

**МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ**

**ТЕРНОПІЛЬСЬКИЙ НАЦІОНАЛЬНИЙ  
ТЕХНІЧНИЙ УНІВЕРСИТЕТ ІМЕНІ ІВАНА ПУЛЮЯ**

*Кафедра української та  
іноземних мов*

# **Методичні вказівки з англійської мови**

**Тернопіль  
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**УДК**

**ББК**

*Авторський знак*

Методичні вказівки та практичні завдання з англійської мови «Англійська мова за професійним спрямуванням» для студентів I-II курсу «факультету підприємницької діяльності»/ уклад. В.Б. Кухарська, І.Р. Плавуцька. Тернопіль: ТНТУ імені Івана Пулюя, Вектор.- 2016. - 128 с.

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Методичні вказівки розглянуті і затверджені на засіданні кафедри української та іноземних мов Тернопільського національного технічного університету імені Івана Пулюя. Протокол № 4 від 6 березня 2016 р.

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**УДК**  
**ББК**

## ПЕРЕДМОВА

Запропоновані методичні вказівки «Англійська мова за професійним спрямуванням» призначений для студентів I-II курсу економічних спеціальностей та містить оригінальні тексти, що висвітлюють основи економічної теорії.

У посібнику знаходять відображення традиційні і сучасні методи навчання англійської мови, успішна реалізація яких сприяє формуванню мовної компетенції економіста. Зміст посібника забезпечує засвоєння фонових знань та знайомство з найбільш вживаною термінологією. Післятекстові вправи спрямовані на опрацювання та засвоєння глосарію, активізацію стійких словосполучень та прийменникових конструкцій.

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## UNIT 1 . MONEY

**Key words to memorize:** money, goods, payment, service, debt, currency, barter, trader, transaction, account, capital, banknote (AmE bill), coin, check, debit card, value.

### Task 1. Match the key words with their definitions.

1. money	a. a ticket that you are given so you can claim your things from this place
2. value	b. a piece of paper money
3. goods	c. an arrangement in which a bank keeps your money safe so that you can pay more in or take money out
4. payment	d. a business deal or action, such as buying or selling something
5. service	e. a piece of metal, usually flat and round, that is used as money
6. debt	f. the importance or usefulness of smth
7. currency	g. a plastic card with your signature on that you can use to pay for things
8. barter	h. money or property, especially when it is used to start a business or to produce more wealth
9. trader	i. a system of exchanging goods and services for other goods and services rather than using money
10. transaction	j. the system or type of money that a country uses
11. account	k. someone who buys and sells goods or stocks
12. capital	l. the official system for providing something that everyone in a country needs to have, or the official organization that provides it
13. banknote	m. a sum of money that a person or organization owes
14. coin	n. what you earn by working and can use to buy things
15. check	o. an amount of money that has been or must be paid
16. debit card	p. things that are produced in order to be sold

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

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**. To be 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. Home 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**.

To be a unit of account:

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**

To act as 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)

#### **Task 3. Answer the following questions:**

1. How do the economists define money?

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? Which of them are the most suitable to be used as money?
4. How do some countries make their banknotes more durable?
5. Are there any less tangible forms of money?
6. What is electronic money used for?

**Task 4. Fill in the gaps using the words from the given below.**

eat, earn, serve, realize, lose, put, payment, service currency, transaction, money, worthless

1. "No one can \_\_\_\_\_ two masters, for either he will hate the one and love the other; or else he will be devoted to one and despise the other. You can't \_\_\_\_\_ both God and Mammon (money, wealth, and profit, regarded as something bad)." Gospel of Matthew 6:24 (Євангеліє від Матвія)
2. "When it's a question of \_\_\_\_\_, everybody is of the same religion." Voltaire
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." Proverb
4. "If you want to know what a man is really like, take notice of how he acts when he \_\_\_\_\_ money." New England Proverb
5. "Money is \_\_\_\_\_ unless some people have it and others do not"
6. It is possible to \_\_\_\_\_ good money as a computer programmer.
7. No one's going to \_\_\_\_\_ money into the company while the market is so unstable.
8. There are severe penalties for late \_\_\_\_\_ of taxes.
9. A private car \_\_\_\_\_ is available from the airport.
10. Local banks give better rates for converting your traveler's checks into foreign\_\_\_\_\_.
11. The bank charges a fixed rate for each \_\_\_\_\_.

**Task 5. Match two parts of the sentences.**

1. The exchange rate of a currency is fixed against other countries' currencies, for instance,	a. any financial instrument that can fulfill the functions of money.
2. When money is used to intermediate the exchange of goods and services,	b. it is performing a function as a medium of exchange.
3. In economics, money is a broad term that refers to	c. Without having to trade or barter for them.
4. The money supply is the amount of financial instruments within a specific economy	d. available for purchasing goods or services.
5. Money makes it possible for you to obtain the goods and services you want	e. when we use it to save for the future.
6. Money is a store of value	f. one US dollar=260 Japanese yen.

**Task 6. Write the summary of the text.**

Money is such a thing that we all want to have. People spend much time and energy in order to earn money and to buy necessary goods and services.

Many years ago people traded different kinds of goods with one another. A farmer traded his grain grown on his plot with a baker for some loaves of bread. A fisher traded some of the daily 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 business when people wanted to make an acceptable 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 business 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 making 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.

## UNIT 2. BANKING

**Key words to memorize:** to accept, deposit, to deposit, investment, loan, stake, regulation, joint-stock company, to draw a cheque, overdraft, interest, security, household, to lend, to borrow.

### Task 1. Match the key words with their definitions.

1. to accept	a. to give smth to someone for a short period of time, expecting it to be given back
2. deposit, n.	b. an amount of money that you borrow from a bank etc
3. to deposit	c. to take something that someone offers you
4. investment	d. the use of money to get a profit or to make a business activity successful, or the money that is used
5. loan	e. control over something, especially by rules
6. stake	f. the extra money that you must pay back when you borrow money
7. regulation	g. an amount of money that is paid into a bank account
8. joint-stock company	h. the amount of money you owe to a bank when you have spent more money than you had in your account
9. to draw a cheque	i. to write a cheque for taking money out of a particular bank account
10. overdraft	j. something such as property that you promise to give someone if you cannot pay back money you have borrowed from them
11. interest	k. all the people who live together in one house

12. security	l. a share or a financial involvement in something such as a business
13. household	m. a company that is owned by all the people with shares in it
14. to lend	n. to put money or something valuable in a bank or other place where it will be safe
15. to borrow	o. to receive smth from someone with the intention of giving it back after a period of time

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

A bank is a financial institution that **accepts deposits** and channels those **deposits** into lending activities. Banks primarily provide financial services to customers while enriching investors. Government restrictions on financial activities by banks vary over time and location. Banks are important players in financial markets and offer services such as **investment** funds and **loans**. In some countries such as Germany, banks have historically owned major **stakes** in industrial corporations while in other countries such as the United States banks are prohibited from owning non-financial companies. The level of government **regulation** of the banking industry varies widely, with countries such as Iceland, having relatively light **regulation** of the banking sector, and countries such as China having a wide variety of regulations.

The oldest bank still in existence is Monte dei Paschi di Siena, headquartered in Siena, Italy, which has been operating continuously since 1472.

In a country with a developed banking system there are different kinds of banks with widely varying activities:

They are:

**1. The Universal banks.** Those banks (commonly found in Switzerland, West Germany and the Netherlands) are allowed to do almost anything financial, from **lending** other people's money to underwriting, advising on investments, stockbrocking, etc.

**2. The ordinary deposit banks.** These include the commercial or **jointstock** banks, large and small, some private banks. All these have direct contact with the public which deposits money with them and **draws cheques** on them.

**3. The savings banks.** The chief function of these banks is explained by their name. In old times savings banks were banks which **accepted** only the **deposits** of small savers. They did no business with industry and provided no moneytransmission service, had no **cheque-drawing** facilities. These distinctions between savings banks and other banks are now being eroded.

**4. The merchant banks.** Merchant banks are British banks which concentrate on advising companies about raising new capital and about buying or selling other companies. They do a bit of **lending** too.

**5. The consortium banks.** A consortium bank is a bank owned by a group of other banks from a number of different countries, no one of which owns a majority share.

### **Traditional banking activities**

Banks act as payment agents by conducting checking or current accounts for customers, paying cheques drawn by customers on the bank, and collecting cheques deposited to customers' current accounts. Banks also enable customer payments via other payment methods such as telegraphic transfer, EFTPOS (electronic funds transfer at point of sale), and ATM (automated teller machine).

Banks **borrow** money by **accepting** funds deposited on current **accounts**, by accepting term deposits, and by issuing debt **securities** such as banknotes and bonds. Banks **lend** money by making advances to customers on current accounts, by making installment **loans**, and by investing in marketable debt **securities** and other forms of money lending.

Banks provide almost all payment services, and a bank account is considered indispensable by most businesses, individuals and governments. Banks **borrow** most funds from **households** and non-financial businesses, and **lend** most funds to **households** and non-financial businesses.

Banks and bank accounts are regulated by both state and federal statutory law. Bank accounts may be established by national and state chartered banks and savings associations. All are regulated by the law under which they were established.

**Task 3. Answer the following questions:**

1. What is a bank?
2. What do banks primarily provide?
3. Does the government regulate banking activities in any way?
4. What services do banks offer to individuals/corporations?
5. What kinds of banks exist? Describe their activities.
6. What methods of payment are mentioned in the text?
7. What are the distinctions between savings banks and other banks?

**Task 4. Fill in the gaps using the words from the given below.**

accept, stake, regulation, lend, borrow, securities, households
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1. After a three week strike, the company has finally \_\_\_\_\_ the workers' pay demands.
2. Banks borrow most funds from \_\_\_\_\_ and non-financial businesses.
3. Banks borrow money by issuing debt \_\_\_\_\_ such as banknotes and bonds.
4. Many banks don't want to \_\_\_\_\_ money to new businesses.
5. Companies normally expect to \_\_\_\_\_ money at cheaper rates than ordinary people have to pay.
6. Under the new \_\_\_\_\_, coach drivers must take a break every four hours.
7. The government is encouraging employees to own a \_\_\_\_\_ in the company they work for.

**Task 5. Match two parts of the sentences.**

1. There are two principal ways in which a businessman can borrow money from his bank:	a. loans are often short term.
2. An overdraft is a sum of money	b. drawn from a bank by a customer that is more than the amount he holds in his account with the bank.
3. When the bank makes a loan,	c. or its overdrafts charged, within a year.
4. Because bank funds must be kept fluid,	d. a separate loan account is opened at the bank in the borrower's name.
5. A bank will not lend money to a customer	e. by means of a loan and by means of an overdraft
6. Normally the bank likes to have its loans repaid	f. unless it knows that the money can be repaid quickly.

**Task 6. Write the summary of the text.**

**Central Banking System**

The central banking system is a major sector of any modern monetary system. It is of great importance to the fiscal policy of the national government and the functioning of the private sector.

Central banks such as the Bank of England, the Federal Reserve Board of the US, the Bundesbank of Germany, the Central Bank of Russia function for the government and other banks, not for private customers. They are responsible for implementation of monetary policy and supervision over the banking system.

In particular, they control the money supply, fix the minimum interest rate, act as lenders of last resort to commercial banks with liquidity problems, issue coins and bank notes, influence exchange rates by intervening in foreign exchange markets.

To ensure the safety of the banking system, central banks impose reserve requirements, obliging commercial banks to deposit a certain amount of money with the central bank at zero interest. Central banks in different countries also impose

different “prudential ratios” on commercial banks such as capital ratio and liquid ratio.

The National Bank of Ukraine has been using the following main instruments of monetary policy:

- fixed targets for the money supply growth;
- refinancing of commercial banks;
- interest rates;
- open market operations;
- commercial banks’ reserve requirements;
- foreign currency control;
- direct quantity restrictions.

### UNIT 3. INFLATION

**Key words to memorize:** inflation, supply, output, interest rate, deflation, reflation, basket, monetarism, Keynesian economics.

**Task 1. Match the key words with their definitions.**

1. inflation	a. the process of increasing the amount of money being used in a country in order to increase trade
2. supply	b. the belief that governments should use public money to control the level of employment in order to provide more jobs in periods of high unemployment.
3. output	c. the percentage amount charged by a bank when you borrow money or paid to you by a bank when you keep money in an account there
4. interest rate	d. the average or total value of a number of different goods or currencies
5. deflation	e. the amount of goods or work produced by a person, machine, factory etc

6. reflation	f. an amount of something that is available to be used
7. basket	g. a reduction in the amount of money in a country's economy, so that prices fall or stop rising stagflation
8. monetarism	h. a continuing increase in prices, or the rate at which prices increase
9. Keynesian economics	i. the belief that the best way to manage a country's economy is for the government to control and limit the amount of money that is available and being used

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

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.

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.

**Task 3. Answer the following questions:**

1. What are CPI and GDP?
2. How is inflation measured?
3. What is inflation caused by?
4. What is the main difference in views of Monetarists and Keynesians?
5. What does econometrics study?
6. What word refers to a general rise in prices measured against a standard level of purchasing power?
7. What does each inflationary measure take?

**Task 4. Fill in the gaps using the words from the given below.**

effect, methods, interest, rate, inflation, economy, increase, Keynesian
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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 also gives central banks room to maneuver, since their primary tool for controlling the money supply and velocity of money is by setting the lowest \_\_\_\_\_ in an economy - the discount rate at which banks can borrow from the central bank.

6. Inflation is a general \_\_\_\_\_ in prices in a country.

7. There are a number of \_\_\_\_\_ that have been suggested to stop inflation.

**Task 5. Match two parts of the sentences.**

1. Central banks such as the U.S. Federal Reserve can affect inflation to a significant extent	a. and some reference currency such as gold.
2. High interest rates (and slow growth of the money supply) are the traditional way that central banks fight inflation,	b. through setting interest rates and through other operations (that is, using monetary policy).
3. Monetarists emphasize increasing interest rates (reducing the money supply)	c. the inflation rate
4. Keynesians emphasize reducing demand in general, often through fiscal policy,	d. using increased taxation or reduced government spending to reduce demand as well as by using monetary policy.
5. Some economists advocate fighting inflation by fixing the exchange rate between the currency	e. using unemployment and the decline of production to prevent price increases.
6. A chief measure of price inflation is	f. to fight inflation.

**Task 6. Write the summary of the text.**

Inflation is a steady rise in the average price and wage level. The rise in wages being high enough to raise costs of production, 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 corresponding excess demand for goods.

Therefore, monetarists consider due government control of money supply to be able to restrict inflation rates. They also believe the high rate of unemployment 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, economists 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 transition to a lower inflation rate but they are unlikely to succeed in the long run.

## UNIT 4. ACCOUNTING

**Key words to memorize:** accounting, investor, tax, accountant, stakeholder, shareholder, creditor, bookkeeping, property, debit, balance sheet, asset, liabilities, profit, costs, equity.

### Task 1. Match the key words with their definitions.

1. accounting	a. someone who owns shares in a company or business
2. assets	b. a statement that shows the value of a company's assets and its debts
3. investor	c. the thing or things that someone owns
4. liabilities	d. someone who has invested money into something, or who has some important connection with it, and therefore is affected by its success or failure
5. balance sheet	e. the amount of debt that must be paid
6. tax	f. someone whose job is to keep and check financial accounts, calculate taxes etc
7. accountant	g. someone who gives money to a company, business, or bank in order to get a profit

8. stakeholder	h. Items of positive value
9. shareholder	i. the money that you must regularly spend in order to run a business, a home, a car etc
10. creditor	j. an amount of money that you must pay to the government according to your income, property, goods etc and that is used to pay for public services
11. bookkeeping	k. the job or activity of recording the financial accounts of an organization
12. property	l. the profession or work of keeping or checking financial accounts, calculating taxes etc
13. debit	m. share in a company from which the owner receives some of the company's profits
14. costs	n. money that you gain by selling things or doing business, after your costs have been paid
15. profit	o. a person, bank, or company that you owe money to
16. equity	p. a record in financial accounts that shows money that has been spent or that is owed

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

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.

### **The "Big Four" accountancy firms**

The "Big Four auditors" are the largest multinational accountancy firms.

- Price water house Coopers
- Deloitte Touche Tohmatsu
- Ernst & Young
- KPMG

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.

**Task 3. Answer the following questions:**

1. How often are balance sheets drawn?
2. What is the basic difference between financial and management accounting?
3. What is the main principle of the double-entry bookkeeping system?
4. Are the terms accounting and bookkeeping equal? If not, in what way do they differ?
5. Who is interested in accounting information?
6. What is listed in financial statements?
7. What are the “Big Four” accountancy firms?

**Task 4. Fill in the gaps using the words from the given below.**

assets, creditors, property, debit, stakeholders, investors, accountants, liabilities

1. A company’s \_\_\_\_\_ can consist of cash, investments, buildings, machinery, specialist knowledge, etc.
2. Most of the venture funds have come from foreign \_\_\_\_\_.
3. The judicial system now had to protect \_\_\_\_ instead of debtors.
4. The hotel is not responsible for any loss or damage to guests' personal \_\_\_\_\_.
5. Every \_\_\_\_\_ must have a corresponding credit and vice-versa.
6. All \_\_\_\_\_ must have a voice if it is to be a true partnership.
7. In the USA public \_\_\_\_\_ are those who are available to the public for such accounting functions as monthly bookkeeping and tax preparation.
8. Information relating to the financial position of a company, mainly about assets and \_\_\_\_\_, is presented in a balance sheet.

**Task 5. Match two parts of the sentences.**

1. Each time an item is purchased or sold, a bookkeeper passes on the information to the accountant who	a. the changes in the financial structure of the company. b. named accounting, bookkeeping,
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<p>carries out the last steps such as</p> <p>2. A balance sheet represents</p> <p>3. The statement of cash flows provides the information about</p> <p>4. Management accounting deals with</p> <p>5. Financial accounting includes the information about</p> <p>6. Accountancy is a branch of mathematical science</p> <p>7. The principles of accountancy are applied to business entities in three divisions of practical art,</p>	<p>and auditing.</p> <p>c. 1) calculate adjustments; 2) prepare adjusted trial balance; 3) prepare financial statements; 4) close entries.</p> <p>d. a company's revenues, expenses, gains and losses.</p> <p>e. the main accounting equation.</p> <p>f. planning, control, budgeting and pricing decisions.</p> <p>g. that is useful in discovering the causes of success and failure in business.</p>
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**Task 6. Write the summary of the text.**

Accountancy's infancy dates back to the earliest days of human agriculture and civilization (**Sumerians** the in **Mesopotamia**), when the need to maintain accurate records of the quantities and relative values of agricultural products first arose. Simple accounting is mentioned in the **Christian Bible (New Testament)** in the **Book of Matthew**, in the Parable of the Talents (Matt. 25:19). The Islamic **Quran** also mentions simple accounting for trade and credit arrangements (Quran 2:282).

Twelfth-century AD Arab writer Ibn Taymiyyah mentioned in his book *Hisba* (literally, "verification" or "calculation") detailed accounting systems used by **Muslims** as early as in the mid-seventh century AD. These accounting practices were influenced by the **Roman** and the **Persian** civilizations that Muslims interacted with. The most detailed example Ibn Taymiyyah provides of a complex governmental accounting system is the Divan of **Umar**, the second **Caliph** of **Islam**, in which all revenues and disbursements were recorded. The Divan of **Umar** has been described in detail by various Islamic historians and was used by **Muslim** rulers in the Middle East with modifications and enhancements until the fall of the **Ottoman Empire**.

**Sumerians (Шумери)** – people lived in the southern part of ancient Mesopotamia (modern Iraq) from about 3500 BC.

**Mesopotamia (Месопотамія)**- an area in western Asia around the River Tigris and the River Euphrates in Iraq, where, in ancient times, the world's first cities were built and several important ancient civilizations developed.

**Christian Bible** – Християнська Біблія

**New Testament** – Новий Заповіт

**Book of Matthew** – Євангеліє від Матвія

**Quran** – Коран (священна книга мусульман)

**Muslims** - мусульмани

**Roman civilization** – Римська цивілізація

**Persian civilization** – Перська цивілізація

**Umar, the second Caliph of Islam** – Умар, другий Ісламський Каліф (правитель)

**Ottoman Empire (Оттоманська імперія)** - a large empire, based in Turkey and with its capital in Istanbul, which also included large parts of Eastern Europe, Asia, and North Africa.

## UNIT 5. AUDIT

**Key words to memorize:** audit, to assign, evaluation, valid, reliable, assessment, sample, auditor, report, assurance, charity, employee, staff.

**Task 1. Match the key words with their definitions.**

1. audit	a. an organization that gives money, goods, or help to people who are poor, sick etc
2. to assign	b. the people who work for an organization
3. evaluation	c. a process in which you make a judgment about a person or situation
5. reliable	d. someone who is paid to work for someone else
6. assessment	f. someone or something that can be trusted or depended on
7. sample	g. a written or spoken description of a situation or event, giving people the information they need
8. auditor	h. a promise that something will definitely happen or is definitely true, made especially to make someone less worried

9. report	i. to give someone a particular job or make them responsible for a particular person or thing
10.assurance	j. a judgment about how good, useful, or successful something is
11.charity	k. an official examination of a company's financial records in order to check that they are correct
12.employee	l. someone whose job is to officially examine a company's financial records
13.staff	m. a small part or amount of something that is examined in order to find out something about the whole

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

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.

### **Types of auditors**

There are two types of auditors:

**Internal auditors** are **employees** of a company hired to **assess** and **evaluate** its system of internal control. To maintain independence, they present their **reports** directly to the Board of Directors or to Top Management. They provide functional operation to the concern. Internal Auditors are employees of the company so that they can easily find out the frauds and any mishappening.

**External auditors** are independent **staff assigned** by an auditing firm to **assess** and **evaluate** financial statements of their clients or to perform other agreed upon evaluations. Most external auditors are employed by accounting firms for annual engagements. They are called upon the outside of the company.

**Task 3. Answer the following questions:**

1. What is the main goal of auditing?
2. What is the most general definition of an audit?
3. Has auditing recently begun to include other information about the system, such as information about environmental performance?
4. What is the financial audit designed for?
5. In what way is auditing connected with ISO?
6. How has the concept of traditional audit changed lately?
7. What are the principle differences between internal and external auditors?

**Task 4. Fill in the gaps using the words from the given below.**

reliable, assign, evaluation, staff, samples, valid, employee, auditors

1. \_\_\_\_\_ are accountants who estimate the accuracy of a company's financial statements, and if they find any disagreements in the documents with generally accepted accounting principles, they will be responsible to inform about them in their report.
2. We have to \_\_\_\_\_ Mr. Smith to the advertising campaign.
3. Inspectors will have to do a thorough \_\_\_\_\_ of the project before we can continue.
4. The government still hasn't produced a \_\_\_\_\_ argument in favour of its policies on immigration.
5. Eating sensibly and taking regular exercise is a fairly \_\_\_\_\_ method of losing weight.
6. Our library \_\_\_\_\_ will be happy to help if you are unable to find the book you want.
7. \_\_\_\_\_ of American Airlines get generous reductions on the cost of flights.
8. I'd like to see some \_\_\_\_\_ of your work.

**Task 5. Match two parts of the sentences.**

<p>1. Auditing is a process in which an independent accountant-auditor examines a firm's accounting records and financial statements</p> <p>2. The accountancy profession has built up a significant amount of expertise</p> <p>3. The auditor normally starts with a study of the business environment the audited company is working in</p> <p>4. The auditor should focus on any misstatement</p> <p>5. In order to protect the public interests and the profession's integrity</p>	<p>a. and offers an opinion on their accuracy and reliability.</p> <p>b. in performing financial statements audits.</p> <p>c. and performs a preliminary analytical review.</p> <p>d. whether it is intentional or unintentional.</p> <p>e. an individual must be sufficiently educated and adequately trained before being certified as an auditor</p>
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**Task 6. Write the summary of the text.**

Audit is an examination of the records and reports of an enterprise by accounting specialists other than those responsible 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 separation of ownership from control. The public accountant performs tests to determine whether the management's statements were prepared in accordance with acceptable accounting principles and fairly present the firm's financial position and operating results. Such independent evaluations 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 possible, to prevent their recurring in the future. A relatively new type of auditing is internal auditing. It is designed to evaluate the effectiveness 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 investigated 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 qualification are encouraged. Most countries have specific agencies or departments charged with the auditing of their public accounts.

Taxpayers in all countries are interested 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.

## UNIT 6. STATISTICS

**Key words to memorize:** analysis, interpretation, data, pattern, random, population, deviation, hypothesis, estimation, forecast, inference, census.

### Task 1. Match the key words with their definitions.

1. analysis	a. happening or chosen without any definite plan, aim, or pattern
2. interpretation	b. a description of what is likely to happen in the future, based on the information that you have now
3. data	c. a noticeable difference from what is expected or acceptable
4. census	d. the number of people living in a particular area or country
5. pattern	e. an idea that is suggested as an explanation for something, but that has not yet been proved to be true
6. randomness	f. a calculation of the value, size, amount etc of something
7. population	g. a careful examination of something in order to understand it better
8. deviation	h. something that you think is true, based on information that you have
9. hypothesis	i. information or facts
10. estimation	j. an official process of counting a country's population and finding out about the people

11. forecast	k. the way in which someone explains or understands an event, information, someone's actions etc
12. inference	l. the regular way in which something happens or develops

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

The word statistics ultimately derives from the New Latin term *statisticum collegium* ("council of state") and the Italian word *statista* ("statesman" or "politician"). The German *Statistik*, first introduced by Gottfried Achenwall (1749), originally designated the **analysis** of **data** about the state, signifying the "science of state" (then called political arithmetic in English). It acquired the meaning of the collection and classification of **data** generally in the early 19th century. It was introduced into English by Sir John Sinclair.

Thus, the original principal purpose of *Statistik* was **data** to be used by governmental and (often centralized) administrative bodies. The collection of data about states and localities continues, largely through national and international statistical services. In particular, **censuses** provide regular information about the **population**.

Nowadays **statistics** is considered to be a mathematical science dealing with the collection, **analysis**, **interpretation** or explanation, and presentation of **data**. It is applicable to a wide variety of academic disciplines, from the physical and social sciences to the humanities.

Various statistical methods can be used to summarize or describe a collection of data, either numerically or graphically, to describe the **sample**; this is called **descriptive statistics**. Basic examples of numerical descriptors include the mean and standard **deviation**. Graphical summarizations include various kinds of charts and graphs.

In addition, **patterns** in the data may be modeled in a way that accounts for **randomness** and uncertainty in the observations, and then used to draw **inferences** about the process or population being studied; this is called **inferential statistics**. These **inferences** may take the form of answers to yes/no questions (**hypothesis**

testing), **estimates** of numerical characteristics (estimation), **forecasting** of future observations, descriptions of association (correlation), or modeling of relationships (regression). Other modeling techniques include ANOVA, time series, and data mining.

Both descriptive and inferential statistics comprise **applied statistics**. There is also a discipline called **mathematical statistics**, which is concerned with the theoretical basis of the subject.

In applying statistics to a scientific, industrial, or societal problem, one begins with a process or population to be studied. This might be a population of people in a country, of crystal grains in a rock, or of goods manufactured by a particular factory during a given period. It may instead be a process observed at various times; data collected about this kind of "population" constitute what is called a **time series**.

For practical reasons, rather than compiling data about an entire **population**, one usually instead studies a chosen subset of the population, called a **sample**. Data are collected about the **sample** in an observational or experimental setting. The data are then subjected to statistical analysis, which serves two related purposes: description and **inference**.

**Task 3. Answer the following questions:**

1. What was the original meaning of the word statistics?
2. What spheres can statistics be applicable to?
3. How can various statistics methods be used?
4. Which of statistic branches deals with theoretical basis?
5. What methods of statistics are mentioned in the text?
6. What is applied statistics?
7. What are the main forms of inferences?

**Task 4. Fill in the gaps using the words from the given below.**

analysis, interpretation, samples, data, random, deviation, hypothesis, forecast, inference
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1. The article provides a detailed \_\_\_\_\_ of various research designs.
2. What exactly the author meant by that statement is open to \_\_\_\_\_.
3. The research involves collecting data from two random \_\_\_\_\_.
4. It's possible to store a lot more \_\_\_\_\_ on a DVD.
5. The company has introduced \_\_\_\_\_ drug testing of its employees.
6. What \_\_\_\_\_ have you drawn from this evidence?
7. There must be no \_\_\_\_\_ from the normal procedure.
8. It is impossible to give an accurate \_\_\_\_\_ of company sales 10 years from now.
9. One \_\_\_\_\_ is that the victim fell asleep while driving.

**Task 5. Match two parts of the sentences.**

1. A common goal for a statistical research project is	a. to summarize or describe a collection of data
2. The statistics show that, in general, women live longer than men and	b. an increase in average pay.
3. Universities collect statistics on	c. the Japanese work longer hours than workers in many other industrialized countries.
4. According to official statistics,	d. relating to groups of individuals or experiments.
5. The latest statistics show	e. both groups live longer than they did 100 years ago.
6. Statistics is the science of making effective use of numerical data	f. to investigate causality
7. Statistical methods can be used	g. what jobs their students go into.

**Task 6. Write the summary of the text.**

Experimental and Observational Studies

There are two major types of causal statistical experimental studies and observational studies. In both types of studies, the effect of differences of an independent variable (or variables) on the behavior of the dependent variable are

observed. The difference between the two types is in how the study is actually conducted. Each can be very effective.

An experimental study involves taking measurements of the system under study, manipulating the system, and then taking additional measurements using the same procedure to determine if the manipulation may have modified the values of the measurements. In contrast, an observational study does not involve experimental manipulation. Instead data are gathered and correlations between predictors and the response are investigated.

An example of an experimental study is the famous Hawthorne studies which attempted to test changes to the working environment at the Hawthorne plant of the Western Electric Company. The researchers were interested in whether increased illumination would increase the productivity of the assembly line workers. The researchers first measured productivity in the plant then modified the illumination in an area of the plant to see if changes in illumination would affect productivity. As it turns out, productivity improved under all the experimental conditions (see Hawthorne effect). However, the study is today heavily criticized for errors in experimental procedures, specifically the lack of a control group and blindness.

An example of an observational study is a study which explores the correlation between smoking and lung cancer. This type of study typically uses a survey to collect observations about the area of interest and then perform statistical analysis. In this case, the researchers would collect observations of both smokers and non-smokers and then look at the number of cases of lung cancer in each group.

## UNIT 7. MARKETING

**Key words to memorize:** marketing, to advertise, customer, to benefit, purchase, profit, branding (brand), product, promotion, to distribute (distribution), target (market/group/area etc).

### Task 1. Match the key words with their definitions.

1. marketing	a limited group, area etc that a plan, idea etc is aimed at
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2. target market/ group/ area etc	b. the act of sharing things among a large group of people in a planned way
3. to advertise	c. to give an advantage, improve one's life, or help smbd in some way
4. customer	a type of product made by a particular company, that has a particular name or design
5. to benefit	e. to tell the public about a product or service in order to persuade them to buy it
6. purchase	f. money that you gain by selling things or doing business, after your costs have been paid, to get money from doing something
7. profit	g. someone who buys goods or services from a shop, company etc
8. branding	h. the activity of deciding how to advertise a product, what price to charge for it etc, or the type of job in which you do this
9. product	i. an activity intended to help sell a product, or the product that is being promoted
10. promotion	j. something that is grown or made in a factory in large quantities, usually in order to be sold
11. brand	k. something you buy, or the act of buying it
12. distribution	l. a practice which involves a company giving a group of their products the same brand name, helping this name to become well-known

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

**Marketing** is one of the terms in academia that does not have one commonly agreed upon definition. In a nutshell it consists of the social and managerial processes by which **products**, services and value are exchanged in order to fulfill individual's

or group's needs and wants. These processes include, but are not limited to, **advertising**.

### **Definitions**

1. "...an organizational function and a set of processes for creating, communicating, and delivering value to **customers** and for managing **customer** relationships in ways that **benefit** the organization and its stakeholders.”

2. “Human activity directed at satisfying needs and wants through exchange processes". Philip Kotler

3. "...the ongoing process of moving people closer to making a decision to **purchase**, use, follow, refer, upload, download, obey, reject, conform, become complacent to someone else's **products**, services or values. Simply, if it doesn't facilitate a "sale" then it's not marketing."

4. "...the thing process of anticipating, identifying and satisfying **customer** requirements profitably" Chartered Institute of Marketing.

Take these definitions collectively and a comprehensive definition of marketing, applicable to both business and non-business environments, emerges:

Processes, functions, exchanges or activities – that create perceived value by satisfying needs of those involved in the transaction. These processes succeed in moving people closer to making a decision to **purchase** and facilitate a "sale." Afterwards, these processes anticipate, identify and satisfy **customer** requirements profitably and successfully manage existing relationships.

Within most organizations, the activities encompassed by the marketing function are led by a Vice President or Director of Marketing. A growing number of organizations, especially large US companies, have a Chief Marketing Officer position, reporting to the Chief Executive Officer.

### **Strategic Marketing**

Strategic Marketing attempts to determine how an organization competes against its competition in a market place.

### **Operational Marketing**

Operational Marketing executes marketing functions to attract and keep **customers** and to maximize the value derived from them.

## **Four Ps**

In popular usage, "marketing" is the **promotion** of products, especially **advertising** and **branding**. However, in professional usage the term has a wider meaning which recognizes that marketing is **customer** centered. **Products** are often developed to meet the desires of groups of customers or even, in some cases, for specific customers. E. Jerome McCarthy divided marketing into four general sets of activities. His typology has become so universally recognized that his four activity sets, the Four Ps, have passed into the language.

The four Ps are:

- *Product*: deciding what to sell
- *Price*: deciding what prices to charge.
- *Promotion*: deciding how the product will be supported with **advertising**, special activities, etc.
- *Place*: deciding how the product will be **distributed** and where people will buy it.

These four elements are often referred to as the marketing mix.

For a marketing to be successful, the mix of the four "Ps" must reflect the wants and desires of the consumers in the **target market**.

Marketers depend on marketing research, both formal and informal, to determine what consumers want and what they are willing to pay for it. Marketers hope that this process will give them a sustainable competitive advantage. Marketing management is the practical application of this process. The offer is also an important addition to the 4P's theory.

### **Task 3. Answer the following questions:**

1. What do all definitions of marketing have in common?
2. What are the main functions of strategic and operational marketing?
3. Who are marketers?
4. What is the synonym to marketing mix?
5. Who is in charge of marketing activities within any organization?
6. Why are products developed?

7. Who divided marketing into four general sets of activities?

**Task 4. Fill in the gaps using the words from the given below.**

promotion, benefit, distribution, strategy, brands, profits, end-user, place

1. The Product marketing deals with the specifications of the actual good or service, and how it relates to the needs of the \_\_\_\_\_.

2. Pricing refers to the process of setting a price for a product, including \_\_\_\_\_.

3. \_\_\_\_\_ includes advertising, sales promotion, publicity, and personal selling, and refers to the various methods of promoting the product, brand, or company.

4. Placement or \_\_\_\_\_ refers to how the product gets to the customer; for example, point of sale placement or retailing.

5. The reason their cars sold so well was that they had a brilliant marketing \_\_\_\_\_.

6. Coke and Pepsi are the most popular \_\_\_\_\_ of cola.

7. All the \_\_\_\_\_ from the auction will go to cancer research.

8. New regulations will greatly \_\_\_\_\_ the region's poorest residents.

**Task 5. Match two parts of the sentences.**

1. Marketing involves choosing target customers and

2. A brand is a name a company gives to its products

3. Advertising covers any communication that is paid for,

4. Public relations are where the communication is not directly paid for and includes press releases,

a. as well as virtual stores on the Internet.

b. designing a persuasive marketing mix to get them to buy.

c. from cinema commercials, radio and Internet adverts through print media and billboards

d. sponsorship deals, exhibitions, conferences, seminars or trade fairs and

5. The business may increase or decrease the price of product	events. e. so they can be easily recognized.
6. The location where a product can be purchased can include any physical store	f. if other stores have the same product.

**Task 6. Write the summary of the text.**

The World's Top Sportswear Brands

Nike, Inc. (pronounced /'na'ki/) is a major publicly traded sportswear and equipment supplier based in the United States. The company is headquartered near Beaverton, Oregon. It is the world's leading supplier of athletic shoes and apparel and a major manufacturer of sports equipment with revenue of \$18.6 billion USD in its fiscal year 2008 (ending May 31, 2008). As of 2008, it employed more than 30,000 people worldwide.

The company was founded on January 25, 1964 as Blue Ribbon Sports by Bill Bowerman and Philip Knight, and officially became Nike, Inc. in 1978. The company takes its name from Nike (Greek Νίκη pronounced [na'ki]), the Greek goddess of victory. Nike markets its products under its own brand as well as Nike Golf, Nike Pro, Nike+, Air Jordan, Nike Skateboarding and subsidiaries including Cole Haan, Hurley International, Umbro and Converse. In addition to manufacturing sportswear and equipment, the company operates retail stores under the Niketown name. Nike sponsors many high profile athletes and sports teams around the world, with the highly recognized trademarks of "Just do it" and the Swoosh logo.

Adidas AG (pronounced /ədɪdəs/ in US English, is a German-based sports apparel manufacturer and parent company of the Adidas Group, which consists of the Reebok sportswear company, TaylorMade-adidas golf company, and Rockport. Besides sports footwear, the company also produces other products such as bags, shirts, watches, eyewear and other sports and clothing related goods. The company is the largest sportswear manufacturer in Europe and the second biggest sportswear manufacturer in the world, after its U.S. rival Nike.

## UNIT 8. COMPUTERS AND ECONOMY

**Key words to memorize:** browser, file, software, World Wide Web, Internet, on-line, chip, site, e-mail, directory, electronic commerce, to connect, connection, to link, delivery, remote, to elaborate, to refer, to support, computer security, data security, to encrypt, to facilitate, to collaborate, surrounding, network, intranet, extranet.

### Task 1. Match the key words with their definitions.

1. browser	a. an internet location where information relating to a specific subject or group of subjects can be accessed
2. file	b. to put (a message) into code; to put (computer data) into a coded form
3. software	c. a tiny wafer of semiconductor material, such as silicon, processed to form a type of integrated circuit or component such as a transistor
4. on-line	d. relating to, or concerned with a peripheral device that is directly connected to and controlled by the central processing unit of a computer
5. chip	e. 1) short for electronic mail 2) to contact (a person) by electronic mail 3) to send (a message, document, etc.) by electronic mail
6. site	f. a software package that enables a user to find and read hypertext files, esp on the World Wide Web
7. e-mail	g. the programs that can be used with a particular computer system
8. directory	h. an area of a disk, Winchester disk, or floppy disk that contains the names and locations of files currently held on that disk
9. remote	i. to make easier; assist the progress of
10. elaborate	j. a folder, box, etc., used to keep documents or other items in

	order; documents or information about a specific subject or person
11.refer	k. a computer system in a company that allows better communication between the company and its customers by combining Internet and intranet systems, so that some customers can view some of the company's private information that is not normally available on the Internet
12.encrypt	l. to direct the attention of (someone) for information, facts.
13.facilitate	m. to work with another or others on a joint project
14.collaborate	n. distantly related or connected
15.network	o. planned or executed with care and exactness; detailed
16.intranet	p. a computer network used for exchanging or seeing information within a company
17.extranet	q. a set of computers that are connected to each other so that they can share information

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

Connecting many computer **networks** and using common addressing system, the **Internet** has been growing rapidly since its creation in 1983, radio, telephone and cable television wires, and satellites being used to deliver Internet services. By the mid-1990s the Internet linked millions of computers throughout the world and it is sure to be most important commercial and popular means of communication nowadays. Having expanded considerably during the 1990s, the **World Wide Web** enables users easily to examine the internet sites and now it is likely to have become the leading informational service of the Internet.

Since the mid-1990s **electronic commerce** has become one of the most rapidly growing retail sectors involving the use of computer telecommunication **networks** for maintaining business relationships and selling information, services and commodities. Although e-commerce usually **refers** only to the trading of goods and

services over the Internet, it actually includes broader economic activity such as business-to-consumer and business-to-business commerce as well as internal organizational transactions that support these activities.

A large part of **e-commerce** was transferred to the Internet after the first graphical “**browser**” **software** for the access to the **World Wide Web** had been introduced in 1993 and when the number of companies and individuals using “**online**” had greatly increased. In some fields new **Internet** retailers seem to have grown up overnight and begun successfully competing with traditional retailers. Most of recently established companies are known to include the **electronic commerce** in their business as well.

The further development of secure electronic transfer of sensitive information, such as credit card numbers and electronic funds transfer orders, is certainly to be essential to the continued growth of **e-commerce**. It is often necessary to ensure the **encrypting** of Web purchase forms, many individuals also usually **encrypting** their **e-mail**.

Among other innovations that have contributed to the growth of **e-commerce** are electronic **directories** and search systems for finding information on the Web; **software** agents that act autonomously to allocate goods and services; and special identifying services over the Internet. These intermediary services **facilitate** the sale of goods (actually delivering the goods in the case of information), the rendering of services such as banking, ticket reservations, and stock market transactions, and even the delivery of **remote** education and entertainment. Specialists consider electronic auction sales and markets to be other rapidly developing parts of **e-commerce**. The former offer a large variety of goods from computers and electronics to books, recordings, automobiles and real estate, while the latter allow a buyer to choose offers from many sellers.

Businesses often develop private **intranets** for sharing information and **collaborating** within the company, these **networks** usually being isolated from the surrounding Internet by special computer-security systems. Businesses also often rely on **extranets** which are extensions of a company’s **intranet**.

One should mention some more important benefits of **e-commerce**. Due to its development the role of geographic distance in forming business relationships is being reduced. Some traditional businesses are being replaced by their electronic equivalents or are being made entirely useless. Prices of commodity products are generally lower on the web and it results not only from lower costs of doing electronic business but also from the ease comparison shopping in cyberspace. A new form of **collaboration** known as a virtual company is flourishing now. This type of company is actually as a **network** of firms, each performing some of the processes needed to manufacture a product or deliver a service.

**Task 3. Answer the following questions:**

1. What were the original uses of Internet?
2. Why has the Internet spread so widely all over the world?
3. How can individuals and businesses use the Internet?
4. What does the electronic commerce include?
5. When did e-commerce appear?
6. What promoted the development of e-commerce?
7. What are the benefits of e-commerce in comparison with the traditional retail system?

**Task 4. Fill in the gaps using the words from the given below.**

Collaboration, flourishing, deliver, remote, secure, surrounding, creation, linking, market
---

1. Users of e-commerce as well as entertainment industries are interested in \_\_\_\_\_ for creating joint sites in the Internet.
2. E-mail can \_\_\_\_\_ both texts and graphics to computer users.
3. The type of production is often influenced by the \_\_\_\_\_ conditions.
4. The development of the Internet system was followed by the \_\_\_\_\_ of e-commerce.

5. Even people in \_\_\_\_\_ places of the world can have the access to the computer net-work.
6. The development of programmes ensuring \_\_\_\_storage of information in computers is one of the important tasks of many programmers.
7. The \_\_\_\_\_ of networks and e-mail system allows a large company to use them for \_\_\_\_\_ employees within the company.
8. The latest figures for these goods are much in line with \_\_\_\_\_ trends.

**Task 5. Match two parts of the sentences.**

1. Having being created in 1983,	a. one should connect a number of firms through the Internet.
2. The introduction of the World Wide Web	b. many companies often refer to their own Web sites.
3. E-commerce is said to involve	c. considerably promoted the development of e-commerce.
4. The number of people using “on-line”	d. are likely to be replaced by their electronic equivalents.
5. Systems for encrypting information	e. the Internet system connects millions of computer users now.
6. Advertising their goods or services,	f. special security extranets to be used for information exchange.
7. It is important that electronic auction	g. facilitate the sale and the delivery of goods to consumers.
8. To be isolated from the surrounding networks collaborating companies elaborate upon	h. wide computer networks used for diverse economic activities.
9. To establish a virtual company	i. are sure to support the growth of banking transactions through the Internet.
10. Most of traditional retail agencies	j. either for business purposes or education is constantly growing.

### **Task 6. Write the summary of the text.**

Today economy increasingly works with computers. Computers also facilitate our everyday work and study.

Modern companies analyze sales of products as well as potential sales of products, programme their whole production by electronic data processing equipment.

Banks also work with computers. In some cases they consult computer centres specializing in financial data concerning corporations, sales, cash flow, prices, etc.

Stock exchanges have installed electronic data systems that answer all the broker's questions.

Computers are widely used in agriculture. Say, analyzing of essential animal characteristics with the help of a computer is important for cattle breeding.

In industry cars, devices, tools and instruments are of the designed by computers. The computers have entered education. In management young specialists are trained in special courses. All statistical information is put and kept in computer's memory.

In short, computers are everywhere in our modern life.

Computer hardware consists of a tower, a monitor, a keyboard, a printer and their connections.

Computer software has various programmes:

- word processing;
- database management;
- accounting;
- auditing;
- communications;
- process control, etc.

The advantages of computers are evident. They solve problems very rapidly. Now the computer is being more and more involved in making decisions at the senior management level.

## UNIT 9. ECONOMIC ENVIRONMENT

**Key words to memorize:** to comprise, wage, to predict, implication, prosperity, to alter, recession, decline, expenditure, to affect, to deny, collapse.

### Task 1. Match the key words with their definitions.

1. to comprise	a. the business activities or relationships that someone has been involved in
2. wage	b. a period of time during which there is less trade, business activity than usual
3. to predict	c. to do something that produces an effect or change in someone or something
4. implication	d. a condition in which people have money and everything that is needed for a good life
5 prosperity	e. to change, or to make someone or something change
6. to alter	f. a gradual decrease in quantity or importance
7. recession	g. to say that something will happen before it happens
8. expenditure	h. the total amount of money that a government, organization, or person spends
9. to affect	i. to reduce the amount, size, cost etc. of something
10. cut back	j. money you earn that is paid according to the number of hours, days, or weeks that you work
11. to decline	k. failure to do something that you are supposed to do according to the law or because it is your duty, especially not paying back money you borrowed
12. to deny	l. a sudden decrease in the value of something
13. collapse	m. to consist of particular parts, groups; to form part of larger group
14. default	n. a possible future effect or result of a plan, action, or event
15. dealings	o. to say that something is not true, to refuse to allow someone to have or do something

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

The economy **comprises** millions of people and thousands of firms as well as the government and local authorities, all taking decisions about prices and **wages**, what to buy, sell, produce, export, import and many other matters. All these organizations and the decisions they take play a prominent part in shaping the **business environment** in which firms exist and operate.

The economy is complicated and difficult to control and predict, but it is certainly important to all businesses. You should be aware that there are times when businesses and individuals have plenty of funds to spend and there are times when they have to cut back on their spending. This can have enormous implications for business as a whole.

When the economy is enjoying a boom, firms experience high sales and general **prosperity**. At such times, unemployment is low and many firms will be investing funds to enable them to produce more. They do this because consumers have plenty of money to spend and firms expect high sales. It naturally follows that the state of the economy is a major factor in the success of firms.

However, during periods when people have less to spend many firms face hard times as their sales fall. Thus, the economic environment **alters** as the economy moves into a recession. At that time, total spending **declines** as income falls and unemployment rises. Consumers will purchase cheaper items and cut **expenditure** on luxury items such as televisions and cars.

Changes in the state of the economy **affect** all types of business, though the extent to which they are affected varies. In the recession of the early 1990s the high street banks suffered badly. Profits declined and, in some cases, losses were incurred. This was because fewer people borrowed money from banks, thus denying them the opportunity to earn interest on loans, and a rising proportion of those who did borrow defaulted on repayment. These so-called “bad debts” cut profit margins substantially.

Various forecasters reckoned that the National Westminster Bank's losses in the case of Robert Maxwell's **collapsing** business empire amounted to over £100 million.

No individual firm has the ability to control this aspect of its environment. Rather, it is the outcome of the actions of all the groups who make up society as well as being influenced by the actions of foreigners with whom the nation has dealings.

**Task 3. Answer the following questions:**

1. What does the economy comprise?
2. What is a boom in the economy? What characterizes the state of the economy at that time?
3. What happens when the economy moves into a recession?
4. What are "bad debts"?
5. What happened to some banks in the early 1990s and why?
6. What is economic environment?
7. Does it differ from the economic environment?
8. What does economic environment include?

**Task 4. Fill in the gaps using the words from the given below.**

collapse, profit, default, decline, expenditure, predict, alter, comprises, cutting back, dealings, wages
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1. In general, computer jobs pay good . . . .
2. Stock markets in Europe show similar . . . .
3. The US auto industry nearly . . . due to increased foreign competitors.
4. The state's . . . on welfare programs went down by 5% last year.
5. All the . . . from the auction will go to cancer research.
6. It's often possible . . . in what countries an economic crises will occur.
7. The plan will . . . economic partners of the company.
8. This program . . . over 300 colleges nationwide.
9. Do you have any suggestions for . . . on household items in family budget?

10. The state government will pay off the mortgage in the event of . . . .

11. We've had . . . with IBM for the past few years.

**Task 5. Match two parts of the sentences.**

1. All the firms and organizations, government and local authorities play a prominent part	a. and there are times when they have to cut back on their spending.
2. Though the economy is complicated and difficult to control,	b. many firms face hard times as their sales fall.
3. There are times when businesses and individuals have plenty of funds to spend	c. as income falls and unemployment rises.
4. During the periods of boom,	d. it is certainly important to all businesses.
5. Naturally, the state of the economy is a major factor	e. in the success of firms.
6. During periods when people have less money,	f. the economic environment alters.
7. As the economy moves into a recession,	g. firms experience high sales and general prosperity.
8. At the time of recession, total spending declines	h. they cut expenditure on luxury items and buy cheaper items.
9. When consumers don't have enough money,	i. in shaping the business environment.

**Task 6. Write the summary of the text.**

Factors of Production

In economics, factors of production are the resources employed to produce goods and services. They facilitate production but do not become part of the product (as with raw materials) or are significantly transformed by the production process (as

with fuel used to power machinery). To 19-th century economists, the factors of production were land (natural resources, gifts from nature), labour (the ability to work), and capital goods (human-made tools and equipment). Recent textbooks have added entrepreneurship and “human capital” (labor” education and skills). Sometimes the overall state of technology is seen as a factor of production. In any event, it is the lack pf the factors of production which poses humanity’s economic problem. The number and definition of factors varies, depending on the school of economics.

Differences are biggest when it comes to deciding which factor is the most important. For example, in the Austrian view – often shared by neoclassical and other “free market” economists – the primary factor of production is the time of the entrepreneur, which, when combined with other factors, determines the amount of output of a particular good or service. However, other authors argue that “entrepreneurship” is nothing but a specific kind of labour or human capital and should be treated separately. The Marxian school goes further, seeing labour (in general, including entrepreneurship) as the primary factor of production, since it is required to produce capital goods and to utilize the gifts of nature. It is unlikely that this difference of opinions between the “Austrians” and the Marxists will be ended soon. But this debate is more about basic economic theory (the role of the factors in the economy) than it is about the definition of the factors of production.

## UNIT 10. ECONOMIC SYSTEMS

**Key words to memorize:** to differ, ownership, property, income, expansion, consumption, arrangement, incentive, to involve, interaction, maintenance.

### **Task 1. Match the key words with their definitions.**

1. to differ	a. something that has been organized or agreed on
2. ownership	b. something that encourages you to work harder, start new activities
3. property	c. the act or process of increasing in size, number, amount, or range
4. income	d. a building, a piece of land and the things that someone

	owns
5. expansion	e. the activity of talking to other people, working together with them
6. consumption	f. to include something as a necessary part or result
7. arrangement	g. the fact or state of owning something
8. incentive	h. the money that you earn from working or that you receive from investment
9. to involve	i. the act of making a state or situation continue
10. interaction	j. to be different from something in some way
11. maintenance	k. the act of buying and using products

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

An economic system is a particular kind of social system. Economic systems **differ** and change due to social, historical and cultural forces, the level of economic development and various environmental factors of a society. Traditionally, economic systems have been classified using ideological frameworks such as feudalism, capitalism, socialism, and communism. These definitions have centred around the **ownership** of the means of production ignoring a host of issues such as information mechanisms, behavioural rules and incentives, decision-making systems and **property** rights. It is more appropriate to think of an economic system as a set of mechanisms and institutions for decision-making and for the implementation of decisions concerning production, **income**, and consumption within a given geographic area.

To put it differently, an economic system **involves** the **interaction** of organisations of economic participants (individuals, households, firms, government) engaged, according to rules and orders, in the production, distribution, and the **consumption** of goods and services. It may be viewed as a set of **arrangements** to solve the basic economic problem of:

- what shall be produced

- in what quantity
- how shall it be produced, including institutions and resources to be used, and
- how shall the goods and services to consumers be distributed.

Therefore, the functions of an economic system may be defined as follows:

- to match supply to the effective demand for goods and services in an efficient manner;
- to determine what goods and services are to be produced, and in what quantities;
- to distribute scarce resources among the industries producing goods and services;
- to distribute the products of industry among members of the community;
- to provide for **maintenance** and **expansion** of fixed capital investment;
- to fully utilize the resources of society.

There are a number of ways in which a government can organize its economy and the type of system chosen is critical in shaping environment in which businesses operate.

An economic system is the way in which a country uses its available resources (land, workers, natural resources, machinery etc.) to satisfy the demands of its inhabitants for goods and services. The more goods and services that can be produced from these limited resources, the higher the standard of living enjoyed by the country's citizens.

There are three main economic systems: planned, market and mixed.

**Task 3. Answer the following questions:**

1. What is an economic system?
2. What does a standard of living depend on?
3. How are economic systems classified?
4. What does an economic system involve?
5. What are the functions of an economic system?

**Task 4. Fill in the gaps using the words from the given below.**

consumption, expansion, property, ownership, maintained, interaction, incentive

1. Fuel . . . is predicted to rise.
2. The agency was transferred from public to private . . . .
3. What is the full market value of the . . . ?
4. Volkswagen has . . . close business ties with them for over 20 years.
5. Most regions are enjoying rapid economic . . . .
6. Not winning this year gives us an . . . to work harder next year.
7. Companies need to encourage activities that promote . . . among different departments.

**Task 5. Match two parts of the sentences.**

1. Economic systems have been classified using ideological frameworks	a. the higher the standard of living enjoyed by the country's citizens.
2. One of the functions of an economic system is to determine what goods and services are to be produced,	b. to satisfy the demands of its inhabitants for goods and services.
3. An economic system involves the interaction of organisations of economic participants engaged,	c. and for the implementation of decisions concerning production, income, and consumption within a given geographic area.
4. A set of arrangements to solve the basic economic problem	d. may be viewed as economic system.
5. An economic system is the way in which a country uses its available resources	e. such as feudalism, capitalism, socialism, and communism.
6. The more goods and services that can be produced from these limited resources,	f. and in what quantities;
7. Usually economic system is classified as a set of mechanisms and institutions for decision-making	g. according to rules and orders, in the production, distribution, and the consumption of goods and services.

**Task 6. Write the summary of the text.**

Barriers to Productivity

The attainment to maximum efficiency assumes a basic commitment to profit maximization. To achieve lowest possible costs, a firm must pare excess costs whenever they exist, must extract maximum productivity from every worker, and must relentlessly pursue productivity improvements.

There are many reasons to expect less than total commitment to profit maximization. The owners and managers of large corporations may have conflicting objectives. Corporate executives typically own little or no stock in the companies they manage. Accordingly, profit maximization may not be their first priority.

Outside the executive suited and managerial ranks, similar motivational problems arise. Employees also have a large and growing amount of discretion in how much effort they can apply to their jobs. Discretionary effort is the difference between the maximum effort an individual can bring to the job and the minimum necessary to avoid being fired and penalized. Four out of five workers say they have “some” or “ a great deal” of discretion over the quantity or quality of their work. Nearly half of all jobholders say they do not put much effort into their jobs over and above what is required to hold onto a job. This commitment gap – the gap between potential and actual work effort – implies substantial inefficiency. The end result is often a serious diseconomy of scale, as expressed in a pervasive reduction in individual work effort and initiative as firm size increases. Experiments show that physical and cognitive efforts decline when number of team members increases.

**UNIT 11. PLANNED ECONOMY**

**Key words to memorize:** complicated, intention, to comply with, target, overall, to duplicate, to divert, to abandon, overproduction, obsolete, delay.

**Task 1. Match the key words with their definitions:**

1. target	a. the act of producing more of something that people need or want
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2. complicated	b. a plan or desire to do something
3. overproduction	c. difficult to understand or deal with because of many details or parts involved
4. intention	d. to do what you must do or are asked to do
5. delay	e. a result, such a total, an amount, or a time, which you aim to achieve
6. comply with	f. to copy something exactly
7. obsolete	g. including or considering everything
8. to duplicate	h. to change what something such as money or time is used to
9. to abandon	i. not useful anymore because something newer and better has been invented
10. to divert	j. to stop doing something because there are too many problems and it is impossible to continue
11. overall	k. a situation in which someone or something is made to wait, or the length of the waiting time

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

Planned economies are sometimes called “command economies” because the state commands the use of resources (such as labour and factories) that are used to produce goods and services as it owns factories, land and natural resources. Planned economies are economies with a large amount of central planning and direction, when the government takes all the decisions, the government decides production and consumption. Planning of this kind is obviously very difficult, very **complicated** to do, and the result is that there is no society, which is completely a command economy. The actual system employed varies from state to state, but command or planned economies have a number of common features.

Firstly, the state decides precisely what the nation is to produce. It usually plans five years ahead. It is the **intention** of the planners that there should be enough goods and services for all.

Secondly, industries are asked **to comply with** these plans and each industry and factory is set a production **target** to meet. If each factory and farm meets its target, then the state will meet its targets as set out in the five-year plans. You could think of the factory and farm targets to be objectives which, if met, allow the nation's **overall** aim to be reached.

A planned economy is simple to understand but not simple to operate. It does, however, have a number of advantages:

Everyone in society receives enough goods and services to enjoy a basic standard of living. Nations do not waste resources duplicating production.

The state can use its control of the economy **to divert** resources to wherever it wants.

As a result, it can ensure that everyone receives a good education, proper health care or that transport is available. Several disadvantages also exist. It is these disadvantages that have led to many nations **abandoning** planned economies over recent years:

There is no incentive for individuals to work hard in planned economies. Any profits that are made are paid to the government. Citizens cannot start their own businesses and so new ideas rarely come forward. As a result, industries in planned economies can be very inefficient.

A major problem faced by command or planned economies is that of deciding what to produce. Command economies tend to be slow when responding to changes in people's tastes and fashions. Planners are likely to under-produce some items as they cannot predict changes in demand. Equally, some products, which consumers regard as **obsolete** and unattractive, may be **overproduced**. Planners are afraid to produce goods and services unless they are sure substantial amounts will be purchased. This leads to **delays** and queues for some products.

### **Task 3. Answer the following questions:**

1. What is a planned economy?
2. What are its main features?
3. What are the advantages of a planned economy?

4. What are the disadvantages of a planned economy?
5. What causes delays and queues for some products?
6. What can you add to the list of advantages and disadvantages of a planned economy?

**Task 4. Fill in the gaps using the words from the given below.**

complicated, target, delay, overproduction, duplicated, overall, diverted, intention, obsolete, comply with.

1. The new law is confusing and . . . .
2. He borrowed money with the . . . . to buy a house.
3. The firm that failed . . . the law will be fined.
4. The company will reach its . . . of 12% growth this year.
5. The . . . . cost of the trip is \$500.
6. New computer technologies have made our system . . . .
7. This contract has been . . . illegally.
8. Those voters do not want public tax dollars . . . to private education.
9. The . . . of crude oil was noticeable.
10. You should organize a meeting without . . . .

**Task 5. Match two parts of the sentences.**

1. When the government takes all the decisions,	a. have a number of common features.
2. Planned economies	b. which is completely a command economy.
3. There is no society,	c. the government decides production and consumption.
4. If each factory and farm meets its target,	d. duplicating production.
5. Everyone in society receives enough	e. then the state will meet its targets as

goods and services	set out in the five-year plans.
6. Nations do not waste resources	f. to enjoy a basic standard of living.
7. The state can use its control of the economy	g. when responding to changes in people's tastes and fashions.
8. Any profits that are made	h. new ideas rarely come forward.
9. Citizens cannot start their own businesses and so	i. to divert resources to wherever it wants.
10. Industries in planned economies	j. unless they are sure substantial amounts will be purchased.
11. Command economies tend to be slow	k. are paid to the government.
12. Planners are afraid to produce goods and services	l. can be very inefficient.

**Task 6. Write the summary of the text.**

Efficiency

Governments attempt to correct market failures like monopoly and pollution to encourage efficiency. Monopoly power leads to prices that rise above cost and consumer purchases that are reduced below efficient level. Governments sometimes regulate the prices and profits of monopolies. In addition, government antitrust laws prohibit actions such as price fixing or dividing up markets. Government regulations are designed to control externalities like air and water pollution, strip mining, hazardous wastes, unsafe drugs and foods, and radioactive materials.

It is possible to prevent firms from dumping wastes by imposing regulations; it is much more difficult for governments to encourage the production of public goods. Important examples of public goods are provision of national defense and internal law and order, the building of highway network, and the support of basic science and public health. Because private provision of public goods is generally insufficient, government must step in to provide public goods.

Government must find revenues to pay for its public goods and for income-redistribution programs. Such revenues come from taxes levied on personal and corporate incomes, on wages, on sales of consumer goods, and on other items. Taxes sound like another “price”, in this case the price we pay for public goods. But taxes differ from prices in one crucial respect. Taxes are not voluntary. Everyone is subject to the tax laws; we are all obligated to pay for a share of the cost of public goods.

## UNIT 12. MARKET ECONOMY

**Key words to memorize:** to intervene, surplus, to persuade, competitive, to adjust, cornerstone, rival, confidence, better off.

### Task 1. Match the key words with their definitions.

1. surplus	a. richer than you were before
2. competitive	b. an amount of something that is more than what is needed or used
3. rival	c. the feeling that you can trust someone or something to be good, work well, or produce good results
4. cornerstone	d. something that is extremely important because everything else depends on it
5. confidence	e. to do something to try and stop an argument, war, etc. or to deal with a problem, especially one that you are not directly involved in
6. to adjust	f. determined or able to be more successful than other people or businesses
7. to persuade	g. something that is equally as good or important as something else
8. better off	h. to make someone decide to do something, especially by giving them reasons why they should do it, or asking them many times to do it
9. to intervene	i. to gradually get used to a new situation by making small

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

The best examples of this type of economy are to be found in small South-East Asian states like Hong Kong and Singapore, though even they are not pure examples of market economies. Even they contain some businesses owned and run by the state.

In a true market economy the government plays no role in the management of the economy, the government does not **intervene** in it. The system is based on private enterprise with private ownership of the means of production and private supplies of capital, which can be defined as **surplus** income available for investment in new business activities. Workers are paid wages by employers according to how skilled they are and how many firms wish to employ them. They spend their wages on the products and services they need. Consumers are willing to spend more on products and services, which are favoured. Firms producing these goods will make more profits and this will **persuade** more firms to produce these particular goods rather than less favoured ones.

Thus, we can see that in a market economy it is consumers who decide what is to be produced. Consumers will be willing to pay high prices for products they particularly desire. Firms, which are privately owned, see the opportunity of increased profits and produce the new fashionable and favoured products.

Such a system is, at first view, very attractive. The economy **adjusts** automatically to meet changing demands. No planners have to be employed, which allows more resources to be available for production. Firms tend to be highly **competitive** in such an environment. New advanced products and low prices are good ways to increase sales and profits. Since all firms are privately owned they try to make the largest profits possible. In a free market individual people are free to pursue their own interests. They can become millionaires, for example. Suppose you **invent** a new kind of car. You want to make money out of it in your own interests. But when you have that car produced, you are in fact moving the production possibility frontier outwards. You actually make the society **better-off** by creating new jobs and opportunities,

even though you become a millionaire in the process, and you do it without any government help or intervention.

Not surprisingly there are also problems. Some goods would be under-purchased if the government did not provide free or subsidized supplies. Examples of this type of good and service are health and education. There are other goods and services, such as defence and policing, that are impossible to supply individually in response to consumer spending. Once defence or a police force is supplied to a country then everyone in this country benefits.

A **cornerstone** of the market system is that production alters swiftly to meet changing demands. These swift changes can, however, have serious consequences. Imagine a firm, which switches from labour-intensive production to one where new technology is employed in the factory. The resulting unemployment could lead to social as well as economic problems.

In a market economy there might be minimal control on working conditions and safety standards concerning products and services. It is necessary to have large-scale government intervention to pass laws to protect consumers and workers.

Some firms produce goods and then advertise heavily to gain sufficient sales. Besides wasting resources on advertising, firms may also duplicate one another's services. **Rival** firms, providing rail services, for example, could mean that two or more systems of rail are laid.

Finally, firms have to have confidence in future sales if they are to produce new goods and services. At certain times they tend to lack confidence and cut back on production and the development of new ideas. This decision, when taken by many firms, can lead to a recession. A recession means less spending, fewer jobs and a decline in the prosperity of the nation.

**Task 3. Answer the following questions:**

1. What's a market economy?
2. What is the main difference between a market economy and a planned economy?
3. Do changing demands affect production? In what way?

4. What is the mechanism of producing goods and services in a market economy?
5. What are the advantages of a market economy?
6. What are the disadvantages of a market economy?

**Task 4. Fill in the gaps using the words from the given below.**

better off, confidence, competitive, rivals, cornerstone, persuade, surplus, intervene

1. The UN has not yet decided whether . . . military.
2. There is a slight . . . of oil worldwide.
3. Our manager wouldn't agree, despite our efforts . . . him.
4. Some industries are not as . . . as they have been in the past.
5. The magazine became the . . . of MacFadden's publishing empire.
6. Our firms are . . . .
7. Our first priority is to maintain . . . in our product.
8. Are you . . . than you were 4 years ago?

**Task 5. Match two parts of the sentences.**

1. In a true market economy the government plays no role in the management of the economy,	a. who decide what is to be produced.
2. A cornerstone of the market system is	b. which can be defined as surplus income available for investment in new business activities.
3. A recession means less spending, fewer jobs and	c. they try to make the largest profits possible
4. The system is based on private enterprise with private ownership of the means of production and private supplies of capital,	d. a decline in the prosperity of the nation.
5. Firms have to have confidence in future	e. advertise heavily to gain sufficient

sales	sales.
6. Workers are paid wages by employers according to	f. the government does not intervene in it.
7. In a market economy there might be minimal control on working conditions	g. if they are to produce new goods and services.
8. Since all firms are privately owned	h. and safety standards concerning products and services.
9. Some firms produce goods and then	i. that production alters swiftly to meet changing demands.
10. In a market economy it is consumers	j. how skilled they are and how many firms wish to employ them.

**Task 6. Write the summary of the text.**

A market economy is an economy based on the division of labour in which the prices of goods and services are determined in a free price system set by supply and demand. This is often contrasted with a planned economy, in which a central government determines the price of goods and services using a fixed price system. Market economies are also contrasted with mixed economy where the price system is not entirely free but under some government control or heavily regulated.

In the real world, market economies do not exist in pure form, as societies and government regulate them to varying degrees rather than allow self-regulation by market forces. The term free-market economy is sometimes used synonymously with market economy.

Numerous discussions are led as to how strong a role the government should have in guiding the market economy. The term market economy is not identical to capitalism where a corporation hires workers as a labour commodity to produce material wealth and increase the owner's profit. Market mechanisms have been utilized in a number of states.

## UNIT 13. MIXED ECONOMY

**Key words to memorize:** fault, intermediate, extreme, restriction, demand, benefit, share, taxation, transfer, to switch.

### Task 1. Match the key words with their definitions.

1. benefit	a. the need or desire that people have for particular goods or services; a strong request for something that shows you believe you have the right to get what you ask for
2. demand	b. the money or other advantages that you get from something such as insurance or the government, or as part of your job
3. taxation	c. one of the equal parts into which the ownership of a company is divided, used especially when you are talking about the number of parts or the price of each other.
4. fault	d. the system or process of charging taxes, or the money paid for taxes
5. restriction	e. the process by which someone or something moves or is moved from one place, situation, job etc. to another
6. intermediate	f. a rule or system that limits or controls what you can do or what is allowed to happen
7. share	g. something that goes beyond normal limits, so that it seems very unusual
8. extreme	h. to change from doing or using one thing to doing or using another
9. transfer	i. if something bad that has happened is someone's fault, they should be blamed for it, because they made a mistake or failed to do something
10. to switch	g. existing, happening, or done between two other stages, levels etc.

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

Command and market economies both have significant **faults**. Partly because of this, an **intermediate** system has developed, known as mixed economies.

A mixed economy means very much what it says as it contains elements of both market and planned economies. At one extreme we have a command economy, which does not allow individuals to make economic decisions, at the other **extreme** we have a free market, where individuals exercise considerable economic freedom of choice without any government **restrictions**. Between these two extremes lies a mixed economy. In mixed economies some resources are controlled by the government while others are used in response to the **demands** of consumers.

Technically, all the economies of the world are mixed: it is just the balance elements between market and planned elements that alters. Some countries are nearer to command economies, while others are closer to free market economies. So, for example, Hong Kong has some state-controlled industry, while Cuba has some privately owned and controlled firms.

The aim of mixed economies is to avoid the disadvantages of both systems while enjoying the **benefits** that they both offer. So, in a mixed economy the government and the private sector interact in solving economic problems. The state controls the share of the output through **taxation** and **transfer** payments and intervenes to supply essential items such as health, education and defence, while private firms produce cars, furniture, electrical items and similar, less essential products.

The UK is a mixed economy: some services are provided by the state (for example, health care and defence) while a range of privately owned businesses offer other goods and services. The Conservative government under Margaret Thatcher **switched** many businesses from being state-owned and controlled to privately owned as part of its privatization programme. This has taken the UK economy further away from the planned system.

**Task 3. Answer the following questions:**

1. Are there really pure examples of planned and market economies in the world?
2. What is a mixed economy?
3. What is the aim of a mixed economy?
4. What type of economy is in the UK?
5. What type of economy is in Ukraine now?

**Task 4. Fill in the gaps using the words from the given below.**

switch, demands, transfer, fault, taxation, extreme, benefits, restrictions, intermediate, share

1. It's partly their own . . . if they don't get promoted.
2. It was an . . . step in the problem-solving process.
3. Fans of car racing have taken their love of the sport to an . . . .
4. Some countries are seeking tighter . . . on weapon sales.
5. Managers thought that the union was making unreasonable . . . .
6. The company provides social security . . . .
7. Richardson recently sold his . . . in the company for \$ 500. 000
8. How do I protect my investments from . . . ?
9. Most of the bills are paid by electronic . . . .
10. Students here often . . . between English and Spanish.

**Task 5. Match two parts of the sentences.**

1. A mixed economy means very much what it says	a. offer other goods and services.
2. Between a command economy and a free market lies	b. while private firms produce cars, furniture, electrical items and similar, less essential products.
3. Some countries are nearer to	c. while others are closer to free market

command economies,	economies.
4. In a mixed economy the government and the private sector interact	d. a mixed economy.
5. The state controls the share of the output through taxation and transfer payments and intervenes to supply essential items such as health, education and defence,	e. it is just the balance elements between market and planned elements that alters.
6. In mixed economies some resources are controlled by the government	f. as it contains elements of both market and planned economies.
7. The aim of mixed economies is to avoid the disadvantages of both systems while enjoying the benefits	g. in solving economic problems.
8. Technically, all the economies of the world are mixed:	h. while others are used in response to the demands of consumers.
9. In a mixed economy some services are provided by the state, while a range of privately owned businesses	i. that they both offer.

**Task 6. Write the summary of the text.**

**International Trade**

International trade is exchange of capital, goods, and services across international borders or territories. In most countries, it presents a significant share of gross domestic product (GDP). While international trade has been present throughout much history, its economic, social, and political importance has been on the rise in recent centuries. Industrialization, advances transportation, globalization, multicultural corporations are all having major impact on the international trade system. Increasing international trade is very important for the development of globalization.

International trade is a major source of economic revenue for any nation that is considered a world power. Without international trade, nations would be limited to the goods and services produces within their own borders.

International trade is in principle not different from domestic trade as the motivation and the behaviour of parties involved in a trade does not change fundamentally depending on whether trade is across a border or not. The main difference is that international trade is typically more costly than domestic trade.

Another difference between domestic and international trade is that factors of production such as capital and labor are typically more mobile within a country than across countries. Thus international trade is mostly restricted to trade in goods and services, and only to a lesser extent to trade capital, labor or other factors of production.

International trade is also a branch of economics, which, together with international finance, forms the larger branch of international economics.

## UNIT 14. BUSINESS CYCLE

**Key words to memorize:** business cycle, trough, depression, peak, to lay off, undercut, to bottom out, shrinkage, persistent, to creep, to utilize, capacity.

### Task 1. Match the key words with their definitions.

1. business cycle	a. if prices, rates, levels etc. creep up and down, they slowly change from one price etc. to another
2. depression	b. to make someone's work, plans etc. not be successful or effective
3. peak	c. continuing to exist or happen, especially for longer than is usual or desirable
4. trough	d. a short period when prices are low, when there is not much activity etc. in something that is continuously measured over a longer period
5. capacity	e. to stop employing a worker especially for a period in which

	there is not much work to do
6. to utilize	f. the amount of something that a factory, company, machine etc. can produce or deal with
7. shrinkage	d. the time or point at which something is biggest, most successful, or best
8. to lay off	h. to use something for a particular purpose
9. persistent	i. alternating periods of economic growth and contraction
10. to bottom out	j. a long period when businesses do not buy, sell, or produce very much and a lot of people do not have jobs
11. undercut	k. the act of shrinking, or the amount that something shrinks
12. to creep	l. it stops getting worse or lower, usually before improving again

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

### The Level of Economic Activity

America's economic history has been marked by both good times and bad times. In good times, jobs are plentiful, stores are busy, and the nation's factories hum with activity. In bad times, just the opposite is true. Jobs are scarce, business is slow, and factories and machines stand idle. These changes are shown in Figure 1, which illustrates business activity since 1905. As you can see, changes in the level of the nation's economic activity have been the rule rather than the exception.

### **The Business Cycle:** the Ups and Downs of the American Economy

The ups and downs in the level of economic activity are commonly referred to as the business cycle. In Figure 1, the 0 line represents what economists decided should have been the normal level of activity for a particular year. The jagged line indicates the extent to which actual economic activity was above or below the norm.

The graph shows that, although no two cycles have been identical in either duration or intensity, there has been a consistent up-and-down pattern through the years. Economists studying business cycles have identified four phases through which these cycles pass as they swing down, up, and back again. Figure 2 shows that

these phases are (1) recession, (2) trough, or depression, (3) expansion, or recovery, and (4) peak, or prosperity.

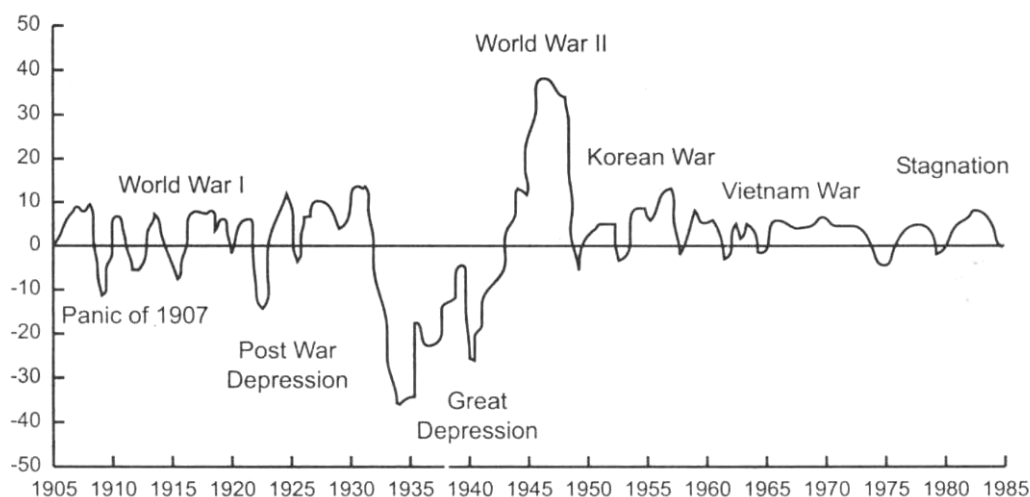


Figure 1. United States Business Activity since 1905 (from AmeriTrust, Cleveland)

**Recession.** During a recession, economic activity goes into a decline. Consumers buy less than before. The decline in consumer demand prompts firms that service consumers to cut back on their own orders. The pace of manufacturing slows. As workers are laid off, the unemployment rate rises. Salaries and wages fall, consumer demand is further reduced, and the recession intensifies.

Contrary to your expectations, prices do not necessarily fall during a recession. In those industries in which competition is keen, prices do come down with the decline in sales. Where there is little competition, however, prices are likely to be “sticky” the economists’ way of saying that prices tend to stay where they are. With little or no competition to **undercut** them, managers are able to maintain prices by laying off workers and reducing output.

**Trough, or Depression.** Sooner or later, a recession will **bottom out** into what economists refer to as the trough of the cycle. When the recession is mild and short-lived, the trough will be reached before the levels of unemployment and business **shrinkage** become serious. At other times, recessions have reached very low levels of output and employment and extended over long periods of time before running their course. This pattern was especially **persistent** in the years before World War II. Economists in those years were likely to use the term “depression” in describing the trough of the business cycle.

**Expansion**, or Recovery. In time, optimism **creeps** back into the economy. The level of spending begins to increase as consumers and business firms expand their buying and production. As more and more workers find jobs, unemployment drops.

This process leads to an increase in income and the further growth of spending.

**Peak**, or **Prosperity**. As the upper turning point of the business cycle is reached, the economy closes in on its capacity. As sales increase, business firms expand their operations. Meanwhile, factories that may have been idle or only partly **utilized** will again produce at or near their **capacities**. This in turn will reduce unemployment as workers are hired to handle the increased output. Prices are likely to rise during peak periods because, as incomes increase, so too do business and consumer demand, thereby fueling inflation.

If the recovery climbs enough, the economy will reach the point of full employment. By this we mean that the nation's productive resources will be working to capacity. If, however, the recovery is short-lived, the peak may be reached at something less than full employment.

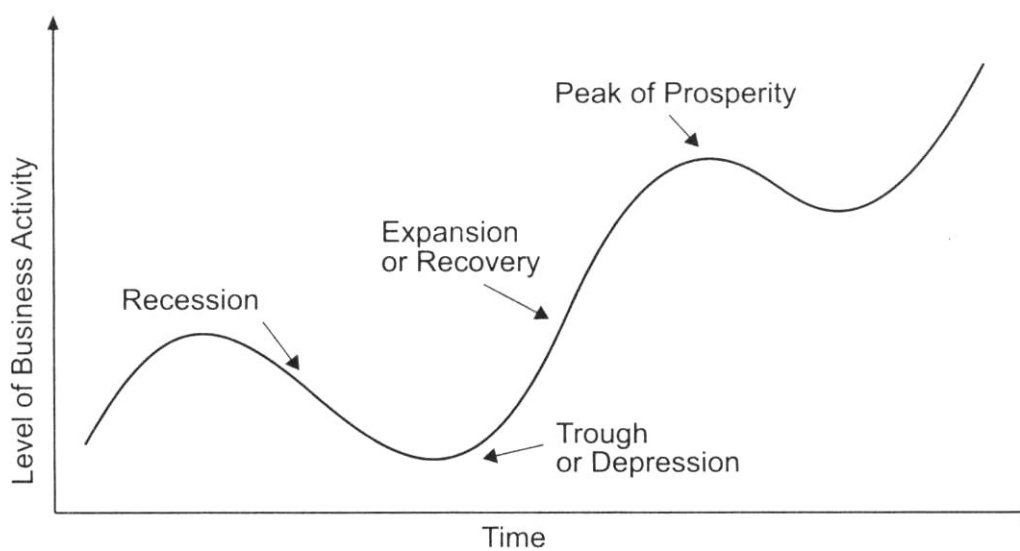


Figure 2. Phases of the Business Cycle

**Task 3. Answer the following questions:**

1. What do we call “business cycle”?
2. What is recession?
3. What happens in economy during depression?

4. What characterizes period of recovery?
5. Describe economic activity during prosperity period.

**Task 4. Fill in the gaps using the words from the given below.**

peak, depression, capacity, crept, persistent, utilized, shrinkage, laid off, business cycle, undercut, bottomed out

1. The basic purpose of macroeconomics is to explain the alternating periods of expansion and contraction known as . . . . .
2. In the 1930s it was the time in America known as Great . . . . .
3. Sales reached their . . . in 1998.
4. The company closed and . . . 40 employees.
5. These stories, if true, would greatly . . . our manager's credibility.
6. Interest rates are now at the lowest level since the rate . . . at 5.4 percent in 1977.
7. This move is intended to stop the . . . in the banking industry.
8. The U.S. trade deficit has been a . . . problem.
9. The unemployment rate . . . up to 5.7% in May.
10. This old building could be . . . as an office.
11. The company has the . . . . to build 7 million cars a year.

**Task 5. Match two parts of the sentences.**

1. In good times, jobs are plentiful, stores are busy,	a. and consumer demand is further reduced.
2. In bad times, jobs are scarce, business is slow,	b. and factories and machines stand idle.
3. The ups and downs in the level of economic activity are commonly referred to	c. consumers buy less than before.
4. Prices are likely to rise during peak periods because, as incomes increase,	d. and the nation's factories hum with activity.

5. The recession intensifies when salaries and wages fall	e. so too do business and consumer demand, thereby fueling inflation.
6. When sales increase and business firms expand their operations, factories that may have been idle or only partly utilized	f. an increase in income and the further growth of spending.
7. During a recession, when economic activity goes into a decline,	d. as the business cycle.
8. When more and more workers find jobs and unemployment drops, it leads to	h. prices do come down with the decline in sales.
9. In those industries in which competition is keen,	i. by laying off workers and reducing output.
10. With little or no competition to undercut them, managers are able to maintain prices	j. again produce at their capacities.

**Task 6. Write the summary of the text.**

Major Problems of Macroeconomics

The basic purpose of macroeconomics is to explain the alternating periods of expansion and contraction known as the business cycle. If we can develop a macro theory to explain such changes, perhaps we can develop macro policies to control them.

Today economists focus on aggregate demand and aggregate supply to explain how economy works. These concepts are the macroeconomics counterparts to demand and supply in individual markets. The aggregate demand curve slopes downward and to the right when plotted against the price level. The aggregate supply curve slopes upward to the right. The macro equilibrium that is defines by their intersection may or may not be the employment level we desire. Even if macro equilibrium is at the output, lying behind the equilibrium can change. Shifts in

aggregate demand and/or aggregate supply can lead to unemployment, inflation, or worse yet, stagflation – a combination of the two.

## UNIT 15. UNEMPLOYMENT

**Key words to memorize:** labour market, unemployment rate, frictional unemployment, seasonal unemployment, structural unemployment, technological unemployment, cyclical unemployment, hardship, civil servant, pool, aggregate demand.

### Task 1. Match the key words with their definitions.

1. labour market	a. the number of people in a country who do not have job
2. technological unemployment	b. market that determines who has jobs and the rate of pay for a particular job
3. unemployment rate	c. a form of structural unemployment, which occurs when new technologies are introduced
4. cyclical unemployment	d. unemployment occurring in certain industries, e.g. building, tourism and farming, where the demand for labour fluctuates in seasonal patterns throughout the year
5. frictional unemployment	e. unemployment arising from a long-term decline in a particular industry
6. seasonal unemployment	f. unemployment arising from a difficulty in matching unemployed workers with available jobs
7. aggregate demand	g. something that makes your life very difficult, especially not having enough money or food
8. structural unemployment	h. unemployment occurring in the downswing of an economy in between two booms
9. civil servant	i. a group of people who are available to work or to do an activity when they are needed
10. hardship	j. the total amount that all consumers, business firms, government agencies, and foreigners are willing to spend

	on final goods and services
11. pool	k. someone who works in an office that is part of the civil service

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

One of the problems that a national economy might face is a high level of unemployment. High unemployment means that there is a large amount of wasted labour resource, and governments will often try to reduce **unemployment** to an “acceptable” level.

There exist a number of different categories of unemployment.

**Frictional unemployment.** It is inevitable that some unemployment is caused not so much because there are not enough jobs to go round, but because of the friction in the labour market, i. e. the difficulty in quickly matching workers with jobs, caused perhaps by a lack of knowledge about job opportunities. Frictional unemployment occurs where there is a shortage of a given type of worker in one region, but a surplus of the same type in another. In general, it takes time to match prospective employees with employers. And individuals will be unemployed during the search period for a new job. Frictional unemployment is temporary, lasting for the period of transition from one job to the next Seasonal unemployment. This occurs in certain industries, e.g. building, tourism and farming, where the demand for labour fluctuates in seasonal patterns throughout the year.

**Structural unemployment** occurs where long-term changes in the conditions of an industry occur, e.g. an industry may decline leaving many workers redundant and reluctant to move to a new industry (labour immobility). The feature of structural unemployment is high regional unemployment in the location of the industry affected.

**Technological unemployment.** This is a form of structural unemployment, which occurs when new technologies are introduced. With automation, employment levels in an industry can fall sharply, even when the industry’s total output is increasing.

**Cyclical unemployment.** It has been the experience of the past that domestic and foreign trade go through cycles of boom, decline, recession, recovery, then boom again, and so on. Cyclical unemployment can be long-term, and a government might try to reduce it by doing what it can to minimise a recession or to encourage faster economic growth.

**Frictional** and **seasonal unemployment** will be short-term. Structural, technological and cyclical unemployment are all long-term and more serious.

Governments are anxious to influence unemployment levels for a number of reasons.

Unemployment is a waste of economic resources, and it leads to individual **hardship**. Politically, the level of unemployment is seen as a key indicator of a government's success or failure.

A government's policies to influence employment will probably be aimed either at reducing the total number of unemployed people down to an "acceptable" level, or at creating more jobs. Job creation and reducing unemployment should often mean the same thing.

A government can try to create jobs or reduce unemployment by:

- spending more money directly on jobs, i. e. hiring more **civil servants**;
- encouraging growth in the private sector of the economy. When **aggregate demand** is growing, firms will probably want to increase output to meet demand, and so will hire more labour;

- encouraging training on job skills. There might be a high level of unemployment amongst unskilled workers, and at the same time a shortage of skilled workers. A government can help to finance training schemes, in order to provide a "**pool**" of workers who have the skills that firms need and will pay for.

### **Task 3. Answer the following questions:**

1. What types of unemployment do you know?
2. In which economic sectors have jobs disappeared?
3. In which economic sectors have jobs been created?

4. Do you see any areas in which a large number of jobs might realistically be created?
5. How can high unemployment influence the economy of the country?
6. Is it possible to reduce the high level of unemployment?
7. Is it possible for the country to have full employment?
8. How can governments respond to high or increasing levels of unemployment?
9. Can you suggest any other solutions to the currently existing high rates of unemployment and temporary work?
10. Has the rate of unemployment in our country increased or decreased in the past 10 or 20 years?

**Task 4. Fill in the gaps using the words from the given below.**

Structural unemployment, labour force, frictional unemployment, pool, hardship, unemployment, unemployed, labour market, full employment, aggregate demand

1. Closure of the plant will mean . . . for 500 workers.
2. The new taxes are creating extreme . . . for poor families.
3. Most families still do suffer a painful loss of income when their breadwinner becomes . . . .
4. A . . . of volunteers designed different projects.
5. Imperfections in the . . . caused high unemployment in the country.
6. Our goal is to keep . . . within reasonable boundaries.
7. The level of unemployment at which no or minimal involuntary unemployment exists is called . . . .
8. . . . is the number of people employed or seeking employment.
9. The total quantity of output demanded at alternative price levels in a given time period is an . . . .
10. . . . results from unemployment of workers who have lost their jobs because their skills are no longer in demand.

**Task 5. Match two parts of the sentences.**

1. When aggregate demand is growing, firms will probably want to increase output to meet demand,	a. while structural, technological and cyclical unemployment are all long-term and more serious.
2. Frictional unemployment occurs where there is a shortage of a given type of worker in one region,	b. spending more money directly on jobs, encouraging growth in the private sector of the economy, encouraging training on job skills.
3. Structural unemployment occurs where long-term changes in the conditions of an industry occur,	c. where the demand for labour fluctuates in seasonal patterns throughout the year.
4. High unemployment means that there is a large amount of wasted labour resource,	d. e.g. an industry may decline leaving many workers redundant and reluctant to move to a new industry.
5. Frictional unemployment is temporary,	e. or at creating more jobs.
6. Seasonal unemployment occurs in certain industries,	f. and governments will often try to reduce unemployment to an “acceptable” level.
7. With automation, employment levels in an industry can fall sharply,	d. lasting for the period of transition from one job to the next.
8. Frictional and seasonal unemployment will be short-term	h. but a surplus of the same type in another.
9. A government can try to create jobs or reduce unemployment by a number of methods:	i. even when the industry’s total output is increasing
10. A government’s policies to influence employment are aimed either at reducing the total number of unemployed people down to an “acceptable” level,	j. and so will hire more labour.

## **Task 6. Write the summary of the text.**

### The Effects of Unemployment on Specific Individuals

The term “labor” refers not simply to another factor of production but people. Not using all our available labor means that somebody is without job. That may be all right for a day or even a week, but if you need some income to keep body and soul together, prolonged unemployment can hurt. The same is true for plant and equipment, or land. If available machinery or farmland is not used, then somebody’s income is going to be in jeopardy. If the company or farm loses a lot of income, it may shut down, throwing still more people out of work. To the extent that society as a whole cares about the welfare of individuals, the full utilization of our productive resources – full employment – a desirable social goal.

The experience of unemployment – or not being able to find a job when you want one – can be painful. In addition to the income loss, many unemployed people also experience important social and psychological problems. Failure to find a job can suddenly make one feel useless, bitter, and confused. Psychologists have observed that many unemployed people feel discarded by the very social institutions in which they had once placed their trust. This sensation is not easily forgotten, even after one has finally found employment.

It is difficult to measure the full impact of unemployment on individuals. A study for the U.S. Congress, however, provides some frightening suggestions. The author of the study estimated that a prolonged increase in the national unemployment rate leads, on average, to suicides, fatal heart attacks or strokes, deaths from liver cirrhoses, admissions to mental hospitals and prisons. Although these estimates are subject to serious statistical qualifications, they underscore the notion that prolonged unemployment poses a real danger to many individuals. German psychiatrists have also observed that unemployment can be hazardous to your health. They estimate that the anxieties and other nervous disorders that accompany one year of unemployment can reduce life expectancy by as much as 5 years.

## UNIT 16. THE MONEY MARKET

**Key words to memorize:** equilibrium, to deplete, to incur, opportunity cost, profitable, offset, interest rate, Treasury bill, bond, money market.

### Task 1. Match the key words with their definitions.

1. equilibrium	a. the banks and other financial institutions that buy and sell bonds currency
2. profitable	b. a balance between opposing forces, influences, etc.
3. interest rate	c. an official document promising that a government or company will pay back money that it has borrowed, often with interest
4. money market	d. the percentage amount that is charged by a bank when you borrow money, or that is paid to you by a bank when you keep money in an account here
5. opportunity cost	e. to reduce the amount of something that is available
6. offset	f. producing a profit
7. bond	g. to have something bad happen to you such as punishment or debt because of something you have done
8. Treasury bill	h. the most desired goods or services that are forgone in order to obtain something else
9. to incur	i. if something such as a cost or amount compensate another cost or amount, the two things have an opposite effect and so the situation remains the same
10. to deplete	j. a special piece of paper that is worth later, that the U.S government sells for less money than it is worth later, as a way of borrowing money

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

The money market comprises the demand for money and the money supply. The **equilibrium** in the money market is such a state of balance when the demand for money from households and businesses is satisfied by the quantity of the money supplied. The equilibrium in the money market is reached by changing bond prices.

People can hold their wealth in various forms - money, bonds, equities, and property.

For simplicity we assume that there are only two assets: money, the medium of exchange that pays no interest, and bonds, which we use to stand for all other interest-bearing assets that are not directly a means of payment. As people earn income, they add to their wealth. As they spend, they **deplete** their wealth. How should people divide their wealth at any instant between money and bonds to gain the best profits possible and not to **incur** losses?

There is an obvious cost of holding money. The **opportunity cost** of holding money is the interest one would have gained if he/she had held bonds. It naturally follows that people will hold money rather than bonds only if there is a benefit to **offset** this cost, only if holding money is more profitable than holding bonds. It may happen only when interest rates on bonds are too low to make it **profitable** to hold bonds.

Suppose the money market is in equilibrium when **the interest rate** on interest-bearing assets (e.g. Treasury bills and other securities) is 6% and the amount of money demanded is \$200 mln. Now suppose the interest rate goes down, say, to 4%. In this case interest-bearing assets are no longer profitable as they can't earn a sufficient return. Hence the demand for money will rise and will lead to a temporary lack of money in the **money market**. If they lack money, households and businesses are likely to sell bonds they possess for cash. That will cause an increase in the **bond supply**, which lowers bond prices and rises interest rates on interest-bearing assets. With a higher interest rate the amount of money people are willing to have in hand will decrease again. Consequently, the money supply will adjust to a current demand to reflect a new higher interest rate.

Conversely, the increase in the money supply creates its temporary surplus, which results in the demand for bonds and bond prices going up. The interest rate falls thus restoring balance in the money market, but at a new lower interest rate.

**Task 3. Answer the following questions:**

1. What is the equilibrium in the money market?
2. How can it be reached?
3. Explain in your own words the term “opportunity costs”.
4. What is the opportunity cost of holding money?
5. How does the money market work?

**Task 4. Fill in the gaps using the words from the given below.**

profitable, offset, opportunity costs, bond, interest rates, incurred, equilibrium

1. The supply and the demand for money must be kept in . . . .
2. His company . . . \$50 million loss in 1990.
3. The . . . of public spending are not always apparent.
4. Many small firms are struggling to stay . . . .
5. Profits in GM’s computer services were not enough . . . the huge losses in its automotive operations.
6. Today all banks offer a variety of checking account, paying various . . . .
7. A . . . presents an interest-bearing certificate issued by a government or corporation promising to repay a sum of money plus interest at specified dates in future.

**Task 5. Match two parts of the sentences.**

1. When people earn income,	a. when the demand for money from households and businesses is satisfied by the quantity of the money supplied.
2. The equilibrium in the money	b. only if holding money is more profitable

market is such a state of balance	than holding bonds.
3. When people spend money,	c. that are not directly a means of payment.
4. If people lack money	d. they add to their wealth.
5. We use bonds to stand for all other interest-bearing assets	e. and not to incur losses.
6. People will hold money rather than bonds only if there is a benefit to offset this cost,	f. households and businesses are likely to sell bonds they possess for cash.
7. Sometimes people don't know how to divide their wealth at any instant between money and bonds to gain the best profits possible	j. they deplete their wealth.

**Task 6. Write the summary of the text.**

Economic and Monetary Union

An economic and monetary union (EMU) is a single market with a common currency. It is to be distinguished from a mere currency union (e.g. the Latin Monetary Union in the 1800s), which does not involve a single market.

The largest economic and monetary union at present is the Eurozone. The Eurozone consists of the European Union member states that have completed the third stage of the EMU by adopting the Euro as their sole official currency. Some non-EU members have also adopted the Euro, but they are not part of this EMU.

Complete economic integration is the final stage of economic integration. After complete economic integration, the integrated units have no or negligible control of economic policy, including full monetary union and complete or near-complete fiscal policy harmonization.

**UNIT 17. EXCHANGES**

**Key words to memorize:** auction, to govern, commodity, ownership, warehousing, accommodate, delivery, jobber, deal, fluctuation.

**Task 1. Match the key words with their definitions.**

1. auction	a. someone who buys a product from a company at a warehouse price and then sells it to a customer, usually another company, at a higher price
2. commodity	b. the process of storing large quantities of things, especially in a warehouse, so that they can be sold or used at a later time
3. ownership	c. a sudden change in the amount, level, or price of something
4. delivery	d. to officially and legally control a country and make all the decisions about taxes, laws, public services etc.
5. fluctuation	e. a product that is bought and sold
6. jobber	f. to have or provide enough space for a particular number of people or things
7. deal	d. an agreement or arrangement, especially in business or politics
8. to govern	h. the fact or state of owning something
9. accommodate	i. the act or process of bringing goods, letters etc. to a particular place or person
10. warehousing	j. a public meeting where land, buildings, paintings etc. are sold to the person who offers the most money for them

**Task 2. Read and translate the text. Pay attention to the usage of the key words.**

An exchange is an organized meeting of persons in a permanent appointed place with the aim of buying and selling. The trading there is **governed** by certain rules and is limited to members of the exchange, who are known as brokers. There are two main types of exchanges: the Commodity Exchange and the Stock Exchange.

Commodity Exchange (or produce exchange) is a market in which **commodities** (raw materials and some manufactured goods) are bought and sold for immediate or future delivery. Commodity markets/exchanges have been established

in important cities of Great Britain, the USA and other countries for trading in cotton, wool, timber, wheat, hides and skins and other such commodities. It is not necessary for the commodities to be physically exchanged; only rights to **ownership** need to be.

In Great Britain there are, for example, the Coal Exchange, the Timber Exchange, the Home and Foreign Produce Exchange and others, of which the following are world known: the Metal Exchange, the Wool Exchange, the grain market in the Baltic Exchange; furs are sold in Beaver House, the diamond trade is centered in Hatton Garden, and tea and rubber have their home in Plantation House. This building also accommodates the London Commodity Exchange dealing with cocoa and coffee, sugar and spices, vegetable oils and jute. London has important commodity markets arising partly from its industrial and colonial history, and partly from the nature of its foreign trade.

Outside London there are two commodity markets in Liverpool: the Cotton Exchange and the grain market. In the USA the best known are the Board of Trade in Chicago (corn), the New York Produce Exchange, the New York Cotton Exchange, the New York Coffee and Sugar Exchange.

The old practice of **auctioning** commodities from **warehouse** in which samples could be inspected beforehand has become less important. An efficient system of grading and modern systems of communication have enabled the practice of CIF trading to develop. A buyer can buy a commodity in the country of origin for delivery CIF to a specified port at which he can off-load for direct **delivery** to his own premises. This method saves warehousing costs and auction charges. However, many auctions still take place in London, e.g. tea, wool and furs. The market not only enables commodities to be sold spot or for delivery at some specified time and place, but it also includes a market in futures. This latter enables merchants to avoid the effect of price fluctuations by buying for forward delivery. Main terminal markets are situated in London and New York.

Stock Exchanges are places where securities, stocks and bonds are sold and bought.

The most famous stock exchanges are the Royal Exchange in London and New York Stock Exchange.

The London Stock Exchange has a unique method of operation in that it divides its members into brokers and **jobbers**. The brokers do business with the public, but the jobbers do business only with brokers, and with each other. On the Stock Exchange the business of buying and selling shares is called dealing and a transaction is called a **deal**.

The **fluctuations** of prices on exchanges influences to a great extent the prices of the various commodities on the world market.

**Task 3. Answer the following questions:**

1. What are the two main types of exchanges?
2. What commodities are traded on produce markets?
3. What are the largest commodity markets in the world?
4. What is the “CIF trading”?
5. What is traded on stock exchanges?
6. What is the difference between brokers and jobbers?

**Task 4. Fill in the gaps using the words from the given below.**

auction, governed, ownership, warehousing, accommodate, delivery, deal

1. The painting was sold at the . . . for \$5,000.
2. The same director has . . . the firm for thirty years.
3. The agency was transferred from public to private . . . .
4. We are concerned about the rising cost of . . . .
5. The hotel can only . . . 200 people.
6. Pizza Mondo offers free . . . .
7. The . . . would create the nation’s largest credit card company.

**Task 5. Match two parts of the sentences.**

1. The fluctuations of prices on exchanges influences to a great extent	a. at which he can off-load for direct delivery to his own premises.
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2. The old practice of auctioning commodities from warehouse in which samples could be inspected beforehand	b. the prices of the various commodities on the world market.
3. An exchange is an organized meeting of persons in a permanent appointed place	c. and partly from the nature of its foreign trade.
4. Commodity Exchange is a market in which commodities are bought and sold	d. has become less important.
5. London has important commodity markets arising partly from its industrial and colonial history,	e. only rights to ownership need to be.
6. The London Stock Exchange has a unique method of operation in that	f. for immediate or future delivery.
7. It is not necessary for the commodities to be physically exchanged;	g. it divides its members into brokers and jobbers.
8. A buyer can buy a commodity in the country of origin for delivery CIF to a specified port	h. with the aim of buying and selling.
9. The brokers do business with the public,	i. is called dealing and a transaction is called a deal.
10. On the Stock Exchange the business of buying and selling shares	j. but the jobbers do business only with brokers, and with each other.

**Task 6. Write the summary of the text.**

Stocks and Markets

Stock Markets are the means through which securities are bought and sold. The origin of the stock markets goes back to medieval Italy. During the 17th and 18th centuries Amsterdam was the principle center for securities trading in the world. The appearance of formal stock markets and professional intermediation resulted from the

supply of, demand for and turnover in transferable securities. The 19th century was a great expansion in issues of transferable securities.

The popularity of transferable instruments as a means of finance continued to grow and at the beginning of the 20th century there was an increasing demand for the facilities provided by stock exchanges, with both new ones appearing around the world and old ones becoming larger, more organized and increasingly sophisticated.

The largest, most active and best organized markets were established in Western Europe and the United States. Despite their common European origins there was no single model which every country copied.

Members of stock exchanges drew up rules to protect their own interests and to facilitate the business to be done by creating an orderly regulated marketplace.

Investors were interested in a far range of securities that those issued by local enterprises. Increasingly, these local exchanges were integrated into national markets. The rapid development of communications allowed stock exchanges to attract orders more easily from all over the country and later the barriers that had preserved the independence and isolation of national exchanges were progressively removed, leading to the creation of a world market for securities. The 1980s saw the growing internationalization of the world securities markets, forcing stock exchanges to compete with each other. Cross-border trading of international equities expanded.

# GLOSSARY

## A

**a gut feeling** – підсвідоме, інстинктивне передчуття

**ability** – здібність, вміння

**ability to pay principle** – принцип "спроможності платити", принцип "платоспроможності"

**accept** – акцептувати (вексель), приймати; to accept a bill for honour - акцептувати вексель для рятування кредиту векселедавця; to accept as a pledge - прийняти як заставу

**accomplish** – виконувати, досягати

**account** – рахунок, звіт, журнальна стаття (в бухгалтерському обліку), реєстр, зпис фінансової операції; мн. ділові книги, торговельні книги; записувати на рахунок

**accounting** – бухгалтерія

**account for** – пояснювати; звітувати(ся), нести відповідальність

**accountant** – кваліфікований бухгалтер; ревізор, контролер; експерт з аналізу балансів і фінансової звітності; консультант з податків; chief accountant - головний бухгалтер-аналітик; managerial accountant - фінансист-контролер; голова облікового апарату

**accounting** – бухгалтерський облік, аналіз господарської діяльності; подання офіційної звітності, рахівництво

**achieve** – досягати; **achieve objectives** – досягати цілей

**adaptability** – придатність, застосування

**adaptation** – пристосування

**add** – додавати; приєднувати

**additional (extra) units** – додаткові одиниці

**adjust** – узгоджувати, приводити у відповідність, виправляти, коректувати

**administrative manager** – генеральний директор, керівник підприємства

**adopt methods** – переймати методи (методику)

**advantage** – перевага

**advertise** – розміщувати оголошення, рекламувати

**advertising** – реклама

**agency** – чинник, засіб (*виконання*); агентство; орган, бюро; представництво

**agent** – представник

**aggregate** – сукупний, зібраний в одне ціле

**aggregate demand** – сукупний попит

**aggregate income** – сукупний прибуток

**aggregate output** – загальний обсяг виробництва

**aggregate price level** – загальний рівень цін

**aggregate spending** – сукупні витрати

**aggregate supply** – сукупна пропозиція

**allocate** – розміщувати; виділяти; асигнувати

**allocation** – розміщення, розподіл; асигнування, відрахування, виділення (*дефіцитних або фондових ресурсів*);

**alternative** – альтернатива, заміна

**amount** – кількість, сума, підсумок, основна сума і відсотки; **amount of money** – сума, кількість грошей; **amount of product** – кількість продукту

**analysis** – аналіз, дослідження, детальний розгляд; бух. метод розрахунку;

**analysis of accounts** – ревізія (аналіз) рахунків; **balance sheet analysis** - аналіз балансу; **budget analysis** - аналіз виконання фінансового плану чи кошторису; **income analysis** – аналіз доходів; **income-expenditure analysis** – аналіз доходів і витрат; **analysis of corporate cash flows** – аналіз грошового обігу компанії

**annual** – річний

**anticipate** – очікувати

**applicant** – заявник; кандидат на посаду

**applicant for credit** – особа, що звертається за кредитом

**applicant for shares** – особа, що бажає купити

**apply for** – подавати заяву

**appreciation** – зростання вартості, приріст вартості

**approach** – метод, підхід

**appropriate** – відповідний, придатний; властивий

**arrangement** – впорядкування, організація, домовленість, угода; credit a. – надання кредитів; economic working a. – організація економічної діяльності;

**as a consequence** – як наслідок

**assessment** - оцінка (нерухомості в цілях оподаткування); оподаткування; розмір податку; tax assessment - встановлення податкових ставок

**assets** – активи, капітал

**assign** – асигнувати, призначати

**assistance** – допомога, сприяння; підтримка

**assume** – брати (*на себе*); вживати (*заходів*), допускати, передбачати

**assurance** – запевнення, гарантія; assurance of reliability - гарантія надійності, warranty assurance - гарантійний термін служби

**attain** – досягати

**attainable** – досяжний

**attend** – відвідувати

**attract a large amount of capital** – залучати великий капітал; **attract customers** – залучати покупців; **attract financial resources** – залучати фінансові ресурси

**audit** – аудит, перевірка, ревізія; аналіз господарської діяльності (внутрішній); опитування споживачів; bank audit - ревізія банківської звітності; unscheduled audit - незапланована перевірка

**auditor** - бухгалтер ревізор, головний бухгалтер; мн. ревізорські фірми (які здійснюють ревізію бухгалтерського обліку та звітності в інших компаніях)

**auction** – аукціон, публічний продаж, торги; to sell by auction – продавати з аукціону

**authority** – орган влади, адміністрація; право, повноваження, влада посадової особи; авторитет (*визначний спеціаліст*)

**available** – придатний, корисний; що є в розпорядженні, наявний; доступний

## **В**

**background** – підготовка, освіта; кваліфікація; тло

**backup** – підтримка

**balance** - балансовий звіт

**balance sheet** – балансовий звіт

**banknote** – кредитний білет, банкнота

**bankruptcy** – банкрутство

**bank services** – банківські послуги

**banking** – банківська справа

**bank with foreign investments** – банк із іноземним капіталом

**barter** – товарообмін, мінова торгівля; міняти, обмінюватися, торгуватися

**basket** - набір валют (на основі якого проводиться перегляд валютних паритетів або курсів); consumer goods basket - бюджетний набір споживацьких товарів та послуг, споживацька корзина; currency basket - валютна корзина, набір валют; market basket - набір споживацьких товарів та послуг, що можна придбати на ринку

**basic purpose** – головна мета

**benefit** – прибуток, вигода, грошова допомога; мн. пільги, послуги; cash b. – грошова допомога; insurance b. – страхова допомога; marginal b. – гранична вигода; social insurance b-(s) – виплати з соціального страхування; unemployment b. – допомога по безробіттю; приносити прибуток, отримувати вигоду

**benefit principle** – принцип "вигоди"

**be involved** – бути залученим до, займатись

**be on commission** – одержувати комісійні з торгівлі

**bidder** – учасник аукціону

**board of directors** – рада директорів

**bond** – облігація; боргове зобов'язання

**book-keeper** – обліковець; бухгалтер

**bookkeeping** – бухгалтерський облік, бухгалтерія; bank bookkeeping - бухгалтерські операції в банку; tax bookkeeping - податкова бухгалтерія, податкова документація

**borrow** – позичати; to borrow at interest - позичати гроші під відсоток; to borrow on securities - отримувати позику під заставу цінних паперів; to borrow short - отримувати короткотермінову позику

**brand** (branding) – сорт, торговельна марка; national brand - фабрична марка, відома по всій країні; top-selling brands - найбільші ходові марки (товару)

**branch** – відділення, філіал, галузь

**brand name** – торгова марка

**bring to world standard** – довести до світових стандартів

**brokerage firm** – маклерська фірма

**buyer** – покупець

**by-laws** – статут, правила внутрішнього розпорядку (*що приймаються правлінням фірми*)

**building societies** – житлово-будівельне товариство

**bulletin board** – дошка оголошень

**business** – справа; підприємство; підприємництво; торгова операція; ділові кола

**business cycle** (syn. trade cycle, cyclical fluctuations, economic fluctuations, trade-cycle) – економічний цикл

## С

**calculate** – обчислювати, підраховувати; калькулювати

**capacity** – схильність, здатність, компетенція; c. to pay debt – здатність погасити борг; c. of market – ємність ринку; business c. – ступінь стійкості /надійності ділового підприємства; competitive c. of enterprises – конкурентоспроможність підприємств; delivery c. – пропускна спроможність; economic c. – виробничі можливості економічних об'єктів; labour c. – продуктивність праці; normal c. – продуктивність при нормальних умовах; paying c. – платоспроможність; personal earning c. – потенційний дохід індивідуумів; taxable c. – податково спроможність

**capital** – капітал, фонди; current capital – оборотний капітал, оборотні фонди

capital market – ринок довготермінового позичкового капіталу

**capture** – захопити

**carry out** – проводити, виконувати

**carry on a business** – вести справу, займатися підприємницькою діяльністю

**cash management** – контроль та регулювання грошових операцій

**cash transfer** – допомога грішми, грошовий переказ

**catch on** – стати модним

**cause** – привід, мотив, спричиняти

**census** – перепис, перепис населення

**certain features in common** – певні спільні риси

**certificate of deposit** – депозитний сертифікат

**chain** – мережа роздрібних магазинів або банківських філій ланцюгового підпорядкування (*ам.*)

**chain movement** – рух до об'єднання

**chairman** – керівник, голова

**channels of distribution** – система збуту

**charge** – ціна; відповідальність

**charge prices** – призначати, встановлювати ціни

**charitable institution** – благодійна установа

**chart** – схема

**charity** – благодійність, милосердя, добродійність, співчуття

**charter** – право

**chase up supplies** – контролювати поставки

**check** – контроль, чек, перепона; контролювати, виписувати чек

**checking account** – чековий (поточний) рахунок

**choose the company's officers** – вибирати адміністративних виконавців компанії

**circular flow** – кругообіг

**circumstances** – обставини

**citizens needs** – потреби громадян

**coach** – готувати, наставляти

**coin** – монета; **legal coin** – законний платіжний засіб; **token coin** – розмінна монета

**coincident wants** – потреби, що збігаються

**collaborate** - співпрацювати

**collapse** – крах, провал, різке падіння, скорочення с. of bank – банкрутство банку; price s. – падіння/ різке зниження цін, profits – різке скорочення прибутків

**collusion** – зговір, таємний зговір

**combat inflation** – побороти інфляцію

**commercial bank** – комерційний банк

**commitment** – відданість, зобов'язання

**commodity** – продукт; товар; предмет ужитку

**commodity money** – товарні гроші

**common denominator** – загальноприйнятий еквівалент

**common stock** – спільні акції

**communicate results** – повідомляти результати

**competitive** – конкурентоздатний

**competitive services** – вигідні (конкурентні) послуги

**company** – компанія, товариство (акціонерне), фірма, корпорація

**compel** – примушувати, підпорядковувати

**compete** – конкурувати; змагатися

**competent** – компетентний, що задовольняє потреби

**competition** – конкуренція, конкурентна боротьба; змагання; **competitive** – конкуруючий, конкурентоспроможний; **competitor** – конкурент

**complicate** – ускладнювати

**complication** – ускладнення

**composed of** – комбінований, складений

**compound** – складний

**computer security** – комп'ютерна безпека

**concern** – концерн, фірма, підприємство; структурний підрозділ

**conclude a deal** – укладати угоду

**condition** – умова, стан, положення

**conductive** – провідний, сприятливий

**connect** – з'єднувати, сполучати

**connection** – зв'язок

**consequence** – наслідок, важливість

**consider** – розглядати, обмірковувати, вважати, брати до уваги

**consideration** – розгляд, обміркування; відшкодування, компенсація

**consult a partner** – консультиватися з партнером

**consume** – споживати; витратити

**consumer** – споживач

**Consumer Price Index** – показник споживчої вартості

**consumption** – споживання, витрата, затрата; c. in bulk – масове споживання;

desired c. – очікуване споживання; per capita c. – споживання на душу населення; unproductive c. – непродуктивне споживання

**constitute** – складати, засновувати, призначати

**constitute, comprise** – складати

**consumer expectations** – очікування споживачів

**consumer price index** – індекс споживацьких цін

**contemporary** – теперішній, сучасний

**contingency planning** – планування непередбачуваних витрат

**continually** – постійно

**contribute** – робити внесок, доповнювати

**control the profit** – контролювати прибуток

**controller** – головний фінансист; ревізор

**conversely** – навпаки

**convey** – передавати, виражати

**coordinate** – координувати, узгоджувати

**copyright** – авторське право

**corporate charter** – корпоративний патент

**corporate stock** – акціонерний капітал

**corporation** – корпорація; товариство

**corrective** – виправний, корегуючий

**corresponded quantity** – відповідна кількість

**correspondence account** – кореспондентський рахунок

**costs** – витрати, затрати; одн.- ціна, вартість, собівартість; at cost - за собівартістю; at heavy cost - ціною великих витрат; at any cost - за будь-яку ціну; free of cost - безкоштовно; cost to the consumer – витрати споживача

**cost-push inflation** – інфляція витрат

**cost** – ціна; вартість; витрати, видатки

**country's legislature** – законодавча влада країни

**course of action**– хід подій

**cover costs** – покривати витрати

**covertly** – приховано, таємно

**creation** – створення

**creditor** - кредитор; long-term creditor - особа, що надає довготерміновий кредит; trade creditor - особа, що надає комерційний кредит

**credit terms** – кредитні умови

**credit union** – кредитна спілка

**creep** – повільне підвищення; повзти вгору, повільно підійматись (про ціни)

**crucial element**– головний (найважливіший) елемент

**currency** – грошовий обіг, гроші (звичайно готівка), валюта

**current calculations** – поточні обрахунки

**current prices** – існуючі ціни

**current spending** – поточні витрати

**curve** – крива; графік, креслення

**customer** - покупець, замовник, клієнт; купівельна заборгованець (стаття балансу); to allocate customers - розподіляти споживачів між постачальниками; to create customers - формувати ринок, створювати клієнтуру; to service customers - обслуговувати покупців; charge-account customer - покупець, що купує товари в кредит; defaulting customer - клієнт, що не виконує зобов'язань

**customer accounting** – облік покупців (клієнтів)

**cut back** – скорочувати

**cyclical unemployment** –циклічне безробіття

## D

**data** - дані, фактичні відомості; **business data** - комерційна інформація; **management data** - управлінська інформація; **production data** - дані про випуск продукції, показники ходу виробничого процесу, технологічні показники

**dairy** – молочарня; молочна ферма; молочний магазин

**damage** – збиток, шкода

**day-to-day decisions** – щоденні рішення

**deal** – угода

**debit** - дебет

**debt** – борг; **debt ceiling** – максимальний розмір боргу; **debt funding** – утворення грошового фонду підприємства за допомогою науки; **debt obligation** – боргове зобов'язання; **debit card** – дебетова картка; **debt servicing** – виплата боргу та відсотків

**deceptive** – що вводить в оману

**declare personal bankruptcy** – оголосити власне банкрутство

**decline** (n) – падіння, спад, зниження, погіршення життєвого рівня; **d. in economic activity** – зниження економічної активності, **d. in quotations** – зниження курсів цінних паперів, **d. in dollar** – зниження вартості чи валютного паритету долару, **d. in the living standard** – зниження життєвого рівня, **d. of export markets** – звуження експортних ринків. **business d.** – спад ділової активності; **decline** (v) – зменшуватися; погіршуватися; занепадати; *n* занепад; зниження; падіння;

**decrease** – *n* зменшення, скорочення; *v* зменшувати

**deduct** – відраховувати, віднімати

**default** – невиконання зобов'язань, договору, **d. on international obligations** – несплата невиконання міжнародних зобов'язань; **to be in d.** – прострочити платежі; **to claim** – пред'являти претензію за невиконання договору; **to cure a d.** – ліквідувати прострочення платежів

**deficit** – дефіцит

**deficit ceiling** – максимальний розмір дефіциту

**balance of-payments deficit** – дефіцит платіжного балансу

**deflate** – знижувати ціни

**deflation** – дефлювання, дефлятування; дефляція; амер. зниження цін; monetary;

**deflation** - грошово-кредитна дефляція; price deflation - зниження цін; profit;

**deflation** - зниження рівня прибутку

**delay** – затримка, припинення, відкладання, відстрочення (платежу); d. in

payment – відстрочення платежу; debtor's d. – відстрочення у погашенні боргу;

internal d. – затримка з внутрішніх причин

**deliver** – доставляти; постачати

**delivery** – доставка, поставка, постачання; delivery on call - поставка за

вимогою; free delivery – безкоштовна доставка додому; ready delivery – поставка

готової продукції

**demand** – опит, потреба, вимога; d. for payment – вимога платежу; d. for service

– потреба в обслуговуванні; to meet/to satisfy d.– задовольняти попит; business

d. – попит підприємств; direct d. – попит на засоби споживання; home/domestic d.

– внутрішній попит, попит на внутрішньому ринку; market d. – вимоги ринку,

ринковий попит; overall d. – загальний попит; peak d. – максимальний попит;

primary d. – первинний попит

**demand-pull inflation** – інфляція, спричинена попитом

**denomination** – найменування, назва

**department head** – голова відділу

**department store** – універмаг

**deposit** (n) – вклад, депозит, внесок, завдаток; to pay a deposit - виплатити гроші

по депозиту; to place money on deposit - вносити гроші на депозит; checking

deposit - вклад на поточному рахунку; noninterest bearing deposit - безвідсотковий

вклад; primary deposit - первинний депозит; savings **deposit** - ощадний вклад;

**deposit** (v) - депонувати, покласти на зберігання, дати завдаток; to deposit a

pledge - передати заставу; to deposit money with a bank - внести гроші в банк

**deposit account** – депозитний рахунок

**depreciation** – знецінювання

**depression** – депресія, застій, криза, зниження; business d. – промисловий застій,

спад ділової активності, економічна депресія; economic d. – економічна криза

**derived demand** – попит на засоби виробництва

**designate** – призначати

**designing compensation and benefit systems** – розробка системи винагород та преміальних.

**detect** – виявляти

**deter (from)** – утримувати (від)

**determine** – визначати

**determinants** – чинники

**deviation** – відхилення

**differentiate** – розрізняти, виділяти

**direct** – вказувати, керувати

**direct exchange** – прямий обмін

**directly related** – безпосередньо пов'язані

**disadvantage** – недолік

**disaster** – лихо, біда

**discount coupon** – талон, який надає право придбати товар за низькими цінами

**discount house** – магазин з відносно низькими цінами

**discount rate** – ставка обліку

**discount** – знижка

**discourage** – не сприяти, не заохочувати

**discover** – відкривати

**disequilibrium** – нестійкість, втрата рівноваги

**discharge** – звільняти

**disposable income** – прибуток, що є в наявності

**distribute profits and losses** – розподіляти прибутки і збитки

**distribute** – розподіляти

**distribution** – збут; розподіл

**distribution operation** – операція з розподілу

**deviation** – відхилення; deviation from agreed-upon prices - відхилення від узгоджених цін; deviation of prices from value - відхилення цін від вартості

**directory** – довідник, каталог, адресна книга

**diverse** – різноманітний; **diversify** – урізноманітнювати; **diversity** – розмаїття  
**dividend** – дивіденд  
**divisibility** – розмінність  
**division of labor** – розподіл праці  
**do books** – вести бухгалтерський облік  
**domain** – володіння; територія; галузь, сфера  
**domestic currency** – місцева валюта  
**domestic market** – внутрішній ринок  
**drawback** – недолік, негативний бік; перешкода  
**draw a cheque** - виписувати чек  
**dump** – звалище  
**durability** – міцність  
**duties** – обов'язки

## Е

**earn** – заробляти; отримувати прибуток

**economic system** – економічна система

**economics** – економіка (навчальна та *наукова дисципліна*); економічна теорія

**economies of scale** – економія, зумовлена зростанням масштабів виробництва

**economist** – економіст

**economy** – економіка, народне господарство, економія, бережливість; економіка (*як сфера знання*)

**effect** – вплив

**efficiency** – ефективність; продуктивність

**efficient** – ефективний, дійовий; кваліфікований, умілий

**efficiently** – ефективно

**elaborate** – виробляти, розробляти, розвивати

**elastic** – еластичний; гнучкий

**elasticity** – гнучкість; еластичність

**electronic commerce** – електронна торгівля

**electronic payment system** – електронна система платежів

**eligible for a loan** – підходящий; прийнятний для позики (*тобто визнаний платоспроможним*)

**eliminate** – усувати

**embargo** – ембарго

**embody** – втілювати

**eminent** – піднесений; видатний, визначний, знаменитий

**employ** – наймати

**employee** - найманий працівник, службовець, робітник; **full-time employee** - робітник, зайнятий повний робочий день; **part-time employee** - робітник, зайнятий неповний робочий день

**employer** – роботодавець; наймач

**employment** – робота (*за наймом*); зайнятість; заняття

**enable** – давати право, можливість

**encourage** – заохочувати

**endowment** – внесок; вклад; дар, пожертва

**enhance** – збільшувати; посилювати

**ensure** – запевняти, гарантувати

**enterprise** – підприємство, підприємництво

**entrepreneur** – підприємець

**entrepreneur ship** – підприємство

**entire period** – весь період

**environment** – навколишнє середовище

**equilibrium** – рівновага, врівноважений стан, збалансованість; e. of business firm – стабільність фірми; domestic e. – рівновага внутрішньої рівноваги; monetary e. – грошова рівновага; supply-and-demand e. – рівновага попиту та пропозиції

**equilibrium point** – точка рівноваги

**equipment** – спорядження; обладнання; транспортні засоби

**equitable distribution of income** – рівномірний розподіл прибутків

**equity** - звичайна акція, частка акціонера в капіталі підприємства; маржа (різниця між ринковою вартістю цінних паперів і розміром отриманої від них позички); чиста вартість капіталу за вирахуванням зобов'язань; активи (підприємства) за вирахуванням заборгованості

**essential** – важливий, необхідний

**essential concern** – головна турбота

**establish** – засновувати; встановлювати

**estimate** – підраховувати, оцінювати

**estimation** – оцінка, підрахунок, судження

**evaluate** – оцінювати; визначати вартість

**evaluation** – оцінка, обчислення, визначення вартості, оцінка (напр. якості), атестація (службовців)

**evolve** – розвиватися; розгортатися

**evolving** – що з'являється

**exceed** – перевищувати

**excess** – надлишковий, додатковий

**excessive** – надлишковий

**exchange** – обмін, біржа, розмін грошей, операції з іноземною валютою;  
commodity exchange – товарна біржа; stock exchange – фондова біржа

**exchange department** – відділ обміну валюти

**exchange rate** – валютний курс

**exchange ratio** – цінове відношення

**excise tax** – акцизний збір

**exclude** – виключати

**executive** – керівник; адміністратор; виконавча влада

**expenditures** – витрати

**expansion** – експансія, розширення, зростання, піднесення (економічної активності); e. of currency – розширення грошового обігу; business e. – економічне піднесення; monetary e. – грошова експансія, зростання грошової маси

**expectation** – очікування; сподівання

**expenditure** – витрачання, видаток, витрати; expenditures above the line – балансові статті витрат державного бюджету (на утримання збройних сил, державного апарату); expenditures below the line – позабалансові статті витрат державного бюджету (позички підприємствам націоналізованого сектора); e-(s). for national security – витрати на потреби національної безпеки; e-(s) on public account – державні витрати; business e-(s) – витрати підприємців, торговельні витрати; capital e-(s) – capital e -(s) – капіталовкладення, інвестиції; fixed capital e-(s) – капіталовкладення в основний капітал; gross e-(s) – загальні (бюджетні) витрати; induced – похідні витрати; off-budget e(s) – позабюджетні витрати; on-budget e-(s) – бюджетні витрати

**experience** – досвід, практика

**explicit** – певний; точний

**export** – вивезення, експорт; **exports** – товари, що вивозяться

**extending credit** – довгостроковий кредит

**external funds** – зовнішні (іноземні) фонди

**externality** – зовнішній ефект (економічної діяльності)

## F

**face up to** – стикатись, бути готовим до

**facilitate** – сприяти, полегшувати

**factors of production** – чинники виробництва

**fail** – зазнавати поразки

**failure** – невдача, несприятливий кінець

**fair market** – сприятливі ринкові умови

**fairness** – справедливість

**fall** – падіння, зниження; **fall of currency** – знецінення грошей

**familiar** – близький; добре знайомий; поінформований

**family's real income** – реальний прибуток сім'ї

**favourable** – сприятливий

**feasible** – допустимий, той що підлягає виконанню, можливий

**fee** – винагорода, гонорар, внесок, збір, комісія

**feedback** – відгук

**feed the information into the computer** – вводити дані в комп'ютер

**fertilizer** – добриво

**fictitious** – вимислений, фіктивний

**figure** – цифра, кількісний показник, діаграма

**file** – файл, папка, дос'є, справа

**filthy** – забруднений

**final authority** – вирішальне слово

**finance** – фінансова справа, фінанси

**financial a-(s)** – фінансові умови; **insurance a-(s)** – гарантії; **market sharing a-(s)** –

розподіл ринків збуту; **payments a-(s)** – домовленість про здійснення платежів;

**private a-(s)** – приватна угода сторін

**financial** – фінансовий; **financial condition** – фінансовий стан; **financial**

**manager** – фінансовий менеджер; **financial statement** – фінансовий звіт

**financer** - фінансист

**fire** – звільняти з роботи

**fiscal** – фіскальний; фінансовий

**fiscal year** – фінансовий, бюджетний рік  
**fixed assets** – основний капітал, основні засоби, основні фонди  
**flexibility** – гнучкість, еластичність, рухливість  
**flexible exchange rate** – гнучкий валютний курс  
**fluctuation** – коливання, зміна (попиту)  
**follow** – дотримуватись, слідкувати  
**follow a legal procedure** – дотримуватись юридичної процедури  
**forbid** – не дозволяти, забороняти  
**forecast** - прогноз, передбачення; **marketing forecast** - прогноз ринкової кон'юнктури  
**foreign currency** – іноземна валюта  
**foreign exchange market** – ринок іноземної  
**foreign trade balance** – баланс міжнародної торгівлі  
**foreign trade sector** – сектор зовнішньої торгівлі  
**foreman** – майстер, прораб, бригадир  
**formulating performance-appraisal systems** – розробка систем оцінки праці  
**fraction** – частка, частина,  
**free enterprise system** – система вільного підприємництва  
**free– market system** – вільна ринкова система  
**frictional unemployment** – тимчасове безробіття  
**fringe benefits** – додаткові пільги  
**fuel** – пальне; паливо  
**full employment** – повна зайнятість  
**full-scale bank** – банк що пропонує повний спектр послуг

## G

**gadget** – технічна новинка, продукт сумнівної потреби  
**gain** - прибуток, доходи, заробіток, приріст  
**gainings** – доходи, заробіток  
**gamble** – ризиковане підприємство, ризикувати, спекулювати  
**gap** – інтервал, проміжок, дефіцит, нестача; **budget gap** – бюджетний дефіцит

**general partnership** – товариство з необмеженою відповідальністю  
**general rise** – загальне зростання  
**get a raise** – отримати підвищення  
**give instructions** – давати інструкції  
**GNP per capita** – валовий національний продукт з розрахунку на душу населення  
**goal** – ціль, завдання  
**go into business** – займатися бізнесом  
**go up** – зростати  
**gold reserves** – золотий запас  
**gold standard** – золотий стандарт  
**goods** – товари, вироби; вантаж, багаж  
**government department** – урядовий департамент  
**government security** – урядова гарантія  
**grant** – грант, субсидія, дотація, позика без повернення, грошова допомога  
**gross** – маса, валовий, гросс; by gross – оптом  
**gross investment** – валова інвестиція  
**gross national product (GNP)** – валовий національний продукт  
**gross pay** – плата з відрахуванням  
**growth** – ріст, розвиток, приріст, збільшення  
**guarantee** – гарантія, застава; особа, якій надається гарантія  
**guide** – керувати, спрямовувати

## Н

**half-pay** – половинний оклад  
**handbill** – рекламний листок  
**handicap** – перешкода  
**handle** – керувати; торгувати (ам.)  
**hard currency** – тверда валюта  
**hardware** – готові вироби, обладнання; апаратура, технічні вироби  
**harmful** – шкідливий

**hasten** – прискорювати

**haul** – транспортування, перевезення

**have voting rights** – мати право голосу

**hedge** – хедж (термінова угода, укладена для страхування від можливого падіння ціни)

**hi-fi** – високоякісний

**hire** – наймати на роботу

**hyperinflation** - гіперінфляція

**hoard** – запасатися ; накопичувати

**household (house hold)** – господарство, родина

**human resource manager** – менеджер персоналу

**hypothesis** – гіпотеза, припущення

## I

**implicit** – не виражений прямо, прихований

**implement** – втілювати в життя, застосовувати

**implementation** – виконання, запровадження, здійснення, виконання бюджету

**implication** – те, що мається на увазі, підтекст

**imply** – означати; мати на увазі; передбачати

**import** – імпорт, ввезення; **imports** – товари, що ввозяться

**impose** – накладати; обкладати; обманювати, обманом продавати; нав'язувати

**impose a duty on goods** – обкладати товари митом

**impose restriction** – вводити обмеження

**improvement** – покращення, вдосконалення

**inadequate** – недостатній, що не відповідає умовам

**incentive** – спонукальний мотив, спонuka, стимул, заохочувальна винагорода;

financial i. – матеріальний стимул, грошова винагорода; fiscal i-(s) – податкові

стимули; group i. – система колективної заохочувальної винагороди; material i.

– матеріальний стимул, матеріальна зацікавленість; saving i-(s) – стимули до

заощадження; work i-(s) – стимули до парці

**incinerator** – сміттєспалювальна піч

**inconsistent** – не співпадаючий, несумісний

**income** – доход(и), прибуток, і. from business – прибуток від підприємництва; і. from work – доход від праці; і. liable to tax – доход, що оподатковується; і. per head – доход на душу населення; capital і. – доход від капіталу; gross і. – валовий доход; irregular і. – доход, що не враховується офіційною статистикою; mean і. – середній доход; mixed і. – змішаний доход (від праці і від власності); net і. – чистий прибуток; sheltered і. – доход, прихований від оподаткування; taxable і. – оподаткований доход; wage і. – доход у формі заробітної плати

**income effect** – ефект прибутку

**income statement** – звіт про прибуток

**income tax** – прибутковий податок

**in contrast to** – на відміну від

**incorporate** – об'єднуватися

**increase** – зростати, збільшуватися

**incur debts** – впасти в борги

**indirect channels** – непряма, опосередкована система

**indirect trade** – непряма торгівля

**induce** – спонукати; стимулювати

**Individual Retirement Accounts** – індивідуальний пенсійний рахунок

**inducement** – спонукання, заохочення

**inference** – висновок, виведення, припущення, заключення

**inferior goods** – низькоякісні товари

**inflation** – інфляція, знецінення грошей; to crack down on (to curb, to restrain) inflation - стримувати (обмежувати) інфляцію; anticipated inflation - очікувана інфляція; creeping inflation - повзуча інфляція; expectational inflation - інфляція, викликана очікуванням зростання цін; latent inflation - прихована інфляція; tax-push inflation - інфляція, викликана зростанням податків; wage inflation - інфляція, викликана зростанням заробітної плати

**inflation rate** – темп інфляції

**inflow** – приплив (грошей)

**influence** – *n* вплив; *v* впливати

**influence the market** – мати вплив на ринок  
**infrastructure** – інфраструктура  
**ingenuity** – майстерність, винахідливість  
**inhomogeneous** – неоднорідний  
**initial** – початковий  
**injury** – ушкодження, травма  
**in-kind transfer** – допомога товарами  
**innovation** – нововведення, інновація  
**innovative** - здатний до нововведень, технічно прогресивний  
**input** – витрати  
**input prices** – ціни на матеріали  
**insincerity** – нещирість  
**instability**– нестабільність, непостійність  
**insurance** – страхування  
**insurance company** – страхова компанія  
**insure** – страхувати  
**integral role** – визначна роль  
**integration** – інтеграція; об'єднання  
**intelligent** – розумний  
**interact** – взаємодіяти  
**interaction** (of supply and demand) – взаємодія попиту та пропозиції  
**interest** – (матеріальна) зацікавленість, доля, участь, позичковий відсоток, відсотковий дохід, вигода, перевага; та interest - згідно ставки відсотка; interest on capital - відсоток на капітал; interest on credit balances - відсоток з кредитового сальдо; annual interest – річний відсоток; national interests – національні інтереси; current interest - поточна ставка відсотка; **interest** – частка (пай); відсотковий прибуток, фіксований відсоток  
**interest-bearing checking accounts** – процентний поточний рахунок  
**interest rate** - відсоткова ставка  
**interchangeable** – взаємозамінюваний  
**interior** – внутрішня частина (сторона)

**intermediate** – проміжна стадія, проміжний етап

**intermediate goods** – напівфабрикати

**intermediary** – посередник

**internal consultant** – внутрішній радник

**internal funds** – внутрішні кошти

**international market** – міжнародний ринок

**international transaction** – міжнародна угода

**interpretation** – тлумачення, трактування

**intervene** – втручатися, виступати посередником; **large-scale intervention** – широкомасштабне втручання

**invention** – винахід

**inventory** – інвентар, матеріально-виробничі запаси

**inventory control** – управління запасами (логістика)

**invest** – вкладати гроші

**inverse relationship** – зворотний зв'язок

**investment** – інвестування, розміщення капіталу, капіталовкладення, інвестиції, капітальні витрати, вкладення в цінні папери; **business investment** - капіталовкладення підприємств; **desired investment** - передбачувані інвестиції; **direct investment** - прямі інвестиції; **domestic investment** - внутрішні капіталовкладення; **long-lived investment** - інвестиції з тривалим терміном амортизації; **residential investment** - інвестиції в житлове будівництво; **tangible investment** - інвестиції в матеріальні активи; **short-term investment** - короткотермінові інвестиції

**investor** - інвестор, вкладник

**involve** – залучати

**irrelevant** – недоречний; що не стосується справи

**issue** – випуск, емісія, видача, виписка (чеків); випускати, пускати в обіг

**issue stock** – випускати акції

**item** – предмет, одиниця продукції

## Ж

**joint-stock company** - акціонерне товариство

**joint-stock company** – акціонерна компанія

**job** – робота, справа, посада, місце служби; **overtime job** – понаднормова робота;

**part-time job** – робота неповний робочий день, часткова зайнятість

**jobber** – людина, що займається випадковою роботою; гуртовий торговець

**jobbery** – сумнівна операція, спекуляція, угода з цінними паперами

**joint venture** – спільне підприємство

**jointly-demanded** – у спільному попиті

**joint-stock company** – акціонерна компанія

**journey on business** – ділова поїздка

**judgement** – судження, вміння оцінювати ситуацію

## К

**key area** – головна сфера; **key element** – головний елемент

**kind of business** – галузь торгівлі; **kind of goods** – рід товарів

**knock-how** – виробничий досвід, секрети виробництва, ноу-хау, науково-технічні знання

## Л

**labor resources** – трудові ресурси

**labour force** – робоча сила

**lack of mobility** – недостатня мобільність

**lawyer** – юрист; адвокат; законодавець

**layoff** – припинення (роботи), скорочення виробництва, тимчасове звільнення працюючих, період тимчасового звільнення; **job layoff** – припинення виконання замовлення, припинення робіт на замовлення

**leadership** – управління, лідерство

**legal advice** – юридична порада

**legal entity** – юридична особа

**legislature** – законодавча влада країни

**lend** – позичати, давати у позику; to lend money - позичати гроші; to lend on collateral - надавати позику під заставу; to lend money at the rate of 3% - позичати гроші під 3%

**levy** – оподатковувати; **levy a tax on** – обкладати податком

**liabilities** – (грошові) зобов'язання, борги, заборгованість; відповідальність, обов'язок; primary liability - первинні зобов'язання; tax liabilities - заборгованість з податкових платежів; trade liabilities - кредиторська заборгованість

**liability** – відповідальність, зобов'язання

**liability for damages** – відповідальність за збитки

**life insurance** – страхування життя

**limited liabilities** – обмежена юридична відповідальність

**limited partnership** – товариство з обмеженою відповідальністю

**link** – зв'язувати, пов'язувати, з'єднувати; посилання, зв'язок

**living standard** – прожитковий рівень

**loan** – позичка, кредит; loan against borrower's note - позичка під зобов'язання клієнта; loan against pledge - позичка під заставу; loan at bearing interest - позичка під відсотки; loan at notice - позичка, що погашається за вимогою; loan on policy - позичка під страховий поліс; to meet a loan – погашати позику; to call a loan – вимагати погашення позики; loan without interest – безвідсоткова позика; soft loan – пільгова позика

**loan rates** – процентна позичкова ставка

**long-range planning** – стратегічне (перспективне) планування

**long-term investment** – довгостроковий вклад

**long-term loan** – довгострокова позика

**loss-leader items** – товари, які продаються за низькими цінами (*щоб залучити покупців*)

**losses** – збитки

**lower** – знижувати; зменшувати

**low-performing** – некваліфікований

**lump together** – об'єднувати, змішувати

**luxuries** – предмети розкоші

## M

**machinery** – машинне устаткування; машини; механізми

**magnitude** – величина, показник

**maintain** – утримувати, надавати підтримку

**maintenance** – збереження, підтримування (темтів зростання); *m. of market share* – утримування ринкової частки; *direct m.* – прямі витрати на ремонт та обслуговування; *indirect m.* – непрямі витрати

**make a decision** – приймати рішення

**make a loan** – надавати позику

**make a loan to** – надавати позику комусь

**make a tight choice** – зробити правильний вибір

**make available** – представляти, пропонувати

**managerial** – управлінський, керівний

**manufacture** – *n* виробництво; *v* виробляти, виготовляти, обробляти

**manufacturing costs** – виробничі затрати

**margin** – межа (напр. доходності), різниця, залишок, маржа; *fixed m.* – тверда націнка; *gross m.* – валовий прибуток торговельна націнка, що встановлюється торговельним підприємством; *narrow m.* – невеликий розмір прибутку; *profit m. per unit* – питомий валовий прибуток

**market** – *n* ринок; *v* продавати

**market basket** – набір споживчих товарів та послуг, придбаних на ринку (споживацький кошик)

**market economy** – ринкова економіка

**market prices** – ринкові ціни

**market shortage** – дефіцит

**marketing** – реалізація, збут; маркетинг як наукова дисципліна; *to bolster marketing* - підтримувати збут; *direct marketing* - збут без посередників

**marketing manager** – менеджер з маркетингу

**marketing research** – вивчення ринку збуту

**mature** – досвідчений

**means of payment**– засіб платежу

**measurable** – вимірний

**measure** – вимірювати

**measure of value**– вартісний показник

**measure value (v)** – оцінювати вартість

**measures of economic activity** – заходи економічної діяльності

**measuring** – вимірювання, оцінювання

**median income** – середній прибуток

**medium of exchange** – засіб обміну

**meet one's expenses** – задовольняти чиїсь витрати

**merchandise** – товари; торгівля

**merchant wholesaler** – оптовий торговець,

**merger** – об'єднання (*підприємств*)

**microeconomics** – мікроекономіка

**middleman** – посередник

**middle manager** – менеджер середньої ланки

**mining industry** – видобувна промисловість

**monetary policy** – грошова політика

**monetary returns** – грошові надходження (прибутки)

**monetary unit** – грошова одиниця

**money illusion** –грошова ілюзія

**monitor performance** – керувати роботою

**mortgage (v)** – закладати

**mortgage loans** – надавати позики під заставу майна

**motivate** – мотивувати, спонукати

**mutual funds** – спільні фонди

**mutual saving bank** – взаємо-ощадний банк

## N

**national income accounting** – облік національного доходу

**necessitate** – викликати необхідність, змушувати, спричиняти

**necessities** – предмети першої необхідності

**need a lawyer** – мати потребу в юристі

**negative income tax** – зменшення грошової допомоги

**negotiable** –оборотний, договірний

**negotiate** – вести переговори, домовлятися, здійснювати угоду, торгуватися; to

negotiate a check – отримати (гроші) за чеком; to negotiate a contract – укласти

контракт; to negotiate a loan – отримати позику; to negotiate for a treaty – вести

переговори про укладення договору

**negotiator** – особа, що веде переговори

**net assets** – вартість майна з відрахуванням зобов'язань

**net investment** – чистий вклад

**net national product (NNP)** – чистий національний продукт

**network** – мережа, плетіння, гратчаста система, розрахункова система

**net worth** – вартість майна; власний капітал підприємства

**new brand** – нова марка (*товару*)

**newsletter** – інформаційний бюлетень

**nominal** – номінальний, умовний, символічний

**nominal income** – номінальний дохід

**nominal GNP** – номінальний валовий національний продукт

**nominal wage** – номінальний заробіток

**nominee** – кандидат, особа, яка висунута на посаду, одержувач за дорученням

**normalize** – нормалізувати

**non-profit** – неприбутковий

**note** – боргова розписка, простий вексель, банківський білет, банкнота; note

payable on demand – вексель з оплатою за поданням; bank-note – банківський

білет, банкнот; credit-note – кредитне авізо; debit-note – дебетове авізо

**NOW account** – різновид рахунку, який займає проміжне положення між

ощадним та поточним рахунком

**treasury-note** – білет державної скарбниці

**nullification** – анулювання, нуліфікація (оголошення грошей недійсними і введення нових грошових знаків)

**number** – номер; account number – номер рахунку; check number - контрольний номер; номер чека; code number – кодовий номер, шифр; price index number – індекс цін

## O

**objective** – мета; завдання

**observe** – розглядати

**obsolete** – застарілий, що вийшов із вжитку; знятий з експлуатації

**obstacle** – перешкода

**obtain an overview** – отримувати загальне уявлення

**offer** – пропонувати

**off-even pricing** – ціна, що не доходить круглої цифри

**officer** – службова особа; службовець; службовець з числа нерівного складу

**official poverty line** – офіційна межа бідності

**offset** – зарахування, відшкодування, компенсація; відшкодувати, компенсувати

**oil prospecting** – видобування нафти

**on the spot** – відразу ж, на місці

**operate properly** – правильно працювати, вірно керувати

**operations manager** – операційний менеджер, менеджер по виробництву

**opportunity** – можливість, шанс

**opportunity costs** – збитки при невикористанні альтернативного курсу; оптимальні витрати чи доходи

**option** – вибір; право заміни

**organization** – організація

**outcome** – результат, наслідок

**outflow** – відплив (*грошей*)

**outlet** – ринок збуту; торговельна точка

**output** – обсяг виробництва

**outsell** – продавати більше від конкурентів

**over-all** – загальний, повний

**overdraft** – овердрафт (сума, що отримується за чеком зверх залишку на поточному рахунку); перевищення кредиту (в банку); заборгованість банку

**overproduction** – надвиробництво

**oversee the activity** – слідкувати, спостерігати за діяльністю

**own** – володіти; **owner** — власник

**ownership** – власність, право власності, володіння; **joint o.** – спільна власність; **private o.** – приватна власність; **public o.** – суспільна власність; **state o.** – державна власність

## Р

**pace** – швидкість, темп

**packaging** – упаковка

**paper bills** – паперові гроші, банкноти

**partnership** – партнерство, товариство, компанія

**passbook** – банківська розрахункова книжка, депозитна книжка; ощадна книжка

**pass the law (bill)** – приймати закон, законопроект

**passbook saving account** – ощадний рахунок з видачею ощадної книжки

**patent** – патент

**pattern** – зразок, модель, шаблон; структура, характер, лінія поведінки, напрямок розвитку; **pattern of demand** - структура попиту; **patterns of ownership** - форми власності; **career pattern** - трудовий стаж; **competitive pattern** - тип конкуренції; **payment pattern** - порядок здійснення платежів; **pricing pattern** - система встановлення цін; **sales pattern** - структура збуту

**payment** – платіж, оплата; отримання грошей (для кредитора); погашення (боргу)

**pension fund** – пенсійний фонд

**percentage** – відсоток, процент

**perfect** – *v* удосконалювати, поліпшувати; *adj* досконалий, точний

**perform** – виконувати

**performance** – виконання, робота, функціонування

**peril** – небезпека; ризик

**periodical** – періодичне видання, журнал

**permit, to allow** – дозволяти

**perpetual** – довготривалий

**personal assets** – приватне майно

**pervasive** – поширений скрізь; той, що проникає

**plan layout** – проектування

**planned economics** — планова економіка

**policy** – політика, курс

**pollution** – забруднення

**pool** – пул, об'єднання (картельного типу між конкурентами), загальний фонд, об'єднані запаси

**portability** – портативність

**position** – становище; посада

**possess** – володіти

**prediction** – прогноз, прогнозування

**preference** – перевага, вподобання

**pressure** – тиск, труднощі

**price stability** – цінова стабільність

**primary tool** – основний інструмент

**principle** – принцип, основа, норма

**privatisation drive** – приватизаційна кампанія

**produce** – виробляти, виготовляти

**producer price index** – індекс цін виробника

**product** – продукт, продукція, виріб, фабрикат, результат, товар; complete product - готовий виріб; good quality product - високоякісний виріб; high-reliability product - виріб, що є високонадійним; surplus product - додатковий продукт; useless product - непридатна продукція; waste product - відходи виробництва

**product development** – розробка продукту (його вдосконалення)

**product line** – товарно-виробнича спеціалізація

**production costs** – собівартість

**profit** – прибуток, корисність, вигода

**profitability** – прибутковість, корисність, рентабельність

**profitable** – прибутковий, вигідний, дохідний, рентабельний

**progressive tax** – прогресивний податок

**promote economic development** – сприяти економічному зростанню

**promotion** – сприяння, заохочення, стимулювання, заснування, створювання (напр. фірми); просування по службі, рекламно-пропагандистська діяльність

**property** – власність, майно, земельна власність; **intangible p.** – нематеріальна власність; **real p.** – нерухомість; **state p.** – державна власність; **surplus p.** – власність, що перевищує встановлені ліміти

**property tax** – податок на нерухомість

**prosperity** – процвітання

**provide** – забезпечувати, постачати

**public relations manager** – менеджер по зв'язках із громадськістю

**purchase** - покупка, закупівля, купівля; куплена річ; річний дохід (з землі), вигідне становище, перевага; купляти, закуповувати, придбати

**purchasing power** – купівельна спроможність

## Q

**qualification** – кваліфікація, придатність;

**qualified** – кваліфікований, придатний

**quality** – якість, сорт, висока якість, цінність; **functional quality** – експлуатаційна якість; **performance quality** – якість роботи

**quantifiable** – кількісно визначуваний

**quittance** – звільнення (від зобов'язання), оплата, відшкодування (боргу), квитанція, розписка

**quota** – квота, норма, доля, частка

**quotation** – котирування, курс; розцінка, ціна; пропозиція, оферта

**quote** – *n* котирування; *v* **quote** – призначати ціну, котирувати, реєструвати курс

## R

**rapid inflation** – швидка, бурна інфляція

**raise the price** – піднімати ціну

**random** – випадковий, непродуманий, випадковий, вибраний наздогад

**rate** – розмір, норма, ставка, курс, ціна, оцінка, темп, швидкість пропорція, відсоток, коефіцієнт, показник, ступінь; **exchange rate** – обмінний курс; **rate** – *n* розмір, норма; ставка, курс, такса; ціна, оцінка; темп, швидкість; пропорція, відсоток; коефіцієнт, показник, ступінь; місцевий податок, комунальний податок; *v* оподатковувати; підраховувати

**ratio** – співвідношення, відносний показник, коефіцієнт. пропорція, доля, відсоток; *r. of capital turnover* – коефіцієнт оборотності капіталу; *net profit r.* – коефіцієнт рентабельності; *price r.* – співвідношення цін; *liquid ratio* – співвідношення ліквідних активів банків до сумарних депозитів; *prudential r.* – коефіцієнт обачливості

**ratio analysis** – аналіз коефіцієнтів

**rational** – раціональний

**real estate** – нерухоме майно, матеріальні фонди

**real GNP** – реальний валовий національний продукт

**real income** – реальний прибуток

**real wage** – реальний заробіток

**reap the benefits** – отримувати прибуток

**reasonable** – поміркований; розважливий

**receipt** – грошові надходження

**recession** – зниження, зменшення, спад ділової активності, рецесія

**recipient** – одержувач

**reciprocal wants** – взаємні потреби

**recognisability** – неповторність

**record** – *n* запис; документи, протокол; *v* записувати; реєструвати

**recovery** – відновлення

**recruitment** – набір працівників, комплектування штату

**redistribute** – перерозподіляти

**red-tape** – бюрократична канцелярська робота

**reduce** – скорочувати; зменшувати

**refer** – посилатися, звертатися, приписувати

**reliable** – надійний, безвідмовний

**reflation** – рефляція (відновлення рівня цін), штучне поновлення інфляції, стимулювання економіки, економічного зростання

**refund** – повернення (грошей)

**regulation** – регулювання, правило, розпорядження, інструкція, мн. технічні умови, технічні норми; stock exchange regulation - правила фондової біржі

**regressive tax** – регресивний податок

**reimburse** – відшкодувати

**reinvest** – знову вкладати

**relationship** – відносини, стосунки

**relative price** – відносна ціна

**relative worth** – відносна вартість

**relatively constant** – відносно постійний

**relied goods** – споріднені товари

**rely (on, upon)** – покладатися; довіряти

**remote** – віддалений, далекий

**rent** – *n* рента; орендна плата; квартирна плата; *v* здавати в оренду; орендувати; давати напрокат

**repair shop** – майстерня

**report** – звіт, доповідь; повідомлення; бірж. репорт, репортна угода; акт, відзив; production report - звіт про випуск продукції; profit-and-loss report - звіт про прибутки та збитки; research report - звіт про науково-дослідну роботу

**reported** – об'явлений

**reputation** – репутація

**request** – запит; виклик, заявка; попит; прохання

**required** – необхідний

**requirement** – вимога, потреба, витрати

**research and development manager** – менеджер з науково-дослідної роботи

**resign** – звільнитись

**resistance** – опір, небажання

**resource prices** – ціни на ресурси

**respond** – відповідати

**responsibility** – відповідальність; **responsible for** – відповідальний за

**restrict** – обмежувати

**restriction** – обмеження, рестрикція, мн. обмежувальні заходи

**resume** – резюме; підсумок; висновок

**retailer** – роздрібний торговець

**retailing** – роздрібний продаж

**return** – *n* повернення; повернений товар; повернені чеки; прибуток; обіг; звіт; податкова декларація; *v* повертати; давати прибуток

**revenue** – прибуток

**reward** – заохочення, винагорода

**review** – *n* огляд, *v* оглядати

**routine** – поточний, повсякденний

**run a risk** – ризикувати

**rivalry** – суперництво, конкуренція

**rival** – конкурент, суперник, що конкурує (про товар)

## S

**safeguard** – *n* гарантія; охорона; охоронне свідоцтво; обережність; *v* гарантувати, охороняти

**safety deposit box** – сейф для депозитів, що надається приватним особам у банку

**salary** – заробітна плата

**sale** – продаж; збут; торгівля; торговельна угода; розпродаж (за *зниженими цінами*), *ми.* товарообіг

**sales tax** – податок з обороту

**salesman** – продавець

**sample** – зразок, проба; стат. вибірка, вибіркова сукупність; вибіркова партія;  
product sample - зразок виробу; survey sample - група, що обстежується

**satisfy** – задовольняти

**savings** – заощадження; накопичення

**savings account** – ощадний рахунок зі встановленим відсотком

**savings and loan association (thrift)** – ощадно-позикова асоціація

**savings bank** – ощадний банк

**scarce** – дефіцитний; рідкісний; недостатній

**scarcity** – недостатня кількість, брак (чогось)

**schedule** – розробляти план

**scheduling** – планування

**search** – пошук

**security** – безпека, надійність, гарантія, забезпечення, застава, поручник;  
digested securities - цінні папери, куплені кінцевим інвестором з метою отримання регулярного прибутку (не для спекулятивних цілей); fixed interest securities - цінні папери з фіксованим відсотком; lock-up securities - цінні папери з обмеженням обігу, без права продажу; tax-exempt securities - цінні папери, що не оподатковуються

**security exchange** – фондова біржа

**seek** – намагатись

**seek profit** – шукати прибутку, докладати зусиль

**service** – служба, робота, сфера діяльності; обслуговування, сервіс, послуга; експлуатація, догляд, технічне обслуговування; строк служби, довговічність; мн. служби, послуги, обслуговуючі галузі економіки; лінія зв'язку; витрати на обслуговування

**service industry** – підприємства сфери обслуговування

**session** – засідання

**set** – встановлювати

**set objective** – формулювати мету

**set standards** — встановлювати стандарти

**set the price** – визначати ціну

**sewage** – стічні води; каналізація

**share** – доля власності, частина, участь; ділити, розділяти, бути пайщиком

**shared** – спільний

**shareholder** – акціонер, власник акцій, пайщик

**shift** – *n* переміщення; перестановка; зміна; (робоча) зміна, робочий день; *v* переміщати, змінювати

**shopping centre** – торговельний центр

**shopping guide** – довідник магазинів

**shortage** – дефіцит

**short-term loan** – короткострокова позика

**shrink** – скорочуватись, звужуватись, всихатись

**significant** – значний, істотний; характерний, показний; вірогідний; значущий

**site selection** – вибір місцезнаходження

**skill** – досвід

**skills** – навички

**sociability** – товарицькість

**social security** – соціальне забезпечення

**society** – суспільство; організація; об'єднання; асоціація; кооперативний союз, кооперативне товариство

**software** - програмне забезпечення

**sole** – єдиний, виключний, одноосібний

**sole proprietorship** – одноосібне володіння

**solid grasp** – чітке розуміння

**solution** – вирішення, розв'язання

**solve** – вирішувати, розв'язувати

**sophisticated** – вишуканий, точний

**source** – джерело

**span** – інтервал, період; тривалість

**specialize** – спеціалізуватися

**staff** – штат, службовий персонал; **executive staff** - середній керівний персонал;  
**managerial staff** - старший керівний персонал  
**stake** - доля, частина, участь (в якій-н. компанії)  
**stakeholder** – зацікавлена сторона, посередник  
**stand** – займати певне положення  
**standard of deferred payment** – стандарт відстроченого платежу  
**standard of living** – рівень життя  
**state-owned bank** – державний банк; **state bank** – державний банк; банк штату  
**statement** – звіт  
**stepping-stone** – засіб для досягнення мети (*для поліпшення становища*)  
**stock** – акція (countable), акціонерний капітал (uncountable), фонд  
**stock-broker** – біржовий маклер  
**stock certificate** – акція  
**stockholder** – акціонер, власник акцій  
**storage** – зберігання  
**store** – крамниця  
**store of value** – засіб нагромадження (накопичення)  
**structural unemployment** – структурне безробіття  
**subordinate** – підлеглий  
**subjective** – суб'єктивний  
**subsidy** – субсидія, дотація  
**substantial** – значний  
**substitute** –n заступник; заміна; v змінювати; заміщати  
**substitution effect** – ефект заміни  
**succeed** – досягати успіху  
**sue** – порушувати кримінальну справу  
**sufficient** – достатній  
**suggestion box** – скринька для пропозицій  
**superior (n)** – керівник, начальник; adj. – найкращий, високоякісний  
**supervisor** – контролер, інспектор  
**supplier** – постачальник

**supply** – постачання, поставка; мн. запаси, загальна кількість, сировина і матеріали; пропозиція; постачати, надавати, забезпечувати

**supply schedule** – графік пропозиції

**support** – підтримувати, надавати допомогу, підтримувати (курс) шляхом скупки акцій

**surplus** – надлишок, перевищення, залишок резервний капітал

**surrounding** - навколишній, сусідній

**switch** – перехід, переключення, світч (ліквідація зобов'язань з одними цінними паперами і укладення угод з іншими)

## Т

**tactical planning** – тактичне (тимчасове) планування

**take account of** – приймати до уваги, враховувати

**take actions** – вживати заходи

**take title to the goods** - придбати товар як власність

**take advantage of smth.** – скористатися (чим-небудь)

**tangible** – відчутний; реальний

**target** – мета, завдання, намічена/планова/контрольна цифра

**tariff** – тариф

**tax** – податок, збір, мито; to collect taxes – стягати податки; to abolish a tax – відмінити податок; to cut down a tax – знижувати податок; direct t. – прямиий податок; income t. – прибутковий податок; turnover t. – податок з обороту; **tax rate** – податкова ставка; **tax return** – податкова декларація ; **tax benefits** – пільги з обкладання податком; **taxation** – оподаткування, стягнення податків;

**tax incidence** – податковий тягар

**technique** – прийом, метод

**tend to** – мати тенденцію до

**terminate** – припиняти, закривати

**third-hand (second-hand)** – поношений; той, що був у використанні

**tight fiscal policy** – жорстка податкова політика

**tight-fisted** – скупий

**timber**– деревина  
**token money** – грошові знаки  
**toll** – додаткова плата за послуги; мито  
**top manager**– головний менеджер  
**total sale** – сукупний продаж  
**track** – курс; **keep track** – дотримуватися курсу  
**trade** – торгівля; професія; ремесло  
**trade-in-allowance** – сума грошей, повернута за стару річ і внесена в рахунок придбання нової  
**trademark** –торгова марка  
**trader** – торговець, біржовий брокер, спекулянт; торговельне судно  
**traffic** – торгівля; транспорт; перевезення  
**training and development**– навчання та підвищення кваліфікації  
**trait** – характерна риса, особливість  
**transaction** – ведення (справ), справа, угода, операція; мн. праці, протоколи (наукової установи або товариства)  
**transfer** – передача у власність, трансфер, переказ (грошей), перерахування (сум), внутрішньо фірмовий оборот  
**transit for funds** – транзит для фондів  
**transportation costs** –транспортні витрати  
**transporting** – транспортування  
**traveller's cheque** – дорожній чек  
**treat** – розглядати, трактувати  
**treaty** – договір, конвенція; переговори  
**trend** –тенденція; загальна спрямованість  
**true unemployment** – реальне безробіття  
**two-level system** – дворівнева система

## U

**ultimate consumer** – кінцевий споживач; **ultimate source** – основне джерело  
**uncertainty** – невизначеність; непевність

**undercut** – збивати (ціни). продавати за більш низькими цінами  
**underground economy** – тіньова економіка  
**undermine** – підривати, руйнувати  
**underselling** – продаж за зниженими цінами  
**undertaking** – підприємство, справа, зобов'язання, гарантія  
**underwork** – працювати недостатньо добре  
**undischarged** – не сплачений, не поновлений в правах  
**unemployment** – безробіття: temporary unemployment – тимчасове б., frictional unemployment – тимчасове б., викликане перепідготовкою робітників; structural unemployment – б., викликане структурними змінами в економіці; technological unemployment – технологічне б., cyclical unemployment – циклічне б.  
**unfulfilled needs** – незадоволені потреби  
**uniformity** – незмінність, постійність  
**unit of account** – одиниця обчислення  
**unlimited liability** – необмежена юридична відповідальність  
**unreasonable price** – нерозважлива ціна  
**urgent order** – термінове замовлення  
**unsound** – безпідставний; ненадійний  
**user** – споживач  
**utilities** – підприємства громадського користування; комунальні послуги  
**utilization** – використання, застосування, утилізація, коефіцієнт використання

## V

**vague** – нечіткий, непевний  
**value added tax** – податок на додану вартість  
**valuable** – цінний; той, що має грошову вартість; важливий, корисний  
**value added** – додаткова вартість  
**valid** – дійсний, той, що діє або зберігає силу; законний, обґрунтований  
**validate** – затверджувати, легалізувати  
**validity** - дійсність, законність, обґрунтування  
**valuable** – цінний, вартий, що має грошову вартість

**valuation** – оцінка, визначення вартості, таксація

**value** – цінність, вартість; **book value** – балансова вартість, **capital value** – вартість реального основного капіталу; **cash value** – грошова вартість, вартість готівкою; **contract value** – вартість товарів, проданих чи куплених за контрактом; **current value** – існуючі ціни, поточні показники; **denominational value** – номінальна вартість, номінал; **depreciable value** – вартість, що амортизується (початкова вартість мінус ліквідаційна вартість); **disposal value** – ліквідаційна вартість; **estimated value** – вирахована вартість, оцінка; **initial value** – початкове значення, вихідні дані;

**vantage point** – вигідна позиція

**vending machine operator** – оператор торговельних апаратів

**verbal skills** – мовленнєві навички

**vice versa** – навпаки

**vice-chancellor** – віце-канцлер (віце-президент)

**vivid** – живий, яскравий

**volume** – обсяг; кількість

## W

**wage** – заробітна плата; **day w** – поденна зп; **hourly w** – погодинна зп; **living (minimum)** – прожитковий мінімум; **productive w** – зп робітників основного виробництва; **set w** – тверда ставка, тверда зп; **starvation w** – мізерна зп; **terminal** – вихідна допомога

**waking hours** – години неспання

**wane** – зменшення, зниження

**wantage** – нестача, кількість, якої не вистачає

**warehouse** – товарний склад, великий роздрібний магазин, оптовий (гуртовий) магазин

**warehousing** – складування (*товарів*)

**warrant** – гарантія, поручництво, повноваження, розписка, свідоцтво, гарантія, свідоцтво боргу

**warranty** – гарантія, порука, застереження

**wastage** – втрати, збиток, зменшення, відходи виробництва

**waste** – розтрачування, марнотратство, зайві витрати, втрати, спад; **domestic wastes** - побутові відходи; **industrial waste** - виробничі відходи; **farm waste** - відходи сільськогосподарського виробництва

**wealth** – багатство

**wear out** – зношуватися

**weigh up** – зважити та вирішити

**welfare** – добробут; достаток

**welfare programme** – добродійна програма

**well being, welfare** – добробут, процвітання

**wholesaler** – гуртовий (оптовий) торговець, оптовик, гуртове підприємство, інвестиційний інститут, який розподіляє цінні папери

**wholesale unit** – об'єднання оптової торгівлі

**wholesaling** – гуртова (оптова) торгівля

**will** – бажання; сила волі; заповіт

**withdraw** – відкликати, вилучати, відміняти, припиняти, анулювати, знімати

**withdrawal** – відклик, вилучення, відміна, анулювання

**with respect to** – стосовно, відносно

**withhold** – утримувати, відкликати

**wonder** – дивуватись, цікавитись

**working out options** – опрацьовувати (розглядати) можливості

**workability** – здатність до застосування, придатність

**workable** – рентабельний, що виправдовує розробку; який можна виконати, реальний

**workshop** – майстерня, робоча група

## Y

**yield** – прибуток