

electricity are essential _____. 5. Natural _____ in this region are quite diverse and rich. 6. She was advised to reduce her chocolate _____. 7. Little babies _____ a lot of love and attention. 8. Every year private property increases in _____. 9. He _____ a great amount of money on a new car. 10. Keep your receipt as proof of _____. 11. Children over seven must pay full _____ for the ticket. 12. House prices are _____ to rise sharply. 13. In winter people _____ large amounts of heat and electricity. 14. The rate of inflation has _____ by 6% since the beginning of the year. 15. The number of new students _____ from 180 to 150 this year. 16. Does the bank charge a _____ for setting up the account?

10.Speaking. Make a presentation on the following topics:

- A historical outline of economics as a science.
- Outstanding economists and their theories.

UNIT 2.

- Read and discuss the text using the key terms.
- Give Uzbek and Russian meanings of the terms and word combinations in bold.
- Interpret the text.
- Explain the tools used for translation.

TEXT 1.

BUSINESS AND ITS TYPES

Business, organized approach to providing customers with the goods and services they want. The word **business** also refers to an organization that provides these goods and services. Most businesses seek to make a **profit**-that is, they aim to achieve **revenues** that exceed the costs of **operating the business**. Prominent examples of **for-profit businesses** include Mitsubishi Group, General Motors Corporation, and Royal Dutch/Shell Group. However, some businesses only seek to earn enough to cover their **operating costs**. Commonly called **nonprofits**, these organizations are primarily nongovernmental service providers. Examples of nonprofit businesses include such organizations as social service agencies, foundations, advocacy groups, and many hospitals.

Business plays a vital role in the life and culture of countries with industrial and **postindustrial** (service- and information-based) free-market economies such as the United States. In free-market systems, prices and wages are primarily determined by **competition**, not by governments. In the United States, for example,

many people buy and sell goods and services as their primary occupations. Businesses provide just about anything for consumers' want or need, including basic necessities such as food and housing, luxuries such as whirlpool baths and wide-screen televisions, and even personal services such as caring for children and finding companionship.

Types of business.

There are many types of businesses in a free-market economy. The three most common are (1) manufacturing firms, (2) merchandisers, and (3) service enterprises. (1) **Manufacturing firms** produce a wide range of products. Large manufacturers include producers of airplanes, cars, computers, and furniture. Many manufacturing firms construct only parts rather than complete, **finished products**. These **suppliers** are usually smaller manufacturing firms, which supply parts and components to larger firms. The larger firms then assemble final products for market to consumers. For example, suppliers provide many of the components in personal computers, automobiles, and home appliances to large firms that create the **finished** or **products**. These larger end-product manufacturers are often also responsible for marketing and **distributing** the products. The advantage that large businesses have in being able to efficiently and inexpensively control any parts of a production process is known as economies of scale. Nevertheless, small manufacturing firms may work best for producing certain types of finished products. Smaller end-product firms are common in the food industry and among **artisan trades** such as **custom cabinetry**.

(2) **Merchandisers** are businesses that help move goods through a **channel of distribution** - that is, the route goods take in reaching the consumer. Merchandisers may be involved in **wholesaling** or **retailing**, or sometimes both. A wholesaler is a merchandiser who purchases goods and then sells them to buyers, typically retailers, for the purpose of resale. A retailer is a merchandiser who sells goods to consumers. A wholesaler often purchases products in large and then sells smaller quantities or each product to retailers who are unable to either buy or stock large amounts of the product. Wholesalers operate somewhat like large, end-product manufacturing firms, benefiting from economies of scale.

The division between retailing and wholesaling is now being **blurred** by new technologies that allow retailers to serve far greater numbers of in a given **span of time** than is possible in face-to-face interactions between a consumer and a retail salesperson. Computer networks such as the Internet, because they do not require any physical communication between salespeople and customers, allow a nearly unlimited **capacity** for sales **interactions** known as 24/7-that is, the Internet site can be open for a **transaction** 24 hours a day, seven days a week and for as many

transactions as the network can handle. For example, a typical transaction to purchase a pair of shoes at a shoe store may take a half-hour from browsing, to fitting, to the transaction with a cashier. However, a customer can purchase a pair of shoes through a computer interface with a retailer in a matter of seconds.

3) **Service enterprises** include many kinds of businesses. Examples include dry cleaners, shoe repair stores, barbershops, restaurants, ski resorts, hospitals, and hotels. In many cases service enterprises are moderately small because they do not have mechanized services and limit service to only as many individuals as they can accommodate at one time. For example, a waiter may be able to provide good service to four tables at once, but with five or more tables, customer service will suffer.

Forms of business ownership.

There are a number of different forms of business ownership. These include (1) sole proprietorships, (2) partnerships, (3) corporations, (4) joint ventures, and (5) syndicates.

(1) **Sole proprietorships.** The most common form of ownership is a sole proprietorship - that is, a business owned by one individual. These businesses have the advantage of being easy to set up and to dissolve because few laws exist to regulate them. Proprietors, as owners, also maintain direct control of their businesses and own all their profits. On the other hand, owners of proprietorships are personally responsible for all business debts and, because they are constrained by the limits of their personal financial resources, they may find it difficult to expand or increase their profits. For those reasons, sole proprietorships tend to be small, primarily service and retail businesses.

(2) **A partnership** is an association of two or more people who operate a business as co-owners. There are different types of partners. A **general partner** is active in the operation of a business and is **liable** for all of its debts. In small businesses with only two or three owners, all typically will be general partners. A **limited partner**, by contrast, invests in a business but is not involved in its daily operations. Partnerships, like sole proprietorships, are relatively easy to establish. Furthermore, partners can pool financial resources to fund **expansion** and can divide their duties and responsibilities according to personal expertise and abilities.

(3) **A corporation** is a **legal entity** that exists as distinct from the individuals who control and invest in it. As a result, a corporation can continue indefinitely through complete changes of ownership, leadership, and staffing. Current owners can sell their holdings to other individuals or, if they die, have their assets transferred to heirs. This is possible because a corporation creates shares of stock that are sold to investors. One strength of the corporate business structure is that stockholders have limited liability as opposed to unlimited liability of general partners, so they cannot

lose more than their initial investment. Investors may also easily buy and sell stocks of public corporations through **stock exchanges**.

Investors control a corporation through the election of a managing body, known as a board of directors. In a large corporation, investors collectively decide who will oversee the operation of the enterprise. In turn, the board chooses a president, who decides on the key company personnel and helps formulate company strategy.

(4) **In joint ventures and syndicates**, individuals or businesses cooperate to create a single product or service package. A joint venture is a partnership agreement in which two or more individual-or group-run businesses join to carry out a single business project. For example, U.S.-based General Motors Corporation and Toyota Motor Corporation, based in Japan, have a joint venture called New United Motor Manufacturing, Inc., created for producing cars in California.

A syndicate is an association of individuals or corporations formed to conduct specific financial transaction such as buying a business. Quite often syndicates are created for buying sports franchises. For example, the Miami Heat baseball team and New York Yankees baseball team are each owned by syndicates and is also involved in the operation of other businesses.

Business operations.

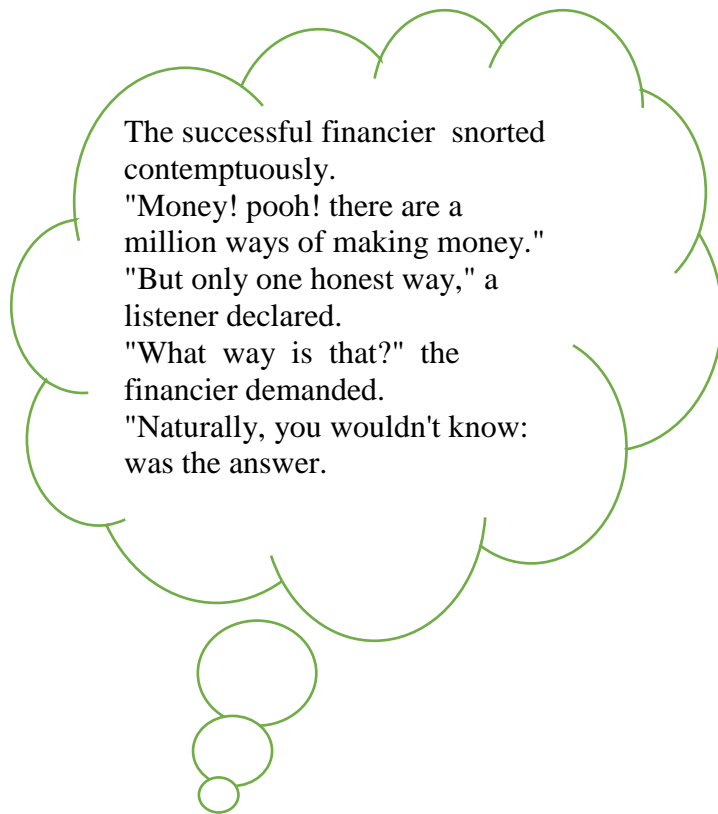
A variety of operations keeps businesses, especially large corporations, efficiently and effectively. Common business operation divisions include (1) production, (2) marketing, (3) finance, and (4) human resource management.

(1) **Production** includes those activities involved in conceptualizing, designing, and creating products and services. Today, computers help monitor, control, and even perform work. Flexible, **high-tech machines** can do in minutes what it used to take people hours to accomplish. Another important development has been the trend toward **just-in-time inventory**. The word inventory refers to the amount of goods a business keeps available for wholesale or retail. In just-in-time inventory, the firm stocks only what it needs for the next day or two. Many businesses rely on fast, global computer communications to allow them to respond quickly to changes in consumer demand. Inventories are thus minimized and businesses can invest more in product research, development, and marketing.

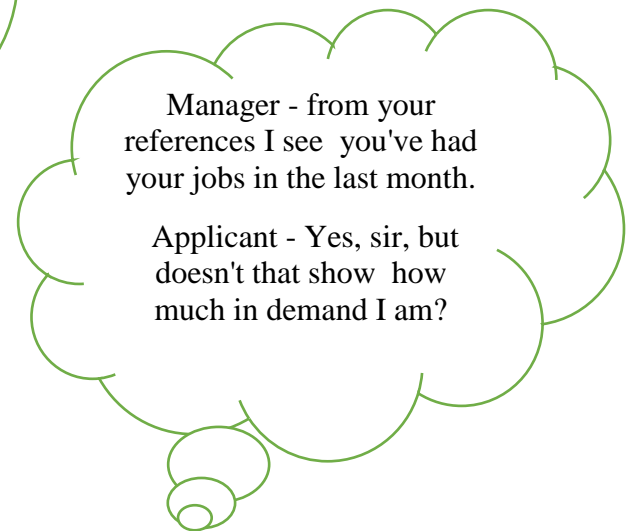
(2) Marketing is the process of identifying the goods and services that consumers need and want and providing those goods and services at the right price, place, and time. Businesses develop marketing strategies by conducting research to determine what products and services potential consumers think they would like to be able to purchase.

(3) **Finance** involves the management of money. All businesses must have enough capital on hand to pay their **bills**, and for-profit businesses seek extra capital to expand their operations. In some cases, they raise **long-term capital** by selling

ownership in the company. Other common financial activities include **granting, monitoring** and **collecting**

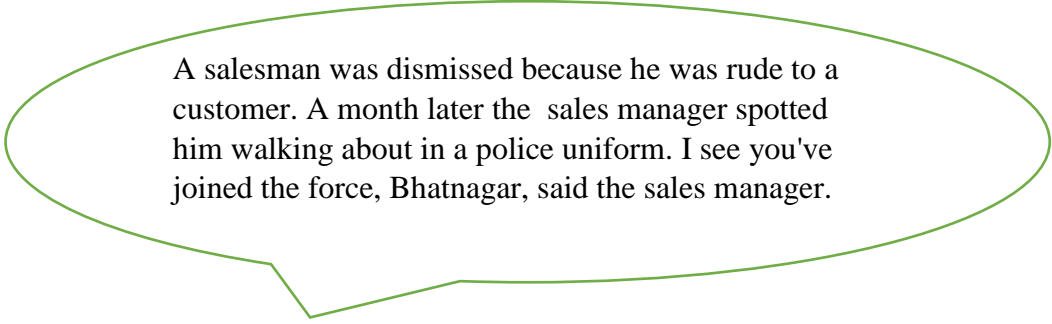


credit or **loans** and ensuring that customers pay bills on time. The financial division of any business must also establish a good working relationship with a bank.



(4) **Human resources management.** Businesses rely on effective human resource management (HRM) to ensure that they hire and keep good employees and that they are able to respond to conflicts between workers and management. HRM specialists initially determine the number and type of employees that a business will need over its first few years of operation. They are then responsible for recruiting new employees to replace those who leave and for filling newly created positions. A business's HRM division also trains or arranges for the training of its staff to encourage worker productivity, efficiency, and satisfaction, and to promote the overall success of the business.

Digest best jokes and translate them



A salesman was dismissed because he was rude to a customer. A month later the sales manager spotted him walking about in a police uniform. I see you've joined the force, Bhatnagar, said the sales manager.

TEXT 2. THE GLOBAL FINANCIAL-ECONOMIC CRISIS

- Translate the text into Uzbek and Russian.
- Explain the tools used for translation.

The global financial-economic crisis, which **broke out** in 2008 and is now acquiring greater scales and depth in the assessments of many international experts and specialists, gains more questions than the answers about the reasons and forecasts of its further development.

The crisis, that had started with failure and **insolvency** of **mortgage** lending in the United States, had its large-scale **impact** on **liquidity** crisis of the largest banks and financial institutions, and led to disastrous fall of **indices** and market value of the biggest companies at the world's top **stock exchanges**. In its turn. This all has caused considerable production decrease, sharp **deceleration** of economic growth rates in many countries with all related negative consequences.

Many leading **think tanks** and expert centers, analyzing and summarizing the data related to current state and possible impacts of the global financial crisis, make the following conclusions.

First, the global scale of crisis processes taking place in the financial and banking system, inevitability of recession and economic decline, cutting down of investment activity, decrease of demand and shrinking of international trade volumes, as well as considerable social losses which may well impact many countries in the world, have found their confirmation in practice.

Second, the broken out global financial crisis has demonstrated serious **shortcomings** and necessity to radically reform existing world financial and banking system, proved the lack of a due control over the operations of banks, which mainly served their own corporate interests, being carried away by various speculative operations at the credit and securities markets.

Third, the scale, depth and consequences of financial and economic crisis in the certain state will to much extent depend on, primarily, the stability of its financial and currency system, capitalization and liquidity of national credit institutions, their dependency on the foreign and corporate banking structures, as well-as the size of

gold a currency reserves and capability to repay **external loans**, and finally. On the level of sustainability, diversified nature and competitiveness of national economy.

Fourth, the earliest tackling of the global financial crisis and mitigation of its consequences mostly depends on efficiency and concurrence of the adopted measures at certain national level and international level as a whole.

The November 2008 Washington G20 Summit which brought together the biggest states that represent about 85 percent of the world gross product has **reaffirmed** an ever growing scale of the global financial crisis.

The Summit discussions demonstrated that today the point is not about preventing, but only about seeking the ways out of the global financial crisis, i.e. the line of no return to earlier positions has been practically passed.

The discussions have also shown that the Summit participants did not have common approaches towards the analysis of reasons of the emerged crisis and therefore it is yet early to speak about elaboration of a joint effective program aimed at neutralizing serious and far-reaching consequences of the ongoing global financial crisis.

At the same time, the very fact that such a Summit was held and discussed the problems and current situation regarding the global financial crisis by itself stands as a hope-giving signal.

Today there is no need to prove that the level and depth of susceptibility of each country to the impact of the global financial crisis, first of all, depends on stability and reliability of financial, economic and banking systems, as well as on how strong are the protective mechanisms integrated into them.

The own model of reforming and modernization adopted in Uzbekistan, while putting forward the goal to secure our national interests in the long-term perspective has meant from the **onset** the **denial** of the methods of shock therapy, which were persistently **imposed on** us, as well as naive and **deceptive** conceptions about the self-regulating nature of market economy.

We have chosen an evolutionary approach to the process of transition from an administrative-command to a market system of regulation, the road of gradual and phased reforms, acting in line with a well-known principle - "do not destroy the old house until you build a new one".

In addition, what was of a special importance, in order **not to fall a prey to turmoil** and chaos, we have clearly defined a principle that at a transition period it is the state that must take a responsibility of a principal reformer.

Vocabulary exercises.

1.Look at the following words in the text and try to explain them:

Long-term capital, onset, external loans, liquidity, inventory, a legal entity, revenues, operating the business, for-profit businesses, retailing, wholesaling, assets. sales interactions, limited partner, capacity, human resources, stockholder, profit, receipt, refund, assets, capital, consumers, loan, loss, retail, salary, shareholder, taxes, turnover wholesale, currency, liabilities, discount, expenditure, interest, invoice

2.Fill in the correct word and expressions from the list below:

automation unemployment inflation taxation GJ\TP interest rates
 secondary industries service industries monopoly output income tax
 balance of payments primary industries nationalized industries VAT deficit
 key industries

- 1.The percentage charged for borrowing money. (The Bank of England has raised_____).
- 2.Industries involved in the manufacture of goods. (_____rely ready_____ supply of raw materials.)
- 3.The value of goods and services paid for in a country, including income earned in other countries. (Last year's_____was close to £25 billion).
- 4.The amount which a firm, machine or person produces. (The factory has doubled its _____in the last six months).
- 5.Industries involved in the production of raw materials. (Coal mining is in important_____).
6. Installing machinery in place of workers (_____ can be a mixed blessing - machines usually tend to be out of order when you need them most).
7. Industries, which do not make products but offer a service such as banking, insurance and transport._____ (have become more important in the last decade).
- 8.The difference in value between a country's imports and exports (the government is trying to reduce the _____ deficit.)
- 9.The amount by which expenditure is more than receipts in a firm's or country's accounts (the company announced a two million pound_____).
10. A system where one person or company supplies all of a product in one area without any competition. (The state has a _____ of the tobacco trade).

3.Fill in the gaps with the suitable synonyms to the words in brackets.

Electronic commerce.

The rapid 1) _____ (expansion) of the Internet in the late 1990s led to 2) _____ (explosive) growth in e-commerce - the exchange of good and services over the World Wide Web. Industry analysts reported that North American business-to-consumer e-commerce transactions grew from \$ 11, 5 billion in 1998 to \$445 billion in 2000. E-commerce follows the same basic 3) _____ (principles) that traditional commerce follows-that is. Buyers and sellers exchange and 4) _____ (transport) goods from one place to another. But in e-commerce, the, Exchange is... 5) _____ (facilitated) by networked computers .Buyers order goods and services online. At the close of the 20th century, retail 6) _____ (transactions) made up the largest part of e-commerce. Consumers 7) _____ (purchased) computers airline tickets. Hotel room automobiles. Clothing electronics, books, event tickets, food countless other 8) _____ (commodities) over the Internet. Business to business commerce represented one of the fast growing segments commerce.

4. Look at the sentences 1- 16, and replace the words and expressions in bold with a word or expressions in the box which have an opposite meaning.

Unskilled laborers employees/ workers/stuff credit exports loss demand for bust/recession shop floor private net state –owned industries expenditure lending take on retail white collar

1. We have limited _____ (supply of) computer base units.
2. Last year, our company made a huge _____ (**profit**).
3. Our **gross** profits are up by almost 150% on last year.
4. Banks across the country are reporting a sharp drop in _____ (**borrowing**).
5. The company will _____ (**debit**) your bank account with £528 each month.
6. The (**wholesale**) _____ market has experienced a downturn since the recession began.
7. The government is encouraging short-term investors to put their money into the _____ (**public**) sector.
8. _____ (**Private enterprises**) are under a lot of financial pressure.
9. _____ (**Skilled workers**) are demanding a 15-pay rise.
10. If this continues, we will have to _____ (**lay off**) members of staff.
11. _____ (**Blue-collar**) workers across the country are demanding: improved working conditions.
12. He works for a company which _____ (**imports**) camera equipment.

13. A lot of people have benefited from the recent _____ (**boom**) in the electrical industry.
14. The _____ (**management**) refuses to compromise on the quality of their products.
15. Overall _____ (**revenue**) is down by almost 15.
16. A fight broke out in the _____ (**boardroom**) over terms and conditions of employment. (Note: you will have to change the preposition *in* to *on*.)

Match the professions with the definitions.

Account	A person who owns or is an executive in a bank
Manager	The highest ranking officer of the company
Banker	A person who directs an organization, industry, shop etc.
Bank officer	A person concerned with the maintenance and audit of business accounts and the preparation of consultant reports in tax and finance
Creditor	A person who deals with customers in the bank
Debtor	A person or commercial enterprise to whom money is owed
CEO	A person or commercial enterprise that owes a financial obligation

6. Fill in the gaps using the words and expressions in the box to complete these paragraphs.

advance bureau de change cash commission credit card credit limit debit card exchange rate hard currency interest in the black in the red soft currencies strong transaction traveler's cheques weak

When you go travelling, it is always a good idea to take a bit of 1. _____ (coins and notes) with you: preferably a 2. _____ like US dollars or British pounds. A lot of places will refuse to change 3. _____ from countries with weak economies. The British pound is 4. _____ at the moment, so when British travelers go to the USA, their pound will buy more dollars. When it is 5. _____ they will get fewer dollars for their money. You can change 6 _____ at any bank or 7. _____ in the city, but check the 8. _____ they are offering you first, and also check how much 9. _____ you will be charged (this can be as high as £5, or 8 of your total 10 _____ in some places.

If you are using a cash machine abroad to withdraw money, it is better to use a 11. _____ (where money is taken directly from your bank account) rather than get an 12. _____ on a 13. _____ (such as American Express, Visa or Master Card) as you don't have to pay 14. _____ to the card company. This usually only works, however, if your bank account is 15. _____ and you have sufficient funds. If your account is 16. _____ (there is no money in your account and or you owe your money), you may not be able to withdraw money from it (unless your bank gives you a good 17. _____).

Use a dictionary to find the differences between the words and expressions.

1. Make a profit & make a lose	9. Income tax & excise duty
2. Extravagant & frugal/economical	10. to credit & to debit
3. A current account & a deposit account	11. a bank & building society
4. A loan & mortgage	12. a discount & a refund
5. To deposit money & to withdraw money	13. something which was a bargain & something which was exorbitant
6. A wage & a salary	14. worthless & priceless
7. Broke & bankrupt	15. save money & invest money
8. Shares, stocks & dividends	16. inflation & deflation
17. income & expenditure	18. to lend & to borrow

Follow –up activities.

- Discuss the benefits and drawbacks of credit cards.
- Dream of winning \$1mln in a lottery .How would you spend your money?
- If you had a land in countryside how would use it?

Grammar check.

Cross out the unnecessary word and find grammar mistakes.

Some sentences are correct.

1. The managing director believes the company should start the producing pocket computers.
2. I always put on my money in a building society and not in a bank.
3. I cannot afford to buy a new car right now. I do not have enough money at all. The cost of living seems to go up every day.
4. Of course, it is always so difficult to economize.