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O. M. BEKETOV NATIONAL UNIVERSITY  
OF URBAN ECONOMY *in* KHARKIV

# ENGLISH FOR ECONOMISTS

TUTORIAL

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Навчальний посібник English for Economists розрахований на студентів економічних спеціальностей вищих навчальних закладів і спрямований на ґрунтовне засвоєння англійської мови професійного спрямування у сфері економіки. Посібник складається з 9 розділів, зміст яких відповідає теоретичному матеріалу, який студенти вивчають на заняттях із спеціальності. Розділи посібника побудовано таким чином, щоб студент мав змогу зосередитися на таких видах діяльності як читання, виконання лексико-граматичних вправ, а також аудіювання автентичних ресурсів, які спрямовані на розвиток усного мовлення у професійному контексті. В останній частині посібника вміщено довідковий матеріал, який студенти мають змогу використовувати для самостійного виконання завдань.

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English for Economists is the tutorial for the students majoring in Economics at higher education institutions and aimed at mastering the English Language for Specific Purposes in the field of Economics. The tutorial consists of 9 units covering the key theoretical economic issues. Each unit is designed in the way to provide students with the possibility to practice all language skills needed to be effective communicators in a variety of professional situations. In the last part of the tutorial students can find grammar reference useful to organize their independent work efficiently.

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## INTRODUCTION

The textbook is designed for the students of higher education institutions majoring in the field of Economics. Topic-based, it helps students learn about key concepts whilst building their English skills. Informative and up-to-date authentic material makes the content relevant.

It consists of 9 units each of which focuses on specific economic issues that students consider in their professional disciplines. They provide learners with necessary language acquisition for their future professional life.

Each unit includes five parts: LEAD-IN, READING, VOCABULARY, LANGUAGE REVIEW and SKILLS that aim at the development of the main language skills to become efficient in the professional English language environment.

Each unit begins with the LEAD-IN section to introduce the topic and involve students in the discussion of the issues under consideration.

The READING part focuses on training the English language reading skills within the topics supposed to be of value for the students of Economics.

In the VOCABULARY section the system of diverse exercises and activities is aimed at developing professional vocabulary.

LANGUAGE REVIEW systematically revises and consolidates the main grammar issues through a variety of exercises. Students can find helpful the brief GRAMMAR REFERENCES provided at the back of the textbook.

SKILLS activities that are at the end of each unit provide the possibility of getting acquainted with economic issues through listening activities.

The textbook can be recommended for both classroom work and self-study.

## UNIT 1

### 1 LEAD-IN

- 1 How often do you have to make choices between competing alternatives?
- 2 What choices does any society have to make to meet people's needs?
- 3 Do the words *economy* and *economics* mean the same?
- 4 An American politician Bob Taft said, '*A dynamic economy begins with a good education.*' What do you think he meant by this statement?

### 2 READING

*"Economy is the art of making the most out of life."*

George Bernard Shaw

### WHAT IS ECONOMICS?

Economy is as old as hills. It is probably the first art which man acquires. When in ancient time some people went out to hunt while others stayed to defend the fire and still other traded some things for other ones, in all these cases we had economy.

The first attempts to analyze economic problems appear in the writings of the ancient Greeks. Plato recognized the economic basis of social life and in his Republic organized a model society on the basis of a careful division of labour. Aristotle, too, attributed great importance to economic security as the basis for social and political health and saw the owner of a middle-sized plot of land as the ideal citizen. Roman writers such as Cicero, Vergil, and Varro gave significant advice about the economics of agriculture. One of the earliest recorded economic thinkers was the 8th century Greek farmer and poet Hesiod, who wrote that labour, materials and time needed to be allocated efficiently to overcome scarcity. The medieval period was marked by the disruption of the flourishing commerce of the ancient world, and its economic life was dominated by feudalism. The middle ages economy was characterized by deep social stratification and a largely agricultural system. Even before the Normans invaded England, the market economy was an essential part of life in the medieval society. When the Normans invaded England, they imposed their institutions including serfdom, over the manorial intuitions that were already present in most parts of Europe. Even though the medieval economy grew and transformed, agriculture continued to be the mainstay in the medieval market economy. But the founding of modern western economics occurred much later,

when in 1776 the first important book on Economics was published by Scottish philosopher and economist Adam Smith. It was called *An Inquiry into the Nature and Causes of the Wealth of Nations* and described the new world of industry and commerce. The fact is that this book founded classical economics modern for that time.

Since then the subject has been developing rapidly. The field of profit has undergone a remarkable expansion in the 20th century as the world economy has grown increasingly large and complex. Today, economists are employed in large numbers in private industry, government, and higher education. Many subjects, such as political science and sociology, which were once regarded as part of the study of economics, have today become separate disciplines, although the study of any one generally implies a working knowledge of the others. Now there are many branches of the subject such as microeconomics, international economics, econometrics, etc. There is an economic aspect to almost any issue – education, health care, religion, employment, housing, transport, defence, etc.

Economics is a theory of how society works. According to the Oxford English dictionary, economics is ‘the branch of knowledge concerned with the production, consumption, and transfer of wealth’. Economics can actually be defined a few different ways: it is the study of scarcity, the study of how people use resources, or the study of decision-making. In fact, economics is the study of how human beings allocate scarce resources to produce various commodities and how those commodities are distributed for consumption among the people in society. The essence of economics lies in the fact that resources are scarce, or at least limited, and that not all human needs and desires can be met. How to distribute these resources in the most efficient and equitable way is a principal concern of economists. Economics often involves topics like wealth, finance, recessions, and banking, leading to the misconception that economics is all about money and the stock market. An economy is a system of organizations and institutions that either facilitate or play a role in the production and distribution of goods and services in a society. Economies determine how resources are distributed among members of a society; they determine the value of goods or services; and they even determine what sorts of things can be traded or bartered for those services and goods. The principle and problem of economics is that human beings occupy a world of unlimited wants and limited means. For this reason, the concepts of efficiency and productivity are held paramount by economists. Increased productivity and a more efficient use of resources, they argue, could lead to a higher standard of living.

## 2.1 Answer the following questions to the text.

- 1 Who made the first attempts to analyze economic problems?
- 2 What was Plato's society model based on?
- 3 What was Hesiod's vision for the possibility to overcome scarcity?
- 4 What was typical for the middle age economy?
- 5 Who is thought to be the founder of modern western economics?
- 6 What was Adam Smith's contribution to economics?
- 7 How can economics be defined?
- 8 What issues does economics deal with?

## 2.2 Mark the statements as true (T) or false (F).

- 1 Economy is quite a new notion. \_\_\_\_\_
- 2 Aristotle considered social and political health as the prerequisites for economic security. \_\_\_\_\_
- 3 The medieval period brought a new powerful wave of commerce flourishing? \_\_\_\_\_
- 4 Adam Smith was an influential Scottish political economist and philosopher, best known for his book describing the new world of industry and commerce. \_\_\_\_\_
- 5 Political science and sociology have always been considered as separate disciplines. \_\_\_\_\_
- 6 Economy is a theory of how society functions. \_\_\_\_\_
- 7 The principal concern of economists is how to increase productivity. \_\_\_\_\_
- 8 Increased productivity is inversely proportional to a higher standard of living. \_\_\_\_\_

## 3 VOCABULARY

### 3.1 Match the phrases with the definitions.

- |   |           |   |   |
|---|-----------|---|---|
| 1 | economics | a | the management of the resources of a community, country, etc., especially with a view to its productivity |
| 2 | serfdom   | b | the branch of knowledge concerned with the production, consumption, and transfer of wealth                |
| 3 | profit    | c | the act or system of bartering goods  |
| 4 | economy   | d | a period when the economy of a country is doing badly   |



5	productivity	e	money that is earned in trade or business after paying the costs of producing and selling goods and services
6	commodity	f	the state of being scarce or in short supply
7	recession	g	the state of being a serf or the system by which the serfs worked on the land
8	barter	h	something that is sold for money
9	scarcity	i	the rate at which a company or country makes goods, usually judged in connection with the number of people and the amount of materials necessary to produce the goods

### 3.2 Complete the sentences with the correct forms of the capitalized words in brackets.

#### The First Modern Economists

Between the 16th and 18th centuries, the major countries of Europe believed in the economic theory of mercantilism. Mercantilists argued that nations should behave as if they were merchants \_\_\_\_\_ (COMPETE) with one another for profit. Accordingly, \_\_\_\_\_ (GOVERN) should support industry by enacting laws designed to keep labour and other \_\_\_\_\_ (PRODUCTION) costs low, and exports high. In this way the nation should achieve what was called a ‘\_\_\_\_\_ (FAVOUR) balance of trade’, which is a situation in which export exceeded imports. The excess, which was like profits to a merchant, would result in an increase in the nation’s supply of gold and silver. And, as most people agreed in those days, the true measure of a nation’s wealth was its hoard of gold and silver. To achieve favourable trade balances, the major European powers sought to acquire colonies. Colonies, it was thought, could provide the ‘mother country’ with cheap labour, raw materials and a market for its \_\_\_\_\_ (MANUFACTURE) goods.

For one group of 18th – century French philosophers and economists, the \_\_\_\_\_ (SUGGEST) that nations should go out of their way to protect business and industry made no sense at all. These were the physiocrats.

The physiocrats argued that the products of agriculture and other \_\_\_\_\_ (NATURE) resources were the true source of wealth. Since these were God-given, it made little sense for government to go out of its way to help business and industry increase profits. For similar reasons, they opposed government efforts to promote a ‘favourable balance of trade’.

In other words, since real wealth came from the land, it followed that the wisest thing government could do would be to keep its hands off business and let nature take its course. This idea was expressed in the slogan ‘laissez faire’ (let people do as they choose).

\_\_\_\_\_ (INTERESTING), the 200-year-old \_\_\_\_\_ (ARGUE) between those favouring regulation of the economy and those supporting ‘laissez faire’ is still with us. Whether the problem involves the individuals (like those living in the poverty) and \_\_\_\_\_ (employ) or institutions (such as a rising tide of business or bank failures), there are those who find the \_\_\_\_\_ (SOLVE) in government intervention, and others who favour ‘laissez faire’, letting natural economic forces take their course.

### 3.3 Complete the following sentences with the words given below.

competitive environment	mathematical tools	economic forces
limited resources	financial benefit	social science

- 1 Economics is regarded as a \_\_\_\_\_ because it uses scientific methods to build theories that can help explain the behaviour of individuals, groups and organisations.
- 2 For any country, \_\_\_\_\_ include natural resources, capital, its labour force and its level of technology.
- 3 Economists rely on extensive \_\_\_\_\_, like econometrics, to analyze real world situations that have occurred and use that to forecast future situations.
- 4 \_\_\_\_\_ are economic factors that contribute to the success or failure of companies, business ventures, and individual products.
- 5 Profit is a \_\_\_\_\_ that is realized when the amount of revenue gained from a business activity exceeds the expenses, costs and taxes needed to sustain the activity.
- 6 Factors such as level of employment, rate of inflation, rate of interest, demographic changes, and fiscal and monetary policies determine the state of \_\_\_\_\_ in which a firm operates.

### 3.4 Match the two parts (1–6) and (a–f) to make sentences.

- |   |   |
|---|---|
| 1 Most primitive economies concentrate on | a guides this self-interest into promoting general economic well-being. |
|---|---|

- |   |   |   |   |
|---|---|---|---|
| 2 | Economics is a science that studies economies and   | b | who makes most of the decisions in an economy.  |
| 3 | Economic systems can be categorized according to  | c | if the marginal benefit of the action exceeds the marginal cost.                            |
| 4 | Economic study can provide a model to companies about   | d | you learn about how you and other people make choices.                                      |
| 5 | A rational decision maker takes an action   | e | how much of an item to produce, or how to price a product for maximum profit or efficiency. |
| 6 | Smith says that participants in the economy are motivated by self-interest and that the “invisible hand” of the marketplace | f | the basic necessities of life.  |
| 7 | When you study economics,   | g | develops possible models for their functioning.   |

### 3.5 Translate the following sentences into English.

- 1 Слово економіка походить від грецького слова ‘*oikonomos*’, що означає ‘той, хто керує домом’.
- 2 Перша необхідність вивчення економіки полягає в тому, що це знання допоможе зрозуміти людині світ, в якому вона живе.
- 3 Кожного разу, коли ви вирішуєте зробити одне, а не інше, ви приймати економічне рішення.
- 4 Економісти вивчають, як люди приймають рішення: скільки вони працюють, що вони купують, скільки вони заощаджують, і як вони вкладають свої заощадження.
- 5 Управління ресурсами суспільства є важливим, оскільки ресурсів недостатньо, щоб задовольнити всі людські потреби.
- 6 При прийнятті будь-якого рішення, особи, які приймають рішення, повинні знати про альтернативні витрати, які супроводжують кожну можливу дію.
- 7 Принципи економіки можуть застосовуватися майже у всіх життєвих ситуаціях.

## **4 LANGUAGE REVIEW**

### **4.1 Rewrite the sentences in the passive.**

- 1** In recent years the industrially advanced countries have reduced foreign aid to the developing countries but have increased their direct investment and other private capital flows.  

---
- 2** Some optimistic economists point to improvements in governance and macroeconomic policy in developing countries.  

---
- 3** The world is constantly seeking the ways how to feed more people with less land, so the interest in agriculture production as an investment is growing as well.  

---
- 4** Analysts warn in a research note that the company should revamp its business and slow down its store growth.  

---
- 5** Classical economists such as Adam Smith, David Ricardo and Jean-Baptiste developed the theoretical basis for market economies.  

---
- 6** The government is going to subsidise the purchase of a new vehicle to replace old energy-inefficient vehicles.  

---
- 7** When the manager arrived, the sales representative had solved the problem.  

---
- 8** The World Bank classifies countries into high-income, medium-income, and low-income countries on the basis of national income per capita.  

---
- 9** They have to take into consideration the widening of absolute income gap between rich and poor nations.  

---

#### 4.2 Complete the story putting the verbs in brackets into the correct active or passive form.

IBM or International Business Machines (1)\_\_\_\_\_ (be) a well-known American computer manufacturer. It (2)\_\_\_\_\_ (found) by Thomas J. Watson. IBM (3)\_\_\_\_\_ (know) as "Big Blue" after the colour of its logo. The company (4)\_\_\_\_\_ (make) everything from mainframes to personal computers and (5)\_\_\_\_\_ (be) immensely successful selling business computers for many years.

The company (6)\_\_\_\_\_ (start) in 1911 in a small village in Endicott, US. Initially it (7)\_\_\_\_\_ (know) as CTR - Computing Tabulating Recording Company because of the merger of three different companies - Tabulating Machine company, Computing Scale company and International Time Recording company, that (8)\_\_\_\_\_ (give) rise to the current, tall standing IBM. In 1924, the company's name (9)\_\_\_\_\_ (change) by Watson into International Business Machines Corporation or IBM. From the beginning, IBM (10)\_\_\_\_\_ (define) itself not by selling products, which ranged from commercial scales to punch card tabulators, but by its research and development.

With over 435,000 employees all over the globe, IBM (11)\_\_\_\_\_ (rank) as the second largest firms according to Fortune. It (12)\_\_\_\_\_ (have) over 12 research labs spread worldwide. In terms of revenue, capitalization, market assessment and employees - IBM (13)\_\_\_\_\_ (stand) at par amongst other remotely competitive companies.

<https://www.thoughtco.com/ibm-history-1991407>

#### 4.3 Rewrite the sentences using personal constructions.

- 1 It is believed that economic growth is a precondition for the improvement of living standards for the average citizen of the developing world.

Economic growth \_\_\_\_\_

- 2 It is expected that large multinational corporations will benefit from a falling dollar.

Large multinational corporations \_\_\_\_\_

- 3 It is reported that the company's products have become more competitive in foreign countries.

The company's products \_\_\_\_\_

- 4 It is known that Franchise Business Review surveys thousands of franchise owners and publishes a ranking of top franchise opportunities based exclusively on owner satisfaction.  
Franchise Business Review \_\_\_\_\_
- 5 It is expected that almost all sectors will see an increase in profitability.  
Almost all sectors \_\_\_\_\_
- 6 It is known that Mr. Watson was recognized as one of the first leaders of industry to offer widespread benefits to employees.  
Mr. Watson \_\_\_\_\_

**4.4 Complete the sentences with the correct infinitive tense.**

- 1 They have achieved a level of expanded capabilities.  
They seem \_\_\_\_\_
- 2 He is getting used to working in a new subsidiary.  
He appears \_\_\_\_\_
- 3 They have understood the difference between the forms of ownership.  
They claim \_\_\_\_\_
- 4 Recently he has been collecting and interpreting data on the various market conditions.  
He seems \_\_\_\_\_
- 5 She has invested in junk bonds heavily.  
She claims \_\_\_\_\_
- 6 An energy service company is improving on-time performance and lowering costs.  
An energy service company seems \_\_\_\_\_
- 7 The company began a programme to streamline processes and improve productivity.  
The company claims \_\_\_\_\_

- 8 They are planning to reorganize their business structure.  
They seem \_\_\_\_\_

#### 4.5 Put the verbs in brackets into the correct infinitive form.

- 1 They were made \_\_\_\_\_ (*pay*) a large deposit.
- 2 In that event, the company will be able \_\_\_\_\_ (*accept*) the proposal.
- 3 It seems that they are just pretending \_\_\_\_\_ (*pay*) all their debts. I've heard they are in red.
- 4 While you are negotiating, make the other side \_\_\_\_\_ (*name*) a price first.
- 5 Very few businesses can afford \_\_\_\_\_ (*lose*) a sale, and are afraid to let someone \_\_\_\_\_ (*walk*) away without making a purchase. I saw her \_\_\_\_\_ (*talk*) to the manager about her promotion.
- 6 You had better \_\_\_\_\_ (*lower*) the price to attract more customers.
- 7 They must \_\_\_\_\_ (*already/find*) another supplier.
- 8 I'd like \_\_\_\_\_ (*see*) the company's profile before getting in touch with them.
- 9 You'd rather \_\_\_\_\_ (*be*) more careful as the company that offers the same or similar products as you do may \_\_\_\_\_ (*become*) your competitor.
- 10 At the moment they must \_\_\_\_\_ (*develop*) an effective IT strategy that should \_\_\_\_\_ (*save*) time, money and resources in the long run.
- 11 He needn't \_\_\_\_\_ (*work*) overtime, but he needs \_\_\_\_\_ (*use*) the working time efficiently.

#### 4.6 Choose the correct option.

- 1 I'm not *experienced enough/too experienced* to take such a decision.
- 2 The salary offered was *too low / low enough* to attract him.
- 3 We can't refuse from the proposal. It is *too important/important enough* for our further development.
- 4 Employees' salaries are *too high/high enough* to be raised again.
- 5 His experience is *poor enough/too poor* to take such a position in the company.
- 6 I am not *too self-motivated/self-motivated enough* to start my own business.

- 7 Stop talking, please. It isn't *quiet enough/too quiet* to make an estimation of the project.
- 8 In fact the plan is *too complicated/ complicated enough to do everything immediately*.

## 5 SKILLS

- 5.1 You will hear part of the interview with Prof. James R. Ottesson, an American philosopher and a political economist, talking about the role of Adam Smith in the history of human learning and speculating on Adam Smith's idea of invisible hand and the key to nation prosperity. Complete the sentences 1-10 summarizing the ideas mentioned.

(Adam Smith: The Invisible Hand, Retrieved from:  
<https://www.youtube.com/watch?v=EBifN69gcKY>)

- 1 Adam Smith is a prominent figure in a significant period in human learning, called the \_\_\_\_\_ .
- 2 The first Adam Smith's book *The Theory of Moral Sentiments* was published in \_\_\_\_\_ .
- 3 *An Inquiry into the Nature and Causes of the* \_\_\_\_\_ , appeared in 1776, is Adam Smith's second book which is more familiar to contemporaries.
- 4 Two Adam Smith's books are considered to be the beginning of the discipline of \_\_\_\_\_ .
- 5 Now Adam Smith is known as the \_\_\_\_\_ , because of his second book.
- 6 *An Inquiry into the Nature and Causes of the Wealth of Nations* has \_\_\_\_\_ pages and is very informative.
- 7 The key phrase of the book is \_\_\_\_\_ which means that commercial societies enable human beings who are seeking to satisfy their interests benefit other people, even unintentionally.
- 8 The idea of Adam Smith is meaningful for understanding of modern \_\_\_\_\_ .
- 9 According to Adam Smith, the difference between wealthy and nonwealthy nations was whether they provided the \_\_\_\_\_ which made able to unleash human ingenuity.
- 10 Adam Smith supposed that the key to prosperity is whether a society allows people's ingenuity to investigate, figure out new ways to \_\_\_\_\_ better.



## 5.2 Investigate other resources and prepare a presentation about Adam Smith's contribution to the development of Economic Theory.

### UNIT 2

#### 1 LEAD-IN

- 1 What is the difference in meaning of the Latin prefixes *micro-* and *macro-*?
- 2 What difference can be between macroeconomics and microeconomics?
- 3 Try to guess which of the following can be the macroeconomics or the microeconomics decisions:

a person is concerned about the	government spending
changes in the price of sugar	
aggregate demand	European export of goods and services in the USA
a Japanese firm decides on how	aggregate supply
many computer printers should be	
exported to Europe	
inflation	a person's decision about buying a very expensive brand thing on eBay site
- 4 Why do you think the knowledge of macroeconomics and microeconomics is important?

#### 2 READING

##### MACROECONOMICS AND MICROECONOMICS

Economic analysis refers to a methodological way of looking at the best way to distribute limited resources. The goal of this exercise is to gain a clear picture of the current economic climate as it relates to the organization's ability to conduct business. This is accomplished through an in-depth appraisal of the strengths and weaknesses of the market. A few different methods are used to carry out economic analysis. It can be divided into two main branches: microeconomics and macroeconomics.

Macroeconomics is a branch of economics dealing with the performance, structure, behaviour, and decision-making of an economy as a whole, as

opposed to individual markets. This includes national, regional, and global economies. Macroeconomics involves the study of aggregated indicators such as GDP, unemployment rates, and price indices for the purpose of understanding how the whole economy functions, as well as the relationships between such factors as national income, output, consumption, unemployment, inflation, savings, investment, international trade and international finance.

While macroeconomics is a broad field of study, there are two areas of research that are emblematic of the discipline: the attempt to understand the causes and consequences of short-run fluctuations in national income (the business cycle), and the attempt to understand the determinants of long-run economic growth (increases in national income).

Microeconomics, on the other hand, is the branch of economics that is primarily focused on the actions of individual agents, such as firms and consumers, and how their behaviour determines prices and quantities in specific markets. One of the goals of microeconomics is to analyse market mechanisms that establish relative prices among goods and services and the allocation of limited resources among many alternative uses. Microeconomics analyses market failure, where markets fail to produce efficient results, as well as describing the theoretical conditions needed for perfect competition. Significant fields of study in microeconomics include markets under asymmetric information, choice under uncertainty and economic applications of game theory. Also considered is the elasticity of products within the market system.

Macroeconomic and macroeconomic analyses are not mutually exclusive and often rely on each other to produce a complete look at the economy.

Macroeconomic models and their forecasts are used by both governments and large corporations to assist in the development and evaluation of economic policy and business strategy. Small-business owners should study both branches of economic analysis to make rational and beneficial choices for their business and also to understand the mind of the average person. Microeconomics is especially useful when starting a new business. Small business owners need to determine whether they can earn a profit by looking at the price at which they can sell goods and the price consumers are willing to pay.

## **2.1 Answer the following questions to the text.**

**1** What are the two main branches of economic analysis?

- 2 What does macroeconomics deal with?
- 3 What issues does macroeconomics examine?
- 4 What is microeconomics?
- 5 What is the main goal of microeconomics?
- 6 Is there any interrelation between macroeconomics and microeconomics?
- 7 When is the proper knowledge of microeconomics particularly significant?

## 2.2 Mark the statements as true (T) or false (F).

- 1 Economic analysis can be defined as a systematic approach to determining the optimum use of scarce resources. \_\_\_\_\_
- 2 The goal of economic analysis is to study the performance of a particular company under the current economic conditions. \_\_\_\_\_
- 3 Economic analysis is based on a thorough appraisal of the market strengths and weaknesses. \_\_\_\_\_
- 4 Short-run fluctuations in national income can be the determinants of long-run economic growth. \_\_\_\_\_
- 5 The behaviour of individual firms and consumers cannot influence the prices and quantities in markets. \_\_\_\_\_
- 6 Macroeconomics determines the conditions needed for perfect competition of a company in the market. \_\_\_\_\_

## 3 VOCABULARY

### 3.1 Match the phrases with the definitions.

- |                          |   |
|--------------------------|---|
| 1 gross domestic product | a the percentage number that shows the extent to which a price has changed over a period as compared with the price in a certain year taken as a standard |
| 2 unemployment rate      | b the total value of goods produced and services provided in a country during one year  |
| 3 price index            | c the sum of income taken from all sectors, including personal, business and government   |
| 4 national income        | d the percentage of total workforce who are unemployed and are looking for a paid job   |
| 5 output                 | e the rate at which the general level of prices for goods and services is rising and, consequently, the purchasing power of currency is falling           |

6	investment	f	the degree to which individuals, consumers or producers change their demand or the amount supplied in response to price or income changes
7	inflation	g	the study of human conflict and cooperation within a competitive situation
8	elasticity	h	an asset or item that is purchased with the hope that it will generate income or will appreciate in the future
9	game theory	i	the amount of goods and services produced by a company in a period

### 3.2 Complete the sentences with the correct forms of the capitalized words in brackets.

The microeconomic concepts that drive the decision-making processes of an established firm are also \_\_\_\_\_ (APPLY) to a start-up business. Data shows that four out of five new business ventures fail within the first five years of opening. There are many causes for these \_\_\_\_\_ (FAIL), including \_\_\_\_\_ (ADEQUATE) financing, a poor business plan, an \_\_\_\_\_ (ABLE) to compete in a difficult market, too much total debt, and \_\_\_\_\_ (OCCASIONAL), the owners lose interest, or realize they would prefer to work for someone else.

The key \_\_\_\_\_ (PREDICT) of success have not changed. Businesses that have employees and that have good financing tend to survive longer. Another key predictor of success for a start-up enterprise is the advanced microeconomic research and planning conducted by the entrepreneur starting the business.

Before studying the microeconomics of starting a business, the entrepreneur should also be aware of the larger aspects of a start-up business. These include writing a business plan, a strategy, a marketing and \_\_\_\_\_ (ADVERTISE) plan, and a sales programme. The entrepreneur should also consider whether employees will be required, and the legal and insurance aspects of the business.

Another major concerns of start-up businesses are the vendors and suppliers \_\_\_\_\_ (REQUIRE), the physical premises in which the business will be conducted, and the all-important \_\_\_\_\_ (FINANCE). The most important in starting a business, at least from a microeconomics perspective, is the supply-demand factor. Will there be enough demand for what the new business intends to supply? That is a \_\_\_\_\_ (CRITIC)

question, and if the answer is negative, the chances that the business will succeed are minimal.

Whatever product or products, or whatever services the start-up business plans to sell, a thorough study of the potential market for those items should be undertaken before a business plan is written.

Retrieved from <http://www.investopedia.com/university/microeconomics/microeconomics5.asp>

### 3.3 Complete the following sentences with the words given below.

Public economics

Applied microeconomics

Economic history

Urban economics

Labour economics

Political economy

Health economics

Financial economics

- 1 \_\_\_\_\_ includes a range of specialized areas of study, many of which draw on methods from other fields.
- 2 \_\_\_\_\_ examines wages, employment, and labour market dynamics.
- 3 \_\_\_\_\_ examines the design of government tax and expenditure policies and economic effects of these policies (e.g. social insurance programmes).
- 4 \_\_\_\_\_ examines the role of political institutions in determining policy outcomes.
- 5 \_\_\_\_\_ examines the organization of health care systems, including the role of the health care workforce and health insurance programmes.
- 6 \_\_\_\_\_ examines the challenges faced by cities, such as sprawl, air and water pollution, traffic congestion, and poverty.
- 7 \_\_\_\_\_ examines topics such as the structure of optimal portfolios, the rate of return to capital, econometric analysis of security returns, and corporate financial behaviour.
- 8 \_\_\_\_\_ examines the evolution of the economy and economic institutions, using methods and techniques from the fields of economics, history, geography, sociology, psychology, and political science.

### 3.4 Match the two parts (1–6) and (a–f) to make sentences.

- |   |   |   |  |
|---|---|---|--|
| 1 | All businesses make decisions that result             | a | an imbalance between demand and supply of money, changes in production and distribution cost or increase in taxes on products. |
| 2 | One of the basic principles of microeconomics is that | b | what a consumer may buy, and how much of that product or service will be bought.   |
| 3 | Microeconomics uses certain principles                | c | in the best outcome for the business which may be to maximize profit.  |
| 4 | Government and corporations use macroeconomic models  | d | individuals make decisions to maximize their satisfaction.   |
| 5 | Inflation occurs due to                               | e | to explain how individuals and business make decisions.  |
| 6 | Microeconomics can forecast with reasonable accuracy  | f | to help in formulating economic policies and strategies.   |

### 3.5 Translate the following sentences into English.

- 1 Економічний аналіз - це дослідження економічних систем або вивчення виробничого процесу або промисловості, щоб дізнатись, чи вони ефективно працюють, і скільки дають прибутку.
- 2 Макроекономіка аналізує циклічні зміни та тенденції в загальнолюдських явищах, таких як безробіття, інфляція, економічне зростання, грошова маса, дефіцит бюджету та обмін курсів.
- 3 Велика депресія та її високий рівень безробіття значною мірою вплинули на розвиток макроекономіки.
- 4 Рівень безробіття є однією з найбільш важливих статистичних даних, оскільки зростаючий показник розглядається як ознака ослаблення економіки.
- 5 Мікроекономіка вивчає вибір, а також переваги та проблеми, що виникають у зв'язку з торгівлею.
- 6 В економіці мікро рішення окремих підприємств залежать від того, наскільки макроекономіка є здоровою, а продуктивність макроекономіки в кінцевому рахунку залежить від мікроекономічних рішень окремих господарств та підприємств.

## 4 LANGUAGE REVIEW

### 4.1 Use the verbs given below as Gerund to complete the sentences.

*develop*

*receive*

*see*

*work*

*use*

*wait*

*do*

*find*

*purchase*

- 1 \_\_\_\_\_ a rebate in exchange for a higher interest rate can be sometimes economically advantageous to a borrower.
- 2 What do you fancy \_\_\_\_\_ in the evening to entertain your visitors?
- 3 \_\_\_\_\_ effective questioning techniques allows you to get the information that you need.
- 4 Do you mind \_\_\_\_\_ for a couple of minutes until all the documents are signed?
- 5 It is sometimes possible to generate significant investment returns by \_\_\_\_\_ the least attractive stock in a particular sector or industry.
- 6 We are looking forward to \_\_\_\_\_ you next week.
- 7 After a few months in the company I got used to \_\_\_\_\_ overtime.
- 8 \_\_\_\_\_ the right solution to how to use resources and \_\_\_\_\_ a viable business model is crucial for startup companies.

### 4.2 Complete the sentences with the correct prepositions and the *-ing* form of the verbs in brackets.

- 1 We are interested \_\_ \_\_\_\_\_ (*get*) the results of your market research as soon as possible.
- 2 He is in charge \_\_ \_\_\_\_\_ (*prepare*) the presentation about company's research activities.
- 3 Ted was very excited \_\_ \_\_\_\_\_ (*start*) a new job in one of the leading manufacturing companies.
- 4 He's very depressed \_\_ \_\_\_\_\_ (*not get*) the promotion.
- 5 They insisted \_\_ \_\_\_\_\_ (*provide*) justification for why we needed a loan for our business.
- 6 I am thinking \_\_ \_\_\_\_\_ (*develop*) a dynamic model of quality regulation based on customers' complaints.
- 7 They apologised \_\_ \_\_\_\_\_ (*not/deliver*) the products in time.
- 8 We warned them \_\_ \_\_\_\_\_ (*check*) the invoices carefully.
- 9 They are complaining \_\_ \_\_\_\_\_ (*have*) lots of problems with returning faulty goods.
- 10 They blamed us \_\_ \_\_\_\_\_ (*lose*) a very important deal.

**4.3 Put the verbs in brackets into the correct infinitive form or the –ing form.**

- 1 It was good of you \_\_\_\_\_ (*send*) the minutes of the previous meeting of the Board of Directors.
- 2 The term is too short \_\_\_\_\_ (*find*) more investors.
- 3 I can't get used to \_\_\_\_\_ (*travel*) a lot on business.
- 4 They've decided \_\_\_\_\_ (*hire*) some more managerial staff for the summer season.
- 5 She admitted \_\_\_\_\_ (*not/write*) a letter of apology for the late delivery.
- 6 Has he managed \_\_\_\_\_ (*look*) at the proposal yet?
- 7 I hope \_\_\_\_\_ (*hear*) from you soon.
- 8 There is no point in \_\_\_\_\_ (*extend*) their researches in a new area.
- 9 It was silly of them \_\_\_\_\_ (*not sign*) the contract with such a reputable company.
- 10 The boss let him \_\_\_\_\_ (*work*) flexitime.
- 11 I can't stand \_\_\_\_\_ (*delegate*) my authority in the office.
- 12 We don't allow our employees \_\_\_\_\_ (*leave*) their working place if they don't inform their managers,.

**4.4 Underline the correct option.**

- 1 Don't you remember *discussing/to discuss* this at our last meeting?  
Please remember *discussing/to discuss* this at our next meeting.
- 2 I totally forgot *informing/to inform* them about the changes in the project.  
I'll never forget *interviewing/to interview* my first candidate.
- 3 We stopped *checking up/to check up* the safety precautions.  
They stopped *choosing/to choose* the best way to the head office.
- 4 The CEO welcomed us and went on *inviting/to invite* us to get down to business.  
They went on *talking/to talk* about future cooperation.
- 5 Try *phoning/to phone* him again and you may convince him not to sell the shares.  
She tried her best *finishing/to finish* the report in time, but unfortunately she didn't manage.



- 6 We regret *informing/to inform* you that you have not been shortlisted for the position.  
Don't regret *spending/to spend* so much money on research and development. It was a real necessity.
- 7 I'm sorry for *being/to be* so stubborn. It's my fault that we lost the deal.  
I'm sorry *interrupting/to interrupt*, but it is really urgent.
- 8 They mean *opening/to open* a number of new offices.  
Being a Corporate Finance Manager means *managing/to manage* and *investing/to invest* large monetary funds.
- 9 They like *working/to work* in team.  
They like *discussing/to discuss* their plans at their morning meetings.

#### 4.5 Put the verbs in brackets into the correct infinitive form or the *-ing* form.

**ISABEL:** Hi, Derec! I haven't seen you for ages.

**DEREC:** Hi. Actually, I haven't been in touch with anyone recently. I've been really busy.

**ISABEL:** You told me about an interesting job offer when we met last time. Did you decide (1) \_\_\_\_\_ (*take*) the job you were offered?

**DEREC:** Well, it really seemed (2) \_\_\_\_\_ (*be*) a very interesting job, and I considered (3) \_\_\_\_\_ (*take*) it. But, ultimately, I decided not (4) \_\_\_\_\_ (*accept*) the offer.

**ISABEL:** Why not? It was a real chance! You had been dreaming about such a position for a long time!

**DEREC:** Yes, you are right! But I was worried about (5) \_\_\_\_\_ (*be*) forced to travel a lot. The job involved a lot of international travel. I would object to (6) \_\_\_\_\_ (*travel*) overseas for weeks at a time.

**ISABEL:** Really? I don't mind (7) \_\_\_\_\_ (*travel*) abroad. It's a real chance (8) \_\_\_\_\_ (*see*) the world and (9) \_\_\_\_\_ (*gain*) some international work experience. I would have accepted the position.

**DEREC:** I know. It just wasn't right for me and it demanded a lot of responsibility for the company's finance. I think I am not ready yet. Anyway, I still intend (10) \_\_\_\_\_ (*get*) a new job and I hope (11) \_\_\_\_\_ (*find*) something by the end of this year.

**ISABEL:** Good luck!

**DEREC:** Thanks a lot!

**4.6 Use the verb in brackets to create a passive gerund for each sentence or question.**

- 1 One of the most important things for customers is \_\_\_\_\_ (*serve*) quickly.
- 2 I was surprised at \_\_\_\_\_ (*ask*) about the biggest business failures.
- 3 How do you prefer \_\_\_\_\_ (*address*) to?
- 4 Diana hates \_\_\_\_\_ (*ask*) to work overtime.
- 5 The customer insisted on \_\_\_\_\_ (*provide*) long term guarantee.
- 6 He was pleased with \_\_\_\_\_ (*promote*) after a year of work for a pharmaceutical company.
- 7 We are very sorry for the relations with the company \_\_\_\_\_ (*damage*) after late delivery.
- 8 He thought of \_\_\_\_\_ (*give*) a very strange advice to sell all the shares.
- 9 The General Manager was upset for his voice \_\_\_\_\_ (*not/recognize*) by the colleague when she phoned her.

**5 SKILLS**

**5.1 Watch an animated video with the explanation of the difference between macroeconomics and microeconomics. Do the following statements agree with the information mentioned? Write**

**TRUE** if the statement agrees with the information

**FALSE** if the statement contradicts the information

**NOT GIVEN** if there is no information on this

(Microeconomics vs Macroeconomics, Retrieved from:

<https://www.youtube.com/watch?v=wwwgIiP4gjY>)

- 1 Both words 'microeconomics' and 'macroeconomics' are of Latin origin. \_\_\_\_\_
- 2 Macroeconomics deals with the behaviour of individual actors in the economy. \_\_\_\_\_
- 3 Economy as a whole is examined by microeconomics. \_\_\_\_\_
- 4 Gross domestic product, price level, inflation, unemployment, economic growth and the balance of payments are the major concepts of macroeconomics. \_\_\_\_\_

- 5 Microeconomics tries to predict what will happen to consumer demand if, for example, price of cars goes up. \_\_\_\_\_
- 6 Macroeconomics examines what happens when a country's unemployment rate grows. \_\_\_\_\_
- 7 What makes economy grow all the time is another question of microeconomics. \_\_\_\_\_
- 8 Macroeconomics is inevitably rooted in microeconomics \_\_\_\_\_
- 9 Better understanding of the individual agent's behaviour provides better understanding of how the economy functions as a whole. \_\_\_\_\_

**5.2 In groups of four write a list of other issues macroeconomics and microeconomics have to deal with.**

## UNIT 3

### 1 LEAD-IN

- 1 The word '*system*' is defined as '*a set of things working together as parts of a mechanism or an interconnecting network.*' What do you think an economic system means?
- 2 What issues can the economic systems be based on?
- 3 What is the role of markets in any country's economy?

### 2 READING

#### ECONOMIC SYSTEMS

An economic system is a system of production, resource allocation, and distribution of goods and services within a society or a given geographic area. It includes the combination of the various institutions, agencies, entities, decision-making processes, and patterns of consumption that comprise the economic structure of a given community. As such, an economic system is a type of social system.

All economic systems have three basic questions to ask: what to produce, how to produce and in what quantities, and who receives the output of production. The central economic problem is to reconcile the conflict between people's unlimited demands with society's ability to produce goods and services. There are two basic solutions to this economic problem, namely free

markets and central planning. With respect to this, economic systems fall into one of two categories: market systems and command systems.

In a market system, the law of supply and demand governs the economy. Markets enable mutually beneficial exchange between producers and consumers, and systems that rely on markets to solve the economic problem are called market economies. In a free market economy, resources are allocated through the interaction of free and self-directed market forces. This means that what to produce is determined by consumers, how to produce is determined by producers, and who gets the products depends upon the purchasing power of consumers. Market economies work by allowing the direct interaction of consumers and producers who are pursuing their own self-interest. The pursuit of self-interest is at the heart of free market economics.

A command system is an economic system where economic decision-making is centralized and usually in the hands of the state. The government controls the factors of production and makes the decisions about what to produce, how much to produce, and to whom the products ultimately go. In theory, the idea is that all production and distribution is directed towards socially-desirable goals. For example, governments can force citizens to pay taxes and decide how many roads or hospitals are built. Classic examples of command systems include the economy of the old Soviet Union and the current Chinese economy.

Command economies have certain advantages over free market economies, especially in terms of the coordination of scarce resources at times of crisis, such as a war or following a natural disaster. Free markets also fail at times to allocate resources efficiently, so remedies often involve the allocation of resources by government to compensate for these failures.

There is a third type of economy involving a combination of market forces and central planning, called mixed economies. Mixed economies may have a distinct private sector, where resources are allocated primarily by market forces, such as the grocery sector of the UK economy. Mixed economies may also have a distinct public sector, where resources are allocated mainly by government, such as defence, police, and fire services. In many sectors, resources are allocated by a combination of markets and planning, such as healthcare and, which have both public and private provision.

In reality, all economies are mixed, though there are wide variations in the amount of mix and the balance between public and private sectors. For example, in Cuba the government allocates the vast majority of resources, while in Europe most economies have an even mix between markets and planning. Economic systems can be evaluated in terms of how efficient they are in

achieving economic objectives.

Retrieved from: [http://www.economicsonline.co.uk/Competitive\\_markets/Economic\\_systems.html](http://www.economicsonline.co.uk/Competitive_markets/Economic_systems.html)

## 2.1 Answer the following questions to the text.

- 1 What is an economic system?
- 2 What are the basic economic questions?
- 3 What is the central economic problem?
- 4 What defines the type of an economic system?
- 5 What is a market economy based on?
- 6 What is the main principle of a command economy?
- 7 What role do markets perform under market economies?
- 8 What are the typical features of mixed economies?

## 2.2 Mark the statements as true (T) or false (F).

- 1 An economic system cannot be referred to social systems. \_\_\_\_\_
- 2 The main economic problem in every society is what should be currently produced? \_\_\_\_\_
- 3 There is an unavoidable conflict between people's unlimited demands with society's ability to produce goods and services. \_\_\_\_\_
- 4 In a market system, decision-making is centralized and under the responsibility of a government. \_\_\_\_\_
- 5 Command economies do not have any advantages over free market economies. \_\_\_\_\_
- 6 In reality, most economies are some mix of public and private sectors. \_\_\_\_\_

## 3 VOCABULARY

### 3.1 Match the phrases with the definitions.

- |   |                                    |   |  |
|---|------------------------------------|---|--|
| 1 | resource allocation                | a | the quantity of goods or services produced in a given time period, by a firm, industry, or country   |
| 2 | distribution of goods and services | b | forces of demand and supply representing the aggregate influence of self-interested buyers and sellers on price and quantity of the goods and services offered in a market |
| 3 | output of production               | c | the assignment of available resources to various uses  |

4	reconcile the conflict	d	the way total output, income, or wealth is distributed among individuals or among the factors of production
5	purchasing power	e	the part of national economy providing basic goods or services that are not provided by the private sector
6	market forces	f	to find a way in which two situations or beliefs that are opposed to each other can agree and exist together
7	public sector	g	a specific result that an economic system aims to achieve within a time frame and with available resources
8	economic objective	h	the financial ability to buy products and services

### 3.2 Complete the sentences with the correct forms of the capitalized words in brackets.

#### Modern Market Economies

Almost every economy in the modern world falls somewhere along a continuum running from pure market to fully \_\_\_\_\_ (PLAN). Most developed nations are technically mixed economies because they blend free markets with some government \_\_\_\_\_ (INTERFERE). However, they are often said to have market economies because they allow market forces to drive the vast majority of activities, \_\_\_\_\_ (TYPICAL) engaging in government intervention only to the extent it is needed to provide \_\_\_\_\_ (STABLE).

Although the market economy is clearly the popular system of choice, there is \_\_\_\_\_ (SIGNIFY) debate regarding the amount of government intervention considered optimal for efficient \_\_\_\_\_ (ECONOMY) operations. Nations such as Cuba, China and North Korea have been heavily influenced by the Communist theories under Marxism-Leninism, which promote \_\_\_\_\_ (COORDINATE) economic activity and \_\_\_\_\_ (centralize) planning to achieve egalitarian and \_\_\_\_\_ (SHARE) outcomes. Such economies have struggled at times due to corruption, inept \_\_\_\_\_ (LEADER), limitations to the \_\_\_\_\_ (APPLY) of these theories and trade sanctions from capitalist nations.

<http://www.investopedia.com/terms/m/marketconomy.asp>

**3.3 Complete the following sentences with the words given below.**

prices	labour	lawful
purchase	society	considers

- 1 The market is the process by which production and consumption are coordinated through \_\_\_\_\_.
- 2 If there is a high demand for a product, resource or skill and a low supply of it, it will demand a high price to \_\_\_\_\_ it.
- 3 The market sets the price of goods, services, and \_\_\_\_\_.
- 4 Government regulations and restrictions must work in the interests of \_\_\_\_\_.
- 5 In a market system, people can be engaged in any type of \_\_\_\_\_ economic activity that they want, so long as they can pay for it.
- 6 A perspective that only \_\_\_\_\_ the potential damages of regulations to the economy and employment is not complete, and can lead to a distorted view of their implications.

**3.4 Match the two parts (1–6) and (a–f) to make sentences.**

- |   |   |   |  |
|---|---|---|--|
| 1 | Market economy is based                                 | a | there are always problems with any type of economic system.  |
| 2 | Companies become creative in                            | b | by a pragmatic division of the means of production between private ownership and public ownership.     |
| 3 | Although the market economy system sounds ideal,        | c | to conform to the government's vision.   |
| 4 | In recent years, many centrally-planned economies began | d | on supply and demand where the prices of goods and services are determined within a free price system. |
| 5 | Command economies can wholly transform societies        | e | finding new products to sell or manufacture.   |
| 6 | A mixed economy is characterized                        | f | adding aspects of the market economy.  |

### 3.5 Translate the following sentences into English.

- 1 Економісти використовують термін "*ринок*" в цілому, як будь-яку установу, яка дозволяє нам обмінювати одне на інше.
- 2 Традиційна економіка - ця економічна система, яка заснована на дотриманні історично сформованих звичаїв, канонів релігії, традицій, які визначають технологію і засоби виробництва, обмін, розподіл і споживання економічних благ.
- 3 Існують такі країни, де держава бере активну участь в управлінні економікою в умовах ринку, ставлячи перед собою певні цілі розвитку і використовуючи різні методи управління.
- 4 Змішана економічна система є адекватною формою функціонування сучасних розвинених країн світу і характеризується різноманітністю форм власності та рівноправного функціонування різних господарюючих суб'єктів (приватних, колективних, державних).
- 5 На всіх етапах розвитку суспільства людина перебувала в центрі всіх економічних процесів і явищ.
- 6 Криза перевиробництва в умовах планової економіки малоімовірна, у той час як більш вірогідним стає дефіцит якісних товарів і послуг.

## 4 LANGUAGE REVIEW

### 4.1 Underline the correct option.

- 1 They were *satisfied/satisfying* with the results of their last negotiations.  
The data received yesterday seemed *satisfied/satisfying*.
- 2 The information about resource allocation is making me *confused/confusing*.  
The instructions we received yesterday were very *confused/confusing*.
- 3 Working with figures all the time is *tiring/tired*.  
We were really *tiring/tired* of the procedure of making a loan.
- 4 A *developed/developing* economy refers to a country with a relatively high level of economic growth and security.  
According to new estimates, *developed/developing* countries will set to account for nearly 60% of world GDP by 2030.
- 5 Do you feel *worrying/worried* about our annual profits fall.  
The latest survey revealed some *worrying/worried* results.



- 6 Sometimes we get really *frustrating/frustrated* when we can't achieve what we have planned.  
The termination of a contract due to unforeseen circumstances was really very *frustrating/frustrated*.
- 7 The trip was *overwhelmed/overwhelming*, as we managed to find a lot of new clients.  
They were really *overwhelmed/overwhelming* when they were shown how many products the company manufactured.
- 8 We are still *interesting/interested* in further cooperation.  
The idea to consider all available alternatives was really very *interested/interesting*.

#### 4.2 Complete the statements with the correct words.

- |   |  |   |                     |
|---|--|---|---------------------|
| 1 | The representatives of the company looked _____ as the reporter was trying to tell them about the previous generation products.                | a | <i>embarrassed</i>  |
| 2 | Thank you for your _____ offer.  | b | <i>Emerging</i>     |
| 3 | _____ please find the invoice and our latest catalogue.  | c | <i>pleased</i>      |
| 4 | We are deeply _____ with the quality of your products. We hereby return the damaged items.   | d | <i>bored</i>        |
| 5 | He felt really _____ when he realized that he was talking to the General Manager.  | e | <i>dated</i>        |
| 6 | Thank you for your letter _____ 15 April 2017.   | f | <i>interesting</i>  |
| 7 | We were _____ to see that they managed to resolve the problem.   | g | <i>Enclosed</i>     |
| 8 | _____ economies want to repay the debt because it creates a reputation that investors can use when evaluating future investment opportunities. | h | <i>dissatisfied</i> |

#### 4.3 Put the verbs in brackets into the correct form of Participle.

- 1 When \_\_\_\_\_ (*interview*) you must be sincere and think of the answers carefully.
- 2 \_\_\_\_\_ (*know*) about future profits and higher stock prices, investors have bought more stocks.

- 3 \_\_\_\_\_ (*buy*) more than 50% of a company's outstanding shares, he became a majority shareholder and now has a very significant influence in the business operations and strategic direction of the company.
- 4 \_\_\_\_\_ (*change*) faster than ever before, the world of business are always at some risk.
- 5 The decisions \_\_\_\_\_ (*take*) at the meeting were confirmed in writing.
- 6 \_\_\_\_\_ (*report*) a profit of \$177 million, the company is considered to be one of the leading in the industry.
- 7 \_\_\_\_\_ (*spend*) two months in London office, he knows everything about business operation.
- 8 \_\_\_\_\_ (*be*) always a powerful force for human progress science and technology have the opportunity to advance global prosperity in the 21st century.
- 9 After \_\_\_\_\_ (*take*) his Master's degree, he was immediately promoted.

#### 4.4 Rewrite the sentences using participles.

- 1 They were sitting in the meeting room and they were discussing the ways to expand into new markets.  
\_\_\_\_\_
- 2 He investigated the situation in the industry while he was choosing a new job.  
\_\_\_\_\_
- 3 After the company had reduced the prices on products and changed the delivery procedure, it became more competitive.  
\_\_\_\_\_
- 4 Because she is very friendly and helpful, she gets on well with the other members of a team.  
\_\_\_\_\_
- 5 The man who is sitting next to our Sales manager is our new Financial Officer.  
\_\_\_\_\_

- 6 The secretary saw the participants of the conference and opened the conference room.  
\_\_\_\_\_
- 7 They had assessed the risks involved in the project, they took the final decision to merge.  
\_\_\_\_\_
- 8 Because he is confident that the goals are realistic, he tries to persuade the Board of Directors to issue the shares.  
\_\_\_\_\_
- 9 Because they have a large order, they decided that the production line had to work over night.  
\_\_\_\_\_

**4.5 Complete each sentence with two to five words, including the word in bold.**

- 1 I think it's difficult to be competitive nowadays.  
**being** I think \_\_\_\_\_ difficult nowadays.
- 2 They had difficulty changing the strategy of the company.  
**difficult** It was \_\_\_\_\_ the strategy of the company.
- 3 Could you send this email for me, please?  
**mind** Would \_\_\_\_\_ this email for me, please?
- 4 Making personal phone calls is not allowed in the office.  
**allow** We do not \_\_\_\_\_ personal calls in the office.
- 5 After he had finished the presentation, he invited all the participants to the discussion.  
**Having** \_\_\_\_\_ presentation, he invited all the participants to the discussion.
- 6 Someone made them leave the office.  
**were** They \_\_\_\_\_ leave the office.

**5 SKILLS**

**Watch three short video presentations about the main types of economic systems. Complete the following table with the information mentioned. Compare your table with the rest of the class. Be ready to**

**discuss the advantages and disadvantages of each of the system described in the video presentations.**

**Traditional Economy** Retrieved from:

[https://www.youtube.com/watch?v=e\\_stCUjAGxo&list=PLWIF8RoHzJ0ugDONjpydCyaOBF03c2c\\_Y&index=](https://www.youtube.com/watch?v=e_stCUjAGxo&list=PLWIF8RoHzJ0ugDONjpydCyaOBF03c2c_Y&index=)

**Command Economy** Retrieved from:

[https://www.youtube.com/watch?v=AVfbjDtfhFk&list=PLWIF8RoHzJ0ugDONjpydCyaOBF03c2c\\_Y&index=2](https://www.youtube.com/watch?v=AVfbjDtfhFk&list=PLWIF8RoHzJ0ugDONjpydCyaOBF03c2c_Y&index=2)

**Market Economy** Retrieved from:

[https://www.youtube.com/watch?v=02VhjO\\_XY5I&list=PLWIF8RoHzJ0ugDONjpydCyaOBF03c2c\\_Y&index=3](https://www.youtube.com/watch?v=02VhjO_XY5I&list=PLWIF8RoHzJ0ugDONjpydCyaOBF03c2c_Y&index=3)

<b>Economic System</b>	<b>Characteristics</b>	<b>Examples of the economic system</b>	<b>Advantages</b>	<b>Disadvantages</b>
Traditional Economy				
Command Economy				
Market Economy				

## **UNIT 4**

### **1 LEAD-IN**

- 1 What resources are used to produce goods and services?
- 2 What influences the price of a good?
- 3 Why is it important to study factors of production?

### **2 READING**

#### **FACTORS OF PRODUCTION**

Factors of production are resources used by firms as inputs for a good or service to be produced. Factors of production are as follows: capital, labour, and natural resources.

In economic theory, the term “capital” refers to goods and money used to produce more goods and money. Classifications of capital vary with the purpose of the classification. The most general distinction is the one made

between physical, financial and human capital.

Physical capital is land, buildings, equipment, raw materials; bonds, stocks, available bank balances are included in the financial capital. They both make a great contribution in production.

To group capital into fixed capital and circulating capital is common practice. The former refers to means of production such as land, buildings, machinery and various equipment. They are durable, that is, they participate in the production process over several years. Circulating capital includes both non-renewable goods, such as raw material and fuel, and the funds required to pay wages and other claims against the enterprise. Non-renewable goods are used up in one production cycle and their value is fully transferred to the final product.

Human capital is knowledge that contributes “know-how” to production. It is increased by research and disseminated through education. Investment in human capital results in new, technically improved, products and production process which improve economic efficiency. Like physical capital, human capital is important enough to be an indicator of economic development of a nation.

It is common, in economics, to understand labour as an effort needed to satisfy human needs. It is one of the three leading elements of production. Labour has a variety of functions: production of raw materials, manufacturing of final products, transferring things from one place to another, management of production, and services like the ones rendered physicians and teachers.

One can classify labour into productive and unproductive. The former produces physical objects having utility. The latter is useful but does not produce material wealth. Labour of musician is an example.

Unlike other factors of production, for example capital, once workers are employed, their efficiency can vary greatly with organization of work and their motivation.

Demand for labour is influenced by the demand for goods produced by workers, the proportion of wages in total production costs, etc. The supply of labour depends upon the size of population, geographic mobility, skills, education level (human capital), etc. Workers supply labour either individually or through trade unions. If demand for supply of labour is not in equilibrium, there is unemployment. The rate of unemployment is a percentage of the total labour force without a job. It is desirable for an economy to have the lowest possible unemployment rate and to achieve higher employment as neither full use of resources nor maximum level of output can be achieved in an economy having unemployment.

Factors of production are combined together in different proportions in order to produce output. It is assumed in economics that one should choose the combination of factors which minimizes the cost of production and increases profits.

## **2.1 Answer the following questions to the text**

- 1 Name the factors of production
- 2 Characterize each factor of production
- 3 How is labour classified?
- 4 What is demand for labour influenced by?
- 5 How do workers supply labour?
- 6 What is the rate of unemployment?

## **2.2 Mark the sentences as true (T) or false (F)**

- 1 Classification of capital vary with the purpose of classification \_\_\_\_\_
- 2 Available bank balances are included in the financial capital \_\_\_\_\_
- 3 Circulating capital refers to machinery and equipment \_\_\_\_\_
- 4 The price of the final product does not depend on the value of non-renewable resources \_\_\_\_\_
- 5 Production of raw material is one of the functions of human capital \_\_\_\_\_
- 6 There is only one possible combination of the factors of production \_\_\_\_\_

## **3 VOCABULARY PRACTICE**

### **3.1 Match the phrases with the definitions**

- |   |                     |   |   |
|---|---------------------|---|---|
| 1 | labour force        | a | The amount of money that a company spends in order to make and sell products in a particular financial period           |
| 2 | capital             | b | the quantity or amount produced   |
| 3 | cost of production  | c | capital goods, as machinery and tools that are relatively durable and can be used repeatedly in the production of goods |
| 4 | circulating capital | d | money or possessions, especially a large amount of money used for producing more wealth or for starting a new business  |
| 5 | fixed capital       | e | all people in a particular country who are of the right age to work, or all people who work for a particular company    |

## 6 output

**f** the portion of capital goods that consists of goods in process, inventories of finished goods and raw materials

### 3.2 Complete the text with the correct forms of the capitalized words in brackets

## Human Capital and Intellectual Capital

Contemporary analysis (1)\_\_\_\_\_ (DISTINGUISHED) **capital goods** from other forms of capital such as **human capital**. Human capital is (2)\_\_\_\_\_ (ACQUIRING) through education and training, whether formal or on-the-job. A more recent coinage is (3)\_\_\_\_\_(INTELLECT) **capital**, used especially as to (4)\_\_\_\_\_ (INFORMATIVE) **technology**. Prior to the **Information Age** the land, labour, and capital were used to create substantial wealth due to their (5)\_\_\_\_\_ (SCARCE). During the **Information Age** (circa 1971-1991), the **Knowledge Age** (circa 1991 to 2002), and the **Intangible Economy** (2002-present) the primary factors of production have become less concrete. These factors of production are knowledge, (6)\_\_\_\_\_ (COLLABORATE), process-engagement, and time quality. According to economic theory, a "factor of production" is used to create value and economic (7)\_\_\_\_\_ (PERFORM). As the four modern-day factors are all essentially abstract, the current economic age has been called the Intangible Economy. Intangible factors of production are subject to **network effects** and the contrary economic laws such as the law of (8)\_\_\_\_\_ (INCREASE) returns. It is therefore important to (9)\_\_\_\_\_ (DIFFERENT) between conventional (tangible) economics and intangible economics when (10)(DISCUSSION) issues related to factors of production which change according to the economic era that society is experiencing. For example, land was a key factor of production in the Agricultural Age.

### 3.3 Complete the sentences using the following words. Some words you do not need to use

output	production	costs	availability	depended	cycle
save	comparing	earn	durable	quantity	include

**1** In principle, it is possible, but in practice, it is inefficient to control the output of cars changing the incomes of potential buyers and manipulating transport

- 2 It is easier to control the output of cars controlling the \_\_\_\_\_ of raw materials, for example steel for manufacturers
- 3 Firms can either \_\_\_\_\_ their income or pay it out to the owners
- 4 It is common practice to include all the more or less \_\_\_\_\_ means of production, such as land, buildings and machinery in fixed capital
- 5 Early economists such as Adam Smith and David Ricardo said that the value of the product \_\_\_\_\_ upon the amount of labour needed to produce it
- 6 One has to replace inputs used up in one production \_\_\_\_\_

### 3.4 Match the parts of the sentences

- |   |   |
|---|---|
| 1 One should know that present-day economists, unlike economists of the 19 <sup>th</sup> century, | a all production costs have to be minimized                                   |
| 2 One defines efficiency  | b they have to be constantly updated  |
| 3 For the business to be efficient  | c as the relationship between factors inputs and output of goods and services |
| 4 For statistical systems to meet the requirements of dynamic policies,                           | d high efficiency of labour markets is required                               |
| 5 If labour markets are inefficient,  | e include land into capital   |
| 6 For the workers to spend less time in an unemployment,  | f it is more difficult for a worker to find a job                             |

### 3.5 Translate the following sentences from Ukrainian into English

- 1 Трудові ресурси – це частина населення, яка приймає участь у виробництві.
- 2 Праця має такі функції: виробництво сировини, промислове виробництво кінцевого продукту, керівництво та надання послуг.
- 3 Земля, техніка, фінансовий капітал та праця – основні фактори виробництва.
- 4 Підприємство – це основна одиниця виробництва та управління.
- 5 На початку 90-х років минулого сторіччя 40% населення було зайняте в недержавному секторі економіки.
- 6 Важливо виробляти кінцевий продукт на території країни.



## 4 LANGUAGE REVIEW

### 4.1 Match the purposes of Subordinate Clauses (1–4) with relevant definitions (a – d). Mind the Present Simple in Main Clauses.

- 1    \_\_\_    They don't believe that their idea has been put into practice.
- 2    \_\_\_    I work in advertising but I want a change.
- 3    \_\_\_    We are sure that all this will lead to a higher sense of motivation among employees.
- 4    \_\_\_    He knows he could broaden his skills during an economics course.

- a    to show same-time action (use the present tense)
- b    to show earlier action (use the past tense)
- c    to show a period of time extending from some point in the past to the present (use the present perfect tense)
- d    to show action to come (use the future tense)

### 4.2 Match the purposes of Subordinate Clauses (1–3) with relevant definitions (a–c). Mind the Past Simple in Main Clauses.

- 1    \_\_\_    The trainer reminded that people exercise for good health.
- 2    \_\_\_    Sales increased by 20 per cent because the significantly higher quality was achieved.
- 3    \_\_\_    A car component company announced that it had discovered the rival's competitive success.

- a    to show another completed past action (use the past tense)
- b    to show an earlier action (use the past perfect tense)
- c    to state a general truth (use the present tense)

### 4.3 Match the purposes of Subordinate Clauses (1–3) with relevant definitions (a–c). Mind the Future Simple in Main Clauses.

- 1    \_\_\_    They will probably get confirmation from participants if the latter have agreed with both the definition of the problem and the proposed process for solving it.
- 2    \_\_\_    He will surely stay at a brand hotel if he wanted a special experience.
- 3    \_\_\_    Companies will of course minimize environmental pollution if they follow governments' stringent regulations.

- a    to show action happening at the same time (use the present tense)

- b** to show an earlier action (use the past tense)
- c** to show future action earlier than the action of the independent clause (use the present perfect tense)

**4.4 Define and underline grammar tenses in Main Clauses (1–4). Match them with relevant definitions of purposes (a, b) in Subordinate Clauses. The first one is done for you.**

- 1      b      This graphic method will have enabled the individuals to analyse the various causes of a problem by the time they think of solutions.
- 2              He has helped us to understand the issues since he obtained sound technical knowledge.
- 3              They had got closer to their goals before they decided to work together.
- 4              This graphic method will have enabled the individuals to analyse the various causes of a problem by the time they have thought of solutions.

- a** for any purpose, use the past tense
- b** for any purpose, use the present tense or present perfect tense

**4.5 Choose the correct option to complete the sentences.**

- 1    My partner says that he \_\_\_\_\_ hard for the last few weeks and is very tired.  
       **a** has been working      **b** worked                      **c** works
- 2    David reported the boss that he \_\_\_\_\_ the e-mail at last, and the worried expression began to disappear from his face.  
       **a** sent                      **b** had sent                      **c** must send
- 3    The personnel manager was interested \_\_\_\_\_ to quit my present job.  
       **a** why I had decided      **b** why had I decided      **c** why I decided
- 4    Could you ask the guest how long \_\_\_\_\_ at the hotel 'Apex'?  
       **a** he would be              **b** would he be staying      **c** would have be staying
- 5    Why did you say that Paul \_\_\_\_\_ an expert in this field?  
       **a** hasn't been              **b** isn't                      **c** wasn't

- 6 I will explain to the executive what I mean if he \_\_\_\_\_ my activities not beneficial for the company.  
 a has considered      b consider      c considering
- 7 I know this private individual who has gone through a call centre before he \_\_\_\_\_ a car.  
 a rents      b rented      c had rented
- 8 Customers' needs will have been satisfied as soon as the company \_\_\_\_\_ the right marketing strategy.  
 a chooses      b chose      c had chosen
- 9 My little son never admitted that wind \_\_\_\_\_ a lot of air movement.  
 a might be      b was      c is
- 10 He will have had a credit policy with payment terms by the time he \_\_\_\_\_ himself on the market.  
 a announced      b has announced      c must announce

## 5 SKILLS

### 5.1 You will hear an on-line lecture about the factors of production.

Complete the sentences 1-10 summarizing the ideas mentioned.

Retrieved from: <https://www.youtube.com/watch?v=VZD7dTSHmIo>

- 1 The central problem of economics is using limited resources to satisfy \_\_\_\_\_
- 2 In economics when we talk about resources it has to be \_\_\_\_\_
- 3 You can use these resources \_\_\_\_\_ something
- 4 Land, water and electricity are considered to be \_\_\_\_\_
- 5 Tools, machinery and factory are considered to be \_\_\_\_\_
- 6 Knowledge and skills of people that enhance the production capacity are \_\_\_\_\_
- 7 Money is not an \_\_\_\_\_ capital
- 8 In economic terms money is an \_\_\_\_\_ of value
- 9 Money serves as a \_\_\_\_\_ for an economy
- 10 An \_\_\_\_\_ brings all resources together to make business work

### 5.2 Investigate other resources to make your own presentation about Factors of Production.

## UNIT 5

### 1 LEAD-IN

- 1 Think of three examples of new products that have come on the market in your country because of consumer demand. Are these products have been on the market, have they become more expensive or less expensive?
- 2 Think of three products or services that have gone off the market or become difficult to obtain in your country because of declining demand.
- 3 Why is it important for the student of economics to study demand and supply?

### 2 READING

#### DEMAND AND SUPPLY

##### History

The phrase "supply and demand" was first used by [James Denham-Steuart](#) in his *[Inquiry into the Principles of Political Economy](#)*, published in 1767. [Adam Smith](#) used the phrase in his 1776 book *[The Wealth of Nations](#)*, and [David Ricardo](#) titled one chapter of his 1817 work *[Principles of Political Economy and Taxation](#)* "On the Influence of Demand and Supply on Price".

In *The Wealth of Nations*, Smith generally assumed that the supply price was fixed but that the demand would increase or decrease as the price decreased or increased. Ricardo, in *Principles of Political Economy and Taxation*, more rigorously laid down the idea of the assumptions that were used to build his ideas of supply and demand. [Antoine Augustin Cournot](#) first developed a mathematical model of supply and demand in his 1838 *[Researches on the Mathematical Principles of the Theory of Wealth](#)*.

During the late 19th century the marginalist school of thought emerged. This field mainly was started by [Stanley Jevons](#), [Carl Menger](#), and [Léon Walras](#). The key idea was that the price was set by the most expensive price, that is, the price at the margin. This was a substantial change from Adam Smith's thoughts on determining the supply price.

The model was further developed and popularized by [Alfred Marshall](#) in the 1890 textbook *Principles of Economics*. Along with [Léon Walras](#), Marshall looked at the equilibrium point where the two curves crossed. They also began looking at the effect of markets on each other. Since the late 19th century, the theory of supply and demand has mainly been unchanged. Most

of the work has been in examining the exceptions to the model (like oligarchy, transaction costs, non-rationality).

### **General Definitions**

Demand is the quantity of a good that buyers wish to buy at each price. Other things equal, at low prices the demanded quantity is higher.

Supply is the quantity of a good that sellers wish to sell at each price. Other thing equal, when prices are high, the supplied quantity is high as well.

The market is in equilibrium when the price regulates the quantity supplied by producers and the quantity demanded by consumers. When prices are not so high as equilibrium price, there is excess demand (shortage) raising the price. At prices above equilibrium price, there is excess supply (surplus) reducing the price.

There are some factors influencing demand for a good, such as the prices of other goods, consumer incomes and some others.

An increase in the good of a substitute good (or a decrease in the price of a complement good) will at the same time raise the demanded quantity.

As consumer income is increased, demand for a normal good will also increase but demand for an inferior good will decrease. A normal good is a good for which demand increases when incomes rise. An inferior good is a good for which demand falls when incomes rise.

As to supply, some factors are assumed as constant. Among them are technology, the input price, as well as degree of government regulation. An improvement in technology is as important for increasing the supplied quantity of a good as a reduction in input prices.

Government regulates demand and supply, imposing ceiling prices (maximum prices) and floor prices (minimum prices) and adding its own demand to the demand of the private sector.

## **2.1 Answer the following questions to the text**

- 1 Who defined the term “demand and supply”?
- 2 What was the key idea of the marginalist school?
- 3 What is demand?
- 4 What is supply?
- 5 What happens when the prices are lower equilibrium price?
- 6 What factors influence demand and supply?

## **2.2 Mark the sentences as true (T) or false (F)**

- 1 The phrase "supply and demand" was first used in the 17<sup>th</sup> century \_\_\_\_

- 2 Smith believed that the demand price was fixed \_\_\_\_\_
- 3 The ideas of the marginalist school and the ideas of Adam Smith \_\_\_\_\_  
were not the same
- 4 Demand is the quantity of a good that buyers wish to buy at low \_\_\_\_\_  
prices
- 5 When prices are not so high as equilibrium price, there is excess \_\_\_\_\_  
supply ( surplus ) reducing the price
- 6 At prices above equilibrium price, there is excess demand \_\_\_\_\_  
(shortage ) raising the price

### 3 VOCABULARY PRACTICE

#### 3.1 Match the phrases with the definitions

- |                     |   |
|---------------------|---|
| 1 Demand curve      | a The price at which supply of goods and services is similar to the demand of them  |
| 2 Supply chain      | b Products that can satisfy some of the same customer needs as each other   |
| 3 Equilibrium price | c A product whose quality is low, or lower than other similar products  |
| 4 Substitute goods  | d The system of people and things that are involved in getting a product from a place where it is made to the person who buys it  |
| 5 Inferior good     | e An upper limit set by the government on the price that can be charged for a product or service  |
| 6 Price ceiling     | f The relationship, as shown by a line on a graph, between the price on goods or services and the amount or quantity that people buy during a particular period of time |

#### 3.2 Complete the text with the correct forms of the capitalized words in brackets

##### Income Elasticity of Demand

Studying the theory of demand we can (1) \_\_\_\_\_ (ASSUMPTION) that there is relationship between price, income and quantity, but this assumption itself cannot (2) \_\_\_\_\_ (ALLOWANCE) us to see how much the quantity demanded is (3) \_\_\_\_\_ (AFFECT) by a price change for a good or an income change. The relationship varies from one good to another.

One of the most (4) \_\_\_\_\_ (IMPORTANCE) of these relationships

is income (5)\_\_\_\_\_ (ELASTICITY) of demand. The income elasticity of demand is how much the quantity demanded (6)(DEPENDANCE) on changes in income if other factors are constant. The income elasticity is the percentage change in quantity (7)\_\_\_\_\_ (FOLLOW) one-percent change in income if other factors are constant.

The coefficient is mainly positive as with the income (8)\_\_\_\_\_ (INCREASE) a consumer buys more of the most products, and when the income decreases, the quantity demanded falls.

The income elasticity for food in the United States is about 0.2. A few goods such as dry beans have negative income elasticities. If elasticity is above zero, the product is an inferior good.

### 3.3 Complete the sentences using the following words. Some words you do not need to use management equals improvement supply decreases sell inputs attempts production quantities price developing

- 1 At some price, which we call “equilibrium price”, the demanded quantity of a good \_\_\_\_\_ the supplied quantity
- 2 All markets have the same economic function: they form prices equaling the \_\_\_\_\_ of goods that people wish to buy or sell
- 3 There has been some rise of income in the past two decades in \_\_\_\_\_ countries
- 4 An association is an organization formed by the people having the same interests and held together by a system of \_\_\_\_\_
- 5 For the next twenty years the \_\_\_\_\_ of energy will be limited in some sectors of US economy
- 6 An improvement in technology is something that makes it possible for firms to produce more goods with the same quantity of \_\_\_\_\_ as before

### 3.4 Match the parts of the sentences

- |  |  |
|--|--|
| 1 In East-European countries consumers couldn't get goods, and factories couldn't buy inputs | a telling suppliers it is now time to increase production. |
| 2 Governments intervene in economies controlling the supply of money,                        | b limiting monopolies and helping private business.        |
| 3 An improvement in technology will increase the supply of a good,                           | c increasing the quantity supplied at each possible price. |

- |   |  |   |   |
|---|--|---|---|
| 4 | Governments regulate economic activities                       | d | at prices held low by governments.                          |
| 5 | The governments can influence for whom the goods are produced, | e | imposing some restrictions.                                 |
| 6 | The high price for a good is the market mechanism              | f | taking income away from some people and giving it to others |

### 3.5 Translate the following sentences from Ukrainian into English

- 1 При зростанні ціни на товар зменшується його попит
- 2 Економічна ситуація в країнах з низьким доходом погіршилася з 1965г.
- 3 Задача максимальної ціни у тому, щоб зменшити ціну для споживачів, а задача мінімальної ціни у тому, щоб підняти ціну для виробників та постачальників
- 4 Збільшення пропозиції призводить до збільшення рівноважної кількості та зниженню рівноважної ціни
- 5 Коли ціни будуть знижені до рівноважної ціни, не буде товарних залишків.
- 6 Коли ціна одного товару падає, а ціни інших товарів залишаються на тому ж рівні, споживачі будуть купляти більш дешеві товари замість дорогих товарів.

## 4 LANGUAGE REVIEW

### 4.1 Fill in the gaps with *say* or *tell* in the correct tense.

- 1 He \_\_\_\_\_ to me that the results of the negotiations would be announced in two days.
- 2 They \_\_\_\_\_ that they would call the following week.
- 3 Don't \_\_\_\_\_ us that you have already done everything and it is not possible to change the situation for better.
- 4 I can't \_\_\_\_\_ the difference between the policy of this company and our previous suppliers.
- 5 I will \_\_\_\_\_ you all about their demands to pay a compensations.
- 6 I would like to \_\_\_\_\_ a few words about our contradictions.
- 7 It is better to \_\_\_\_\_ nothing than to \_\_\_\_\_ a lie.
- 8 It's hard to \_\_\_\_\_ exactly what is wrong.
- 9 He \_\_\_\_\_ a terrible joke at the meeting and no-one laughed - except him.



**4.2 Imagine you want to repeat sentences that you heard some time ago in another place. Rewrite the sentences in reported speech.**

- 1 They said, 'We talk in order to reach an agreement.'  
They said \_\_\_\_\_
- 2 She said, 'I am a tough negotiator because I am good at getting what I want.'  
She said \_\_\_\_\_
- 3 He said, 'I thought that we all knew the foreground to these talks.'  
He said \_\_\_\_\_
- 4 You said, 'I believe the talks will be held in a relaxed atmosphere.'  
You said \_\_\_\_\_
- 5 The manager said, 'Negotiations had failed twice in the past to produce results.'  
The manager said \_\_\_\_\_
- 6 Ms Weber said, 'We are trying to estimate the needs and objectives of the other side.'  
Ms Weber said \_\_\_\_\_
- 7 They said, 'Each party had given up certain demands in order to reach an agreement by Friday.'  
They said \_\_\_\_\_
- 8 She said, 'We are going to compromise on this issue because it means so much to us.'  
She said \_\_\_\_\_
- 9 He said, 'Disagreements over certain things have always led people to fight or have 'cold war'.'  
He said \_\_\_\_\_

**4.3 Report the sentences.**

- 1 She said, 'You had to operate at full capacity here.'  
She said \_\_\_\_\_
- 2 I said, 'If I were you, I wouldn't expect your opponents to yield so quickly today.'  
I said \_\_\_\_\_
- 3 He said, 'In a business negotiation which will happen tomorrow between eastern and western companies, there are quite a lot of difficulties and importance which should be paid much attention to.'  
He said \_\_\_\_\_

- 4 They said, 'We may provide the final discount if our manager agrees.'  
They said \_\_\_\_\_
- 5 She said, 'I will convince your clients of the benefits of your offer and selecting your company's products.'  
She said \_\_\_\_\_
- 6 They said, 'We can postpone the discussion until later.'  
They said \_\_\_\_\_
- 7 We said, 'If we use mediation, it may help to move the negotiations forward.'  
We said \_\_\_\_\_
- 8 He reminded, 'If we had known that we wouldn't find the products of better quality, we would have signed the contract immediately.'  
We said \_\_\_\_\_
- 9 Sara said, 'It's never easy to talk about my salary, but it might sometimes be necessary!'  
Sara said \_\_\_\_\_

#### 4.4 Report a dialogue between a buyer and a seller of a product.

**Buyer:** We would like to have a deal and place an order.

**Seller:** We can offer you 30,000 components at a unit cost of \$5.35 per unit.

**Buyer:** \$5.35 per unit. We weren't expecting the price to be so high.

**Seller:** It's an extremely competitive price for the quality we guarantee.

**Buyer:** We have dealt with a number of suppliers and considered different offers. The price that you're offering us is a lot higher.

**Seller:** I can understand you perfectly. The price is high, but you have to think about the quality of the product that you're obtaining. This component has been the best on the market for some years. It is the most innovative and advanced.

**Buyer:** We have heard about the quality of your products, but the price is really too high.

**Seller:** You know that our company has one of the best reputations in the industry for the quality control system in our factories as well. We have the lowest rate of returns. So you can be sure that you're getting the product with a negligible risk of failure. If you placed an order, you would not be frustrated.

**Buyer:** I can't take a decision right now.

**Seller:** I understand that you see the price as a little high. But try to imagine how much you spend each year replacing faulty components. We can guarantee each of the components not for the standard 3 years but for 5 years.

**Buyer:** It's quite an interesting offer.

**Seller:** It's not necessary to give us an answer straight away. Think about the offer and get back to us.

**Buyer:** Thank you. It will be the most reasonable. I'll phone you back next week.

## 5 SKILLS

**5.1 You will hear an on-line lecture about the factors of production. Complete the sentences 1-10 summarizing the ideas mentioned. Retrieved from: <https://www.youtube.com/watch?v=qt0Hw5EYlqw>**

- 1 Supply and demand are two most important \_\_\_\_\_ in economics
  - 2 Demand is desire and \_\_\_\_\_ of people to \_\_\_\_\_ things
  - 3 Suppliers are the \_\_\_\_\_ or more specifically supply is a desire and capability of sellers to make things \_\_\_\_\_ for purchase
  - 4 When supply increases when there's more things for sale prices will \_\_\_\_\_ until it is low enough to attract more buyers
  - 5 When demand increases prices will begin to \_\_\_\_\_ until they have risen high enough to attract more \_\_\_\_\_ to offset the increase in demand
  - 6 \_\_\_\_\_ states that when the price of an item goes up and everything else \_\_\_\_\_ the quantity demanded by buyers will \_\_\_\_\_ as the price of an item goes down in price and everything else stays the same the quantity demanded by buyers will \_\_\_\_\_
  - 7 In other words people buy more of something if the price is \_\_\_\_\_ than they buy if the price is \_\_\_\_\_
  - 8 As the price of an item goes up and everything else stays the same then people willing to sell will \_\_\_\_\_
  - 9 As prices of an item go down the amount of people are going to sell will \_\_\_\_\_
  - 10 The price at which the quantity demanded is exactly equal to the quantity supplied is known as \_\_\_\_\_.
- 5.2 Investigate other resources to make your own presentation about Demand and Supply**

## UNIT 6

### 1 LEAD-IN

- 1 What are main financial documents of the firm?
- 2 What functions do auditors and bookkeepers perform?
- 3 Why is it important for students of economics to study auditing and accounting?

### 2 READING

#### ACCOUNTING AND AUDITING

The accounting system in any given country is one of the key elements of the economic system. The subject of accounting is the calculation of the financial results of an entity's business activity. Accounting is also widely referred to as the "language of business".

Accounting is based on the accounting equation, which states that a firm's assets must equal its liabilities plus its owners' equity.

Assets and liabilities, profits or losses are listed in financial statements. The two main types of financial statements are the balance sheet and the income statement (profit and loss account).

The balance sheet lists a firm's assets, liabilities and owner's equity at a point of time. It is drawn periodically: monthly, quarterly, half-yearly, annually.

The balance sheet shows a lot of useful financial information, but it does not show everything. A firm's sales, costs, and profits for a given period are shown in an income statement.

Financial accounting is one branch of accounting and historically has involved processes by which financial information about a business is recorded, classified, summarized, interpreted, and communicated; for public companies, this information is generally publicly-accessible. By contrast management accounting information is used within an organization and is usually confidential and accessible only to a small group, mostly decision-makers.

Practitioners of accountancy are known as accountants. There are many professional bodies for accountants throughout the world.

Accounting/accountancy attempts to create accurate financial reports that are useful to managers, regulators, and other stakeholders such as shareholders, creditors, or owners. It can show the managers or owners of a business whether or not the business is operating at a profit.

The day-to-day record-keeping involved in this process is known as bookkeeping.

At the heart of modern financial accounting is the double-entry bookkeeping system. This system involves making at least two entries for every transaction: a debit in one account, and a corresponding credit in another account. The sum of all debits should always equal the sum of all credits, providing a simple way to check for errors. This system was first used in medieval Europe, although claims have been made that the system dates back to Ancient Rome or Greece.

The most general definition of an audit is an evaluation of an organization, system, process, project or product. Audits are performed to ascertain the validity and reliability of information, and also provide an assessment of a system's internal control. Auditing is therefore a part of some quality control certifications such as ISO 9000 (International Standards Organization an international organization which sets standards for the size, shape, and technical features of industrial goods, electrical products etc.). An audit is based on random sampling and is not an assurance that audit statements are free from error. However, the goal is to minimize any error, hence making information valid and reliable.

Traditionally audits were mainly associated with gaining information about financial systems and the financial records of company or a business (see financial audit). However recently auditing has begun to include other information about the system, such as information about environmental performance. As a result, there are now professions that conduct environmental audits.

In financial accounting, an audit is an independent assessment of the fairness by which a company's financial statements are presented by its management. It is performed by competent, independent and objective person or persons, known as auditors or accountants, who then issue a report on the results of the audit.

Such systems must adhere to generally accepted standards set by governing bodies that regulate businesses. It simply provides assurance for third parties or external users that such statements present 'fairly' a company's financial condition and results of operations.

An important type of audit is the financial audit. It is designed to determine whether financial statements are fairly presented in accordance with International Financial Reporting Standards (IFRS) or Generally Accepted Accounting Principles (GAAP). In the United States, financial audits are required for all publicly registered companies.

In addition, financial audits may be performed for private companies, registered charities, and some governmental and public entities. Private companies typically request financial audits year after year because lenders may have required an audit or owners may want to have external unbiased eyes look at the financial statements to determine if the company is complying with all the required accounting principles. Charities would require a financial audit to show the financial status of the organization to potential donors. Governments and government businesses are usually required to be audited by statutes to determine if all the money budgeted has been properly spent. Government financial reports are not always audited by outside auditors. Some governments have elected or appointed auditors.

## **2.1 Answer the following questions to the text.**

- 1 What is accounting?
- 2 Give short characteristic of financial statements.
- 3 What is financial accounting?
- 4 What is the primary function of double-entry bookkeeping system?
- 5 What is audit?
- 6 What are the types of audits?

## **2.2 Mark the sentences as true (T) or false (F).**

- 1 Accounting equation is the basis of accounting \_\_\_\_\_
- 2 Balance sheet is drawn only annually \_\_\_\_\_
- 3 A firm's sales, costs, and profits are included into balance sheet \_\_\_\_\_
- 4 The system of debit/credit was developed in the 18<sup>th</sup> century \_\_\_\_\_
- 5 Audit always proves the fact that audit statements are free from error. \_\_\_\_\_
- 6 Financial audits may be performed for different types of organizations \_\_\_\_\_

## **3 VOCABULARY PRACTICE**

### **3.1 Match the phrases with the definitions.**

- |                        |  |
|------------------------|--|
| 1 assessment           | a based on truth or reason; able to be accepted  |
| 2 financial accounting | b money in your bank account   |
| 3 valid                | c a type of accounting that deals with providing financial reports about a company's profit, debts, cash flow, so that |

		investors and banks can measure the company's financial performance
4	liability	d a record of money taken out of a bank account
5	debit	e the act of judging or deciding the amount, value, quality, or importance of something
6	credit	f the fact that someone is legally responsible for something

### 3.2 Complete the text with the correct forms of the capitalized words in brackets.

Audit is an (1)\_\_\_\_\_ (EXAMINE) of the records and reports of an enterprise by accounting specialists other than those (2)\_\_\_\_\_ (RESPONSIBILITY) for their preparation. Public auditing by independent accountants has acquired professional status and become increasingly common with the rise of large business units and the (3)\_\_\_\_\_ (SEPARATE) of ownership from control. The public accountant performs tests to determine whether the management's statements were prepared in (4)\_\_\_\_\_ (ACCORDING) with acceptable accounting principles and fairly present the firm's financial position and operating results. Such independent (5)\_\_\_\_\_ (EVALUATE) of management reports are of interest to actual and prospective shareholders, bankers, suppliers, and government agencies. Generally speaking, auditing has two functions: to reveal undesirable practices and, as far as (6)\_\_\_\_\_ (POSSIBILITY), to prevent their recurring in the future. A relatively new type of auditing is internal auditing. It is designed to evaluate the (7)\_\_\_\_\_ (EFFECTIVE) of a business's accounting system. Perhaps the most familiar type of auditing is the administrative audit, or pre-audit in which individual vouchers, invoices or other documents are (8)\_\_\_\_\_ (INVESTIGATION) for accuracy and proper authorization before they are paid or entered in the books.

In English-speaking countries, public auditors are usually certified, and high standards of professional (9)\_\_\_\_\_ (QUALIFY) are encouraged. Most countries have specific agencies or departments charged with the auditing of their public accounts.

Taxpayers in all countries are (10)\_\_\_\_\_ (INTERESTING) in the sound management of the collected revenue, they also want to know whether or not the executive branch of government is complying with the law, especially in the area of public finance.

**3.3 Complete the sentences using the following words. Some words you do not need to use.**

**payments      debit      sheet      prove      statements      value      emission  
transaction      summary      credit      accordance      evaluating**

- 1 The balance \_\_\_\_\_ cannot be completed until the depreciation of the capital assets is calculated
- 2 While bookkeepers and accountants are interested in describing the actual receipts and \_\_\_\_\_ of a company, the economists are known to study the role of costs and profits for allocating resources to particular activities
- 3 To obtain accurate information about financial \_\_\_\_\_ both small companies and large corporations hire bookkeepers to record and keep the data
- 4 Proper business decisions made by the manager depend mainly on the financial \_\_\_\_\_ the accountant regularly prepares for him
- 5 Everybody believes that double-entry system to be of great \_\_\_\_\_ in business activity and has several advantages
- 6 The purpose of the statement of cash flows is to explain management's use of financial resources available to it and to help in \_\_\_\_\_ the company's liquidity and its ability to pay its bills

**3.4 Match the parts of the sentences.**

- |   |   |   |   |
|---|---|---|---|
| 1 | Each time an item is purchased or sold, a bookkeeper passes on the information to the accountant who carries out the last steps such as | a | the changes in the financial structure of the company.  |
| 2 | A balance sheet represents  | b | 1) calculate adjustments; 2) prepare adjusted trial balance; 3) prepare financial statements; 4) close entries. |
| 3 | The statement of cash flows provides the information about  | c | named accounting, bookkeeping and auditing  |
| 4 | Financial accounting includes the information about   | d | a company's revenues, expenses, gains and losses.   |
| 5 | Accountancy is a branch of mathematical science   | e | the main accounting equation.   |



- 6 The principles of accountancy are f that is useful in discovering applied to business entities in three the causes of success and divisions of practical art, failure in business.

### 3.5 Translate the following sentences from Ukrainian into English.

- 1 Основна мета бухгалтерського обліку – показати фінансовий стан компанії
- 2 Бухгалтерських відділ фірми реєструє всю відповідну фінансову інформацію
- 3 Акціонери, інвестори ата кредитори досліджують фінансову документацію компанії
- 4 Фінансовий звіт – основний документ бухгалтерського обліку
- 5 Аудит тісно пов'язаний із бухгалтерським обліком. Його основна мета – запевнити користувача фінансових документів, що він має справу з реальним фінансовим становищем компанії
- 6 Існує два основних типи аудиту – внутрішній та незалежний. Внутрішній аудит – це контроль бухгалтерами компанії. Незалежний аудит – це аналіз документації бухгалтерами, які працюють в інших компаніях.

## 4 LANGUAGE REVIEW

### 4.1 Report the questions about a product and a service description posed by a consultant.

*The consultant asked/wanted to know/ wondered ...*

- 1 Do you provide a detailed description of your product or service?
- 2 What innovative features does your product or service offer?
- 3 How does your product or service distinguish itself from other products or services already existing on the market?
- 4 What are the three unique selling points offered by your product or service?
- 5 When was the product or service launched into the market?
- 6 How will your product or service satisfy client needs and expectations?

### 4.2 Report the following questions of the chairperson.

*The chairperson asked ...*

- 1 May I begin by saying that our today's meeting is a crucial one for the future development of our company?
- 2 Were you sent an agenda yesterday?

- 3 Are there any changes or additions to the agenda?
- 4 Can we accept the minutes as read?
- 5 Could we get down to the main item?
- 6 Would you like to comment on that point?
- 7 Do we have a consensus here?
- 8 Are we beginning to lose sight of the main point?
- 9 May I interrupt here and move on to the next speaker?
- 10 Did you inform your colleagues about the changes in the project yesterday?
- 11 Have we come to some agreement on this issue?
- 12 Are there any objections?

#### **4.3 The CEO informs the staff about the strategies that boost negotiation success. Report his commands and recommendations.**

- 1 Check whether you are in a negotiating situation, in any communication or problem-solving situation with others that can work out to your advantage. Engage only when it is in your interests; cease when it is to your detriment.
- 2 Clarify your aims.
- 3 Gather information about the other side's offer and use it to refine your own.
- 4 Negotiate with your own side. Aim to get the support you need; the trust you need; the resources you need; the understanding you need; and the freedom you need.
- 5 Get your best alternative to a negotiated agreement.
- 6 Prepare the setting.
- 7 Prepare yourself mentally, as the right attitude towards negotiations is crucial. Aim to be tough, business-like, and alert. Don't feel you owe the other side anything. Don't put yourself above or below the other side. Stay relaxed and unhurried. Don't reveal your feelings at any point.

#### **4.4 Report the following requests.**

- 1 A reporter said to the leading engineer, 'Could you please speak on the efficiency of different types of power plants?'
- 2 A manager asked an electrician, 'Could you please inspect a wiring system and equipment?'
- 3 'Think about your points of debate ahead of time, please,' the boss said to him.

- 4 'Can you give us an A-B-C on preparing to negotiate, please?' he said to the expert.
- 5 He said to the secretary of the meeting, 'Could you try to create a relaxed atmosphere?'
- 6 'Think about sending us a written proposal, please,' said the chairman.

#### 4.5 Report the following suggestions.

- 1 The construction superintendent said, 'How about finding some new designers?'
- 2 'Let's set the goal. We should know what we want to achieve,' she said to me.
- 3 'Why don't listen carefully enough so that to discover the true motives of the opponent,' he said to them.
- 4 'Shall we pretend ignorant in order to encourage others to express their views fully,' she asked the colleague.
- 5 'I think we can both feel very happy with the results today,' said the participant.
- 6 'Shall we go out this evening to celebrate our agreement?' we said.

#### 4.6 Report the following sentences in A – D in the past tense. Use the italicized verbs as the introductory words.

A        *threaten   agree   demand   promise   refuse   offer   claim*

- 1 'I'll inform you as soon as I get all the details.'  
He \_\_\_\_\_
- 2 'Yes, we'll give you some time to check all the figures once more.'  
He \_\_\_\_\_
- 3 'Give me some guarantee that the cargo will be delivered in time'  
He \_\_\_\_\_
- 4 'We have been negotiating the price for almost a week.'  
He \_\_\_\_\_
- 5 'Would you like me to talk to them?'  
He \_\_\_\_\_
- 6 'If you don't keep your promise and don't pay next week, we'll break the contract.'  
He \_\_\_\_\_

7 'No, we won't change our decision.'

He \_\_\_\_\_

**B** *ask forbid advise allow order remind warn invite beg*

1 'You should focus on shared values and interests, but not on the positions each side takes.'

He \_\_\_\_\_ me \_\_\_\_\_

2 'In negotiations don't search for the one right solution.'

He \_\_\_\_\_ me \_\_\_\_\_

3 'Don't forget to take all the latest reports on this deal.'

He \_\_\_\_\_ me \_\_\_\_\_

4 'You can bring your assistant with you.'

He \_\_\_\_\_ me \_\_\_\_\_

5 'You mustn't agree to these terms.'

He \_\_\_\_\_ me \_\_\_\_\_

6 'Could you inform me about the changes?'

He \_\_\_\_\_ me \_\_\_\_\_

7 'Please, please don't forget about this fact.'

He \_\_\_\_\_ me \_\_\_\_\_

8 'Cancel the meeting right away!'

He \_\_\_\_\_ me \_\_\_\_\_

9 'Will you come to our first meeting?'

He \_\_\_\_\_ me \_\_\_\_\_

**C** *insist on admit (to) deny apologize for accuse smb of  
boast about/of complain to smb of suggest*

1 'No, we haven't stolen this information.'

He \_\_\_\_\_

2 'I'm sorry I'm late again.'

He \_\_\_\_\_

3 'I'm the best negotiator in the company.'

He \_\_\_\_\_

4 'You ignored our policy.'

He \_\_\_\_\_

5 'Yes, we are cutting all our prices by 50% for one day only!'

He \_\_\_\_\_

6 'We have very unreliable suppliers.'

He \_\_\_\_\_

7 'Let's get to business right away.'

He \_\_\_\_\_

8 'You must finish the deal by Friday.'

He \_\_\_\_\_

**D** *explain inform smb exclaim/remark*

1 'The results will come out next week.'

He \_\_\_\_\_

2 'I don't trust them, because I have known about their tricks since I started work with them.'

He \_\_\_\_\_

3 'What a bargain!'

He \_\_\_\_\_

## 5 SKILLS

### 5.1 Listen to the on-line lecture on auditing. Complete the sentences 1-10 summarizing the ideas mentioned.

Retrieved from: [https://www.youtube.com/watch?v=WcwxY\\_CDloE&t=8s](https://www.youtube.com/watch?v=WcwxY_CDloE&t=8s)

1 Businesses are becoming more and more \_\_\_\_\_ and expanding their \_\_\_\_\_ internationally

2 Due to this businesses have to be more \_\_\_\_\_ for the actions and activities they are involved in

3 Businesses have to follow \_\_\_\_\_ and formats by law when providing financial statements for the users.

4 \_\_\_\_\_ is a process of inspecting and \_\_\_\_\_ the financial statements of an \_\_\_\_\_ to check if the claims and statements are fairly and \_\_\_\_\_ represented

5 An independent party usually performs an \_\_\_\_\_ and this is useful in removing any bias or an error as well as attempting to prevent \_\_\_\_\_

6 The majority of \_\_\_\_\_ will have an audit once a year and bigger \_\_\_\_\_ will have regular audits normally on a monthly basis

7 There are two types of order. They can be categorized in \_\_\_\_\_ order and \_\_\_\_\_ order

8 \_\_\_\_\_ are individuals within an entity who perform an order

9 \_\_\_\_\_ will examine the financial reports and then \_\_\_\_\_ information to the owner managers and other stakeholders about the \_\_\_\_\_ of the accounts and the efficiency of the \_\_\_\_\_ control of the statements

- 10 \_\_\_\_\_ are individuals independent to an entity that perform an order. They will also \_\_\_\_\_ the financial pulse of an entity to make sure they are free of \_\_\_\_\_ and \_\_\_\_\_

## 5.2 Investigate other resources to make your own presentation about Accounting.

# UNIT 7

## 1 LEAD-IN

- 1 What do people need money for?
- 2 What do you know about the currency used in your country?
- 3 What is the best method of payment (cash, credit card, etc.)? Why?

## 2 READING

### MONEY

Economics offers various definitions for money, though it is now commonly defined as any good or token that functions as a medium of exchange that is socially and legally accepted in payment for goods and services and in settlement of debts. Money also serves as a standard of value for measuring the relative worth of different goods and services.

The use of money provides an easier alternative to barter, which is considered in a modern, complex economy to be inefficient because it requires a coincidence of wants between traders, and an agreement that these needs are of equal value, before a transaction can occur.

Money is generally considered to have the following characteristics: "Money is a matter of functions four, a medium, a measure, a standard, a store". To function as money, the monetary item should possess a number of features:

1. It is a medium of exchange.
  - It should have liquidity, and be easily tradable, with a low spread between the prices to buy and sell, in other words, a low transaction cost
  - It should be easily transportable; precious metals have a high value to weight ratio. This is why oil, coal, vermiculite, or water is not suitable as money even though they are valuable. Paper notes have proved highly convenient in this regard.

- It should be durable. Money is often left in pockets through the wash. Some countries (such as Australia, New Zealand, Mexico and Singapore) are making their bank notes out of plastic for increased durability. Gold coins are often mixed with copper to improve durability.

2. It is a unit of account. A unit of account is a standard numerical unit of measurement of the market value of goods, services, and other transactions.

- It should be divisible into small units without destroying its value; precious metals can be coined from bars, or melted down into bars again. This is why leather and live animals are not suitable as money.

- It should be fungible: that is, one unit or piece must be exactly equivalent to another, which is why diamonds, works of art or real estate are not suitable as money.

- It must be a specific weight, or measure, or size to be verifiably countable. For instance, coins are often made with ridges around the edges, so that any removal of material from the coin (lowering its commodity value) will be easy to detect.

3. It is a store of value. Money must be able to be reliably saved, stored, and retrieved.

### **Modern forms of money.**

Banknotes (also known as paper money) and coins are the most liquid forms of tangible money and are commonly used for small person-to-person transactions. Today, gold is commonly used as a store of value, but is not often used as a medium of exchange or a unit of account. But central banks do use gold as a unit of account.

There are also less tangible forms of money, which nevertheless serve the same functions as money. Checks, debit cards and wire transfers are used as means to more easily transfer larger amounts of money between bank accounts. Electronic money is an entirely non-physical currency that is traded and used over the Internet.

### **Benchmark world currencies**

These are the major currencies used in trading.

Australia – Australian Dollar (AUD)

Canada – Canadian Dollar (CAD)

China – Renminbi (CNY)

European Monetary Union (EUR-13) – Euro (EUR)

Hong Kong – Hong Kong Dollar (HKD)

Japan – Japanese Yen (JPY)

Switzerland – Swiss Franc (CHF)  
United Kingdom – Pound Sterling (GBP)  
United States – US Dollar (USD)

## **2.1 Answer the following questions to the text.**

- 1 What are the basic money functions?
- 2 For what reason is barter considered being less efficient than money?
- 3 What forms of money are mentioned in the text?
- 4 Which forms of money are the most suitable to be used as money?
- 5 How do some countries make their banknotes more durable?
- 6 What is electronic money?

## **2.2 Mark the sentences as True (T) or False (F).**

- 1 There are a lot of definitions for money.
- 2 The use of money is as convenient as barter.
- 3 Efficient barter means that the traders' needs coincide.
- 4 Precious metals can't be used as money because they are too heavy.
- 5 Gold can serve the same functions as money.
- 6 Checks and debit cards are commonly used for small person-to-person transactions.

## **3 VOCABULARY PRACTICE**

### **3.1 Match the words with the definitions.**

- |   |             |          |  |
|---|-------------|----------|--|
| 1 | currency    | <b>a</b> | a system of exchanging goods and services for other goods and services rather than using money |
| 2 | transaction | <b>b</b> | money or property, especially when it is used to start a business or to produce more wealth    |
| 3 | barter      | <b>c</b> | a sum of money that a person or organization owes  |
| 4 | goods       | <b>d</b> | the system or type of money that a country uses  |
| 5 | capital     | <b>e</b> | things that are produced in order to be sold   |
| 6 | debt        | <b>f</b> | a business deal or action, such as buying or selling something                                 |

### **3.2 Complete the sentences with the correct forms of the capitalized words in brackets.**

Many years ago people traded (1) \_\_\_\_\_ (DIFFER) kinds of goods with one another. A farmer traded his grain grown on his plot with a (2)



\_\_\_\_\_ (BAKE) for some loaves of bread. A fisher traded some of the (3) \_\_\_\_\_ (DAY) catch of fish with a smith for a spade or an axe. Such an exchange of goods or services by trading was called bartering.

Bartering was a good way to do (4) \_\_\_\_\_ (BUSY) when people wanted to make an (5) \_\_\_\_\_ (ACCEPT) trade. For example, a farmer might want to exchange a pig for a sheep, but first would have to find another person who wanted to make such a trade. This might take a lot of time and effort and, sometimes, might not even be possible.

Bartering was also an acceptable way to do (6) \_\_\_\_\_ (BUSY) when both parties could agree on the worth or value of what they had to trade. But how much grain was a baker's loaf of bread worth? How many fish were equal to the value of the time spent by the smith (7) \_\_\_\_\_ (MAKE) the spade or the axe?

In time it became more difficult to conduct such a trade. It was also difficult to set a just value for the different goods and services. So it became clear that something new was needed that would be acceptable by everybody in exchange for goods and services. That "something" was money.

### 3.3 Complete the sentences using the following words. Some words you do not need to use.

to eat	to pay	to serve	to realize	to lose	to put
payment	service	debts	currency	transaction	money

- 1 "When it's a question of \_\_\_\_\_, everybody is of the same religion." Voltaire
- 2 "If you want to know what a man is really like, take notice of how he acts when he \_\_\_\_\_ money." New England Proverb
- 3 "Only when the last tree has died and the last river has been poisoned and the last fish has been caught will we \_\_\_\_\_ we cannot \_\_\_\_\_ money." Native American Proverb
- 4 There are severe penalties for late \_\_\_\_\_ of taxes.
- 5 Local banks give better rates for converting your traveler's checks into foreign \_\_\_\_\_.
- 6 The bank charges a fixed rate for each \_\_\_\_\_.

### 3.4 Match the parts of the sentences.

- 1 The exchange rate of a currency is a \_\_\_\_\_ any financial instrument fixed against other countries' \_\_\_\_\_ that can fulfill the currencies, for instance, \_\_\_\_\_ functions of money.

- |   |   |          |  |
|---|---|----------|--|
| 2 | When money is used to intermediate the exchange of goods and services,            | <b>b</b> | without having to trade or barter for them.          |
| 3 | In economics, money is a broad term that refers to                                | <b>c</b> | when we use it to save for the future.               |
| 4 | The money supply is the amount of financial instruments within a specific economy | <b>d</b> | one US dollar=260 Japanese yen.                      |
| 5 | Money makes it possible for you to obtain the goods and services you want         | <b>e</b> | available for purchasing goods or services.          |
| 6 | Money is a store of value   | <b>f</b> | it is performing a function as a medium of exchange. |

### 3.5 Translate the following sentences into English.

- 1 Гроші мають чотири основні функції: засіб обміну, засіб заощадження, розрахункова одиниця, відстрочений платіж.
- 2 Гроші не мають вартості самі по собі, але вони служать засобом для обміну товарів.
- 3 Гроші дозволяють людям визначити вартість товарів і послуг.
- 4 Позика – це сума грошей, яку людина або фірма бере в борг у банку.
- 5 Чеки і кредитні картки стають більш популярним засобом платежу, ніж гроші.
- 6 У деяких країнах іноземна валюта використовується поряд з національною валютою.

## 4 LANGUAGE REVIEW

- ### 4.1 Complete the sentences with the correct form of the verbs in brackets. Use the first, second and third conditionals. Translate the sentences into your native language.

#### Type 0, general truth

- 1 If the economist \_\_\_\_\_ (*study*) market forces, he \_\_\_\_\_ (*be interested*) in consumers' demand.
- 2 If you \_\_\_\_\_ (*want*) to make changes, \_\_\_\_\_ (*estimate*) the costs and only after that take a final decision.
- 3 If we \_\_\_\_\_ (*find*) any mistakes in calculations, we must \_\_\_\_\_ (*inform*) the manager.

### **Type 1, real present (probable condition)**

- 1 If labour resources \_\_\_\_\_ (*be used*) properly, labour efficiency \_\_\_\_\_ (*grow*).
- 2 The accountant \_\_\_\_\_ (*prepare*) the balance sheet, if the depreciation of the assets \_\_\_\_\_ (*be calculated*).
- 3 If someone \_\_\_\_\_ (*work*) unsafely you should \_\_\_\_\_ (*ask*) them to stop immediately and tell the manager.

### **Type 2, unreal present (improbable condition)**

- 1 If we \_\_\_\_\_ (*apply*) new highly efficient equipment, we \_\_\_\_\_ (*decrease*) the production cost.
- 2 The accountant \_\_\_\_\_ (*prepare*) financial statements more quickly if he \_\_\_\_\_ (*have*) the necessary computer programme.
- 3 If this system of management \_\_\_\_\_ (*prove*) to be effective, they \_\_\_\_\_ (*adopt*) it.

### **Type 3, unreal past (impossible condition)**

- 1 If they \_\_\_\_\_ (*use*) the latest scientific achievements, they \_\_\_\_\_ (*get*) higher profits.
- 2 If you \_\_\_\_\_ (*contact*) the manufacturer, they \_\_\_\_\_ (*may/send*) you instructions before you started work.
- 3 If they \_\_\_\_\_ (*use*) double entry bookkeeping system, they \_\_\_\_\_ (*easily find*) the error in balances.

## **4.2 Write your own ideas to answer the questions using the first conditional.**

**A:** What subjects are you going to study further at the university?

**B:** It depends \_\_\_\_\_. If I \_\_\_\_\_, \_\_\_\_\_.

**A:** Are you going to take a Master Degree course?

**B:** It depends \_\_\_\_\_. If I \_\_\_\_\_, \_\_\_\_\_.

**A:** What are you going to do when you graduate from the university?

**B:** It depends \_\_\_\_\_. If I \_\_\_\_\_, \_\_\_\_\_.

**A:** How long are you going to stay in your job?

**B:** It depends \_\_\_\_\_. If I \_\_\_\_\_, \_\_\_\_\_.

**A:** Are you going to work abroad for some period to gain international experience?

**B:** It depends \_\_\_\_\_. If I \_\_\_\_\_, \_\_\_\_\_.

**A:** Are you planning to be involved in some research work?

**B:** It depends \_\_\_\_\_. If I \_\_\_\_\_, \_\_\_\_\_.

**A:** Are you going to start your own business one day and work for yourself?

**B:** It depends \_\_\_\_\_. If I \_\_\_\_\_, \_\_\_\_\_.

#### 4.3 Fill in the gaps with *if* or *when* and a verb in the present tense.

- 1 We might visit our subsidiary next month. \_\_\_\_\_ we \_\_\_\_\_.  
(*visit*) them, we'll consider the possibility to change our production line.
- 2 The chairperson will come soon. \_\_\_\_\_ he \_\_\_\_\_ (*come*),  
we'll start the meeting.
- 3 The boss might phone me right now. \_\_\_\_\_ he \_\_\_\_\_  
(*phone*), I want you to leave the room.
- 4 The delegation will arrive soon. \_\_\_\_\_ they \_\_\_\_\_ (*arrive*),  
show them around our factory.
- 5 Our suppliers may offer us some discount. \_\_\_\_\_ they  
\_\_\_\_\_ (*offer*) 10%, we'll make a deal.
- 6 I am sure a lot of people will come to listen to our presentation.  
\_\_\_\_\_ they \_\_\_\_\_ (*come*), we'll have to bring some more  
chairs.

#### 4.4 Choose the correct option in each of the sentences.

- 1 You can contact him directly if there *are/were* any questions about your  
future responsibilities.
- 2 He would have been on time for the interview if he *left/had left* home a  
bit earlier.
- 3 It would be better if you *have/had* some experience in the field you are  
going to be employed.
- 4 If you *decide/decided* to take this offer, please let us know.
- 5 I would be grateful if you *can/could* send me detailed information about  
this course.
- 6 Were I you, I *would/will* build a broad vision and develop your  
nontechnical skills as well.
- 7 I know you require five new trainees, but would it be OK if there  
*are/were* only four.
- 8 Who knows what might have happened if you *accepted /had accepted*  
the job in Australia last year.
- 9 Should he fail to be promoted, it *will/would* be a great disappointment  
for him.

- 10 Had Paul demonstrated his motivation and leadership skills, creativity and independence, he **would have been put /would be put** on their fast-track scheme for employees with the potential to become high-fliers.

**4.5 Complete the sentences about the career development with your own ideas.**

- 1 We will be offered a contract provided that ...
- 2 I wouldn't accept the proposal to work overseas unless ...
- 3 I'd have been happy to join the team if ...
- 4 I will be given a promotion when ...
- 5 The experience would have been even more valuable if ...
- 6 I would resign and change my career if ...
- 7 I would have been more motivated to develop myself if ...
- 8 Don't let anyone change your career plans and give recommendations unless ...

**4.6 Choose the correct option and translate the sentences into your native language.**

- 1 I'll give you another chance **on condition that/unless** you promise to be more accurate and patient.
- 2 **Even if/ But for** their help, I'd fail the experiment now.
- 3 **Unless/Provided** it gives some priority, we won't start working on the project.
- 4 **Supposing/Providing** I was invited to work in this department – what opportunities could the internship provide?
- 5 Be so rude again **provided/and** you'll have to talk to our manager.
- 6 **In case of/On condition that** an emergency, call tech support.
- 7 Don't take such a decision **or/what if** you'll waste your time and achieve nothing.
- 8 We couldn't deliver the prefabricated units before the end of the month **even if/or** we wanted to.
- 9 We'll try to increase the load. – **What if/Otherwise** the system breaks down.

**4.7 Rewrite the following as mixed conditional sentences.**

- 1 John didn't finish this work yesterday. He isn't free now.
- 2 She got back late last night. She won't come to work today.
- 3 Mark didn't get the job instead of Joe. He is not moving to Oslo.

- 4 She isn't well-qualified. She wasn't offered the position of the production manager.
- 5 He didn't move to our office in London four years ago, his English isn't perfect now.
- 6 They are not at the meeting. They weren't informed about the time.
- 7 They came to the agreement. They will sign the contract today.
- 8 She didn't study hard. She won't be granted a master's degree.
- 9 Mary doesn't earn high salary. She needed to work extra time.
- 19 I'm busy all the time. I didn't check the results of the experiment yesterday.

## 5 SKILLS

### 5.1 You will hear part 1 of the Origin of Money. Complete the sentences 1-5 summarizing the ideas mentioned.

(Understanding Money – Part 1 – The Functions and Requirements of Money, Retrieved from:

[https://www.youtube.com/watch?time\\_continue=20&v=1Wd6MW8gPK4](https://www.youtube.com/watch?time_continue=20&v=1Wd6MW8gPK4))

- 1 The swapping of one good for another good is called \_\_\_\_\_.
- 2 The main problem of barter was to \_\_\_\_\_.
- 3 Salted fish, seashells, copper, gold, seeds, etc. were used as \_\_\_\_\_.
- 4 To be a useful medium of exchange, a thing should be \_\_\_\_\_.
- 5 Money also had to have a high value compared to its \_\_\_\_\_.

### You will hear part 2 of the Origin of Money. Complete the sentences 1-5 summarizing the ideas mentioned.

(Understanding Money – Part 2 – The Functions and Requirements of Money, Retrieved from:

[https://www.youtube.com/watch?time\\_continue=39&v=PW72ZnHUBiM](https://www.youtube.com/watch?time_continue=39&v=PW72ZnHUBiM))

- 1 Gold is the best form of money because \_\_\_\_\_.
- 2 All kinds of paper money have constantly lost their value because \_\_\_\_\_.
- 3 The main advantage of gold as money over paper money is \_\_\_\_\_.
- 4 Gold is accepted as money internationally because \_\_\_\_\_.
- 5 Wheat, coffee and diamonds are not fungible because \_\_\_\_\_.

You will hear part 3 of the Origin of Money. Complete the sentences 1-5 summarizing the ideas mentioned.

(Understanding Money – Part 2 – The Functions and Requirements of Money, Retrieved from:

[https://www.youtube.com/watch?time\\_continue=1&v=Ri1bQsGLM6M](https://www.youtube.com/watch?time_continue=1&v=Ri1bQsGLM6M))

- 1 The stock of money is \_\_\_\_\_ .
- 2 The flow of money is \_\_\_\_\_ .
- 3 The value of gold is very stable because \_\_\_\_\_ .
- 4 Platinum is not considered to be a good substitute for gold because \_\_\_\_\_ .
- 5 Metal that has also been consistently used as money is \_\_\_\_\_ .

**5.2 Investigate other resources and prepare a presentation about money and its functions.**

## **UNIT 8**

### **1 LEAD-IN**

- 1 What does inflation mean?
- 2 Why do economists study inflation?
- 3 How can inflation influence the economic situation of the country?

### **2 READING**

#### **INFLATION**

In mainstream economics, the word “inflation” refers to a general rise in prices measured against a standard level of purchasing power. Inflation is measured by comparing two sets of goods at two points in time, and computing the increase in cost not reflected by an increase in quality. There are, therefore, many measures of inflation depending on the specific circumstances. The most well-known are the CPI which measures consumer prices, and the GDP deflator, which measures inflation in the whole of the domestic economy.

The prevailing view in mainstream economics is that inflation is caused by the interaction of the supply of money with output and interest rates. Mainstream economist views can be broadly divided into two camps: the "monetarists" who believe that monetary effects dominate all others in setting the rate of inflation, and the "Keynesians" who believe that the interaction of money, interest and output dominate over other effects. Other theories, such as those of the Austrian school of economics, believe that an inflation of overall prices is a result from an increase in the supply of money by central banking authorities.

Related terms include: deflation, a general falling level of prices;

disinflation, the reduction of the rate of inflation; hyper-inflation, an out-of-control inflationary spiral; stagflation, a combination of inflation and poor economic growth; and reflation, which is an attempt to raise prices to counteract deflationary pressures.

If inflation is high in an economy, there are three main problems it can cause:

People on a fixed income (e.g. pensioners, students) will be worse off in real terms due to higher prices and equal income as before; this will lead to a reduction in the purchasing power of their income.

Rising inflation can encourage trade unions to demand higher wages. This can cause a wage spiral. Also if strikes occur in an important industry which has a comparative advantage the nation may see a decrease in productivity and suffer.

If inflation is relatively higher in one country, exports will become more expensive for other countries to purchase; this will create a deficit on the current account.

Measuring inflation is a question of econometrics, finding objective ways of comparing nominal prices to real activity. Each inflationary measure takes a "basket" of goods and services, then the prices of the items in the basket are compared to a previous time, then adjustments are made for the changes in the goods in the basket itself.

## **2.1 Answer the following questions to the text.**

- 1** What is CPI? GDP?
- 2** How is inflation measured?
- 3** What is inflation caused by?
- 4** What is the main difference in the views of Monetarists and Keynesians?
- 5** What does econometrics study?
- 6** What problems can be caused by inflation?

## **2.2 Mark the sentences as True (T) or False (F)/**

- 1** There is only one way to measure inflation.
- 2** Four different economic schools are mentioned in the text.
- 3** According to the Austrian school of economics, inflation is mainly caused by the activities of central banking authorities.
- 4** If inflation is high, people on a fixed income will lose their purchasing power.



- 5 Higher inflation in one country will make exports more expensive for other countries to purchase.
- 6 Econometrics studies subjective ways of comparing nominal prices to real activity.

### 3 VOCABULARY PRACTICE

#### 3.1 Match the words with the definitions.

- |   |           |   |   |
|---|-----------|---|---|
| 1 | inflation | a | the amount of goods or work produced by a person, machine, factory etc.                                   |
| 2 | supply    | b | a continuing increase in prices, or the rate at which prices increase                                     |
| 3 | output    | c | a reduction in the amount of money in a country's economy, so that prices fall or stop rising stagflation |
| 4 | deflation | d | the average or total value of a number of different goods or currencies                                   |
| 5 | reflation | e | an amount of something that is available to be used   |
| 6 | basket    | f | the process of increasing the amount of money being used in a country in order to increase trade          |

#### 3.2 Complete the sentences with the correct forms of the capitalized words in brackets.

Inflation is a steady rise in the average price and wage level. The rise in wages being high enough to raise costs of (1) \_\_\_\_\_ (PRODUCE), prices grow further resulting in a higher price of inflation and, finally, in an inflationary spiral. Periods when inflation rates are very large are referred to as hyperinflation.

The causes of inflation are rather complicated, and there are a number of theories explaining them. Monetarists, such as Milton Friedman, say that inflation is caused by too rapid increase in money supply and the (2) \_\_\_\_\_ (CORRESPOND) excess demand for goods.

Therefore, monetarists consider due (3) \_\_\_\_\_ (GOVERN) control of money supply to be able to restrict inflation rates. They also believe the high rate of (4) \_\_\_\_\_ (EMPLOY) to be likely to restrain claims for higher wages. People having jobs accept the wages they are being paid, the inflationary spiral being kept under control. This situation also accounts for rather slow increase in aggregate demand.

On the other hand, Keynesians, that is, (5) \_\_\_\_\_ (ECONOMY) following the theory of John M. Keynes, suppose inflation to be due to

processes occurring in money circulation. They say that low inflation and unemployment rates can be ensured by adopting a tight incomes policy.

Incomes policies, though, monetarists argue, may temporarily speed up the (6) \_\_\_\_\_ (TRANSIT) to a lower inflation rate but they are unlikely to succeed in the long run.

**3.3 Complete the sentences using the following words. Some words you do not need to use.**

effect      stagflation      methods      interest rate      supply  
inflation      economy      increase      measure      Keynesian

- 1 In the long run, \_\_\_\_\_ is generally believed to be a monetary phenomenon, while in the short and medium term, it is influenced by the relative elasticity of wages, prices and interest rates.
- 2 The question of whether the short-term effects last long enough to be important is the central topic of debate between monetarist and \_\_\_\_\_ schools.
- 3 A great deal of economic literature concerns the question of what causes inflation and what \_\_\_\_\_ it has.
- 4 A small amount of inflation is often viewed as having a positive effect on the \_\_\_\_\_.
- 5 Inflation is a general \_\_\_\_\_ in prices in a country.
- 6 There are a number of \_\_\_\_\_ that have been suggested to stop inflation.

**3.4 Match the parts of the sentences.**

- 1 Central banks such as the U.S. a and some reference currency Federal Reserve can affect inflation such as gold. to a significant extent
- 2 High interest rates (and slow growth b through setting interest rates and of the money supply) are the through other operations (that is, traditional way that central banks using monetary policy). fight inflation,
- 3 Monetarists emphasize increasing c the inflation rate interest rates (reducing the money supply)
- 4 Keynesians emphasize reducing d using unemployment and the demand in general, often through decline of production to prevent fiscal policy, price increases.

- 5 Some economists advocate fighting e using increased taxation or inflation by fixing the exchange rate reduced government spending to between the currency reduce demand as well as by using monetary policy.
- 6 A chief measure of price inflation is f to fight inflation.

### 3.5 Translate the following sentences from Ukrainian into English

- 1 Інфляція – це підвищення рівня цін і зарплат.
- 2 Багато вчених намагалися визначити причини інфляції.
- 3 Монетаристи вважали, що інфляція викликається занадто швидким підвищенням грошової маси і відповідним зростанням попиту на товари.
- 4 Деякі економісти вважають, що жорстка політика доходів є гарним, але тимчасовим способом утримання інфляції під контролем.
- 5 При плановій економіці зростання цін стримувалося прямим урядовим регулюванням.
- 6 Завдання уряду – стримати зростання темпів інфляції.

## 4 LANGUAGE REVIEW

### 4.1 Wendy has just started her work. It isn't what she expected, and she is disappointed. Read what she says and make sentences, as in the example.

**Example:** *I wish my room wasn't/weren't so small.*

I don't have a position of responsibility.

I don't find the work stimulating.

I can't work flexible hours.

Most of the time I work alone.

My salary is not high.

I have to share the room with two other accountants.

My chief is not supportive.

The people I work with are not friendly.

I don't have any friends.

There's no any chance of getting a promotion in the nearest two years.

### 4.2 Jason was at the interview. He didn't get the job. Read what he says and make sentences, as in the example.

**Example:** *I wish I had known more about the company.*

My letter of application was badly typed.

I arrived 5 minutes later.  
 I didn't know much about the company.  
 I didn't bring my job-skills portfolio.  
 I was nervous.  
 I didn't shake hands with my interviewer.  
 I didn't make good eye contact with my interviewer.  
 I forgot what I wanted to say.  
 I didn't show enthusiasm in the position.  
 I didn't look confident.  
 I didn't stress my achievements.  
 I didn't answer the interviewer's questions properly.  
 I answered my phone call during the interview.

#### 4.3 In pairs ask and answer questions. Give your reasons.

*Would you rather ...*

*I'd rather ...*

- 1 find information about vacancies in a newspaper or on the Internet?
- 2 work part-time or full-time after the university?
- 3 have bonuses for extra work or more days off?
- 4 work alone or in a team?
- 5 have more freedom of taking independent decisions or more control and less responsibility?
- 6 learn English or Chinese?

#### 4.4 Complete the sentences, as in the example.

**Example:** I'll check the results if you really want me to, but ...  
 ... *I'd rather you checked them.*

- 1 I'll look for more information about this company before our meeting if you really want me to, but ... .
- 2 I'll make a smart decision about how to use our advantages if my boss really wants me to, but ... .
- 3 I'll read online some reviews on this technology if you really want me to, but ... .
- 4 I'll pay more attention to the safety of our new installation and after-sale service if you want me to, but ... .
- 5 I'll analyze all the consequences of such measures if you really want me to, but ...

- 6 I'll send a letter of complaint about the quality of these components if you really want me to, but ... .

**4.5 Fill in the gaps with *would rather*, *prefer(s)* or *(would) prefer*.**

- 1 Do you \_\_\_\_\_ buying electric appliances at the Tesco electrical warehouse or shopping them online?
- 2 She \_\_\_\_\_ phone them to place the order than send them an email.
- 3 I \_\_\_\_\_ taking my own decisions to following someone's advice. They \_\_\_\_\_ telework to regular work in the office.
- 4 I \_\_\_\_\_ speak to him in person than discuss things over the phone with his assistant.
- 5 \_\_\_\_\_ you \_\_\_\_\_ to do it yourself rather than talk to our consultant?
- 6 \_\_\_\_\_ you \_\_\_\_\_ looking through applicants' CV first or talking to them personally.

**4.6 Put the verbs in brackets into the correct form.**

- 1 A: Did you like the trade fare last week?  
B: No, We'd rather \_\_\_\_\_ (*not/participate*) in it.
- 2 A: I am going to send my CV right now.  
B: I think it's too early. You'd better \_\_\_\_\_ (*organise*) the sections of your CV properly and \_\_\_\_\_ (*include*) a brief list of your duties and accomplishments.
- 3 A: Do you often try to find new people to fill the vacancies?  
B: Very rarely. We prefer \_\_\_\_\_ (*promote*) our employees. They know more about the company they are working for.
- 4 A: Shall we ask John to deal with the problem?  
B: Well, if you don't mind I would prefer \_\_\_\_\_ (*talk*) to him first.
- 5 A: I'd rather you \_\_\_\_\_ (*not/hurry*) with the choice of our new supplier.  
B: Sorry, I think we have already taken the decision.
- 6 A: I wish you \_\_\_\_\_ (*attach*) references from some of your previous employers.  
B: Of course, I will do it.
- 7 A: If only you \_\_\_\_\_ (*include*) your departmental awards, scholarships, and membership in honors associations. I suppose, you would have been invited to the team.

- B:** Oh, yes. I suppose so. It's a pity, I didn't do it.
- 8 A:** I'd rather you \_\_\_\_\_ (*inspect*) the whole process.
- B:** OK. But I would prefer \_\_\_\_\_ (*do*) it with Kate.
- 9 A:** We'd better \_\_\_\_\_ (*get*) in touch with the employment agency first.
- B:** Right. It will save our time and money.

## 5 SKILLS

### 5.1 You will hear about inflation. Complete the sentences 1-10 summarizing the ideas mentioned.

(What is inflation? Retrieved from:

<https://www.youtube.com/watch?v=UMAELCrJxt0>)

- 1 One of the oddest things about economic life is \_\_\_\_\_ .
- 2 In *Pride and Prejudice* Mr. Darcy's income was \_\_\_\_\_ .
- 3 In the 17<sup>th</sup> century Spanish Empire essentially collapsed from \_\_\_\_\_ .
- 4 There are \_\_\_\_\_ basic reasons for inflation.
- 5 Cost-push inflation is \_\_\_\_\_ .
- 6 Land rents might be increasing because \_\_\_\_\_ .
- 7 Demand inflation is \_\_\_\_\_ .
- 8 The reason why governments print more money is \_\_\_\_\_ .
- 9 John Maynard Keynes spotted the idea that \_\_\_\_\_ .
- 10 The biggest problem caused by inflation is \_\_\_\_\_ .

### 5.2 Investigate other resources and prepare a presentation about Inflation issues.

## UNIT 9

### 1 LEAD-IN

- 1 What is taxation?
- 2 Why do people have to pay taxes to the government?
- 3 How do the government use taxes?

## 2 READING

### TAXATION

Taxation is a system of raising money to finance government services activities. Governments at all levels – local, provincial, and national require people and business to pay taxes. Governments use the tax revenues to pay the cost of police and fire protection, health programmes, schools, roads, national defence, and many other public services. Direct taxes are levied (charged) on the incomes or wealth of individuals or companies.

Taxes are as old as government. The general level of taxes has varied over the years, depending on the role of the government. In modern times, many governments - especially in advanced industrial countries - have rapidly expanded their roles and taken on new responsibilities. As a result, their need for tax revenue has increased.

Over the years, people have frequently protested against tax increases. In these situations, taxpayers have favoured keeping services at current levels or reducing them. Voters have defeated many proposals for tax increases by provincial and local governments.

Governments levy many kinds of taxes. The most important kinds include property taxes, income taxes on transaction.

Property taxes are levied on the value of such property as houses, shops, factories, farms, and business equipment. The property tax first became important in ancient times. Today, it ranks as the chief source of income for many local governments. Property taxes are known as rates in some countries. They are called direct taxes because they are levied directly on the people expected to pay them.

Income taxes are levied on income from such sources as wages and salaries, dividends, interest, rent, and earning of companies. There are two main types of income taxes – individual income taxes and corporate income taxes. Individual income taxes, also called personal income taxes, are applied to the income of individuals and families. Corporate income taxes are levied on earnings of companies or corporations. Income taxes may also be levied on the earnings of estates and trusts. They generally are considered to be direct taxes. The corporate income tax also may be described as shifted tax. This is because companies shift the cost of the tax to their customers by raising prices. Most nations in the world levy income taxes. Many people have income tax deducted automatically from their earnings by employers, who then pay it to the tax office.

Capital gains tax is a tax, separate from income tax, levied on profits

received from the sale or exchange of real property, shares or other assets. If losses are made on some sales, they can be subtracted from overall profits to work out the amount liable to capital gains tax. Some countries treat capital gains as ordinary income, and charge income tax on them.

Taxes on transactions are levied on sales of goods and services and on privileges. There are three main types of such taxes – general sales taxes, excise taxes, and tariffs.

General sales taxes apply one rate to the sales of many different items. Australia, Canada, and the United States of America impose sales taxes. The value-added tax is a general sales tax levied in France, Great Britain, and other European countries. It is applied to the increase in value of a product at each stage of manufacture and distribution.

Excise taxes are levied on the sales of specific products and privileges. They include taxes on sales of such items as petrol, tobacco and alcoholic beverages. Other excise taxes are the license tax, the franchise tax, and the severance tax. The license tax is levied on the right to participate in an activity such as selling alcoholic beverages, using a motor vehicle, getting married or going hunting or fishing. Franchise tax is a payment for the right to carry on a certain kind of business, such as operating a bus service or a public utility. Severance tax is levied on processing of natural resources, such as timber, natural gas, or petroleum.

## **2.1 Answer the following questions to the text.**

- 1 What are the most important kinds of taxes?
- 2 What are direct taxes levied on?
- 3 What are main types of income taxes?
- 4 What are income taxes levied on?
- 5 What are the main types of taxes on transactions?
- 6 What do excise taxes include?

## **2.2 Mark the sentences as True (T) or False (F).**

- 1 Property taxes are levied on sales of goods.
- 2 Property taxes rank as the chief source of income for many local governments.
- 3 Income taxes are considered as indirect taxes.
- 4 Excise tax is one of the types of taxes on transactions.
- 5 Income taxes are levied on imported goods.
- 6 Property taxes are levied on the value of houses or business equipment.



### 3 VOCABULARY PRACTICE

#### 3.1 Match the words with the definitions.

- |   |              |   |  |
|---|--------------|---|--|
| 1 | taxation     | a | the entire amount of income before any deductions are made   |
| 2 | revenue      | b | a capital tax on property imposed by municipalities; based on the estimated value of the property  |
| 3 | excise tax   | c | the practice of a government collecting money from its citizens to pay for public services         |
| 4 | property tax | d | a tax that is measured by the amount of business done (not on property or income from real estate) |
| 5 | direct tax   | e | a personal tax levied on annual income   |
| 6 | income tax   | f | a tax paid directly by the person or organization on whom it is levied                             |

#### 3.2 Complete the sentences with the correct forms of the capitalized words in brackets.

The most widely used (1) \_\_\_\_\_ (PROGRESS) tax structure is the one in which the average tax rate rises with a person's income level. As a result of (2) \_\_\_\_\_ (PROGRESS) tax and transfer system most is taken from the rich and most is given to the poor.

Rising tax rates (3) \_\_\_\_\_ (INITIAL) increase tax revenue but (4) \_\_\_\_\_ (EVENTUAL) result in such large falls in the equilibrium quantity of the taxed commodity or (5) \_\_\_\_\_ (ACTIVE) that revenue starts to fall again. High tax rates are said to reduce the incentive to work. If half of all we earn goes to the (6) \_\_\_\_\_ (GOVERN), we may prefer to work fewer hours a week and spend more time in the garden or watching television.

#### 3.3 Complete the sentences using the following words. Some words you do not need to use.

expenditure	profit	taxation	employment	income	services
prices	experience	institutions	employed	import	export

- 1 Most of public expenditure is financed through \_\_\_\_\_ and government borrowing.
- 2 In a situation of full employment, the supply of most goods and \_\_\_\_\_ will be inelastic.
- 3 In 1986 there was a most sharp fall in world oil \_\_\_\_\_ .

- 4 In most European countries and the USA, work \_\_\_\_\_ is required to receive unemployment benefits.
- 5 The International Monetary Fund (IMF) is considered to be one of the most influential multinational \_\_\_\_\_ .
- 6 As a result of the Industrial Revolution at the end of the 18th century, most workers became \_\_\_\_\_ in large factories.

### 3.4 Match the parts of the sentences

- |   |   |
|---|---|
| 1 Government spending is  | a believed to reduce incentives to work since they contribute to income.                      |
| 2 Social security payments and unemployment benefits are  | b those comprise medical services, school, children care, public transport, national defense. |
| 3 Whereas a sales tax is raised only when a final good is sold to the consumer,   | c payable to women at the age of 60 and the men at the age of 65.                             |
| 4 The government in northern Europe often give out free a great share of gross output privately produced as public goods, | d goes to households as employees, owners or renters.   |
| 5 A state retirement pension in most European countries is  | e the sum of government purchases of goods and services and transfer payments.                |
| 6 What is not paid as corporate taxes or saved by firms   | f the VAT is raised at different stages of the production process.                            |

### 3.5 Translate the following sentences from Ukrainian into English

- 1 Частка податків у ціні товару не може залежати від купівельної спроможності населення.
- 2 Вважається, що додатковий дохід від держави є негативним стимулом для пошуків роботи з більш високою заробітною платою.
- 3 Незначна частка державних витрат Японії обумовлюється, як відомо, надзвичайно низьким рівнем витрат на національну оборону.

- 4 Громадські витрати – це, як відомо, ті витрати, котрі фінансуються з оподаткування і державних запозичень.
- 5 Великий державний сектор, як вважають, робить економіку неефективною, знижуючи кількість товарів і послуг, яка може бути вироблена і в кінцевому підсумку розподілена споживачам.
- 6 У Великобританії внески до фондів соціального страхування становлять майже третину від загальної суми, що спрямовується на соціальні витрати.

## 4 LANGUAGE REVIEW

### 4.1 Identify the Simple, Compound or Complex sentences.

- 1 The installations must be inspected annually for damage. \_\_\_\_\_
- 2 They refused from this idea, and we never considered the possibility of changing the system. \_\_\_\_\_
- 3 The research field of this department is crucial to the further development of the community's infrastructure. \_\_\_\_\_
- 4 After the wiring was completed, the system was tested. \_\_\_\_\_
- 5 Employees entering this area must wear protective clothing. \_\_\_\_\_
- 6 The budget is tight, but we decided to start the construction. \_\_\_\_\_
- 7 Though the results were promising, they decided to analyse everything ones more. \_\_\_\_\_
- 8 As genes change over time, evolution progresses. \_\_\_\_\_

### 4.2 Punctuate the sentences by adding comas or periods. Do not add any words. Capitalize where necessary.

- 1 I didn't expect promising results yet the idea was quite good on the whole.
- 2 We have nothing to fear for our research team is very reliable.
- 3 A thermometer is used to measure temperature a barometer measures air pressure.
- 4 The researchers have not finished compiling the statistics yet their work will not be made public until later.
- 5 The goal of this journal is to provide a platform for scientists and academia all over the world many scholars share and discuss various new issues and developments of electrical systems and information technology.

- 6 They had to find out more details so they applied to the production manager.
- 7 They are in serious legal trouble for they didn't have any permission to start the experiment.
- 8 The learning curve is very steep, but we are learning from our mistakes.
- 9 Even when I am at home I get business calls on my mobile so I rarely feel I can escape from my job.
- 10 The ideal way to learn is from the experience of others and the principle of basic practice is based on this concept.

#### 4.3 Match the parts of the compound sentences.

- |   |  |
|---|--|
| 1 She did very well at her job interview,                                     | a so they decided to change the layout of the floor. |
| 2 They needed some new ideas,   | b or the building won't be fire resistant.           |
| 3 The engineers didn't like the existing plan,                                | c yet she didn't get the position.                   |
| 4 The company had an excellent year,  | d nor do they need to change the production process. |
| 5 The report was presented to the board,                                      | e and we delivered products in time.                 |
| 6 They don't need to buy new equipment,                                       | f so they employed some young managers.              |
| 7 Our production department managed to finish the work,                       | g but it was rejected because it was too complex.    |
| 8 They need to learn more about the properties of this construction material, | h so they gave everyone a bonus.                     |

#### 4.4 Use corresponding coordinating conjunctions in the following sentences.

- 1 The system will help the Government to take decisions, \_\_\_\_\_ develop and implement general and sectoral policies that are timely and appropriately designed. (*addition*)
- 2 Technicians often specialize in installation and maintenance and repair \_\_\_\_\_ they are trained to do both. (*conclusion*)
- 3 Economy cannot rely entirely on command, \_\_\_\_\_ there was extensive planning in many Soviet bloc countries. (*contrast*)

- 4 He was in a hurry to finish the project, \_\_\_\_\_ he was trying to do his best to meet the deadline. (*result*)
- 5 During the summer, when heating systems are not being used, heating equipment technicians do maintenance work, \_\_\_\_\_ during the winter, they inspect the systems and do required maintenance. (*contrast*)
- 6 The majority of bookkeepers work at least 40 hours per week \_\_\_\_\_ some of them can work overtime or irregular hours. (*alternation*)
- 7 Employers prefer to hire those who have completed programs in accounting or bookkeeping, \_\_\_\_\_ entry-level workers can also be employed without any specific training or experience on the job. (*contrast*)
- 8 No one is immune to an injury from hazardous substances, \_\_\_\_\_ the inspection and testing by a person with specific competence can guaranty the safety. (*double negative meaning*)

**4.5 Join each pair of the independent clauses into a compound sentence using the appropriate coordinating conjunction.**

- 1 To work under pressure is hard for many people. Many companies use techniques for training people how to stay calm and take rational decisions.
- 2 David is an excellent accountant. His company pays for his training course.
- 3 The new system is not safe. Many people are working to improve it.
- 4 They can lose the job. They decide to obey the rules.
- 5 The first candidate was more experienced. They offer him a job.
- 6 They had enough time. They decided to wait for the final decision to be taken.
- 7 The results of the experiment were not satisfied. They decide to lower the temperature.
- 8 Switzerland is not in the European Union. It is not a member of NATO either.

**4.6 Rewrite the paragraph joining the independent clauses into compound sentences.**

John Allen works in R&D department of a well-known oil company.  
**1a)** He has just returned from a business trip to the United Arab Emirates last Thursday. **1b)** He wants to talk to the coordinator of the petroleum-producing

project. **2a)** They had been working on the petroleum-producing project for several months. **2b)** Mike didn't manage to sign the contract with the UAE company yesterday. **3a)** Mike doesn't need to go to the office right immediately. **3b)** He doesn't need to phone the coordinator. **4a)** He is driving home. **4b)** He has to prepare all the documents to report the results of his business trip. **5a)** Actually the managers spent a lot of time and efforts. **5b)** They didn't get the grant to conduct the research. **6a)** Mike needs some time to think everything over. **6b)** He is going to stay at home for the weekend and work. **7a)** He won't go to the theatre. **7b)** He will not have dinner out with his friends. It's time to work hard and develop a new plan.

## **5 SKILLS**

### **5.1 You will hear about taxes. Complete the sentences 1-10 summarizing the ideas mentioned.**

(Taxes: Crash Course Economics, Retrieved from:  
[https://www.youtube.com/watch?v=7Qtr\\_vA3Prw](https://www.youtube.com/watch?v=7Qtr_vA3Prw))

- 1** Ancient Mesopotamians paid taxes in the form of \_\_\_\_\_ .
- 2** Ancient Egyptian texts and tomb scenes show the evidence of \_\_\_\_\_ .
- 3** According to Oliver Wendell Holmes, taxes are what people pay for \_\_\_\_\_ .
- 4** Taxes can be used as a way to redistribute \_\_\_\_\_ .
- 5** An income tax system is \_\_\_\_\_ .
- 6** Sin taxes are \_\_\_\_\_ .
- 7** Property taxes and income taxes are examples of \_\_\_\_\_ .
- 8** Regressive and progressive taxes are \_\_\_\_\_ .
- 9** Proportional taxes are \_\_\_\_\_ .
- 10** A flat tax is \_\_\_\_\_ .

### **5.2 Investigate other resources and prepare a presentation about taxation.**

## ADDITIONAL READING

### TEXT 1

#### 1 Read and translate the text to answer the questions.

- 1 How can today's world be characterized?
- 2 What should be done to help the organization survive and thrive?
- 3 In what way should managers act today?
- 4 What are the four performance dimensions?
- 5 What is *cost competitiveness*?
- 6 What does *speed* mean for a manager?
- 7 How can *innovation* be defined?
- 8 In the long run, how is it possible for managers to make their organizations successful?

### MANAGEMENT

Today's world is competitive. Never before has the world of work been so challenging. Never before has it been so imperative to your career that you learn the skills of management. Never before people had so many vast opportunities with so many potential rewards.

To survive and thrive, today's managers have to think and act strategically. Manager must be not only a thinker but a doer. Management is a world of action. It is a world that requires timely and appropriate action. It is a world not for the passive, but for those who commit to positive accomplishments. The four basic management functions are planning, organizing, leading, and controlling. Today's customers are well educated, aware of their options, and demanding of excellence. For this reason, managers today must think constantly about how to build a capable workforce and manage in a way that delivers the goods and services that provide the best possible value to the customer.

By this standard, managers and organizations must perform. The four types of performance, on which the organizations beats, equals, or loses to the competition, are cost, quality, speed, and innovation. These four performance dimensions, when done well, deliver value to the customer and competitive advantage to you and your organization.

**Cost competitiveness** means the company delivers valuable products

(goods and services) priced at levels the customer is willing to pay. Good management requires managing so that costs are kept under control and the company can sell its products at fair prices that cover costs and achieve a profit.

**Quality** refers to the all-around excellence of your goods and services. It includes such things as attractiveness, lack of defects, reliability, and long-term dependability. Quality means doing the job right and meeting or surpassing customer expectations.

**Speed** means the organization can respond to market needs quickly. It includes introducing new products to the market before competitors do, delivering fast on consumer orders, and responding quickly to customer services requests. You are at a competitive advantage if you do these things faster and better than your competitors, and at a competitive disadvantage if they are faster and better.

**Innovation** is the ability to create new goods and new services that customers value. Moreover, effective innovation occurs quickly and results in products that are competitive on the basis of cost and quality. Innovative management practices often are the key to staying abreast or ahead of competitors who are constantly trying to outdo you in all four of these arenas of competitive advantage.

Good managers find ways to make their organizations successful. The ways to do this are to build competitive advantage in the forms of cost competitiveness, quality, speed, and innovation. Effective manager is an active leader who creates a positive work environment in which the organization and its employees have the opportunity and the incentive to achieve high performance.

## 2 Mark the statements as true (T) or false (F).

- 1 There exists intense rivalry among companies. \_\_\_\_\_
- 2 Managers must make quick decisions. \_\_\_\_\_
- 3 Five basic functions of management are described in the text. \_\_\_\_\_
- 4 The author sheds light on four aspects which help organizations win in competition. \_\_\_\_\_
- 5 Your organization is at a competitive disadvantage if you do not respond to the market demand as quickly as your competitors do. \_\_\_\_\_



## TEXT 2

### 1 Read and translate the text to answer the questions.

- 1 Under what conditions do all organizations have to function?
- 2 What factors are organizations affected by?
- 3 What does competitive environment mean?
- 4 How can macroenvironment be characterized?
- 5 What is the most essential feature of any economy?
- 6 What is the economic environment created by?
- 7 What periods of economic development can be observed?

### THE EXTERNAL ENVIRONMENT AND ECONOMY

All organizations are struggling in an environment characterized by intense competition, economic difficulties, technological change, uncertainties about government policies, and other factors that threaten their future. Organizations are open systems that are affected by, and in turn affect, their external environments. By external environment, we mean all relevant forces outside the firm's boundaries. By relevant, we mean factors to which managers must pay attention to help their organizations compete effectively and survive.

Many of these factors are uncontrollable. Companies large and small are victimized or buffeted about by recession, government interference, competitors' actions, and so forth. But their being uncontrollable does not mean that managers can ignore such forces, use them as excuses for poor performance, and try to just get by. Managers must stay abreast of and deal constantly with external developments. Moreover, it sometimes is possible to influence components of the external environment.

Any firm exists in its competitive environment, which is composed of the firm and competitors, suppliers, customers, new entrants, and substitutes. At the more general level is macroenvironment, which includes the political environment, economic conditions, and other fundamental factors that generally affect all organizations.

The international environment is an important contributor to another crucial component of the macroenvironment: the economy. Although most Americans are used to thinking in terms of the U. S. economy, the economic environment is created by complex interconnections among economies of different countries. Wall Street investment analysts begin their workday

thinking not just about what the Dow Jones did yesterday but also about how the London and Tokyo exchanges did overnight. Growth and recessions occur worldwide as well as domestically.

The economic environment dramatically affects companies' ability to function effectively and influences their strategic choices. Interest and inflation rates affect the availability and cost of capital, the ability to expand, prices, costs, and consumer demand for products. Unemployment rates affect labour availability and the wages the firm must pay, as well as product demand.

Economic conditions change over time and are difficult to predict. Bull and bear markets come and go. Periods of economic growth may be followed by recession. Every trend undoubtedly will end – but when? Even when times seem good, budget deficits or other considerations create concern about the future.

## **2 Mark the statements as true (T) or false (F).**

- 1 This text provides an overview of strategic management and a framework for the remainder of the text. \_\_\_\_\_
- 2 The major purpose of the text is to acquaint you with the nature and scope of strategic management and its development as a critical area of management education. \_\_\_\_\_
- 3 All organizations must survive and operate in an environment characterized by intense contest, uncertainties about government policies and other factors. \_\_\_\_\_
- 4 The external environment has a great influence upon all organizations. \_\_\_\_\_
- 5 Competitive environment includes not only competitors, but suppliers, customers, new entrants and substitutes. \_\_\_\_\_
- 6 The economic environment is considered to be created by complex interconnections among economies of different countries. \_\_\_\_\_
- 7 Periods of economic growth and recession are unavoidable. \_\_\_\_\_

## TEXT 3

### 1 Read and translate the text to answer the questions.

- 1 What do we mean by competitive influences?
- 2 How can competitors influence one another?
- 3 What is the positive side of competition?
- 4 By what means can the inappropriate business power be inhibited?
- 5 Do ethical decisions have anything to do with business practices?
- 6 Are there any competitive influences that the firm should take into consideration?
- 7 Are there any political forces attempting to change the firm's activities? If so, do they have sound arguments?
- 8 What are the names of organizations which are famous for their codes of ethics?

### COMPETITIVE INFLUENCES

Competitive influences are the actions that competing firms take to affect each other and society. These actions can be taken in many ways. For example, one firm might sue another firm or publicly allege that it engaged in fraudulent activities. Johnson & Johnson has frequently gone to court to prevent competitors from showing its Tylenol brand of pain relievers in comparative ads. Burger King has publicly accused McDonald's of overstating the weight of its hamburgers.

Competitors also influence one another by diluting each other's political, economic, and market power. For example, in a business environment with many competitors, a single firm usually cannot dominate the flow of information to consumers. Conflicting competitive claims and price deals offered by various firms may help consumers resist the influence of a single firm.

Society may also benefit from the better, safer, more efficient products and services that are often spawned by competitive pressure. Overall, then, competition may help balance business power within an industry and stimulate the development of better market offerings.

Business firms have considerable power and can markedly influence society. However, built into our social system are a number of checks and balances designed to ensure that business power is not misused. The inappropriate use of business power can be inhibited by legal, political,

competitive, and ethical influences.

The last type of influence on business practices involves ethical decision making and the self-regulation of business conduct. Many professions have codes of ethics, and many business firms have their own offices to handle employee and consumer complaints.

A difficult problem in discussing ethical influences is the lack of a single, universal standard for judging whether a particular action is ethical. Gene Laczniaak summarizes 5 ethical standards that have been proposed:

1. *The Golden Rule*: Act in the way you would expect others to act toward you.
2. *The utilitarian principle*: Act in a way that results in the greatest good for the greatest number.
3. *Kant's categorical imperative*: Act in such a way that the action you take could be a universal law or rule of behavior under the circumstances.
4. *The professional ethics*: Take actions that a disinterested panel of professional colleagues would view as proper.
5. *The TV test*: Ask, "Would I feel comfortable explaining to a national TV audience why I took this action?"

Applying these diverse standards could result in many different interpretations of what an ethical business practice is.

## 2 Mark the statements as true (T) or false (F).

- 1 Competitors influence one another by diluting each other's \_\_\_\_  
political, economic, and market power.
- 2 Competition does not have only disadvantages for firms but \_\_\_\_  
advantages too.
- 3 It is underlined that society has some checks and balances \_\_\_\_  
designed to ensure that business power is not misused.
- 4 Many firms do not respond to customers' complaints. \_\_\_\_
- 5 There is a universal standard for judging whether a particular \_\_\_\_  
action of a firm is ethical. \_\_\_\_

## TEXT 4

### 1 Read and translate the text to answer the questions.

- 1 What is full employment?
- 2 What does the labour force consist of?

### 3 Who is referred to “nonparticipants”?

## THE LABOUR FORCE

To get a sense of what our unemployment problem is all about, we need to clarify the concept of “full employment”. *Full employment does not mean that everyone has a job.* On the contrary, we can have “full employment” even when you are going to school, people are in the hospital, children are playing with their toys at home, and elder people are enjoying their retirement. We are not concerned that everybody be put to work, but only with ensuring jobs for all those persons who are ready and willing to work and who desire and seek jobs.

Our first concern, then, is to distinguish between those individuals who are ready and willing to work and those individuals who, for institutional or personal reasons, are not available for employment. The labour force consists of everyone over the age of sixteen who is actually working plus all those who are not working but are actively seeking employment. Individuals are also counted as employed in a particular week if their failure to work is due to vocation, illness, labour dispute (strike), or bad weather. All such persons are regarded as “with a job but not at work”. Also, unpaid family members working in a family enterprise (farming, for example) are counted as employed. *People who are neither employed nor actively seeking work are not counted as part of the labour force;* they are referred to as “nonparticipants”.

## 2 Mark the statements as true (T) or false (F).

- 1 Full employment means that everyone has a job. \_\_\_\_\_
- 2 One of economic goal is to ensure job for those who are ready and willing to work. \_\_\_\_\_
- 3 Human resources consist of everyone over the age of sixteen who is actually working plus all those who are not working but are actively seeking employment. \_\_\_\_\_
- 4 People who do not work or looking for it are not referred to labour force. \_\_\_\_\_

## TEXT 5

### 1 Read and translate the text to answer the questions.

- 1 How do buyers select a supplier or a particular product?
- 2 What are buyer's requirements as for supplier?
- 3 Is marketing a useful tool for producers?
- 4 What is the role of advertising in market structure?
- 5 What essential factor about buyers should be taken into account?

### BASIC PURCHASING NEEDS ARE ECONOMIC

Buyers try to consider the total cost of selecting a supplier and a particular product, not just the initial price of the product. For example, a hospital that needs a new type of X-ray equipment might look at both the original cost and ongoing costs, how it would affect doctor productivity, and of course the quality of the images it produces. The hospital might also consider the seller's reliability and general cooperativeness; the ability to provide speedy maintenance and repair, steady supply under all conditions, and reliable and fast delivery; and any past and present relationships (including previous favors and cooperation in meeting special requests).

Many needs are culturally learned. Some critics argue that marketing efforts encourage people to spend money on learned wants totally unrelated to any basic needs. For example, Europeans are less concerned about body odor, and few buy or use a deodorant. Yet Americans spend millions of dollars on such products. Advertising says that using Ban deodorant "takes the worry out of being close". But is marketing activity the cause of the difference in the two cultures? Most research says that advertising can't convince buyers of something contrary to their basic attitudes.

The Storing Function and Marketing Strategy should be taken into account too. If final customers 'store' the product, more of it may be used or consumed. You saw this in the Coke case, e.g. Coke wants customers to buy six-packs and 2-liter bottles. The consumers have an "inventory" in the refrigerator when thirst hits. Of course, consumers aren't always willing or able to hold the inventory. In China, for example, Coke had little success until it gave up on pushing 2-liter bottles and switched to single-serving 75 ml bottles. Only 1 out of 10 Chinese families has a refrigerator – so they didn't have a good way to store a bottle once it was open.

**2 Mark the statements as true (T) or false (F).**

- 1 Consumers try to consider the total cost buying a product. \_\_\_\_\_
- 2 Consumers want the sellers to supply products of high quality and quickly. \_\_\_\_\_
- 3 Marketing helps sellers to make people buy their goods. \_\_\_\_\_
- 4 The sellers shouldn't worry about storing function of their products. \_\_\_\_\_

**TEXT 6**

**1 Read and translate the text to answer the questions.**

- 1 Do all functioning areas of an organization have a planning task?
- 2 How do production managers use labour force?
- 3 What is the most important planning task within any company?
- 4 Why not always supplier is ready to make long-term commitments with buyer?

**PLANNING: THE SALES EFFORT**

Consider also the example of human resources planning, financial budgeting, and production scheduling. All functioning areas of an organization have a planning task, and all their projections and future estimates depend upon the forecast level of sales. Human resources executives use sales forecasts to project staffing needs, financial executives use them as aids in establishing and controlling operating and capital budgets, and production managers use them to schedule purchasing and production and to control inventories. Sales forecasting is the most important planning task within any company – large or small.

For example, a customer might ask a supplier to guarantee a 6 percent price reduction for a particular part for each of the next three years and pledge to virtually eliminate defects. In return, the customer might offer to double its orders and help the supplier boost productivity. This might sound attractive to the supplier but also require new people or facilities. The supplier may not be willing to make these long-term commitments unless the buyer is willing to sign a contract for promised purchases. The contract might spell out what would happen if deliveries are late or if quality is below specification. The contract might even cover what would happen if the supplier's factory burned down.

**2 Mark the statements as true (T) or false (F).**

- 1 All functioning areas of an organization have a planning task. \_\_\_\_\_
- 2 Due to the text advertisement has no influence on customers. \_\_\_\_\_
- 3 It's a nice idea to sign a contract between supplier and consumer. \_\_\_\_\_
- 4 The contract between supplier and consumer might clarify all details and uncertainties. \_\_\_\_\_

**TEXT 7**

**1 Read and translate the text to answer the questions.**

- 1 What organizations compete for?
- 2 What organizations use within competitive environment?
- 3 How are customers changing?
- 4 Do customers have a choice when a monopoly occurs?

**UNDERSTANDING COMPETITION AND STRATEGY**

Organizations compete for customers, for access to raw materials, for access to new markets, for the rights to develop new products. Not-for-profit organizations compete for donations and grants; political parties compete for votes; government agencies compete for funding from general fund budgets. Competition is a part of everyday existence for most organizations, and, when viewed from a longer term perspective, it is a fact of life for all organizations. Within this competitive environment, many organizations have successfully used information technology to help them compete.

Organizations can use numerous different strategies for competing, such as being the low-cost producer, differentiating their products and services, or carving a market niche. Many companies now attempt to combine these strategies as much as possible since their customers are becoming more demanding.

It is important to note that competition is a fact of life; there are very few organizations that have the luxury of operating without competition. When a monopoly or near monopoly occur, it usually does not last for long.

Consider cable television companies within the United States, for example. The way the industry was structured, individual cable companies acted as virtual monopolies within a set geographic boundary; no other cable



company could compete for customers within an established territory. This allowed the cable companies to provide whatever services, products, and prices they wished (within some limits); customers had the choice of either subscribing or not, but they had no choice among cable service providers.

The situation began to change with the development of personal satellite reception systems and with the lobbying efforts made by other industries (such as the telephone service providers) to deregulate the cable television industry.

**2 Mark the statements as true (T) or false (F).**

- 1 All organizations must compete for their customers. \_\_\_\_\_
- 2 Not-for-profit organizations do not compete with one another. \_\_\_\_\_
- 3 Competition has some advantages. \_\_\_\_\_
- 4 Monopoly lasts long. \_\_\_\_\_
- 5 If monopoly occurs, customers have no choice. \_\_\_\_\_

**TEXT 8**

**1 Read and translate the text to answer the questions.**

- 1 What does Economics study?
- 2 What is the aim of Macroeconomics?
- 3 What is a primary concern of Macroeconomics?
- 4 What is the goal of economic theory?
- 5 What aspects does Microeconomics focus on?
- 6 What is the definition of Microeconomics?

**Macroeconomics and Microeconomics**

Understanding how various economies work is the basic purpose of studying Economics. The science of Economics focuses on the central problem of scarcity. The goal of economic theory is to figure out how society can best allocate its scarce resources. How can society attain the best possible mix of output, the most efficient methods of production, and the optimal distribution of income.

The study of Economics is typically divided into two parts: Macroeconomics and Microeconomics. Macroeconomics focuses on the

behavior of an entire economy – the „big picture”. In Macroeconomics we worry about such national goals as full employment, control of inflation, and economic growth, without worrying about the well – being or behavior of specific individuals or groups. The essential concern of Macroeconomics is to understand and improve the performance of the economy as a whole. A primary concern of Macroeconomics, for example, is to determine the impact of aggregate consumer spending on total output, employment, and prices. Very little attention is devoted to the actual content of consumer spending or its determinants.

Microeconomics is concerned with the details of this big picture,,. In Microeconomics we focus on the individuals, firms, and government agencies that actually comprise the larger economy. Our interest here is the behavior of individual economic actors. What are their goals? How can they best achieve these goals with their limited resources? How will they respond to various incentives and opportunities?

Microeconomics is the study of individual behavior in the economy, of the components of the larger economy. Microeconomics focuses on the specific expenditure decisions of consumers and the forces (tastes, prices, incomes) that influence those decisions.

## **2 Mark the statements as true (T) or false (F).**

- 1 Understanding how various economies work is the main goal of \_\_\_\_ studying Economics.
- 2 Society can achieve the best possible mix of output, the most efficient methods of production, and the optimal distribution of \_\_\_\_ income learning economic theory.
- 3 Macroeconomics deals with the following problems: full employment, control of inflation, and economic growth, without worrying about the well – being or behavior of specific individuals \_\_\_\_ or groups.
- 4 Microeconomics deals with the specific expenditure decisions of consumers and the forces (tastes, prices, incomes) that influence \_\_\_\_ those decisions.

## TEXT 9

### 1 Read and translate the text to answer the questions.

- 1 How can people enhance their living standards?
- 2 What's one of the reasons of rising living standards in the 1980s?
- 3 Can labour force increase constantly?
- 4 What does the total quantity of output depend on?
- 5 What are the sources of productivity gains at present?
- 6 What's the role of vocational training?

### SOURCES OF PRODUCTIVITY GROWTH

The increases in living standards will not occur automatically. Someone has to produce more output if we want Gross Domestic Product per capita to rise. One reason our living standard rose in the 1980s is that the labour force (all persons over age 16 who are either working for pay or actively seeking paid employment) grew faster than the population. This increase in the proportion of workers in the economy helped to increase Gross Domestic Product per capita.

The percentage of people who participate in the labour market cannot increase forever. Sustained increases in Gross Domestic Product per capita are more likely to come from increases in output per worker. The total quantity of output produced depends not only on how many workers are employed but also on how productive each worker is. If productivity is increasing, then GDP per capita is likely to rise as well. Productivity gains have been the major source of economic growth in the past.

At present the sources of productivity gains include:

Higher skills – an increase in labour skills.

More capital – an increase in the ratio of capital to labour.

Improved management – better use of available resources in the production process.

Technological advance – the development and use of better capital equipment.

Today over twenty percent of all USA workers had completed four years of college. In addition to this advance in general education, there has been a substantial increase in vocational training, both in the public sector and by private firms. These improvements in labour quality have been a major source of productivity gains.

**2 Mark the statements as true (T) or false (F).**

- 1 Higher living standards of living can happen automatically. \_\_\_\_\_
- 2 In the 1980s, e.g., the labour force grew faster than the population. \_\_\_\_\_
- 3 The total quantity of output produced depends not only on how many workers are employed but also on how productive each worker is. \_\_\_\_\_
- 4 The sources of productivity growth in the past and at present are the same. \_\_\_\_\_
- 5 Education is a main source of productivity gains. \_\_\_\_\_

**TEXT 10**

**1 Read and translate the text to answer the questions.**

- 1 What does the ability to work, especially in developing countries, mean?
- 2 What is the role of labour markets in the society?
- 3 Is huge progress in labour markets connected with changes in the society?
- 4 What is the wage structure today?

**LABOUR MARKETS**

For many, and in particular the poor, the ability to work is the main asset in developing countries. Work provides individuals with income to meet material needs, reduces social isolation, and provides a sense of dignity and self-worth. Labour markets intermediate the supply and demand for different skills and their functioning determines the level of employment and wages. Labour market policies can contribute to development and poverty reduction by enabling the creation of more and better jobs. In each country, the right combination of labour market regulations and labour market programs should promote employment creation, help workers manage risks and facilitate labour market transitions, while ensuring proper working conditions.

The study of the labour market across the past hundred years reveals enormous progress and also that history repeats itself and has come full circle in some ways. Progress has been made in the rewards of labour – wages, benefits, and increased leisure through shorter hours, vacation time, sick leave, and earlier retirement. Labour has been granted added security on the

job and more safety nets when unemployed, ill, and old. Progress in the labour market has interacted with societal changes. Women's increased participation in the paid labour force is the most significant. The virtual elimination of child and full-time juvenile labour is another. Two of the most pressing economic issues of our day demonstrate that history repeats itself. Labour productivity has been lagging since the 1970s. It was equally sluggish at other junctures in American history, but the present has unique features. The current slowdown in the United States has been accompanied by a widening in the wage structure. Rising inequality is a far more serious problem because of the coincidence. The wage structure was as wide in 1940 as today but there is, to date, no hard evidence when it began its upward trend. The wage structure has, therefore, come full circle to what it was more than a half century ago. Union strength has also come full circle to that at the turn of this century.

**2 Mark the statements as true (T) or false (F).**

- 1 The opportunity to work, especially in developing countries, is considered to be the main asset. \_\_\_\_\_
- 2 Labour markets do not determine the level of employment and wages. \_\_\_\_\_
- 3 Labour market policies can contribute to poverty reduction by enabling the creation of more and better jobs. \_\_\_\_\_
- 4 The right combination of labour markets determines the level of employment and wages. \_\_\_\_\_
- 5 Labour market policies can contribute to development and poverty reduction by enabling the creation of more and better jobs. \_\_\_\_\_
- 6 Progress in the labour markets is not connected with societal changes. \_\_\_\_\_
- 7 Rising inequality is crucial for any society. \_\_\_\_\_

## GRAMMAR REFERENCES

### Unit 1

#### VERB TENSES

		<b>Indefinite (Simple)</b> – presents factual information					
		affirmative (+)		interrogative (?)		negative (–)	
<b>Present</b>		V <sub>1</sub>		<i>do / does</i>		<i>do / does</i>	
<b>Past</b>		V <sub>2</sub>		<i>did</i>		V <sub>1</sub>	
<b>Future</b>		<i>will</i> V <sub>1</sub>		<i>will+subject</i>		<i>will</i>	
<b>Signal words</b>	<i>Present Simple</i>		usually, always, often, every day, never				
	<i>Past Simple</i>		last week, yesterday, last month, days ago, the other day, long time ago				
	<i>Future Simple</i>		soon, tomorrow, next Monday, in the future				
<b>Examples</b>	<i>Present Simple</i>		He <b>earns</b> more money if he <b>works</b> the night shift. How <b>do</b> you usually <b>make</b> a decision? The company <b>doesn't provide</b> this service.				
	<i>Past Simple</i>		We <b>organized</b> the sales conference last year. <b>Did</b> you <b>arrive on time</b> ? I <b>didn't travel</b> much when I <b>worked</b> for this company.				
	<i>Future Simple</i>		I'll <b>phone</b> our partner tomorrow. <b>Will</b> you <b>send</b> this invoice tomorrow? He <b>won't deal</b> with it as he is too busy.				
		<b>Continuous (Progressive)</b> – presents an event in progress					
		affirmative (+)		interrogative (?)		negative (–)	
<b>Present</b>	<i>am, is are</i>	V <sub>ing</sub>	<i>am, is are</i>	<i>subject</i>	V <sub>ing</sub>	<i>am, is are</i>	<i>not</i>
<b>Past</b>	<i>was, were</i>		<i>was, were</i>			<i>was, were</i>	
<b>Future</b>	<i>will be</i>		<i>will + subject</i>			<i>be</i>	<i>will +not</i>

Signal words	<i>Present Continuous</i>		still, at the moment, at present, this minute						
	<i>Past Continuous</i>		at six o'clock yesterday, when my father came, while, as, all morning/day/night						
	<i>Future Continuous</i>		when she arrives, at 7 next Monday						
Examples	<i>Present Continuous</i>		She <b>is speaking</b> on another line at the moment. What <b>are you doing</b> over there? She <b>isn't working</b> at the moment.						
	<i>Past Continuous</i>		He <b>was writing</b> a letter of complaint. What <b>were you doing</b> at that time yesterday? She <b>wasn't taking</b> the notes when I was reporting.						
	<i>Future Continuous</i>		I'll <b>be seeing</b> Ann later, so I'll tell her everything. <b>Will you be using</b> the photocopier for long? We <b>won't be doing</b> anything at that time tomorrow morning.						
			Perfect – refers to events in the past that have been finished as well as events that are ongoing or events that are to continue into the present						
			affirmative (+)		interrogative (?)		negative (–)		
Present	have/has	V <sub>3</sub>	have/has	subject	V <sub>3</sub>	have/has	not	V <sub>3</sub>	
Past	had		had			had			
Future	will have		will+subject	have		will have			
Signal words	<i>Present Perfect</i>		since, for, ever, never, just, already						
	<i>Past Perfect</i>		when we arrived, yesterday at four, before						
	<i>Future Perfect</i>		by the time, tomorrow at eight						
Examples	<i>Present Perfect</i>		The situation <b>has improved</b> dramatically since 2015. <b>Have</b> they <b>updated</b> the information? We <b>haven't talked</b> to them yet.						
	<i>Past Perfect</i>		I <b>had changed</b> the figures when they started reading the report. <b>Had</b> they already <b>finished</b> the meeting when you arrived?						

		I <b>hadn't signed</b> such contracts before I started to work for this company.					
	<i><b>Future Perfect</b></i>	We <b>will have delivered</b> all the products by the end of the month. <b>Will</b> they <b>have finished</b> the refurbishment by October? She <b>won't have corrected</b> everything by the end of the week.					
		<b>Perfect Continuous</b>					
<b>Present</b>	– to show that something started in the past and has continued up until now						
	affirmative (+)	<i>have/has</i>			<i>been</i>	<b>V<sub>ing</sub></b>	
	interrogative (?)	<i>have/has</i>		<i>subject</i>			
	negative (–)	<i>have/has</i>		<i>not</i>			
<b>Past</b>	– to show that something started in the past and continued up until another time in the past						
	affirmative (+)	<i>had</i>			<i>been</i>	<b>V<sub>ing</sub></b>	
	interrogative (?)	<i>had</i>		<i>subject</i>			
	negative (–)	<i>had</i>		<i>not</i>			
<b>Future</b>	– to show that something will continue up until a particular event or time in the future						
	affirmative (+)	<i>will</i>	<i>have</i>			<i>been</i>	<b>V<sub>ing</sub></b>
	interrogative (?)	<i>will</i>	<i>subject</i>		<i>have</i>		
	negative (–)	<i>will</i>	<i>have</i>		<i>not</i>		
<b>Signal words</b>	<i><b>Present Perfect Continuous</b></i>		<i>how long, for, since,</i> <i>all day, before, until, lately,</i> <i>since 2009, the whole day, for 4 years</i>				
	<i><b>Past Perfect Continuous</b></i>						
	<i><b>Future Perfect Continuous</b></i>						
<b>Examples</b>	<i><b>Present Perfect Continuous</b></i>		They <b>have been waiting</b> for the representative of the company for almost an hour. What <b>have you been doing</b> since you left the company? He <b>has not been dealing</b> with it for a long time.				



	<b><i>Past Perfect Continuous</i></b>	<p>He <b>had been working</b> until he was 56.</p> <p><b>Had you been working</b> for a long time on the project before they cancelled it?</p> <p>They <b>had not been working</b> together for a long time before they were involved in the same project.</p>
	<b><i>Future Perfect Continuous</i></b>	<p>Next year <b>we'll have been manufacturing</b> the same model for ten years.</p> <p>How long <b>will you have been working</b> with them next year?</p> <p>I <b>won't have been working</b> long on the report when you return to the office.</p>

## THE INFINITIVE

The infinitive is a base form of a verb. In English, when we talk about the infinitive we are usually referring to the present infinitive, which is the most common. There are, however, four other forms of the infinitive: the perfect infinitive, the perfect continuous infinitive, the continuous infinitive and the passive infinitive.

Forms of the Infinitive		
	Active Voice	Passive Voice
<b>Present</b>	(to) produce	(to) be produced
<b>Continuous</b>	(to) be producing	-----
<b>Perfect</b>	(to) have produced	(to) have been produced
<b>Perfect Continuous</b>	(to) have been producing	-----

The **Present Infinitive** refers to the present or future. (*We hope to sell about 1,000 units.*)

The **Present Continuous Infinitive** expresses an action happening now. (*They must be developing a new model.*)

The **Perfect Infinitive** is used to show that the action of the infinitive happened before the action of the verb. (*They claimed to have found a new supplier.*)

The **Perfect Continuous Infinitive** is used to emphasize the duration of the action of the infinitive, which happened before the action of the main verb. (*They seem to have been working on a new production line for almost a year.*)

The infinitive has two forms:

●	the to-infinitive	=	to + stem
●	the zero infinitive	=	stem

The present infinitive stem is the verb form you will find in a dictionary.

<b>To-infinitive</b>	<b>Zero infinitive</b>
to work	work
to test	test
to manage	manage

The negative infinitive is formed by putting **not** in front of any form of the infinitive.

### The *to*-infinitive is used

- after certain verbs (*agree, appear, decide, expect, hope, promise, refuse* etc.)  
*We **hope to increase** the productivity .*
- with **verb + required noun + infinitive**  
*The instruction **requires employees to take** training courses.*
- after certain adjectives (*happy, glad, sorry, etc.*)  
*He was **happy to be invited** to the interview.*
- after *I would like/would love / would prefer* to express specific preference  
*I'd **like to gain** more experience in this field.*
- after certain nouns (*attempt, promise, decision, desire, plan, request, refusal, ambition, etc.*)  
*What a **pleasure to work** with them again!*
- after *too/enough + adjective*  
*This method is **too expensive to be implemented.***
- with *it + be + adjective (+of + noun/pronoun)*  
*It was **kind of you to send** all the details.*
- with *so + adjective + as*  
*Would you be **so kind as to reply** us promptly.*

- after ***be + the first/second*** etc./ ***next /last/best*** etc. *She was **the only one to cope** with the problem.*
- in the expression ***for + noun/ pronoun + to-infinitive*** ***For the company to find** a rational solution was a necessity.*
- in expressions such as ***to tell you the truth, to begin with, to be honest*** etc. ***To tell the truth,** it wasn't reasonable.*
- with ***only*** to express an unsatisfactory result *He phoned me **only to tell** that we **only wasted the time.***

## FUNCTIONS OF THE TO-INFINITIVE

The to-infinitive is used in many sentence constructions, often expressing the purpose of something or someone's opinion about something. The to-infinitive is used following a large collection of different verbs as well. See this page about

- **as the subject of the sentence**  
***To launch** a new product is a very challenging task.  
**To learn from experience** is always of great value.*
- **as a direct object**  
*We all want **to participate** in the trade fair.  
You should be able **to meet** the deadline.*
- **as a subject complement**  
*My goal is **to increase** productivity by 15%.  
Her responsibility was **to check up** the mail every morning.*
- **as an adjective**  
*That was a question **to discuss**.  
This is what **to be done**.*
- **as an adverb**  
*They gave us thirty more days **to pay** the invoice.  
The task was found difficult **to carry out**.*

## THE SUBJECT OF THE INFINITIVE

- The subject of the infinitive is omitted when it is the same as the subject of the main verb.

*He wants to find another job.*

*They want to advertise the project.*

- The subject of the infinitive is not omitted when it is different from the subject of the main verb. The subject of the infinitive comes before the infinitive and can be an object pronoun (me, you, them, etc.), a name or a noun.

*They want me to deal with the conference.*

*The boss wants John to represent their company.*

## Unit 2

### THE *-ing* FORM

- as a noun  
*Training helps people develop some business skills.*
- after prepositions  
*Before taking a decision, you need to consult the designer.*  
*After discussing the possible risks, I've changed my mind.*
- after *love, like, enjoy, dislike, hate* and *prefer* to express general preference.  
*He likes being given some time to think.*  
*I hate being involved in such deals.*
- after certain verbs (*consider, avoid, deny, fancy, involve, mention, risk, spend, mind, regret, admit, suggest, imagine, etc.*).  
*She denied leaving the papers on her desk.*  
*They suggest merging with another company.*
- when 'to' is used as a preposition (*look forward to, confess to, in addition to*)  
*We look forward to hearing from you.*  
*They didn't object to negotiating the prices over the phone.*
- after *go* for activities  
*Sometimes we go shopping when our working day is over.*  
*Don't go getting yourself into trouble.*

- after *it's no use, it's (not) worth, it's no good, be busy, what's the use of...?, there's no point in, can't help, can't stand, be/get used to, have difficulty (in)*
- *begin, start, continue*  
We never have two -ing forms together.
- after the verbs *see, hear, feel, watch, listen to* and *notice* to describe an incomplete action, that is to say that somebody saw, heard, etc. only a part of the action.
- *need/require/want + -ing form*  
This pattern often shows that it is necessary to repair or improve something.

*Need* can also be followed by a passive infinitive.

- *advise, allow, permit, recommend, encourage* take the to-infinitive when they are followed by an object or when they are in the passive form. They take the -ing form when they are not followed by an object.

*It's no use looking for another business partner.*

*They are getting used to travelling on business a lot.*

*He started writing something in her diary. Every time I called, she continued talking about the necessity to change the strategy.*

*I heard Michael talking to the manager about the complaint.*

*I saw them leaving the office.*

*The information needs checking.*

*The information needs to be checked.*

*They advised finding a replacement for Tim.*

*They advised me to find a replacement for Tim. (object)*

*I was advised to find a replacement for Tim. (passive)*

## THE *TO-INFINITIVE* OR *-ING* FORM

### Verbs taking the *to-infinitive* or *-ing* form without a change in meaning

<ul style="list-style-type: none"> <li><b><i>begin, continue, intend, start</i> + <i>to-inf</i> or <i>-ing</i> form</b> However, two <b><i>-ing</i></b> forms are not normally used.</li> </ul>	<p><i>We've heard that she <b>intends to leave/leaving</b> the company.</i></p>
<ul style="list-style-type: none"> <li><b><i>advise, allow, encourage, permit, recommend</i> + <i>to-inf</i></b> (when followed by an object or in passive forms) + <b><i>-ing</i> form</b>(when not followed by an object)</li> </ul>	<p><i>They advise business people <b>to consult</b> on the procedure of starting a new business.</i> <i>Business people <b>are advised to consult</b> on questions of international business.</i> <i>They advise <b>consulting</b> on possible disadvantages of merging.</i></p>
<ul style="list-style-type: none"> <li><b><i>need, require, want</i> + <i>to-inf</i> / <i>-ing</i> form / the passive infinitive</b></li> </ul>	<p><i>Business trips <b>need to make</b> arrangements.</i> <i>Business trips <b>need making</b> arrangements.</i> <i>Business trips <b>need arrangements to be made.</b></i></p>

### Verbs taking the *to-infinitive* or *-ing* form with a change in meaning

<ul style="list-style-type: none"> <li><b><i>forget</i> + <i>to-infinitive</i></b> (= forget to do sth)</li> </ul>	<p><i>I <b>forgot to discuss</b> the compensation package.</i></p>
<ul style="list-style-type: none"> <li><b><i>forget</i> + <i>-ing</i> form</b> (= forget a past event)</li> </ul>	<p><i>We'll never <b>forget working</b> with such a creative team.</i></p>
<ul style="list-style-type: none"> <li><b><i>remember</i> + <i>to-infinitive</i></b> (= remember to do sth)</li> </ul>	<p><i><b>Remember to send</b> all the invoices.</i></p>
<ul style="list-style-type: none"> <li><b><i>remember</i> + <i>-ing</i> form</b> (= recall a past event)</li> </ul>	<p><i><b>I remember signing</b> my first contract.</i></p>
<ul style="list-style-type: none"> <li><b><i>mean</i> + <i>to-infinitive</i></b> (= intend to)</li> </ul>	<p><i>He <b>means to learn</b> more about the allocation of resources available.</i></p>
<ul style="list-style-type: none"> <li><b><i>mean</i> + <i>-ing</i> form</b> (= involve)</li> </ul>	<p><i>Being successful <b>means working</b> hard and being profitable.</i></p>

●	<b>go on + to-inf</b> (= finish doing sth and start doing sth else)	<i>After finishing her BA course, she <b>went on to get</b> a master's degree.</i>
	<b>go on + -ing form</b> (= continue)	<i>They <b>went on conducting</b> a market research.</i>
●	<b>regret + to-inf</b> (= be sorry to)	<i>I <b>regret to inform</b> you that your company has not been selected for the provision of the services.</i>
	<b>regret + -ing form</b> (= have second thoughts about sth already done)	<i>I <b>regret not explaining</b> the situation.</i>
●	<b>would prefer + to-inf</b> (specific preference)	<i>I'd <b>prefer to consult</b> his immediate superior before taking the final decision.</i>
	<b>prefer + -ing form</b> (in general)	<i>I <b>prefer not taking</b> a risk in such situations.</i>
	<b>prefer + to-inf + (rather) than</b> without to	<i>I <b>prefer to consult</b> a specialist (<b>rather</b>) <b>than</b> anticipate any risks.</i>
●	<b>try + to-inf</b> (= do one's best; attempt)	<i>He tried hard <b>to cope with</b> his job.</i>
	<b>try + -ing form</b> (= do sth as an experiment)	<i><b>Try offering</b> the best prospects for an ongoing business relationship.</i>
●	<b>want + to-inf</b> (= wish)	<i>I <b>want to start</b> my own business one day.</i>
	<b>want + -ing form</b> (=sth needs to be done)	<i>The draft <b>wants changing</b>.</i>
●	<b>stop + to-inf</b> (= pause temporarily)	<i>I <b>stopped to buy</b> some economic journals.</i>
	<b>stop + -ing form</b> (= finish; cease)	<i>I <b>stopped buying</b> economic journals.</i>
●	<b>be sorry + to-inf</b> (= regret)	<i>I'm <b>sorry to hear</b> that you can't deliver the products on time..</i>

	<b>be sorry for + -ing form</b> (= apologise)		<i>I'm sorry for not taking into consideration all the factors of production.</i>
●	<b>hate + to-inf</b> (= hate what one is about to do)		<i>I hate to interrupt, but I must inform you immediately.</i>
	<b>hate + -ing form</b> (= feel sorry for what one is doing)		<i>I hate making you feel uncomfortable.</i>
●	<b>be afraid + to-inf</b> (= be too frightened to do sth)		<i>I'm afraid to forget the time of our meeting.</i>
	<b>be afraid of + -ing form</b> (=be afraid that what is referred to by the -ing form may happen)		<i>She is afraid of breaking the rules.</i>

### Unit 3

#### THE PARTICIPLE

	Active	Passive
Participle I (Indefinite)	<i>developing</i>	<i>being developed</i>
Participle I (Perfect)	<i>having developed</i>	<i>having been developed</i>
Participle II	<i>---</i>	<i>developed</i>

#### THE FUNCTIONS OF THE PARTICIPLE

	<b>Present Participle (Indefinite)</b>
Attribute	<i>The manager <b>interviewing</b> this candidate ...</i>
	<i>The candidate <b>being interviewed</b> (is) was ...</i>
Adverbial modifier	<b>Taking</b> this decision, they ...
	<b>Being taken</b> , the decision (is) was...
	<b>Perfect Participle</b>
Adverbial modifier	<b>Having changed</b> this procedure, they ...
	<b>Having been changed</b> the procedure (is) was ...



<b>Attribute</b>	<b>Past Participle</b>
	<i>The problem thus <b>discussed</b> (is)was ...</i>
<b>Adverbial modifier</b>	<i><b>When discussed</b> the problem (is)was ...</i>

## Unit 4

### THE SEQUENCE OF TENSES

Tense in Independent Clause	Purpose of Dependent Clause/ Tense in Dependent Clause	Example(s)
<b>Simple Present</b>	To show same-time action, use the present tense	People <b>are</b> most productive when they <b>are</b> happy and when they <b>feel</b> good about themselves.
	To show earlier action, use past tense	We <b>know</b> that they <b>chose</b> Mr Smith to state a problem.
	To show a period of time extending from some point in the past to the present, use the present perfect tense.	They <b>believe</b> that they <b>have understood</b> each other's mindset.
	To show action to come, use the future tense.	An expert in giving presentations <b>knows</b> how many people there <b>will be</b> at a conference.
<b>Simple Past</b>	To show another completed past action, use the past tense.	He <b>didn't gain</b> the audience's attention because he <b>spoke</b> in a monotone.
	To show an earlier action, use the past perfect tense.	The speaker suddenly <b>realized</b> that he <b>had forgotten</b> the first five sentences of his talk.

<b>Present Perfect or Past Perfect</b>	To state a general truth, use the present tense.	We all <i><b>knew</b></i> that the earth <i><b>turns</b></i> 360 degrees every day.
	For any purpose, use the past tense.	She <i><b>has mastered</b></i> many tips of body language since she <i><b>started</b></i> giving presentations.
		She <i><b>had rehearsed</b></i> her presentation with the colleagues before she <i><b>gave</b></i> a presentation at a conference.
<b>Future</b>	To show action happening at the same time, use the present tense.	I <i><b>will use</b></i> a microphone if I <i><b>need</b></i> one.
	To show an earlier action, use the past tense.	Your presentation <i><b>will be</b></i> a success if you <i><b>planned</b></i> the content and structure.
<b>Future Perfect</b>	To show future action earlier than the action of the independent clause, use the present perfect tense.	He <i><b>will deliver</b></i> a presentation if visual aids <i><b>have been prepared</b></i> .
	For any purpose, use the present tense or present perfect tense.	You <i><b>will have rehearsed</b></i> and <i><b>revised</b></i> your presentation by the time you <i><b>give</b></i> it to the audience.
		You <i><b>will have rehearsed</b></i> and <i><b>revised</b></i> your presentation by the time you <i><b>have given</b></i> it to the audience.

## Unit 5

### REPORTED SPEECH. MODALS IN REPOTED SPEECH.

### CHANGING PRONOUNS AND ADVERBS IN REPORTED SPEECH

**4.1** We usually report someone's words a long time after they were said. In this case the introductory verb is in the past simple and the tenses change as follows:

Direct speech	Reported speech
<b>Present Simple</b> They said, 'The negotiations <i>become</i> deadlocked and <i>cannot</i> go forward.'	- <b>Past Simple</b> They said that the negotiations <i>became</i> deadlocked and <i>could not</i> go forward.
<b>Present Continuous</b> They said, 'We <i>are focusing</i> on the differences in our positions.'	- <b>Past Continuous</b> They said that they <i>were focusing</i> on the differences in their positions.
<b>Present Perfect</b> It sais, 'As long as engine performance <i>has improved</i> by ten per cent, we <i>may</i> rise the price per unit.'	- <b>Past Perfect</b> It said that as long as engine performance <i>had improved</i> by ten per cent, they <i>might</i> rise the price per unit.
<b>Past Simple</b> The protocol said, 'Each point <i>was discussed</i> and each side <i>guarded</i> its position.'	- <b>Past Simple or Past Perfect</b> The protocol said that each point <i>had been discussed</i> and each side <i>had guarded</i> its position.
<b>Past Continuous</b>  'Many dishonest people <i>were</i> always <i>asking</i> you to negotiate because they did not want to fulfill their obligations,' you said.	- <b>Past Continuous or Past Perfect Continuous</b> You said that many dishonest people <i>were</i> always <i>asking/had been</i> always <i>asking</i> you to negotiate because they did not want to fulfill their obligations.
<b>Future (will)</b> They said, 'The negotiation will help us to reach a compromise.'	- <b>Conditional (would)</b> They said that <i>the</i> negotiation <i>would help them to reach a compromise</i> .

● **Certain words and time expressions change according to the meaning of the sentence as follows:**

now	- <i>then, at that time, immediately</i>	last week	- <i>the week before, the previous week</i>
-----	--	-----------	---

today,	- <i>that day, that night</i>	next week	- <i>the week after,</i> <i>the following week</i>
tonight			
yesterday	- <i>the day before,</i> <i>the previous day</i>	two days ago	- <i>two days before</i>
tomorrow	- <i>the next day,</i> <i>the following day</i>	here	- <i>there</i>
this week	- <i>that week</i>	come	- <i>go</i>

- When we report someone's words a short time after they were said, the tenses can either change or remain the same in reported speech.

Certain modal verbs change in reported speech as follows:

will/shall	- <i>would</i>	can	- <i>could/would be able to</i> (future reference)
may	- <i>might</i>	must	- <i>must/had to</i> (obligation)
can	- <i>could</i>	shall	- <i>should</i> (asking for advice)

## Unit 6

### REPORTED QUESTIONS.

### REPORTED COMMANDS/REQUESTS/SUGGESTIONS

- Reported **questions** are usually introduced with verbs *ask, inquire, wonder* or the expression *want to know*.

When the direct question begins with a **question word** (*who, where, how old, how long, when, why, what, etc.*), the reported question is introduced with the same question word.

*e.g.* 'What do you want to know?' she asked me.

She asked me *what* I wanted to know.

- When the direct question begins with an **auxiliary** (*is, do, have*) or a **modal verb**

(*can, may, etc.*), then the reported question begins with *if* or *whether*.

*e.g.* Have you seen this man before?

He asked me *if/whether* I had seen the man before.

- To report **commands** or **instructions** in reported speech, we use the introductory verbs *order* or *tell* + *sb* + *(not) to-infinitive*.

*e.g.* The teacher asked the student, 'Classify the power suppliers into four types according to the form of input and output voltages.'

The teacher ordered the student to classify the power suppliers into four types according to the form of input and output voltages.

- To report **requests**, we use the introductory verbs *ask* or *beg* + *sb* + *(not) to-infinitive*. The direct sentence usually contains the words 'please'.

*e.g.* ‘Help me, please,’ the technician said to another worker.  
 The technician **asked another worker to help** him.  
 ‘Please, please don't switch on the light,’ he said to Colin.  
 He **begged Colin not to switch on the light**.

- To report **suggestions**, we use:  
 the introductory verb **suggest +ing form**  
**suggest + that + sb (should) + bare infinitive.**  
 ‘How about specializing in meeting skills?’  
 He **suggested specializing** in meeting skills.  
 ‘Why don't we organize a meeting for 5 March?’  
 He **suggested that we should organize** a meeting for 5 March.

## Unit 7

### CONDITIONALS. TYPES OF CONDITIONALS

Conditionals are clauses introduced with **if**

Type 0	If-clause	Main clause (result)	Use
general truth	(hypotheses) <b>if + present simple</b>	<b>present simple</b>	<b>something which is always true</b>

*If you **cross** an international date line, the time **changes**.*

*If public transport **is** efficient, people **stop** using their cars.*

Type 1	<b>if + present simple,</b>	<b>future / imperative</b>	<b>real – likely to</b>
	<b>present continuous,</b>	<b>can/may/must/should</b>	<b>happen in the</b>
real present	<b>present perfect or</b>	<b>could + bare</b>	<b>present or future</b>
	<b>present perfect</b>	<b>infinitive</b>	
	<b>continuous</b>		

*If you **don't have** some background information on how business works, you **should not** expect to be hired at once.*

*If you're ever in the area, you **should come and visit us**.*

*If you have finished your work, we **can have a break**.*

*If you **know** the fundamentals of economics itself, you **can start to focus on specialty**.*

<b>Type 2</b> unreal present	<b>if + past simple or past continuous</b>	<b>would/could/might + bare infinitive</b>	<b>imaginary situation contrary to facts in the <i>present</i>; also used to give advice</b>
------------------------------------	--	--	--

*If I had time, I would take up a sport.*

*If you couldn't locate a parts service centre in your area, you should order the part you needed directly from the manufacturer.*

<b>Type 3</b> unreal past	<b>if + past perfect or past perfect continuous</b>	<b>would / could / might + have + past participle</b>	<b>imaginary situation contrary to facts in the <i>past</i>; also used to express regrets or criticism</b>
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*If you had studied harder, you would have passed the test.*

*If you hadn't been in a hurry, you wouldn't have left some important notes at home.*

## Unit 8

### WISH/IF ONLY

We use the verb **wish** and the expression **if only** to express a wish. **If only** is more emphatic than **I wish**.

- **wish/if only + past simple/past continuous:** when we want to say that we would like something to be different in the **present**.

*e.g. I wish/ If only I faced a job interview successfully. (but you don't face a job interview successfully)*

- **wish/if only + past perfect:** to express regret that something happened or did not happen in the **past**.

*e.g. I wish I had not taken work home with me. (but I took work home with me)*

*If only I had selected a team member based on their resume and professional profile. (but I didn't select a team member ...)*

- **wish/if only + would:**

**a) for a polite imperative** *e.g. I wish you would start delegating tasks and assignments based on the applicants qualifications.*

**b) to express our wish for a change in a situation or someone's behaviour because we are annoyed by it.**

*e.g. I wish he would stop working* under deadlines or pressure (wish for a change in a situation).

*If only John would stop* treating people fairly (wish for a change in someone's behaviour).

- After the subject pronouns *I* and *we*, we use **could** instead of **would**.

*e.g. I wish we could* do our fair share of the work load.

**Note: We can use *were* instead of *was* after *wish* or *if only*.**

*e.g. I wish she were/was* prepared for the interview to reduce stress.

*I wish she were/was* feeling more confident.

## **HAD BETTER/WOULD RATHER**

- We use **had better/+ bare infinitive** to give advice or to say what the best thing to do in a particular situation is.

*e.g. You had 'd better* use a recruitment agency to find a new job. (=You should/ought to use)

**Had better** is stronger than **should/ought to**, but it is not as strong as **must**.

*e.g. You must* look for people with lots of relevant work experience.  
(strong advice)

You **had better** look for people with lots of relevant work experience.  
(less strong than must)

You **should/ought to** look for people with lots of relevant work experience. (less strong than had better)

- We use **would rather** (= would prefer to) to express preference.  
*e.g. I don't like the position I occupy. I'd rather have* higher pay and better benefits.
- When the subject of **would rather** is also the subject of the following verb, we use the following construction:
  - a. **would rather + bare present infinitive** (present/future)  
*e.g. He'd rather appoint* the successful applicants by the end of the month.
  - b. **would rather + bare perfect infinitive** (past)  
*y'd rather have advertised* the positions in the local paper.
- When the subject of **would rather** is different from the subject of the following verb, we use the following construction:
  - a) **would rather + past tense** (present/future)  
*e.g. I'd rather Tom recruited* new people for our office in Manchester.

b) *would rather + past perfect* (past)

e.g. I'd *rather they hadn't* scheduled an interview with me today.

**Study the ways in which we can express preference:**

a) *prefer + gerund + to + gerund* (general preference)

e.g. I *prefer working* on my own *to being* part of a team.

b) *prefer + full infinitive + rather than + bare infinitive* (general preference)

e.g. I *prefer to put* ideas into practice *rather than do* the research work.

c) *prefer + noun + to + noun* (general preference)

e.g. I *prefer* actual *work* of the organization *rather than* managerial *work*.

d) *would prefer + full infinitive + rather than + (bare infinitive)* (specific preference)

e.g. I'd *prefer to talk* about things I have done *rather than (answer)*

*hypothetical questions.*

e) *would rather + bare infinitive + than (+ bare infinitive)*

e.g. I'd *rather work* in the home *than (work)* in an office.

## Unit 9

### COMPOUND SENTENCES

The Compound Sentence contains two or more main or independent clauses.

There are only seven coordinating conjunctions in the English language, and they are easily remembered by the acronym FANBOYS:

<i>for</i>	<i>and</i>	<i>nor</i>	<i>but</i>	<i>or</i>	<i>yet</i>	<i>so</i>
------------	------------	------------	------------	-----------	------------	-----------

*Coordinating conjunctions (CC)* signify the relationship between two *independent clauses (IC)*, allowing the writer to specify meaning. In other words, when we construct a compound sentence using a coordinating conjunction, we ask our readers to understand that the two ideas logically relate to each other in the way in which we specify:

- Use *for* to indicate a reason for doing something.
- Use *and* to indicate a continuation of thought.
- Use *nor* to indicate a double negative meaning not this one and not that one.
- Use *but* to indicate a contrast.
- Use *or* to indicate an alternative.
- Use *yet* to indicate a contrast.
- Use *so* to indicate a result.



In addition to signifying a specific relationship between ideas, the compound structure also tells the reader that the ideas in these clauses are valued equally: one idea is no more important than the other. I may choose to indicate contrast between ideas by using the coordinating conjunction "but," wanting my reader to see the difference(s) between my ideas, yet I am also indicating to my reader that each independent clause should be equally valued.

The pattern for compound sentences using coordinating conjunctions is really quite simple:

***independent clause + coordinating conjunction + independent clause***

### **Examples:**

- 1 Many scientists have hailed nuclear power as a cheap source of electricity, ***but*** environmentalists have stressed its danger. (contrast)
- 2 John got promoted, ***and*** so did his colleague. (addition)
- 3 Dan wrote a check, ***but*** he didn't sign it. (contrast)
- 4 He was the strongest applicant, ***so*** he was offered the job quickly. (conclusion)
- 5 He's seventy-two, ***yet*** he still swims, runs and plays football regularly. (something unexpected)

Note that in each example the coordinating conjunction, the FANBOYS, is preceded by a comma, just as the pattern specifies; the comma and coordinating conjunction work as a team, and the sentences would be grammatically incorrect unless both team members were present:

- Leaving out the comma and using just the FANBOYS results in a run-on sentence.
- Using just a comma without the FANBOYS results in a comma splice – and fails to specify the intended relationship.

## **Unit 10**

### **COMPLEX SENTENCES. TYPES OF CLAUSES**

Complex sentence is another type of sentence.

A complex sentence is formed when you join a ***main clause*** and one, two or more ***subordinate (dependent) clauses***.

Example:

***Although I was scared, I carefully crossed the bridge.***



***Subordinate clause***

This part of a sentence is a clause as it contains a verb and a subject. It does not make sense on its own so it is a subordinate clause.



***Main clause***

This part of the sentence is a clause as it contains a verb and a subject. It is a main clause as it makes sense on its own.

Each of the following examples of complex sentences has a ***subordinate clause*** followed by a ***main clause***.

- ***When you open a newspaper these days,*** you always read the word "innovation."
- ***While the boss was talking on the phone,*** the secretary was writing e-mail.
- ***After your work was done,*** the phone rang.
- ***Although your English was good,*** you decided to use an automatic translation program.
- ***If you have any further questions,*** my team and I would be delighted to help you.
- ***Though he was tired,*** he thanked the guests warmly for their visit to his house.
- ***Because power stations can't produce enough to meet demand,*** there are frequent shortages and power cuts.

The last examples of complex sentences follow the same pattern: ***subordinate clause, main clause***.

The same sentences are used below but now using the following pattern: ***main clause, subordinate clause***.

- You always read the word 'innovation' ***when you open a newspaper these days,***
- The secretary was writing e-mail ***while the boss was talking on the phone.***
- The phone rang ***after your work was done.***
- You decided to use an automatic translation program ***although your English was good.***
- My team and I would be delighted to help you ***if you have any further questions.***
- He thanked the guests warmly for their visit to his house ***though he was tired.***
- There are frequent shortages and power cuts ***because power stations can't produce enough to meet demand.***

The subordinate clause can also be put in the middle of the **main clause**.

- Jen and Ron, *who are workplace colleagues*, are discussing the advertisement.
- Most people, *who come into HR*, are not trained to play a role in the executive culture.
- Good managers, *having realistic expectations and goals*, know how to get a job done.

A subordinate clause begins with a **subordinate conjunction** or a **relative pronoun** and will contain both a **subject** and a **verb**. This combination of words will **not** form a complete sentence. It will instead make a reader want additional information to finish the thought.

Here is a list of subordinate conjunctions:

<i>after</i>	<i>once</i>	<i>until</i>
<i>although</i>	<i>provided that</i>	<i>when</i>
<i>as</i>	<i>rather than</i>	<i>whenever</i>
<i>because</i>	<i>since</i>	<i>where</i>
<i>before</i>	<i>so that</i>	<i>whereas</i>
<i>even if</i>	<i>than</i>	<i>wherever</i>
<i>even though</i>	<i>that</i>	<i>whether</i>
<i>if</i>	<i>though</i>	<i>while</i>
<i>in order that</i>	<i>unless</i>	<i>why</i>

Here are your relative pronouns:

<i>that</i>	<i>who</i>	<i>whose</i>
<i>which</i>	<i>whoever</i>	<i>whosoever</i>
<i>whichever</i>	<i>whom</i>	<i>whomever</i>

There are five parts of a sentence: the subject, the predicate, the attribute, the object, and the adverbial modifier. Accordingly, there are five types of subordinate clauses: the subject clause, the predicative clause, the attributive clause, the object clause, and several types of the adverbial clause. Word order in subordinate clauses is first the subject, then the verb. Compare these pairs of simple and complex sentences:

- She is writing a report. – She is writing a report that the boss asked for.
- I know the way to their office. – I know where their office is.
- He went home after work. – He went home after he had finished work.

### **The subject clause**

- What you told me was interesting.
- Who brought the roses is a secret.

### **The predicative clause**

- The question is where I can find the money.

### **The attributive clause**

- The man who helped her is Dr. Lee.
- The bag that he bought cost \$50.
- Here's the book that I am talking about.

### **The object clause**

- He told us that he had already bought a new car.
- I know where we can find him.
- I asked if he could help me.

## **Types of adverbial clauses**

### **The adverbial clause of place**

- He went where I told him to go.
- This cat sleeps wherever it wants.
- Go down this street and stop where the road turns right.

- **The adverbial clause of time**

- When he arrived, he went home.
- She left while he was phoning home.
- He hasn't called me since he arrived.
- He left before I returned.
- Call me as soon as you receive the report.

No future tense is used in the *time clauses* referring to the future (after the conjunctions when, till, until, after, before, as soon as, as long as, by the time, etc.). The present tense, usually the Simple Present, is used instead of the future in the subordinate clause of time, for example:

- He will call you when he returns.
- I'll help you after I make all the arrangements.
- I will wait until he finishes work.
- I said that I would wait until he finished work.

### **The adverbial clause of condition**

- We will try to make the right decision if nothing changes.
- If the plane left on time, they should be in London now.
- If he has already seen the report, he knows about our plans.

No future tense is used in the *subordinate clause of condition* referring to the future (after the conjunctions if, unless, in case, on condition that, etc.), for example:

- If he calls, tell him the truth.
- I will talk to him if I see him.
- I won't be able to go with you unless I finish this work soon enough.

### **The adverbial clause of purpose**

- He works hard so that he can buy a house for his family.
- He gave her detailed directions so that she could find his house easily.
- They called her in advance so that she might prepare for their visit.

### **The adverbial clause of result**

- I have so much work this week that I can't watch any TV programme.
- It was so cold that I stayed home.
- He was so tired that he fell asleep.

### **The adverbial clause of reason**

- I can't come to the party because I have a cold.
- I went home because I was tired.
- I called you because I needed money.
- Since she didn't know anyone there, she stayed in her room most of the time.
- As there are several possible answers to this question, let's discuss all of them.

### **The adverbial clause of comparison.**

- He works as quickly as he can.
- The first report is longer than the second one.
- I remember it as if it were yesterday.

### **The adverbial clause of concession.**

- Though I was tired, I kept working.
- No matter what he says, call me at 8.

## Note about commas

Pay attention that in English a comma is generally not used between the main clause and the adverbial subordinate clause when the subordinate clause stands after the main clause. But a comma is used between them when the subordinate clause stands at the beginning of the sentence before the main clause. Compare:

- When things are going well, your life feels efficient.
- Your life feels efficient when things are going well.

## CONNECTING AND SEQUENCING IDEAS

**A Sample Sentences**      • *First I'd like to show you round the plant; after that you'll have a chance to see the workshops. In particular, I'd like you to spend some time with the apprentices, which was not in the original programme. Therefore the demonstration of the RD567 will take place a little later than planned.*

**B Form**      Connectors and sequence markers are words or phrases which show the relationship between ideas, e.g. **first of all** (sequence), **therefore** (consequence), **in brief** (summary). We put these words or phrases at or near the beginning of a sentence or clause. They connect the following information with the earlier information:

*The obtained information seemed unreliable. So we've had to check it more thoroughly. (cause)*

*All machines are regularly checked. However, some need more maintenance than others. (contrast)*

*After visiting the workshops, there'll be time to talk to the manager. (time)*

*In brief, the visit today is intended to give you an overview of our activities and an opportunity to talk to the worker, on the shopfloor. (summary of two main points)*

We can use connectors and sequence markers to signal different types of relationships between ideas. The main relationships are:

- 1 time
- 2 logic (cause, contrast, condition, comparison and concession)
- 3 text (addition, summary, paraphrase, example and highlight)

**C Uses** Below are the main words and phrases for the above relationships.

### **1 To signal time relationships:**

#### Beginning

*First first of all initially to start with the first step at the first stage.*

*Second secondly the second step at the second stage*

*Third thirdly the third step at the third stage*

*They, after that*

*Next subsequently the next step at the next stage*

*Finally the final step at the final stage*

#### End

Other language forms:

**before** + verb ...*ing* :

Before visiting the plant; I'll give you a short explanation of what you'll see.

**after** + verb ...*ing* :

After visiting the plant there'll be time for questions.

**(after) having** + verb ... *ed*:

(After) having visited the plant, you'll have a much better idea of our plans.

### **2 To signal logical relationships:**

The main categories are given below and you will find the connectors and sequence markers.

*cause comparison concession contradiction condition  
alternation contrast*

### **3 To signal textual relationships:**

The main categories are given below and you will find the connectors and sequence markers.

*addition summary conclusion equivalence inclusion  
highlight generalisation stating the obvious*

# CONNECTORS AND SEQUENCE MARKERS TO CONNECT AND SEQUENCE IDEAS

## 1 Logical connectors and sequence markers

- a **Cause:**  
*therefore so accordingly consequently as a consequence/result hence (formal) thus (formal) because of this that's why (informal)*
- b **Contrast:**  
*yet however nevertheless still but even so all the same (informal)*
- c **Condition:**  
*then in that case*
- d **Comparison:**  
*similarly in the same way*
- e **Concession:**  
*anyway at any rate*
- f **Contradiction:**  
*in fact actually as a matter of fact indeed*
- g **Alternation:**  
*instead alternatively*

## 2 Textual connectors and sequence markers

- a **Addition:**  
*also in addition moreover furthermore beside too overall what's more (informal) in brief*
- b **Summary:**  
*to sum up then overall in brief/short*
- c **Conclusion:**  
*in conclusion finally lastly to conclude*
- d **Equivalence:**  
*in other words that means namely*
- e **Inclusion:**  
*for example for instance say such as as follows (written) e.g. (formal and written)*
- f **Highlight:**  
*in particular in detail especially notably chiefly mainly*



- g     **Generalisation:**  
*usually   normally   as a rule   in general*  
*for the most part   in most cases   on the whole*
- h     **Stating the obvious:**  
*obviously   naturally   of course   clearly*

## PUNCTUATION AND CAPITAL LETTERS

### Main uses of punctuation marks

The following passage shows the main punctuation marks in use.

		<i>question mark</i>	
<i>inverted</i>	-	‘Why study English?’ is the title	
<i>commas/quotation marks</i>			
<i>semi-colon</i>	-	of a book; it is also a question.	- <i>full stop</i>
<i>capital letters</i>	-	An English-speaking pupil, or a	- <i>hyphen</i>
		student, might answer ‘Because	- <i>comma</i>
<i>exclamation mark</i>	-	I’ve got to!’ – especially if	- <i>dash</i>
<i>apostrophe</i>	-	they are at school (where it	- <i>brackets</i>
		is part of the syllabus:	- <i>colon</i>
		compulsory until the age of sixteen)	

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Together with the full-stop the comma is the most commonly used punctuation mark. Basically it separates parts of the sentence, it is used:

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e.g. It is years since I read Anna Karenina, which is my favourite novel.
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- 5     in many kinds of lists.  
e.g. I shall need a book, some paper, a pencil, and a ruler.
- 6     to separate a number of connectives from the rest of the sentence: *too*, *however*, *nevertheless*, *though*, *of course*, *then*, etc.  
e.g. You can, however, do it if you wish.

7 when some adverbs or adverbial expressions are placed within a sentence (instead of at the beginning or end of the sentence),

e.g. They tried, in spite of my advice, to climb the mountain.

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A full stop is used to end a sentence. The next sentence begins with a capital letter.

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1 Basically, it indicates that what follows it is an explanation or amplification of what precedes it.

e.g. I have some news for you: John's father has arrived.

2 It can be used to introduce a list of items, often preceded by *namely*, *such as*, *as follows*, etc.

e.g. Please send the items indicated below, namely: (i) passport (ii) visa application (iii) correct fee.

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e.g. The lecture was badly delivered; it went on far too long as well.

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**Note:** Normally a full-stop can be used instead of a semi-colon

**e hyphen /-** /

1 A hyphen separates, in some cases, the prefix from the second part of the word, e.g. co-opt

2 It joins some compound words

e.g. self-control, twenty-one

**Note:** You should always check in a dictionary to see if a hyphen is needed.

**f apostrophe /'** /

An apostrophe is most frequently used to indicate genitive (possessive) singular and plural,

e.g. the student's, the students'

Child's, Children's

It is also used in contractions to indicate letters omitted.

e.g. I've = I have

didn't = did not

**g question mark /?/**

A question mark is used after a direct question.

e.g. What time is it?

It is *not* used after an indirect question.

e.g. Please tell me what time it is.

**h dash /-/**

A dash is used to indicate a break, often informally.

e.g. He received a prize – and a certificate as well.

**Note:** Generally, it is better to avoid using a dash in academic writing.

**i quotation marks (quotes) or inverted commas: they may be single /‘ ’/ or double / “ ”/**

They enclose the actual words of direct speech.

e.g. He said, ‘Why did you do that?’

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An exclamation mark is not often used. It is usually only used after real exclamations and sometimes after short commands.

e.g. Oh dear! Get out!

**k brackets (parentheses): /( )/**

1 Brackets are used to clarify, or to avoid confusion.

e.g. He (Mr Brown) told him (Mr Jones) that he (Mr Green) had been accepted for the job.

2 They are also used for cross-references and some periods of time, in more formal writing.

e.g. William Smith (1910-1969) lived first in Manchester (see p. 70) and then ...

**2 Capital Letters**

These are used:

**a** At the beginning of a sentence.

**b** For names of people, places, rivers, etc.

e.g. John, Vienna, the Rhine.

**c** For titles of people and names of things and places when referring to particular examples.

e.g. a city, *but* the City of Manchester

Mr Jones   Miss Smith   Mrs Brown   Ms White   Dr Green  
Professor Williams

**d** For nations and adjectives of nationality.

e.g. the Netherlands, a Dutchman, Dutch

**e** For names of days, months, festivals, and historical eras.

e.g. Monday, January, Christmas, Ramadan, the Middle Ages

**f** For titles of books, plays, works of art, etc.

e.g. Animal Farm, Hamlet, the Mona Lisa

**g** For many abbreviations.

e.g. R.S.V.P., Ph.D.

## APPENDIX

### IRREGULAR VERBS

There are about 180 irregular verbs. Some are very unusual. Here are the most useful.

<b>First form</b>	<b>Second form</b>	<b>Third form</b>	<b>First form</b>	<b>Second form</b>	<b>Third form</b>
<i>All forms the same</i>			<i>Second and third forms the same</i>		
cost	cost	cost	bend	bent	bent
cut	cut	cut	build	built	built
hit	hit	hit	feel	felt	felt
hurt	hurt	hurt	keep	kept	kept
let	let	let	leave	left	left
put	put	put	light	lit	lit (lighted)
set	set	set	lend	lent	lent
shut	shut	shut	mean	meant	meant
split	split	split	meet	met	met
			send	sent	sent
<i>Similar sound group</i>					

beat	beat	beaten	shoot	shot	shot
bit	bit	bitten	sleep	slept	slept
eat	ate	eaten	spend	spent	spent
fall	fell	fallen	spoil	spoilt	spoilt
forget	forgot	forgotten	get	got	got
forgive	forgave	forgiven	lose	lost	lost
give	gave	given	sat	sat	sat
hide	hid	hidden			
shake	shook	shaken	bring	brought	brought
take	took	taken	buy	bought	bought
tear	tore	torn	fight	fought	fought
wear	wore	worn	think	thought	thought
			catch	caught	caught
blow	blew	blown	teach	taught	taught
flow	flew	flown			
know	knew	known	feed	fed	fed
throw	threw	thrown	find	found	found
grow	grew	grown	have	had	had
draw	drew	drawn	hear	heard	heard
			hold	held	held
begin	began	begun	make	made	made
drink	drank	drunk	pay	paid	paid
ring	rang	rung	read	read	read
sing	sang	sung	say	said	said
shrink	shrank	shrunk	sell	sold	sold
			stand	stood	stood
freeze	froze	frozen	understand	understood	understood
speak	spoke	spoken	tell	told	told
steal	stole	stolen	stick	stuck	stuck
break	broke	broken	win	won	won
wake	woke	woken	shine	shone	shone
choose	chose	chosen			

*All forms different*

drive	drove	driven	be	was/were	been
write	wrote	written	become	became	become
ride	rode	ridden	come	came	come
			do	did	done
			go	went	gone

run	ran	run
see	saw	seen
show	shown	shown
spill	spilled	spilt

### ***Confusing Verbs***

lay	laid	laid	laying - to put sth in a particular position
lie	lay	lain	laying - to be or put yourself in a flat position
lie	lied	lied	lying - to say sth that you know is not true

## **WORD BUILDING**

- **Prefixes** are syllables which we add before certain words to form new words. The meaning of the new words depend on the prefix that has been used.

<b>anti-</b>	= <b><i>against</i></b> (anticlockwise)
<b>bi-</b>	= <b><i>two</i></b> (bilingual)
<b>co-</b>	= <b><i>with</i></b> (co-educational)
<b>counter-</b>	= <b><i>in the opposite direction</i></b> (counterattack)
<b>ex-</b>	= <b><i>previous, former</i></b> (ex-president)
<b>inter-</b>	= <b><i>between</i></b> (interstate)
<b>mis-</b>	= <b><i>done wrongly or badly</i></b> (misread)
<b>mono-</b>	= <b><i>one</i></b> (monolithic)
<b>multi-</b>	= <b><i>many</i></b> (multicultural)
<b>non-</b>	= <b><i>not</i></b> (nonexistent)
<b>out-</b>	= <b><i>more, better</i></b> (outlast)
<b>over-</b>	= <b><i>(done) to a great extent</i></b> (overdo)
<b>post-</b>	= <b><i>after</i></b> (postwar)
<b>pre-</b>	= <b><i>before</i></b> (prenuptial)
<b>pro-</b>	= <b><i>in favour of</i></b> (pro-American)
<b>re-</b>	= <b><i>again</i></b> (redesign)
<b>semi-</b>	= <b><i>half</i></b> (semi-circle)
<b>sub-</b>	= <b><i>under, less</i></b> (subordinate)
<b>super-</b>	= <b><i>big, more</i></b> (superior)
<b>trans-</b>	= <b><i>from one side, group etc to another</i></b> (transatlantic)
<b>tri-</b>	= <b><i>three</i></b> (triathlon)
<b>under-</b>	= <b><i>not enough</i></b> (underdeveloped)
<b>uni-</b>	= <b><i>one</i></b> (uniform)

The prefixes below are used to express opposite meanings.

<b>de-</b>	destabilize, dethrone
<b>dis-</b>	disadvantage, disbelief
<b>in-</b>	insufficient <b>BUT</b>
	<b>il-</b> ( <i>before l</i> ) illegal
	<b>im-</b> ( <i>before b, m, p</i> ) immature, improbable
	<b>ir-</b> ( <i>before r</i> ) irregular <b>BUT</b> unreal, unremarkable
<b>non-</b>	non-dairy
<b>un-</b>	unattractive, uncivilized

Some prefixes are added to words to form verbs.

<b>en-</b>	courage – encourage
	<b>BUT em-</b> ( <i>before b, m, p</i> ) body – embody

- **Suffixes** are syllables which we add to the end of certain words to form new words.

- **Nouns referring to people**

- **verb + -er/-or/-ar** (work – worker, act – actor, burgle – burglar)
- **noun/verb/adjective + -ist** (social – socialist, piano – pianist, natural – naturalist)
- **verb + -ant/-ent** (assist – assistant, reside – resident)
- **noun + -an/-ian** (republic – republican, Italy – Italian)
- **verb + -ee** (*passive meaning*) (employ – employee)

- **Nouns formed from verbs**

- age** post – postage
- al** propose – proposal
- ance** perform – performance
- ation** animate – animation
- ence** coincide – coincidence
- ion** televise – television
- ment** employ – employment  
pretend – pretension (*verbs ending in -d/-t*)
- sis** hypothesise – hypothesis
- tion** describe – description
- ure** close – closure
- y** discover – discovery

- **Nouns formed from adjectives**

<b>-ance</b>	relevant – relevance
<b>-cy</b>	urgent – urgency
<b>-ence</b>	patient – patience
<b>-ion</b>	isolated – isolation
<b>-iness</b>	happy – happiness
<b>-ness</b>	sad –sadness
<b>-ity</b>	relative – relativity
<b>-ty</b>	royal – royalty
<b>-y</b>	honest – honesty

– **Adjectives formed from nouns**

<b>-ous</b>	nausea –nauseous
<b>-al</b>	nation – national
<b>-ic</b>	history – hystoric
<b>-ical</b>	theatre – theatrical
<b>-ish</b>	girl – girlish
<b>-ive</b>	suppression – suppressive
<b>-ful (with)</b>	dread – dreadful
<b>-less</b>	name – nameless
<b>(without)</b>	brilliance – brilliant
<b>-ant</b>	reason – reasonable
<b>-able</b>	wealth – wealthy
<b>-y</b>	world – worldly
<b>-ly</b>	

– **Adjectives formed from verbs**

<b>-able</b>	treat – treatable (verbs ending in <b>-d/-t</b> )
<b>-ible</b>	sense – sensible
<b>-ive</b>	exclude – exclusive
<b>-ate</b>	consider- considerate
<b>-ent</b>	differ – different

– **Verbs formed from adjectives**

<b>-en</b>	bright – brighten
<b>-ise</b>	real- realize

– **Verbs formed from nouns**

<b>-en</b>	strengthen - strengthen
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# CONNECTORS AND SEQUENCE MARKERS TO CONNECT AND SEQUENCE IDEAS

## 1 Logical connectors and sequence markers

- a **Cause:**  
*therefore so accordingly consequently as a consequence/result hence (formal) thus (formal) because of this that's why (informal)*
- b **Contrast:**  
*yet however nevertheless still but even so all the same (informal)*
- c **Condition:**  
*then in that case*
- d **Comparison:**  
*similarly in the same way*
- e **Concession:**  
*anyway at any rate*
- f **Contradiction:**  
*in fact actually as a matter of fact indeed*
- g **Alternation:**  
*instead alternatively*

## 2 Textual connectors and sequence markers

- a **Addition:**  
*also in addition moreover furthermore beside too overall what's more (informal) in brief*
- b **Summary:**  
*to sum up then overall in brief/short*
- c **Conclusion:**  
*in conclusion finally lastly to conclude*
- d **Equivalence:**  
*in other words that means namely*
- e **Inclusion:**  
*for example for instance say such as as follows (written) e.g. (formal and written)*
- f **Highlight:**  
*in particular in detail especially notably chiefly mainly*

- g     **Generalisation:**  
*usually   normally   as a rule   in general*  
*for the most part   in most cases   on the whole*
- h     **Stating the obvious:**  
*obviously   naturally   of course   clearly*

## PUNCTUATION AND CAPITAL LETTERS

### Main uses of punctuation marks

The following passage shows the main punctuation marks in use.

		<i>question mark</i>	
<i>inverted</i>	-	‘Why study English?’ is the title	
<i>commas/quotation marks</i>			
<i>semi-colon</i>	-	of a book; it is also a question.	- <i>full stop</i>
<i>capital letters</i>	-	An English-speaking pupil, or a	- <i>hyphen</i>
		student, might answer ‘Because	- <i>comma</i>
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<i>apostrophe</i>	-	they are at school (where it	- <i>brackets</i>
		is part of the syllabus:	- <i>colon</i>
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Together with the full-stop the comma is the most commonly used punctuation mark. Basically it separates parts of the sentence, it is used:

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These are used:

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Mr Jones Miss Smith Mrs Brown Ms White Dr Green  
Professor Williams
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e.g. the Netherlands, a Dutchman, Dutch
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e.g. Animal Farm, Hamlet, the Mona Lisa
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e.g. R.S.V.P., Ph.D.

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## WEB Resources

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***АНГЛІЙСЬКА МОВА***  
***ДЛЯ СТУДЕНТІВ ЕКОНОМІЧНИХ СПЕЦІАЛЬНОСТЕЙ***

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