that no changes in technology – no new processes, no new products, or other innovations – were permitted.
7. In the real world, innovations of various kinds are made.
8. The innovators may not be the inventors of new products, though in some cases the innovator and the inventor are not the same.
9. In attempt to be an innovator the risk is involved.
10. Another reason for the existence of profits is the fact that markets are not perfectly competitive.

IX. Choose the correct statement:

1. Besides wages, interest, and rent, another important type of property **yield/income** is profit.
2. **Economists/accountants** do not assure that the firm tries to maximize the current, short-run profits.
3. Three important factors are **innovation/invention**, uncertainty, and monopoly power.
4. Suppose that everyone could predict the future with **precision/accuracy**.
5. **Income/profit** is the amount that a firm's owners receive over and above: what they could make from the capital and labour they provide, if this capital or labour were used outside the firm.
6. The people who carry out innovations are called **inventors/innovators**.
7. According to economists, profits are the rewards **earned/received** by innovators.
8. In the real world, **competition/uncertainty** also exists.
9. Profit is the **compensation/reward** for risk taking.
10. Under perfect competition, there will be a tendency in the long run for profits to **hoard/disappear**.

X. Fill in the blanks with the appropriate words:

predict	competitive	current	owners
invention	wages	profits	
innovations	uncertainty	property	

1. Besides wages, interest, and rent, another important type of _____ income is profit.

2. According to accountants, profit is the amount of money the owner of a firm has left after paying _____, interest, and rent – and after providing proper allowance for the depreciation of buildings and equipment.
3. Economists do not assure that the firm tries to maximize the _____, short-run profits.
4. Profit is the amount that a firm's _____ receive over and above: what they could make from the capital and labour they provide, if this capital or labour were used outside the firm.
5. Three important factors are innovation, _____, and monopoly power.
6. Suppose that an economy was composed of perfectly _____ industries, that entry was completely free, and that no changes in technology – no new processes, no new products, or other innovations – were permitted.
7. Suppose that everyone could _____ the future with accuracy.
8. But in the real world, _____ of various kinds are made.
9. Quite often the innovator takes another's _____, adapts it, and introduces to the market.
10. Another reason for the existence of _____ is the fact that markets are not perfectly competitive.

XI. Put the words in the correct order to make sentences.

1. and/ property/ important/ wages/ rent/ another/ of/ income/ profit/ interest/ besides/ is/
2. define/ but/ economists/ differently/ profit/
3. that/ profits/ not/ maximize/ economists/ the/ tries/ the/ current/ assure/ do/ firm/ to/ short-run/
4. are/ innovation/ important/ power/ factors/ monopoly/ three/ uncertainty/ and/
5. future/ predict/ suppose/ with/ that/ could/ the/ accuracy/ everyone/
6. the/ are/ but/ real/ innovations/ of/ kinds/ made/ world/ in/ various/
7. called/ innovations/ the/ people/ are/ innovators/ out/ who/ carry/
8. innovators/ rewards/ according/ by/ to/ profits/ the/ earned/ economists/ are/
9. introduces/ adapts/ quite/ the/ takes/ another's/ it/ and/ to/ market/ innovator/ invention/ often/ the/
10. risk/ an/ in/ to/ innovator/ the/ is/ attempt/ be/ involved/

XII. Match the words and their definitions.

1	accountant	A	wealth in the form of money or other assets owned by a person or organization or available for a purpose such as starting a company or investing
2	to assure	B	say or estimate that (a specified thing) will happen in the future or will be a consequence of something
3	allowance	C	a new method, idea, product, etc.

4	to provide	D	work, especially physical work
5	capital	E	something, typically a process or device, that has been invented
6	labour	F	make available for use; supply
7	innovation	G	make (something) certain to happen
8	to predict	H	a thing given in recognition of service, effort, or achievement
9	invention	I	a person whose job is to keep or inspect financial accounts
10	reward	J	an amount of money that can be earned or received free of tax

XIII. Match the words in the right column with the words in the left column to make word combinations.

1	property	a	conditions
2	allowance for	b	competitive
3	a firm's	c	technology
4	to be	d	world
5	perfectly	e	taking
6	changes in	f	owner
7	in the real	g	run
8	under	h	income
9	risk	i	composed of
10	in the long	j	the depreciation

SELF-STUDY

I. State the suffixes in the following words and translate them:

a) **the nouns:** acquisition, majority, clearance, calculation, coverage, constituent, mixture, mechanism, requirement, competitiveness;

b) **the adjectives:** numerous, active, different, intangible, considerable, costly, professional, competitive;

c) **the verbs:** advertise, lessen, signify, maximize, analyse

II. Turn the direct speech into indirect, using the words given in brackets:

1. The manager said, "Let's prepare a good presentation for our partners." (to offer)
 2. Our director said to us, "Don't send this report today if it isn't ready." (to allow)
 3. Jack said to me, "I phoned Mr. Parker yesterday and informed him about our departure." (to tell)
 4. Barbara told me, "The agreement will be signed on Tuesday." (to let smb. know)

III. Translate the following sentences paying attention to the infinitives used after modal verbs:

1. The company ought to improve the packaging of its goods or it may lose part of its customers. 2. They should cut down prices. 3. The country had to decrease its imports. 4. The waiter must have already served the dinner. 5. A new policy can be adopted by the company in the near future.

IV. Translate the words given in brackets and put them in the appropriate tense. Translate the sentences:

1. It is difficult for people to decide whether a decrease in their real wages (був спричинений) by risen prices or by inflation. 2. The Central Bank (може змінювати) the money supply without affecting the amount of reserves to be held by commercial banks. 3. Loan is a sum of money (що була запозичена) by a person or business from another person or business, a bank in particular, and which is to be repaid within a certain period of time with interest. 4. The GDP (не включає) the value of imported goods and services.

TEXT 2

Answer the following questions:

1. How can you define the term “profit”?
2. When is a loss incurred?
3. What must business do in order to make a profit?

Profits and losses

In the most economic systems, businesses are formed with a primary goal of making a profit. After all the expenses of operating a business are paid – such as raw materials, cost of merchandise, labour, rent, utilities, equipment, supplies, taxes and so on – the remaining amount is known as profit.

The opposite is loss. A loss is incurred when the expenses of the business are greater than the sales. In order to make a profit, businesses must offer products or services that are needed by customers. There must be a demand for the products or services being offered for sale. This is where marketing plays a vital role.

Profits and losses are mainsprings of the economic system for several reasons:

1. They are signals indicating where resources are needed and where they are too abundant. When there are economic profits in an industry, this is the signal for resources to flow into it. When economic losses exist in an industry, this is the signal for resources to leave it.

2. Profits are very important incentives for innovation.

3. Profits are society’s reward for efficiency. Firm which don’t use sufficient techniques or don’t produce appropriate quantity or type of product are penalized by losses.

Efficient and adaptive firms receive profits. Profits give firms an opportunity

to embark on new projects. Thus, the importance of profits in a free enterprise is clear.

NOTES

expenses [ik'spensiz] — витрати

remaining [rɪmeɪnɪŋ] — той, що залишився

customer [kʌstəmə(r)] — покупець; замовник; клієнт

appropriate [ə'prəʊpɪət] — відповідний, підходящий; доречний

V. State which of the sentences are true and which are false:

1. In the most economic systems, businesses are formed with a primary goal of making a profit.
2. A loss is incurred when the expenses of the business are less than the sales.
3. In order to make a profit, businesses must offer products or services that are needed by suppliers.
4. There must be a demand for the products or services being offered for sale.
5. When economic losses exist in an industry, this is the signal for resources to leave it.

VI. Choose the correct statement:

1. In the most economic systems, businesses are formed with a primary goal of making a
a) loss b) success c) profit d) expense
2. A loss iswhen the expenses of the business are greater than the sales..
a) calculated b) incurred c) obtained d) gained
3. They are signals indicating where resources are needed and where they are too
a) scarce b) limited c) diverse d) abundant
4. Profits give firms an opportunity to on new projects.
a) start up b) carry on c) embark d) develop
5. When economicexist in an industry, this is the signal for resources to leave it.
a) profits b) constraints c) regulations d) losses

НАВЧАЛЬНЕ ВИДАННЯ

Укладачі:

БОРИСОВА Аліна Олексіївна
АРХИПОВА Вікторія Олександрівна
МУРАВЬОВА Олена Миколаївна
БЄЛІКОВА Ольга Федорівна

ENGLISH

НАВЧАЛЬНО-МЕТОДИЧНИЙ ПОСІБНИК

для студентів денної та заочної форми навчання
економічних спеціальностей

В авторській редакції

Підп. до друку 11.06.15. Формат 60 × 84 1/16. Папір офсет. Друк офсет.
Ум. друк. арк. _____. Тираж _____ прим. Замов. № _____

Видавець і виготовлювач
Харківський державний університет харчування та торгівлі
61051, м. Харків–51, вул. Клочківська, 333.
Свідоцтво суб'єкта видавничої справи
ДК № 4417 від 10.10.2014 р.