Денис Шевчук

# Английский для экономистов (учебник английского языка)

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«Автор»

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Д. А. Шевчук — «Автор»,

Английский для экономистов – учебное пособие предназначено для студентов экономических специальностей и рассчитано на лиц, обладающих знанием нормативной грамматики английского языка и имеющих словарный запас в 2000 лексических единиц. Английский язык для экономистов состоит из 8 разделов, охватывающих широкий круг тем по экономике и бизнесу: экономика, организация, бизнес, менеджмент, маркетинг, реклама, деньги, банки, финансы, бухучет, аудит, резюме экономиста на английском языке и др. Все тексты взяты из оригинальных английских и американских источников. Разделы (равно как и тексты) могут прорабатываться в представленной последовательности или выборочно – в зависимости от целей, задач и уровня подготовки группы, изучающей английский для экономистов. Это эффективный учебник английского языка для экономистов (деловой английский для экономистов).

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# Шевчук Денис Александрович
# АНГЛИЙСКИЙ ДЛЯ ЭКОНОМИСТОВ
# (учебник английского языка)

## ПРЕДИСЛОВИЕ (Introduction)

Данное пособие предназначено для студентов экономических специальностей вузов, а также для широкого круга лиц, использующих английский язык в своей практической деятельности в сфере экономики и бизнеса. Пособие рассчитано на лиц, обладающих знанием нормативной грамматики английского языка и имеющих словарный запас в 2000-2500 лексических единиц.

По своей структуре пособие представляет собой серию разделов, организованных по тематическому принципу. Тематика и характер учебных материалов, представленных в учебнике, обеспечивают формирование у студентов профессионального словаря, а также навыков чтения и говорения в рамках профессиональной тематики. Каждый раздел (Unit) – это самостоятельный комплекс, имеющий унифицированную структуру и состоящий из следующих частей: YOUR VOCABULARY, LET'S READ AND TALK, SPEAK AND WRITE.

YOUR VOCABULARY включает в себя языковые упражнения, основной целью которых является выработка лексических навыков, обеспечивающих готовность студента к включению в последующую деятельность, а также подготовка к работе с текстами, поскольку все отрабатываемые лексические единицы взяты из текстов раздела LET'S READ AND TALK. Кроме того, часть упражнений (на подстановку предлогов, пропущенных слов, раскрытие скобок) представляют собой законченные тексты и являются полноценным источником информации, которая может быть использована при обсуждении темы.

Тексты для чтения предназначены прежде всего для формирования речевых навыков по заданной теме. Вначале это происходит на базе содержания текстов, а затем переносится на обсуждение темы в целом. Тексты подобраны из аутентичных источников и представляют собой отрывки из научной и научно-популярной литературы. Предлагаемые тексты могут использоваться для обучения различным видам чтения.

Вопросы и задания, предлагаемые в SPEAK AND WRITE, носят репродуктивный и продуктивный характер. Выполнение заданий требует от студентов концентрации внимания на адекватности употребления лексических и грамматических средств, логичности и четкости изложения. Формирование речевых навыков происходит в условно заданных речевых ситуациях. Наряду с вопросно-ответными заданиями, требующими расширенного ответа или выражения мнения, предлагаются задания проблемного характера, интеллектуально насыщенные, развивающие умение творчески мыслить. От студента требуется не только точное знание того или иного вопроса, но и умение увязать в канву ответа свой личный опыт и наблюдения. Поскольку большая часть заданий может выполняться как устно, так и письменно, автор сочла возможным включить в Appendix рекомендации по написанию эссе.

Автор не предлагает строгих методических рекомендаций по использование данного пособия, поскольку кроме специальных вузов оно может быть применимо в самых разных условиях учебного процесса и преподаватель сам может определить конкретные методические приемы в зависимости от уровня подготовки студентов, целей обучения и количества часов, отводимых на работу с тем или иным разделом. Разделы могут изучаться в предлагаемой последовательности или выборочно. Это же касается и выполнения заданий в рамках раздела: их выбор определяется практическими задачами и конкретными условиями каждого учебного

заведения. Определенная избыточность лексических упражнений, текстового материала продиктована желанием обеспечить большую вариативность и мобильность в адаптации к нуждам каждой конкретной аудитории. В полном объеме пособие ориентировано на студентов, занимающихся по углубленной программе.

*The master-economist must possess a rare combination of gifts. He must be a mathematician, historian, statesman, philosopher – in some degree. He must understand symbols and speak in words. He must contemplate the particular in terms of the general, and touch abstract and concrete in the same flight of thought.*

*He must study the present in light of the past for the purpose of the future.*

*No part of man's nature or his institutions must lie entirely outside his regard. He must be purposeful and disinterested in a simultaneous mood; as aloof and incorruptible as an artist, yet sometimes as near the earth as a politician.*

***J.M. Keynes***

*We are beginning our work. And I'd like to start with the text devoted to a WORD. Whatever you do in your life, wherever you work be careful about and sensitive to the WORD. It's your main tool.*

Your boss has a bigger vocabulary than you have.

That's one good reason why he's your boss.

This discovery has been made in the word laboratories of the world. Not by theoretical English professors, but by practical, hard-headed scientists who have been searching for the secret of success.

After a host of experiments and years of testing they have found out:

• That if your vocabulary is limited your chances of success are limited.

• That one of the easiest and quickest ways to get ahead is by consciously building up your knowledge of words.

• That the vocabulary of the average person almost stops growing by the middle twenties.

• That from then on it is necessary to have an intelligent plan if progress is to be made. No hit-or-miss methods will do.

It has long since been satisfactory established that a high executive does not have a large vocabulary merely because of those opportunities of his positions. That would be putting the cart before the horse. Quite the reverse is true. His skill in words was a tremendous help in getting him his job.

It has been discovered that the one and only common characteristic of outstandingly successful people is an extensive knowledge of the exact meaning of English words.

**Vocabulary is one indication of intelligence**. Learning power measurably sharpens when vocabulary increases. Here is the proof.

Two classes in a high school were selected for an experiment. The ages and background of the members of both groups were the same, and each group represented a similar cross section of community. One, the control class, took the normal courses. The other class had an additional, special, and rigorous vocabulary training. At the end of the period the grades of the students in the vocabulary class surpassed the grades of the members of the control group, not only in English, but in every other subject, including mathematical and sciences.

*Words are the tools of thinking*. It naturally follows, then, that the more words you have at your command, the clearer and accurate your thinking will be.

*Words are medium of exchange*, the coin with which you do business with all those around you. With words you relate people, communicate your feelings and thoughts to them, persuade them, control them. In short, through words you shape your own destiny, for **your words are your personality**; your vocabulary is you.

How do words treat you? Are you comfortable with them? Do they easily come to you? When you write and speak, do your words paint the sort of picture of you that will do you the most good in the highly competitive world? Does your language usually present a true reflection of your mind, your emotions, and your personality? Or does it sometimes betray and blur your thoughts? Do people occasionally misunderstand you? Or can you compel them to listen, react, obey?

*From now on we want you to look at words intently, to be inordinately curious about them and to examine them syllable and syllable, letter by letter. They are your tools of understanding and self-expression. Collect them. Keep them in condition. Learn how to handle them. Develop a fastidious, but not a fussy, choice. Work always toward good taste in their use. Train your ear for their harmonies.*

We urge you not to take words for granted just because they have been part of your daily speech since childhood. You must examine them.

Words are not dead things. They are fairly wriggling with life. They are exciting and mysterious tokens of our thoughts, and like human beings, they are born, come to maturity, grow old and die, and sometimes they are even reborn in a new age. A word, from its birth to its death, is a process, not a static thing.

Words, like living trees, have roots, branches, and leaves. If the roots are the origin of words and the branches are the word families that stem out of them, the leaves of this language tree would be the words themselves and their meaning.

Like everyone else, you want certain things from life. No matter what those benefits are, or what particular way you have chosen to go about getting them, you know that your first and most effective means will be the words you use.

In short, the satisfaction and the success you get out of life depend very greatly on the skill with which you communicate your needs, your desires, your opinions to others.

Words are explosive. Phrases are packed with TNT. A single word can destroy a friendship, can start or end a mortal battle, can land a large order. The right words in the mouth of clerks have quadrupled the sales of a department store. The wrong words used by a campaign orator have lost an election. Words have changed the direction of history. Words can also change the direction of your life.

*Один из способов тренировать ин. язык – обучать иностранцев русскому языку, русской литературе, философии и истории России (для чего стоит повышать их знание).*
***Денис Шевчук***

Замечено, что многие люди не знают элементарных правил русского языка, например:

1. Количество кавычек всегда должно быть четным, как скобки в математике.

Рядом стоящие кавычки могут быть двух видов – «…» и «…» (лапки и елочки).

Правильно: «слова „слова“» или «слова „слова“»

Неправильно: «слова»» и "слова «слова»

Эти ошибки есть даже в названиях крупных фирм и некоторых статьях и книжках.

2. Если в конце предложения есть информация в скобках, точка ставится после скобок, не ставится перед скобками и внутри перед закрывающей скобкой.

Правильно: слова (слова).

Неправильно: слова. (слова.)

**LEARNING HAPPENS TO BE A DIFFICULT PROCESS: NO PAIN, NO GAIN.**

# UNIT 1
# ECONOMY

*Менеджер – наемный управленец, начальник!*
*Если у вас нет ни одного подчиненного – вы не менеджер,*
*а максимум специалист!*
***Денис Шевчук***

**Your vocabulary**

**Economy**

– a system according to which the money, industry, and trade of a country or region are organized.

– a country's economy is the wealth that it gets from business and industry.

– careful spending or the use of things in order to save money.

– large-size packages of goods which are cheaper than the normal sized packages on sale.

**Economic**

– concerned with economics and with the organization of the money, industry, and trade of a country, region, or social group.

– relating to services, businesses, etc. that produce a profit.

**Economical**

– something that is economical does not require a lot of money to operate.

– using the minimum amount of time, effort, language, etc. that is necessary.

**Economics**

– the study of the production of wealth and the consumption of goods and services in a society, and the organization of its money, industry, and trade.

**Economist**

– an expert or student of economics.

**Economize**

– save money by spending it very carefully and not buying expensive things.

**Economic Institution**

– a physical or mental structure that significantly influences economic decisions

**Economic policy**

– an action (or inaction) taken, usually by government, to influence economic events.

**Economic model**

– simplified representation of reality.

**Positive Economics**

– the study of what is, and how the economy works.

**Normative Economics**

– the study of how the economy should be, from society's standpoint.

**Ex. 1.** *To show that you understand the words given above, choose the best word to complete the following sentences. Add noun, verb or adverb endings if necessary.*

1. Home … is a subject studied at school and college in which students are taught how to run a house well and efficiently.
2. New England's … is still largely based on manufacturing.
3. All Western … are competing against each other.
4. These businesses contribute hundreds of millions of pounds to the … of the country.
5. I switched off the lights as an … measure.

6. If you make …, you take action in order to save money, by not spending it on unnecessary things.
7. You'll have to travel … class.
8. Buy our new … packs of 100.
9. If you are really going to buy a car, we'll have to … on other things.
10. In his works he explains the ideas of the great English … J.M. Keynes.
11. She thought of herself as an … wife.
12. This system was extremely … because it ran on half-price electricity.
13. What has gone wrong with the … system during the last ten years?
14. The book is very … written, but very warm.
15. … is the oldest of social sciences.

**Ex. 2.** *Look at the following derivatives. Use your knowledge of English and logical reasoning to explain the meaning of each word below.*

**system, systematic, systematically, systematize, systemic**

*Use these words in the following sentences.*

1. The police made a .... search of the building.
2. You need some … in your work if you want to succeed.
3. I wish they'd organize themselves more … .
4. … insecticides spread all through a plant and kill any insects that feed on it.
5. This method helps … the information received.

**Ex. 3.** *Add appropriate words where there are blanks in the sentences below and you'll get the definitions of the words in bold. Some words can be used in their different meanings.*

**imply, convey, standpoint, overall, range, scarce, free, available, utility, rate, output, environment, artifact, discretion**

1. The … is the total set of outside forces surrounding and shaping the behaviour of the organization and its members.
2. To … information, ideas, feelings, etc. means to cause them to be known or understood by someone.
3. Someone or something that is … is not restricted, controlled by rules, customs, or other people.
4. An … is an object that is made by a person.
5. The … of something is the total area or extent within which it can operate effectively, and beyond which it is no longer effective.
6. If something is …, there is not very much of it, and there may be enough for those who want or need it.
7. If something is …, you can have it or use it without paying for it.
8. If you … people or things, you arrange them in a line or in lines.
9. If you … that something is the case, you suggest that it is the case without actually saying so.
10. The … at which something happens is the speed at which it happens over a period of time.
11. The … of something is how useful and practical it is.
12. … is used to describe a situation in general, including everything but not considering the details.
13. The … of taxation is the level of it.
14. If something is …, you are able to use it or obtain it.
15. A … is an important service such as water, electricity, or gas provided for everyone.
16. If you … something highly, you consider that it is important.
17. Someone who is … is not busy and is therefore free for you to talk to.

18. A … is a particular way of looking at or thinking about an event, situation, or idea.

19. Someone's … is the amount of something that they make or produce.

20. … is the quality of behaving in a quiet and controlled way without drawing attention to yourself or giving away personal or private information.

**Ex. 4.** *Give synonyms to the following words. Be ready to give your own examples to show the difference in their meanings.*

Affect, effect, aggregate, change, demand, allocate, borrow, income, seek, require, fair, refer to, scarcity, ultimate, restrict.

**Ex. 5.** *Give the opposite meaning to each word. Make up your own sentence with each word.*

Push, appear, diverse, lend, facilitate, available, output, fair, increase, completely, complicate.

**Ex. 6.** *Consult the dictionary and find the root words to the following:*

Help, participate, contribute, allocate, mean, equitable, prevent, assemble, perform, imply, consider, scarce, benefit, value, societal, vary, certainly, compete.

**Ex. 7.** *Make the following words negative.*

Regard, responsible, desirable, respective, checked, doubt, certainty.

**Ex. 8.** *Read the following definitions. Can you guess the word they all refer to?*

1. A company or a business.
2. Something new, difficult, or important that you do or try to do.
3. A system of business, especially one in a particular country.
4. The ability to think of new and effective things to do, together with an eagerness to do them (You can find the word in text 1, paragraph 1).

*Now check your understanding. Insert the missing words. Translate the sentences into Russian.*

1. He said he had doubts about the whole … .
2. This has done much to damage national … .
3. They are known to be the men of …, energy, and ambition.
4. I admire their … in trying to start up a new business.
5. This company is one of the largest … of this kind.

**Ex. 9.** *Study the following words and word-combinations. What are their Russian equivalents?*

**to aim at, to arrange (for), game plan, to go ahead, a means to an end, on purpose, to set up, to tackle, to take action (on), to take steps, to take the initiative.**

*Translate the following sentences into Russian.*

1. Our products are aimed at working mothers.
2. Let's arrange for a meeting now. How about Friday, nine o'clock, your office?
3. OK, so we have arranged for finance and now we can go ahead with marketing.
4. The game plan for this morning's meeting is to finish ordinary business in the first half hour, then take time out for coffee, so that, in the second half, we can zero in on the all-important question of new product development.
5. We use special offers in order to attract bigger orders – in other words, as a means to an end.
6. We have to reduce our overhead expenses. This will lead to job losses in some departments – an unpleasant fact, I'm afraid, but the end justifies the means.
7. Although everyone has to be at the meeting on time, the chairman will be a few minutes late, as usual, He does this on purpose, just to let everyone know who's who in charge.
8. The company was set up ten years ago.

9. The government is doing all it can do to tackle the problems of housing and unemployment.

10. We need to take firm action, now, on the reduction in our market share – before matters get worse.

11. In the course of the next day or so, we shall be taking steps to put our plans into action.

12. For this job, we're looking for someone with a go-ahead attitude, a self-starter, someone who's prepared to take and maintain the initiative.

13.

**Ex. 10.** *Look at the following Latin words. They may be helpful in your work with the texts on Economics and Business.*

e.g. exempli gratia for example
i.e. id est that is
etc. et cetera and so on
viz. vide licet namely
c circa about, around (time)
v vide see
et al et ali and others
per se in itself
qua as
vice versa the reverse
ad hoc for this particular purpose
vs versus opposed
via 1.through
2.with the help of
per capita per head
ceteris paribus other things equal
ad valorem according to value

**Ex. 11.** *What do the following words have in common and what do they differ in?*

Matter, problem, dilemma, trouble, alternative, predicament, difficulty.

**Ex. 12.** *Translate into Russian in written form.*

In 1776, the Scottish professor of philosophy, Adam Smith, published *The Wealth of Nations.* In this book, the first systematic study of capitalism, Smith described his principle of the "**invisible hand**". This principle states that each person, pursuing his or her self-interest without interference by government, will be led, as if by an invisible hand, to achievethe best good for society.

Self-interest drives people to action, but alone it is not enough. People must understand the effects of their decision and their economic well-being. They must think rationally if they are to make the right decisions.

Because of this, economists long ago introduced the concept of **economic man**. This notion holds that each person is motivated by economic forces. In other words, each person will always attempt to obtain the greatest amount of satisfaction for the least amount of sacrifice or cost. This satisfaction may take the form of greater profits for a businessperson, higher wages or more leisure time for a worker, and greater pleasure from goods purchased for a consumer.

Of course, these assumptions are not entirely realistic. People may be motivated by forces other than self-interest. Nevertheless, the idea of economic man does deserve as a reasonable approximation of the prevailing pattern of economic behaviour in a capitalistic society. And in economics, as in other social sciences, reasonable approximations are often the best that can be made.

***LET'S READ AND TALK***

1. What is meant by the word «system»? How do you understand it?
2. What systems do you know? Give your examples.
3. To what systems do you belong?

TEXT 1

**WHAT IS SYSTEM?**

Everybody is familiar with the word system and uses it in everyday language. We speak of heating systems, communication systems, economic systems, and transportation systems. We talk of cultural and social systems. The word system is used because it conveys the idea that these things are made up of parts and that the parts somehow interact with each other for some purpose or reason. **A system is an organized or complex whole – an assemblage or combination of thingsor parts performing asa complex or unitary whole**.

This definition implies several ideas. First is the concept of*interdependency*. If a change occurs in one part or set of parts, it affects all other parts of the system. This affect on each part may be direct or indirect.

A second implication of the definition of a system is the concept of *wholism*. This means that the system should be considered as a functioning whole. Changes in parts of the system and in the functioning of elements of the system should be considered from the standpoint of the system's overall performance.

A third concept implied by the definition is *synergism*. This refers to the interactive effect of the parts of the system working together. The actual interaction of the parts creates an effect which is greater than the effect of the parts acting separately.

*We've started our work with this small text about a system because we want you to bear in mind and apply the systematic approach to everything you see, hear, read or discuss, for everything in this world belongs to this or that system. While reading the texts pay attention to the economic and business terms. They'll become the basis of* ***your professional vocabulary****.*

TEXT 2

**HISTORY OF ECONOMICS**

In the 1500s there were few universities. Those that existed taught religion, Latin, Greek, philosophy, history, and mathematics. No economics. Then came the Enlightenment (about 1700) in which reasoning replaced God as the explanation of why things were the way they were. Pre-Enlightenment thinkers would answer the question, "Why am I poor?" with, "Because God wills it." Enlightenment scholars looked for a different explanation. "Because of the nature of land ownership" is one answer they found.

Such reasoned explanations required more knowledge of the way things were, and the amount of information expanded so rapidly that it had to be divided or categorized for an individual to have hope of knowing a subject. Soon philosophy was subdivided into science and philosophy. In the 1700s, the sciences were split into natural sciences and social sciences. The amount of knowledge kept increasing, and in the late 1800s and early 1900s social science itself split into subdivisions: economics, political science, history, geography, sociology, anthropology, and psychology. Many of the insights about how the economic system worked were codified in Adam Smith's *The Wealth of Nations*, written in 1776. Notice that this is before economics as a subdiscipline developed, and Adam Smith could also be classified as an anthropologist, a sociologist, a political scientist, and a social philosopher.

Throughout the 18$^{th}$ and 19$^{th}$ centuries economists such as Adam Smith, Thomas Malthus, John Stuart Mill, David Ricardo, and Karl Marx were more than economists; they were social philosophers who covered all aspects of social science. These writers were subsequently called

Classical economists. Alfred Marshall continued in that classical tradition, and his book, *Principles of Economics*, published in the late 1800s, was written with the other social sciences in evidence. But Marshall also changed the question economists ask; he focused on the questions that could be asked in a graphical supply-demand framework. In doing so he began what is called *neo-classical economics.*

For a while economics got lost in itself, and economists learned little else. Marshall's analysis was downplayed, and the work of more formal economists of the 1800s (such as Leon Walras, Francis Edgeworth, and Antoine Cournot) was seen as the basis of the science of economics. Economic analysis that focuses only on formal interrelationships is called Walrasian economics.……

1. The text you've read gives a very brief view of the history of Economics. What other names (schools, theories) can you give to continue the story?

TEXT 3

*Read the text. Define the main idea of each paragraph.*

**THE ECONOMIC SYSTEM**

There are many forms of economic order, ranging from the mixed private enterprise system to partially or completely controlled economies. Regardless of their form, however, **economic system is the system that a society uses for allocation and distribution of scarce resources**. Private enterprise means that decisions about what and how much to produce are left to the discretion of owners and managers. In controlled economies such decisions are the responsibility of some governmental agency. There is, of course, no economy today that is completely free of governmental influence, nor is this condition necessarily undesirable. There are many beneficial services and protections available from government. The question then is a matter of degree. Irrespective of the form of economic order, it performs certain valuable functions in the life of organizations of all types.

Among the functions of the economic order the most important one is to provide some means of **resource allocation**. In a private enterprise this function is basically performed by the price mechanism. This simply means that **demand for** and **supply of** goods and services interact to set their market price. In the case of regulated utilities, there are governmental agencies such as public service commissions that determine the rates that may be charged by utility companies. These rates are set at the level that will allow a fair return on investments made by the companies. This form of regulated monopoly is considered, on balance, preferable to unchecked competition. This is true because of efficiency reasons. In taking actions in the area of employment, government is attempting to control the economy in such a fashion as to help the business community operate at the level of production that will yield full employment.

Without a **system of distribution** economy simply could not exist. A major part of this distribution system is credit. Economy flourishes on credit or extended methods of payment. Such a system literally affects every link in the distribution chain from the supplier of raw materials to the ultimate consumer. Without this vital financing function being performed, the economy would doubtless be forced to a lower order of production.

Economic goals for a nation include **price stability, full employment**, **economic growth**, and **equitable distribution of income**. Price stability contributes to the efficient allocation of resources and facilitates long-term planning. Full employment means that jobs are available for those seeking work. Higher standards of living require increased output per person (economic growth per capita). An equitable distribution of income means that the fruits of the economy are divided in a way that seems fair to the majority of the people. With the long-run trend toward a more sophisticated, highly integrated economic system, it is becoming increasingly important for an individual decision maker to be aware of the macroeconomic environment.

1. What is a system?
2. What are three main concepts of a system? What do they imply?
3. What is an economic system?

4. What functions does economic order perform?
5. What do economic goals for a nation usually include?

TEXT 4

*Read the text. Make up the plan and retell the text using your plan.*

**PROLOGUE TO ECONOMICS**

There is almost universal agreement that economies are becoming more complex every year and that an understanding of how an economy works is more important than ever before. For someone who is just beginning to study economics, the task indeed appears to be a difficult one. Economics is the study of the way in which mankind organizes itself to solve the basic problem of scarcity. All societies have more wants than resources, so that a system must be devised to allocate these resources between competing ends. In a very real sense, the complexity of the economy makes it difficult to decide exactly where to start. Simultaneously, production is taking place, goods and services are being allocated, and a great number of market participants are being motivated by a diverse set of goals. In addition, there is the complex financial system in which individuals, firms, and governments borrow and lend funds.

Economics is divided into two major branches: macroeconomics and microeconomics**. Macroeconomics is the study of behavior of the economy as a whole with emphasis on the factors that determine growth and fluctuations in output, employment, and the level of prices**. Macroeconomics studies broad economic events that are largely beyond the control of individual decision makers and yet affect nearly all firms, households, and other institutions in the economy. Specialists in macroeconomics are particularly interested in understanding those factors that determine **inflation**, **unemployment**, and **growth** in the production of goods and services. Such an understanding is necessary in order to develop policies that encourage production and employment while controlling inflation.

The other major branch of economics is microeconomics. **Microeconomics is the study of behavior of individual units within the economy.** The division of economics has resulted from the growing complexity and sophistication of economic research.

These two approaches and the topics they include are in fact interdependent. Individuals and firms make their decisions in the context of the economic environment, which has an impact on the constraints the decision makers face as well as their expectations about the future. At the same time, when taken as a whole, their decisions determine the condition of the overall economy. A good understanding of economic events and an ability to forecast them require knowledge of both individual decision making and the way in which individuals react to changes in the economic environment.

1.Economies are becoming more complex every year. Why?
2.What is the main division of economics?
3.What is macroeconomics «responsible for»?
4.What does microeconomics deal with?

TEXT 5

1.In what context can we use the word environment?
2.What elements of the environment can you mention?
3.Which ones are of the most importance?

*Read the text. Be ready to define the key-sentence(s) of each paragraph. Explain your choice.*

Read

**MACRO ENVIRONMENT**

**Macro environment** is the network of systems composed of culture, political and economic forces, technology, skill mixes, and consumer groups; a source of opportunities and constraints for

the organization. Once the organization has built its product or defined its service, it must distribute it to consumer client groups who have wants and needs that they attempt to satisfy through the consumption of such products and services.

Every organization exists within an extensive and complex environmental network. Organizational environment refers to all groups, norms, and conditions with which an organization must deal. It includes such things as the political, cultural, economic, religious, educational, and like systems that affect an organization and which in turn affected by it. Table 1 provides a summary of environmental subcomponents.

Table 1.

| Major Component | Subcomponent |
|---|---|
| Culture | Societal values, norms, beliefs, artifacts, accepted behavior patterns, institutions |
| Political System | National, state, and local laws, regulations and ordinances, governmental services, political parties and processes |
| Economic System | Resource availability and means of allocation, market structure, pricing mechanisms, economic regulations |
| Technology | Techniques and science of production and distribution, machinery/automation, work flows and processing, state of industrial development |
| Skill Mix | Labor availability by skill and geographic area, mobility, training and development, unionization |
| Customer/Client Groups | Buying power, expectations (time, place, quality, quantity, price), need, wants, perceptions |

***Culture*,** composed of values, norms, artifacts, and accepted behavior patterns, affects the way the organization is formed and how it operates once in existence. Indeed, one must recognize that all of the decisions made in an organization are culture bound; i.e., they are a reflection of all these components of culture. Societal norms are those standards that mold behavior, attitudes, and values of those members who constitute a society. They come from laws, customs, religious teachings, and common practice. They are standards because members take them into account in their decisions and behavior. Dress, speech, what is considered to be in good taste, and the general understanding of what is right and wrong are all affected by societal norms. At the same time, almost every institution in a society is capable of transfusing some of its values, norms, and behavior patterns into its environment. Organizations can hardly afford to ignore such a vital ingredient in its macro environment.

***Political forces*** are classified as the form and role of government in a society. The source of law and other regulations that restrict or at least affect the organization, the political system also is the source of a rich variety of services for the organization. These services range from fire and police protection to the provision of recreational areas. When one thinks of the governmental sector, one might be likely to think of its negative connotation and red tape. Although there is an element of restriction originating from the political sector, it is by no means dominant. Even though the presence of the political system has served to complicate management's job, it has also made it easier at the same time. By knowing that all similar organizations must observe the same rules and regulations, managers can experience an element of certainty in their activity. They know that they have a source of protection and redress when violations do occur.

The political system is coupled with the ***economic system***. The type of economy a society has can range from private enterprise to planned economy. Whatever its form, the economic system is

concerned with the allocation of scarce resources and the provision of some form of distribution. It is, in practice, quite difficult to separate the political and economic systems from each other.

The macro environment is also the source of***technology*** – the machines, techniques, and methods required for production and distribution. To be able to compete successfully, organizations must have access to modern technology. It is simply not feasible for an organization to compete unless an adequate level of technology is available to it. It can be safely stated that organization success is measured by the ability of the organization to adjust to and to employ technological innovations. Among their responsibilities, managers today must count the obligation to maintain a spirit of creativity and ingenuity among members so that continued progress on the technological front can be made. The ever-growing shortages of resources of all types are but one indication of the seriousness of this obligation.

***Skill mix*** in the labor force is likewise an important facet of an organization's macro environment. All organizations depend to some extent on a supply of labor that possesses the skill and ability to perform the work necessary to attain objectives. Consequently, labor market conditions and skill mixes are crucial to success.

***The consumers*** are the ultimate arbiters of the organization's success, for it is they who make the critical choices to consume or not to consume an organization's output. Without the income (in whatever form) that results from this consumption, the organization is doomed to a relatively short life. This means that managers must be more aware of and sensitive to the total environmental complex of their organization in order to develop and implement plans for successfully coping with it. Otherwise, there is little chance for success, for по longer willyesterday's methods based on a placid environment serve in today's turbulent outside world.

1.What is macro environment?

2.Why is macro environment a source of constraints and opportunities for an organization?

3.What is «the most influential element» of the environment?

4.What element can people influence?

TEXT 6

*Read the following text. Define its main topic. Divide the text into logical parts. Give the title to the text and to each part. Explain the meanings of the words and phrases which have been highlighted.*

The study of economics would be incomplete without an understanding of the nation's role in the world economy. The study of the world economy is known as "international economics". **International economics** embraces two broad areas of interest**: international trade** and **international finance**. World trade has been gaining increasing significance among nations. Why do nations trade? The answer is that nations have different quantities and qualities of economic resources and different ways of combining them. As a result, each country can produce certain goods more efficiently, or at relatively lower costs, than others. This idea can be stated somewhat differently. Imagine a world consisting of only two countries, each producing the same goods. Under such circumstances, the alternative or **opportunity cost** to each country of producing more of one good is the amount of the second good that must be sacrificed. In view of this, which of the two goods should the countries produce? The answer is that each should **specialize.** When two parties engage, the sacrifice that each makes to obtain something from the other is called the "terms of trade". For example, in order to buy a book, you might have had to give up five visits to the movies. Your terms of trade, therefore, are 5 movies = 1 book. The **terms of trade** for a given transaction equal the number of units of goods that must be given up for one unit of goods received by each party to the transaction. Or in other words, terms of trade are defined as the ratio of the prices of its export commodity to the price of its import commodity. Despite the fact that trade is of great importance for each nation, all countries impose restrictions of one form or another to protect some of their domestic industries. The restrictions may be of several types: **tariffs**, **import quotas**, **nontariff barriers**. Tariffs are

**customs duties** or taxes imposed by a government on the importation of a good. Tariffs may be (1) specific, in the form of a tax per unit of the commodity, or (2) **ad valorem**, based on the value of the commodity. Import quotas are laws that limit the number of units of a commodity that may be imported during a specified period. Nontariff barriers are any laws or regulations, other than tariffs, that nations impose in order to restrict imports. For instance, to "protect the health and safety" of their citizens, many countries establish higher standards of quality for various kinds of imported goods than for similar goods produced domestically.

**Ex. 13.** *Insert the missing words given below.*

**Consumption, take account of, manager, state, environment, include, capital, macroeconomics, economy**

In a simplistic … in which individuals or families produce primarily for their own …, economy-wide phenomena are of little importance. On the other hand, the complex financial … and production process that characterizes an advanced economy in the 1980s requires individual decision makers … both the current economic environment and forecasts of the economic environment. Decisions that require an understanding of the overall functioning of the economy … business decisions such as whether firm should sell bonds or stock to raise new … and individual decisions such as whether to change jobs or purchase a new home. Whether a person «wears the hat» of an entrepreneur, a business …, or a head of a household, it is important to be aware of the … of the economy as a whole. Specific factors that determine the advisability of these and other decisions are studied as part of … .

**Ex. 14.** *Add an appropriate preposition to each of the following sentences where indicated.*

1. This refers … the interactive effect of the parts of the system working together.
2. They decorated the house regardless … cost.
3. Economic forms range … the mixed private enterprise … completely controlled economies.
4. Everyone, irrespective …means or occupation, shall have an equal opportunity.
5. This function is basically performed … the price mechanism.
6. This simply means that demand … and supply … goods and services interact.
7. Gradual change is preferable …sudden, large-scale change.
8. Such a system affects … every link in the distribution chain.
9. They have to satisfy their wants and needs … the consumption of such products and services.
10. It has also made it easier …the same time.
11. The political system is coupled … the economic system.
12. Organization must have access .. modern technology.
13. All organizations depend … supply of labour force.
14. The economic system is concerned … the allocation of scarce resources.
15. We must try to cope … our problems.
16. The entrance door gives access … the living room.

**Ex. 15.** *Open the brackets.*

**The Price System**

Who (to tell) workers where (to work) or what occupation to choose? Who (to declare) haw many cars should (to produce) and how many homes should (to built)? Who (to specify) the predominant style of women's dresses or men's suits?

The greater the degree of competition the more these matters (to decide) impersonally and automatically by the **price system** or the market system. This may ( to view) as a system of rewards and penalties. Rewards (to include) profits for firms and people who (to succeed). Penalties (to include) losses, or probably bankruptcy, for those who (to fail). The price system (to be) fundamental to the traditional concept of market economy.

The price system basically (to operate) on the principle that everything that (to exchange) – every good, every service, and every resource – (to have ) its price. In a free market with many buyers and sellers, the prices of these things (to reflect) the quantities that sellers (to make) available and the quantities that buyers (to wish) (to purchase).

Thus, if buyers (to want) (to purchase) more of a certain good than suppliers (to have) available, its price (to rise). This (to encourage) suppliers (to produce) and (to sell) more of it. On the other hand, if buyers (to want) (to purchase) less of a certain good than suppliers (to prepare) (to sell), its price (to fall). This (to encourage) buyers (to purchase) more of it.

This interaction between sellers and buyers in a competitive market, and the resulting changes in prices, (to be) what most people (to refer) to by the familiar phrase "supply and demand".

1.*Read the text once again and answer the following question: "What role does the price system play in the market economy?"*

**Ex. 16.** *Study the following words and word combinations. They are used when you are to describe different trends of economic development. Consult a good dictionary and put down all their derivatives. Make your own sentences using these words. You can do it in the form of a question to your partner.*

increase, raise, put up, step up, extend, expand, rise, grow, soar, boom;

decrease, drop, put down, cut, reduce, fall, go down, decline, collapse, slump; remain stable, hold, maintain, stay constant.

to stand at
to reach a peak of
dramatic(ally)
rapid(ly)
quick(ly)
vast(ly)
huge(ly)
enormous(ly)
substantial(ly)
considerable(ly)
significant(ly)
moderate(ly)
gradual(ly)
slight(ly)
a little
slow(ly)

**Ex. 17.** *A picture is worth 1000 words. Economists, being efficient, like to present ideas in graphs, which are a type of picture. But graph is worth 1000 words only if a person looking at it knows the graphical language (graphish). Study the following information to be able to read any graph. Find the Russian equivalents for the highlighted words.*

Graphs are used in two ways: 1. to present an economic model or theory which focus on hypothetical relationships; 2. to present real-world data visually. Actually, these two ways of using graphs are related. They are both ways of presenting visually the relationship between two things.

Graphs are built around a number line, or **axis** (axes, pl). Axes are called vertical and horizontal. We can plot the information on two axes. When we connect two points we have a line. Even if the line is straight, economists call any such line drawn on a graph **a curve**. A curve can be**a linear curve, a downward-sloping curve, an upward-sloping curve, a nonlinear curve.**

Economists use the following graphs in presenting actual economic data:

**Line graph Bar graph**
**Flow chart Pie chart**

**Ex. 18.** *Give the English equivalents to the following.*

Приобретает все возрастающее значение; альтернативные издержки; при таких условиях; который должен быть принесен в жертву; постарается быть самодостаточным; тарифы; квоты на импорт; условия торговли; нетарифные барьеры; навязывать ограничения; защитить отечественную промышленность; таможенные пошлины; налог на единицу товара; в определенный период; установить более высокий стандарт качества на товары.

**Ex. 19.** *Translate the following sentences into English.*

1.Это следует рассматривать с точки зрения действия всей системы. 2.Одна из ее функций – эффективное размещение ресурсов. 3.Рыночная цена – результат взаимодействия спроса и предложения на товары и услуги. 4.Экономика не может существовать без системы распределения. 5.Все решения – это отражение всех компонентов культуры. 6.Когда мы говорим о государственном секторе, мы подразумеваем бюрократический аппарат. 7. Если происходит нарушение закона, они знают, что у них есть защита. 8.Чтобы успешно конкурировать, организация должна иметь доступ к современным технологиям. 9.Все организации зависят от предложения рабочей силы. 10.Руководитель должно четко реагировать на все изменения в деловой среде. 11.В конечном итоге, успех организации определяют потребители.

**Ex. 20.** *Let's review the core concepts of economics. Translate the following into Russian.*

1. **Economics** is the study of how people, individually and collectively, allocate their limited resources to try to satisfy their unlimited wants.

2. **Scarcity** occurs because human wants exceed the production possible with our limited time and resources.

3. A **good** is any item or service that satisfies a human want and, in so doing, adds to human happiness.

4. **Production** entails using technology to apply energy to materials in ways that make the materials more valuable, or that otherwise help satisfy human wants.

5. **Labour** resources are the physical and mental talents that people can make available for production.

6. **Opportunitycost** is the value of the best alternative surrendered when a choice is made.

7. **Absolute prices** are prices in terms of some monetary unit.

8. **Relative prices** are the prices of goods or resources in terms of each other, and are computed by dividing their absolute prices by one another.

9. **Economic efficiency** is achieved when we produce the combination of outputs with the highest attainable total value, given our limited resources.

10. **Inputs** are resources used in the production process, such as labour and raw or semifinished materials.

11. **Outputs** are transformed materials; the results of production.

12. **Demand** is the quantity of a specific good that people are willing and able to
buy during a specific period, given the choices available.

13. **Supply** refers to the quantity of a specific good that sellers will provide under alternative conditions during a given period.

14. **Market equilibrium** occurs at the price-quantity combination where the quantities demanded and supplied are equal.

15. A**surplus** is the excess of the quantity supplied over quantity demanded when the price is above equilibrium.

16. **Gross Domestic Product (GDP)** is the total market value of goods and services produced within a country during some period, usually one year.

17. **Gross National Product (GNP)** is the value of all output produced by resources owned by the citizens of a country.

18. **Economic growth** is a positive quantitative change in an economic system; occurs when a society acquires greater productive capacity that can be used for consumption or investment.

19. **Capital** is all physical improvements made to natural resources that facilitate production, including buildings and all machinery and equipment.

20. **Wealth** is the value of the assets owned by an individual or a group of individuals.

***SPEAK AND WRITE***

1.Why is it important to view organizations open systems interacting with their environment?

2. Do you know any closed systems? Give some examples.

3. Give your own examples of the environmental influence on a business / on an individual.

4. Prepare a short report on the biography of a famous economist.

5.What would happen to standards of living in your country if all foreign trade were prohibited? How significant do you think this would be? In what areas would this impact be the strongest?

6.Does everything have a price? Are there some things you would not do regardless of price? Remember: prices and money are not synonyms; prices may be nonmonetary.

7. Summarize the information of the Unit to be ready to speak on Economics. The first step to be done is to write the plan of your future report.

8. Choose any question (problem, topic) relating to Economics and prepare a 5-7 minute report. Refer to different additional sources to make your report instructive, interesting and informative.

# UNIT 2
# BUSINESS ORGANIZATION

*The world is a chain, one links another.*

**Your vocabulary**

**Business**

– work relating to the production, buying, and selling of goods and services;

– an organization which produces and sells goods, or which provides a service;

– important matters that you have to discuss or deal with.

**Businessman, Businesswoman** – a person engaged in trade or commerce.

**Business cycle**

– process by which investment, output, and employment in an economy tend to fluctuate up and down in a regular pattern causing boom and depression, with recession and recovery as intermediate stages.

**Organization**

– a large group of people that has particular aims.

**Organizer**

– the person who makes all the arrangements for something and makes sure that happens as planned.

**Ex. 1.** *Study the following words and word combinations and translate the sentences given below into Russian. Consult a good dictionary if necessary.*

**mean business, none of one's business, go out of business, businesslike, be busy with, have no business to do, be in business, like nobody's business, mind one's own business**

1. Mother has *busied* herself with our affairs for too long.
2. When traveling *on business* I take my tiny travel kit.
3. Let's get down to business.
4. She *had no business* to publish his letters to her.
5. 50% of these stores *were not in business* five years ago.
6. They are working away *like nobody's business*.
7. Umbrella sellers *went out of business*.
8. Stop teaching me! It's *none of your business*.
9. Listen to me! I *mean business*!
10. The visit to Copenhagen was brisk and *businesslike.*

**Ex 2.** *The words given below are the synonyms to the word* ***organization****. In what do they differ? Give your own definition to each of them.*

*Institution, council, body, entity, fund, trust, party, club, society, association, league, federation, union.*

**Ex. 3.** *Match thewords listed below with the dictionary definitions which follow.*

**accountability, effort, pattern, requirement, accomplish, existence, consumer, foster, affect, establish, benefit, involve**

1. Create or set it up in a way that is intended to be permanent.
2. Help its development or growth by encouraging people to do or think about it.

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