

МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ
ЦЕНТРАЛЬНОУКРАЇНСЬКИЙ НАЦІОНАЛЬНИЙ ТЕХНІЧНИЙ
УНІВЕРСИТЕТ

КАФЕДРА МІЖНАРОДНИХ ЕКОНОМІЧНИХ ВІДНОСИН
ТА ІНОЗЕМНИХ МОВ

МЕТОДИЧНІ РЕКОМЕНДАЦІЇ

**«Розвиток навичок читання та розуміння англомовних
економічних текстів»**

з дисципліни **«Іноземна мова (за професійним спрямуванням)»**
для самостійної роботи здобувачів першого (бакалаврського) рівня вищої освіти
економічного факультету всіх спеціальностей та всіх форм навчання

Кропивницький – 2026

Методичні рекомендації «Розвиток навичок читання та розуміння англомовних економічних текстів» з дисципліни «Іноземна мова (за професійним спрямуванням)» для самостійної роботи здобувачів першого (бакалаврського) рівня вищої освіти економічного факультету всіх спеціальностей та всіх форм навчання. / Укладач : к.п.н., доцент Головка І.О. — Кропивницький : ЦНТУ, 2026. — 84 с.

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ВСТУП

Методичні рекомендації розроблено для організації самостійної роботи здобувачів першого (бакалаврського) рівня вищої освіти економічного факультету всіх спеціальностей у межах освітньої компоненти «Іноземна мова (за професійним спрямуванням)».

Значна частина самостійної роботи освітньої компоненти пов'язана з підготовкою до практичних занять за базовим навчальним підручником. Запропоновані методичні рекомендації призначені для організації додаткової частини самостійної роботи та спрямовані на систематичний розвиток навичок **читання, розуміння та опрацювання англомовних текстів економічної тематики**.

Основною метою методичних рекомендацій є формування у здобувачів умінь працювати з економічною інформацією англійською мовою: визначати основну думку тексту, розуміти ключову економічну термінологію, встановлювати логічні зв'язки між фактами та економічними явищами, знаходити необхідну інформацію, інтерпретувати зміст прочитаного та відтворювати його в стислому вигляді.

Матеріал методичних рекомендацій розрахований на здобувачів, які мають базову підготовку з англійської мови та поступово переходять до роботи з англомовними текстами, що містять економічну термінологію. Тексти та завдання дібрано з урахуванням рівня **B1+/B2**. Зміст текстів має переважно економічний та навчально-пізнавальний характер і охоплює базові поняття та явища, необхідні для подальшого вивчення економічних дисциплін.

Методичні рекомендації містять **15 основних навчальних тем**, які послідовно розкривають основні категорії та процеси сучасної економіки. Структура методичних рекомендацій побудована за принципом **поступового ускладнення економічного змісту та мовного матеріалу**. Кожен урок має уніфіковану структуру. Після основного англомовного тексту подано **KEY VOCABULARY**, що містить ключові економічні терміни та словосполучення з українськими відповідниками. Подальші завдання спрямовані на поетапне опрацювання змісту тексту та лексики. Вони передбачають встановлення відповідностей між економічними термінами та їх українськими відповідниками, доповнення речень, визначення правильності тверджень, відповіді на запитання за змістом, відтворення термінів за визначеннями, переклад речень українською мовою та виконання завдання на узагальнення змісту тексту.

Така система завдань дає змогу поєднати **розуміння тексту, засвоєння економічної лексики, вміння та навички перекладати узагальнену інформацію**. Завдання побудовано таким чином, щоб здобувач міг виконувати їх самостійно, з опорою на текст як основне джерело інформації. Відповіді до завдань, надані в кінці робочого матеріалу, дають можливість здійснювати самоконтроль та перевіряти результати самостійної роботи.

Особливу увагу приділено економічній термінології, оскільки розуміння ключових термінів є необхідною передумовою належного сприйняття англомовного економічного тексту. Водночас метою методичних рекомендацій не є механічне запам'ятовування великої кількості лексичних одиниць. Ключові слова та словосполучення добиралися відповідно до змісту конкретної теми та використовуються в подальших завданнях, що забезпечує їх повторення й закріплення в контексті.

Запропоновані матеріали **доповнюють, а не дублюють роботу за базовим підручником**. Час, передбачений навчальним планом на самостійну роботу, може бути розподілений між підготовкою до практичних занять за основним підручником та виконанням завдань за цими методичними рекомендаціями. Такий підхід дає змогу розширити обсяг англомовного читання без перевантаження здобувачів додатковими видами професійно орієнтованої діяльності.

Робота з методичними рекомендаціями передбачає **регулярність і послідовність**. Для досягнення належного результату здобувачеві доцільно спочатку прочитати текст для загального розуміння, потім опрацювати ключову лексику, виконати запропоновані завдання та перевірити відповіді. Особливу увагу варто приділяти термінам і поняттям, які повторюються в різних темах, оскільки саме їх систематичне повторення сприяє формуванню стійкого словникового запасу.

Отже, методичні рекомендації спрямовані на те, щоб зробити самостійну роботу з англомовними економічними текстами **системною, послідовною та керованою**, а також сформувати в здобувачів базову готовність працювати з економічною інформацією англійською мовою під час подальшого навчання та професійної підготовки.

UNIT 1. ECONOMICS AS A SOCIAL SCIENCE

Read the text and pay attention to the key economic terms.

What Is Economics?

Economics is a social science that studies how people, businesses, and governments make decisions about the use of limited resources. Human needs and wants are numerous, while the resources available to satisfy them are limited. This basic situation creates the economic problem of scarcity. Because resources cannot be used for every possible purpose at the same time, individuals and organizations have to make choices.

Resources used in economic activity are often called factors of production. The main factors are land, labour, capital, and entrepreneurship. Land includes natural resources such as soil, water, forests, and minerals. Labour refers to human physical and intellectual effort used in production. Capital includes buildings, machinery, equipment, and other resources used to produce goods and services. Entrepreneurship involves organizing resources, making business decisions, and accepting the risks associated with economic activity.

Scarcity means that people cannot have everything they want with the resources available to them. As a result, every economic choice involves an opportunity cost. Opportunity cost is the value of the best alternative that is given up when a particular choice is made. For example, if a student spends an evening studying economics, the opportunity cost may be the leisure time or other activity that the student could have chosen instead. The concept of opportunity cost helps explain why economic decisions involve comparing alternatives.

Economic activity includes several interconnected processes. **Production** is the creation of goods and services. **Consumption** is the use of goods and services to satisfy human needs and wants. **Distribution** concerns how income and economic resources are allocated among individuals and groups. Exchange allows people and organizations to obtain goods and services from others, usually through markets.

Economists also distinguish between **microeconomics** and **macroeconomics**. Microeconomics examines the behaviour of individual consumers, households, firms, and particular markets. It studies such issues as demand, supply, prices, production, and competition. Macroeconomics focuses on the economy as a whole. It examines such indicators as economic growth, inflation, unemployment, national income, and the general level of economic activity.

Economics is therefore concerned not only with money or business. It studies the broader process of decision-making under conditions of scarcity. Individuals decide how to use their income and time, firms decide what and how much to produce, and governments decide how public resources should be used. Understanding these choices provides a basis for studying how economic systems function and how resources are allocated in society.

KEY VOCABULARY

English term / expression

economics

social science

economic activity

economic problem

Ukrainian equivalent

економічна наука; економіка

суспільна наука

економічна діяльність

економічна проблема

English term / expression	Ukrainian equivalent
scarcity	обмеженість ресурсів; дефіцитність
resources	ресурси
needs and wants	потреби та бажання
economic choice	економічний вибір
decision-making	прийняття рішень
factors of production	фактори виробництва
land	земля; природні ресурси
labour	праця
capital	капітал
entrepreneurship	підприємництво
production	виробництво
consumption	споживання
distribution	розподіл
exchange	обмін
goods and services	товари та послуги
opportunity cost	альтернативна вартість
alternative	альтернатива
microeconomics	мікроекономіка
macroeconomics	макроекономіка
consumer	споживач
household	домогосподарство
firm	фірма; підприємство
market	ринок
economic growth	економічне зростання
inflation	інфляція
unemployment	безробіття
allocate resources	розподіляти ресурси
satisfy needs and wants	задовольняти потреби та бажання
make a choice	робити вибір
give up an alternative	відмовлятися від альтернативи

TASK 1. Match the economic terms with their Ukrainian equivalents.

- | | |
|---------------------|---------------------------|
| 1. scarcity | A. альтернативна вартість |
| 2. labour | B. підприємництво |
| 3. opportunity cost | C. обмеженість ресурсів |
| 4. entrepreneurship | D. праця |
| 5. consumption | E. споживання |

6. distribution	F. розподіл
7. production	G. виробництво
8. economic choice	H. економічний вибір
9. resources	I. ресурси
10. exchange	J. обмін

TASK 2. COMPLETE THE SENTENCES

Complete the sentences with the words from the box.

scarcity • capital • consumption • opportunity cost • production • resources • labour • microeconomics • macroeconomics • entrepreneurship

1. Economics studies how people use limited _____ to satisfy their needs and wants.
2. _____ means that available resources are not sufficient to satisfy all human wants.
3. Human effort used in economic activity is called _____.
4. Buildings, machinery, and equipment used in production are forms of _____.
5. The creation of goods and services is called _____.
6. The use of goods and services to satisfy needs is called _____.
7. The value of the best alternative given up is the _____ of a choice.
8. _____ studies individual consumers, firms, and particular markets.
9. _____ examines the economy as a whole.
10. _____ involves organizing resources and accepting business risks.

TASK 3. TRUE OR FALSE

Read the statements and decide whether they are **True (T)** or **False (F)**.

1. Economics studies how limited resources are used to satisfy human needs and wants.
2. Scarcity means that all human wants can be satisfied without making choices.
3. Labour is one of the main factors of production.
4. Capital includes only money held by individuals.
5. Every economic choice may involve an opportunity cost.
6. Production means using goods and services for personal satisfaction.
7. Microeconomics studies individual consumers, firms, and particular markets.
8. Macroeconomics focuses only on individual households.
9. Distribution concerns the allocation of income and economic resources.
10. Economics studies only business and financial activities.

TASK 4. ANSWER THE QUESTIONS

Answer the questions according to the text.

1. What does economics study?
2. Why does the economic problem of scarcity exist?
3. What are the four main factors of production?
4. What does labour include?
5. What is meant by capital in economics?
6. What is opportunity cost?
7. What are the main processes of economic activity mentioned in the text?
8. What is the difference between microeconomics and macroeconomics?
9. What economic decisions do individuals, firms, and governments make?
10. Why is the concept of scarcity important for understanding economics?

TASK 5. COMPLETE THE SENTENCES

Complete the sentences with the economic terms according to the definitions.

1. _____ – the limited availability of resources in relation to human wants.
2. _____ – human physical and intellectual effort used in production.
3. _____ – resources such as machinery, buildings, and equipment used in production.
4. _____ – the creation of goods and services.
5. _____ – the use of goods and services to satisfy human needs and wants.
6. _____ – the value of the best alternative that is given up.
7. _____ – the study of individual consumers, firms, and markets.
8. _____ – the study of the economy as a whole.

TASK 6. TRANSLATE INTO UKRAINIAN

Translate the following sentences into Ukrainian.

1. Economics examines how individuals, firms, and governments allocate limited resources among competing uses.
2. Since resources are scarce, economic decisions require people to choose between different alternatives.
3. The opportunity cost of a decision is determined by the value of the best option that is not chosen.
4. Labour, capital, land, and entrepreneurship are combined in different ways to produce goods and services.
5. Production and consumption are closely connected because goods and services are produced to satisfy human needs and wants.
6. Microeconomics focuses on particular economic agents and markets, whereas macroeconomics analyses the performance of the economy as a whole.
7. The distribution of income and resources influences the economic opportunities available to different individuals and groups.
8. Understanding scarcity and opportunity cost provides a foundation for analysing economic behaviour and decision-making.

TASK 7. SUMMARIZE THE TEXT

Complete the summary using the words from the box.

scarcity • choices • resources • opportunity cost • production • consumption • microeconomics • macroeconomics • factors • decisions

Economics is a social science that studies how people and organizations make _____ about the use of limited _____. The basic economic problem is _____, which means that available resources cannot satisfy all human wants. Therefore, individuals and firms have to make _____. Every choice involves an _____ because selecting one option means giving up another.

The main _____ of production are land, labour, capital, and entrepreneurship. Economic activity includes _____, distribution, exchange, and _____. Economics is divided into two major branches. _____ studies individual consumers, firms, and markets, while _____ examines the economy as a whole. Understanding these basic concepts helps explain how economic _____ are made and how resources are allocated.

UNIT 2. A MODEL OF THE ECONOMY

Read the text and pay attention to the key economic terms.

A Model of the Economy

Economists use models to explain how an economy works. An economic model is a simplified representation of economic processes and relationships. It does not include every detail of the real economy. Instead, it focuses on the most important elements and helps economists understand how different parts of the economy are connected. Economic models can also be used to analyse economic changes and forecast future trends.

A modern economy consists of many different economic actors. The main ones are households, firms, the government and the foreign sector. Each of these actors performs particular economic functions. Households consume goods and services and provide resources for production. Firms produce goods and services and employ workers. The government collects taxes, provides public services and influences economic activity. The foreign sector represents economic relations with other countries.

To understand the basic relationships in an economy, economists often use a simplified model that includes two main sectors: **households and firms**. This model is known as the **circular flow model**. It shows how resources, goods and services, and money move between households and firms.

Households play two important roles in this model. First, they are consumers of goods and services. They use their income to buy food, clothing, housing, transport, education and many other products and services. This spending is called **consumer spending** or **household expenditure**.

Second, households provide firms with **factors of production**. The main factors of production are labour, land and capital. People provide their labour and receive **wages** in return. Owners of land or property may receive **rent**. People who provide financial capital may receive **interest**. Owners of businesses may receive **profit**, while shareholders may receive **dividends**. These payments represent income received by households for providing productive resources.

Firms use these factors of production to produce goods and services. They employ workers, use equipment and other forms of capital, and purchase or use land and other resources. Firms then sell their goods and services to households and other customers. The money that firms receive from sales is revenue. Part of this revenue is used to pay wages, rent, interest and other costs, while the remaining amount may become profit.

The relationship between households and firms creates two types of flow. The first is the **real flow**, which includes the movement of factors of production from households to firms and the movement of goods and services from firms to households. The second is the **money flow**, which moves in the opposite direction. Households receive income from firms, and they use part of this income to pay for goods and services.

The circular flow model helps economists understand the connection between **production, income and expenditure**. These three elements are closely related. Firms produce goods and services and generate income for the owners of factors of production. Households receive income and spend it on goods and services. This spending becomes revenue for firms and allows them to continue production.

Economic activity can therefore be measured in several ways. Economists can measure the **value of output**, the income generated in the production process, or total expenditure on goods and services. In a simple economic model, these three measures are closely connected because one person's expenditure becomes another person's income, while production creates both goods and income.

Economists also use the concept of **economic equilibrium**. In a simplified model, an economy is in equilibrium when the main economic flows are balanced and there is no immediate tendency for the level of economic activity to change. However, equilibrium does not mean that the economy is perfect or that there is no unemployment, inflation or other economic problems. It simply describes a situation in which the main economic variables are relatively stable.

The circular flow model is a simplified picture of a much more complex economic system. In reality, economies include government activity, international trade, financial markets, investment, taxation and many other processes. Nevertheless, the model provides a useful starting point for understanding how different economic actors are connected and how money and resources move through the economy.

KEY VOCABULARY

English term / expression

Ukrainian equivalent

economic model	економічна модель
economic actor	економічний суб'єкт
household	домогосподарство
firm	фірма; підприємство
factor of production	фактор виробництва
consumer spending	споживчі витрати
household expenditure	витрати домогосподарств
wages	заробітна плата
rent	рента; орендна плата
interest	відсоток
profit	прибуток
revenue	дохід; виручка
output	обсяг виробництва
circular flow	кругообіг
economic equilibrium	економічна рівновага

TASK 1. Match the economic terms with their Ukrainian equivalents.

1	economic model	a	прибуток
2	economic factor	b	домашнє господарство
3	household	c	заробітна плата
4	firm	d	грошовий потік
5	factor of production	e	економічна рівновага
6	consumer spending	f	фірма, підприємство
7	household expenditure	g	дохід від продажу, виручка
8	wages	h	фактор виробництва
9	rent	i	економічна модель
10	interest	j	відсоток
11	profit	k	реальний потік
12	dividend	l	споживчі витрати
13	revenue	m	дивіденд
14	output	n	обсяг виробництва, випуск
15	circular flow	o	суб'єкт економічної діяльності
16	real flow	p	орендна плата, рента
17	money flow	q	кругообіг
18	economic equilibrium	r	витрати домашніх господарств

TASK 2. COMPLETE THE SENTENCES

Complete the sentences with the words from the box.

households | firms | wages | factors of production | consumer spending | revenue | output | economic equilibrium

1. _____ provide labour and other resources to firms.
2. Businesses and companies are generally referred to as _____.
3. Labour, land and capital are examples of _____.
4. Workers receive _____ for their labour.
5. Money spent by households on goods and services is called _____.
6. The money received by a firm from selling its products is its _____.
7. The total amount of goods and services produced is called _____.
8. _____ is a situation in which the main economic flows are balanced.

TASK 3. TRUE OR FALSE

Read the statements and decide whether they are **True (T)** or **False (F)**.

1. An economic model represents every detail of the real economy.
2. Households are both consumers and suppliers of factors of production.
3. Firms use factors of production to produce goods and services.
4. Wages are payments for labour.
5. Consumer spending represents income received by households.
6. The real flow includes goods, services and factors of production.
7. The money flow moves in the same direction as the real flow.
8. Output, income and expenditure are closely connected.
9. Economic equilibrium means that there are no economic problems.
10. The circular flow model is a simplified representation of the economy.

TASK 4. ANSWER THE QUESTIONS

Answer the questions according to the text.

1. Why do economists use economic models?
2. Who are the main economic actors in a modern economy?
3. What two sectors are included in the simplified circular flow model?
4. What are the two main economic roles of households?
5. What are the main factors of production mentioned in the text?
6. What payments can households receive for providing productive resources?
7. What do firms do with the factors of production?
8. What is the difference between the real flow and the money flow?
9. How can economic activity be measured?
10. What does economic equilibrium mean?

TASK 5. TRANSLATE INTO UKRAINIAN

Translate the following sentences into Ukrainian.

1. An economic model is a simplified representation of economic processes and relationships.
2. Households provide firms with factors of production and receive income in return.
3. Firms use labour, land and capital to produce goods and services.
4. Consumer spending represents an important part of economic activity.
5. Workers receive wages for providing their labour to firms.
6. The money flow moves in the opposite direction to the real flow.
7. One person's expenditure becomes another person's income.
8. Economic activity can be measured through output, income and expenditure.

9. Economic equilibrium does not mean that there are no unemployment or inflation problems.

10. The circular flow model helps economists understand how households and firms are connected.

TASK 6. TRANSLATE THE PARAGRAPH into Ukrainian.

The circular flow model shows the relationship between households and firms. Households provide factors of production, such as labour and capital, and receive income in return. They use part of this income to purchase goods and services produced by firms. Firms receive revenue from these sales and use it to pay for the factors of production and continue their economic activity.

TASK 7. SUMMARIZE THE TEXT. Complete the summary using the words from the box.

households | firms | factors of production | income | goods and services | consumer spending | circular flow | economic equilibrium

An economy includes different economic actors, but a simple model focuses on _____ and _____. Households provide _____ to firms and receive _____ in return. They also purchase _____ from firms. This spending is called _____. Firms use resources to produce goods and services. The relationship between households and firms creates the _____ model. Economists use this model to understand the movement of resources, money and products. The text also introduces the concept of _____, when the main economic flows are balanced.

UNIT 3. SUPPLY AND DEMAND

Read the text and pay attention to the key economic terms.

Supply and Demand

Supply and demand are two basic concepts in economics. They help explain how markets work and how prices are determined. **Demand** refers to the quantity of a good or service that consumers are willing and able to buy at different prices during a particular period. **Supply** refers to the quantity of a good or service that producers are willing and able to offer for sale at different prices.

The relationship between price and quantity demanded is generally described by the **law of demand**. When the price of a product increases, consumers usually want to buy less of it. When the price decreases, consumers generally want to buy more. Other things being equal, there is therefore an inverse relationship between price and quantity demanded.

Several factors can affect demand. One important factor is **consumer income**. If people's incomes increase, they may buy more goods and services. Consumer preferences and tastes can also change demand. The prices of related goods are another important factor. For example, if the price of coffee increases, some consumers may buy more tea instead. Expectations about future prices or income can also influence current purchasing decisions.

Supply is influenced by different factors. According to the **law of supply**, producers are generally willing to supply more of a product when its price increases and less when its price decreases, assuming other conditions remain unchanged. Higher prices may make production more profitable and encourage firms to increase their output.

The costs of production are an important factor affecting supply. If the prices of raw materials, energy or labour increase, production becomes more expensive. Firms may then reduce the quantity they are willing to supply at a given price. Technological improvements, on the other hand, can reduce production costs and allow firms to produce more efficiently.

The interaction of supply and demand determines the **market price** of a product. The point where the quantity demanded is equal to the quantity supplied is called **market equilibrium**. The corresponding

price is the **equilibrium price**, and the quantity bought and sold at this price is the **equilibrium quantity**.

Markets do not always operate at equilibrium. If the market price is above the equilibrium price, producers may supply more than consumers want to buy. This situation creates a **surplus**, or excess supply. Producers may respond by reducing prices in order to sell their products.

If the market price is below the equilibrium price, consumers may want to buy more than producers are willing to sell. This creates a **shortage**, or excess demand. When a shortage occurs, prices may increase as consumers compete for a limited quantity of products.

Supply and demand can therefore change the market situation even when the price itself has not changed initially. For example, an increase in consumer income may increase demand for certain products. If supply does not increase at the same time, the new market equilibrium may involve a higher price and a larger quantity sold.

The supply-and-demand model is a simplified economic tool. Real markets are influenced by many additional factors, including government policy, taxes, competition, international trade, consumer expectations and unexpected events. Nevertheless, supply and demand provide a basic framework for understanding changes in prices and quantities in a market economy.

KEY VOCABULARY

English term / expression Ukrainian equivalent

demand	попит
supply	пропозиція
quantity demanded	величина попиту
quantity supplied	величина пропозиції
law of demand	закон попиту
law of supply	закон пропозиції
consumer income	дохід споживача
consumer preferences	споживчі вподобання
production costs	витрати виробництва
market price	ринкова ціна
market equilibrium	ринкова рівновага
equilibrium price	рівноважна ціна
equilibrium quantity	рівноважна кількість
surplus	надлишок
shortage	дефіцит; нестача

TASK 1. Match the terms with their Ukrainian equivalents.

1	demand	a	дефіцит, нестача
2	supply	b	ринкова економіка
3	quantity demanded	c	обсяг пропозиції
4	quantity supplied	d	сировина
5	law of demand	e	рівноважна кількість
6	law of supply	f	закон попиту
7	consumer income	g	споживчий дохід
8	production costs	h	ринкова ціна

9	market price	i	пропозиція
10	market equilibrium	j	надлишок товару
11	equilibrium price	k	виробничі витрати
12	equilibrium quantity	l	обсяг виробництва
13	surplus	m	попит
14	shortage	n	рівноважна ціна
15	consumer preferences	o	кількість, яку споживачі готові й можуть придбати
16	raw materials	p	рівновага на ринку
17	output	q	споживчі переваги
18	market economy	r	закон пропозиції

TASK 2. COMPLETE THE SENTENCES with the words from the box.

demand | supply | income | production costs | surplus | shortage | equilibrium price | output

1. An increase in consumer _____ may increase demand for some products.
2. The quantity producers are willing to offer is called _____.
3. The quantity consumers are willing and able to buy is called _____.
4. Higher raw material prices can increase _____.
5. A _____ occurs when supply is greater than demand at a particular price.
6. A _____ occurs when demand is greater than supply.
7. The price at which quantity demanded equals quantity supplied is the _____.
8. The total quantity of goods produced by a firm is its _____.

TASK 3. TRUE OR FALSE. Read the statements and decide whether they are **True (T)** or **False (F)**.

1. Demand describes the quantity consumers are willing and able to buy.
2. Consumers normally buy more of a product when its price rises.
3. Consumer income can affect demand.
4. Higher production costs can reduce supply.
5. Technological improvements may increase supply.
6. Market equilibrium occurs when quantity demanded equals quantity supplied.
7. A surplus means that consumers want to buy more than producers offer.
8. A shortage can put upward pressure on prices.
9. Supply and demand are the only factors that affect real markets.
10. The supply-and-demand model helps explain changes in market prices.

TASK 4. ANSWER THE QUESTIONS. Answer the questions according to the text.

1. What do supply and demand explain?
2. What does the law of demand state?
3. What factors can influence demand?
4. How can consumer income affect demand?
5. What does the law of supply state?
6. Why can higher production costs reduce supply?
7. What is market equilibrium?
8. What is a surplus?
9. What is a shortage?
10. Why is the supply-and-demand model useful?

TASK 5. TRANSLATE INTO UKRAINIAN.

1. Demand refers to the quantity of a product that consumers are willing and able to buy at different prices.
2. Consumer income is one of the factors that can affect demand.
3. Higher production costs may encourage firms to reduce supply.
4. The interaction between supply and demand determines the market price.
5. Market equilibrium occurs when quantity demanded equals quantity supplied.
6. A surplus occurs when producers offer more goods than consumers want to buy.
7. A shortage occurs when consumers want to buy more goods than producers are willing to supply.
8. Technological improvements can reduce production costs and increase output.
9. Changes in consumer preferences can lead to changes in demand.
10. The supply-and-demand model is a useful tool for analyzing market behaviour.

TASK 6. TRANSLATE THE PARAGRAPH

Translate the paragraph into Ukrainian.

The interaction of supply and demand determines the market price of a product. When quantity demanded is equal to quantity supplied, the market is in equilibrium. If demand increases while supply remains unchanged, the equilibrium price may rise. If supply increases while demand remains unchanged, the equilibrium price may fall.

TASK 7. SUMMARIZE THE TEXT

Complete the summary with the words from the box.

demand | supply | consumers | producers | price | equilibrium | surplus | shortage

_____ represents the quantity of a product that _____ are willing and able to buy.

_____ represents the quantity that _____ are willing to sell. The interaction between demand and supply influences the market _____. When the two forces are balanced, the market reaches _____. If supply is greater than demand, there is a _____. If demand is greater than supply, there is a _____.

UNIT 4. MARKETS AND COMPETITION

Read the text and pay attention to the key economic terms.

Markets and Competition

A **market** is a system in which buyers and sellers interact to exchange goods, services or resources. A market does not necessarily have to be a physical place. Today, many transactions take place through online platforms, electronic payment systems and other digital channels. Markets connect producers with consumers and help determine prices and quantities.

Markets can differ considerably in their structure. One important factor is the number and size of firms operating in a market. Another is the degree of competition between them. Competition encourages firms to attract customers by offering appropriate prices, improving quality or introducing new products and services.

In a **competitive market**, there are many buyers and sellers, and individual firms have limited influence over the market price. Products offered by different firms are often similar, and consumers can choose among several suppliers. Firms therefore have to respond to changes in consumer demand and to the actions of their competitors.

At the other extreme is a **monopoly**. A monopoly exists when one firm is the main or only supplier of a particular product or service in a market. Because there are few or no close substitutes, the monopolist may have considerable control over the price. However, monopolies can also be subject to government regulation, especially when the product or service is considered essential.

Between perfect competition and monopoly there are other forms of market structure. In an **oligopoly**, a small number of large firms dominate the market. Each firm must consider the possible reaction of its competitors when making important decisions. The automobile, telecommunications and airline industries in some countries may have oligopolistic characteristics.

Another structure is **monopolistic competition**. In this type of market, there are many firms, but their products are differentiated. Firms may compete through product quality, design, advertising, location, customer service or brand reputation. Restaurants, clothing businesses and many personal services can operate in markets with these characteristics.

Competition can provide important benefits to consumers. Firms have an incentive to reduce costs, improve quality and develop new products. Competition may also encourage technological innovation. When consumers can choose among different suppliers, firms that fail to meet customer expectations may lose market share.

However, competition is not always perfect. Some firms may become very large and gain significant **market power**. Market power is the ability of a firm to influence market conditions, including prices or the quantity supplied. A firm may gain market power because of its size, control over resources, technological advantages, strong brands or barriers to entry.

Barriers to entry are factors that make it difficult for new firms to enter a market. These may include high start-up costs, legal restrictions, patents, access to technology or strong customer loyalty to existing brands. When barriers to entry are high, existing firms may face less competitive pressure.

Governments may regulate markets when competition is weak or when market activity creates negative effects for society. **Competition policy** can be used to prevent anti-competitive behaviour and protect consumers. Governments may also regulate prices or the activities of firms in certain industries.

Markets are therefore an important part of economic life. They coordinate decisions made by millions of buyers and sellers. The structure of a market influences the behaviour of firms, the level of competition and the choices available to consumers.

KEY VOCABULARY

English term / expression	Ukrainian equivalent
market	ринок
competition	конкуренція
competitive market	конкурентний ринок
monopoly	монополія
oligopoly	олігополія
monopolistic competition	монополістична конкуренція
market structure	структура ринку
market power	ринкова влада
market share	частка ринку
competitor	конкурент

English term / expression	Ukrainian equivalent
consumer choice	вибір споживача
product differentiation	диференціація продукту
barrier to entry	бар'єр для входу на ринок
substitute	товар-замінник
competition policy	конкурентна політика

TASK 1. Match the economic terms with their Ukrainian equivalents.

- | | |
|------------------------------|---------------------------------|
| 1. market | a. ринкова структура |
| 2. competition | b. конкуренція |
| 3. competitive market | c. частка ринку |
| 4. monopoly | d. монополія |
| 5. oligopoly | e. бар'єр для входу на ринок |
| 6. monopolistic competition | f. конкурентний ринок |
| 7. market structure | g. ринкова влада |
| 8. market power | h. інновації у сфері технологій |
| 9. market share | i. олігополія |
| 10. competitor | j. монополістична конкуренція |
| 11. consumer choice | k. конкурент, суперник |
| 12. product differentiation | l. вибір споживача |
| 13. barrier to entry | m. диференціація продукції |
| 14. start-up costs | n. початкові витрати |
| 15. market regulation | o. ринкове регулювання |
| 16. competition policy | p. політика у сфері конкуренції |
| 17. technological innovation | q. замінник |
| 18. substitute | r. ринок |

TASK 2. COMPLETE THE SENTENCES

Complete the sentences with the words from the box.

market | competition | monopoly | oligopoly | market power | market share | barriers to entry | regulation

1. A _____ connects buyers and sellers.
2. _____ encourages firms to compete for customers.
3. A _____ exists when one firm is the main supplier in a market.
4. An _____ is dominated by a small number of large firms.
5. A firm with significant _____ can influence market conditions.
6. A firm's _____ represents its position in total market sales.
7. High start-up costs can create _____.
8. Government _____ may be necessary when competition is weak.

TASK 3. TRUE OR FALSE

Read the statements and decide whether they are **True (T)** or **False (F)**

1. Modern markets can exist online as well as in physical locations.
2. Competition can encourage firms to improve quality.
3. A monopoly is a market with many small competing firms.
4. An oligopoly is dominated by a small number of large firms.
5. Firms in monopolistic competition usually offer identical products.
6. Market power allows a firm to influence market conditions.

7. High barriers to entry can reduce competitive pressure.
8. Competition can encourage technological innovation.
9. Governments never regulate markets.
10. Market structure can influence the behaviour of firms.

TASK 4. ANSWER THE QUESTIONS

Answer the questions according to the text.

1. What is a market?
2. Why is competition important?
3. What is a competitive market?
4. What is a monopoly?
5. What characterises an oligopoly?
6. What is monopolistic competition?
7. What is market power?
8. What are barriers to entry?
9. Why can competition benefit consumers?
10. Why may governments regulate some markets?

TASK 5. TRANSLATE into Ukrainian

1. Competition encourages firms to improve quality and attract customers.
2. A monopoly exists when one firm is the main supplier of a product or service.
3. An oligopoly is a market dominated by a small number of large firms.
4. Market power allows a firm to influence prices or the quantity supplied.
5. High barriers to entry can reduce competition in a market.
6. Product differentiation allows firms to compete through quality, design and brand reputation.
7. Consumers usually benefit when they can choose among several suppliers.
8. Governments may regulate markets when competition is weak.
9. Strong competition can encourage firms to introduce technological innovations.
10. Market structure influences the behaviour of firms and the choices available to consumers.

TASK 6. TRANSLATE THE PARAGRAPH into Ukrainian

Competition can benefit consumers in several ways. Firms have an incentive to reduce costs, improve product quality and develop new products. When consumers can choose between different suppliers, firms that do not respond to customer needs may lose market share.

TASK 7. SUMMARIZE THE TEXT

Complete the summary using the words from the box.

market | competition | monopoly | oligopoly | market power | consumers | barriers to entry | regulation

A _____ is a system where buyers and sellers exchange goods and services. Different forms of market structure include competitive markets, _____, _____ and monopolistic competition. Competition can benefit _____ by increasing choice and encouraging firms to improve quality. However, some firms may have significant _____. High _____ can make it difficult for new firms to enter a market. Governments may use market _____ and competition policy to protect consumers and support effective competition.

UNIT 5. PRODUCTION AND COSTS

Read the text and pay attention to the key economic terms.

Production and Costs

Production is the process of combining resources to create goods and services. Firms use different **factors of production**, including labour, capital, land and entrepreneurship. The way firms combine these resources affects their level of production and their costs.

Labour includes the physical and intellectual work performed by employees. **Capital** includes machines, equipment, buildings and other resources used in production. Land includes natural resources and physical locations used by businesses. Entrepreneurship refers to the ability to organise resources, make business decisions and take risks.

Firms usually aim to produce goods and services efficiently. **Productivity** measures how effectively resources are used in production. For example, labour productivity can be measured by the amount of output produced by one worker during a particular period. Investment in technology, training and better organisation can increase productivity.

The amount of output a firm produces depends partly on the quantity of resources it uses. In the short run, some factors of production may be fixed while others can be changed. For example, a firm may have a fixed factory building but can increase the number of employees. In the long run, firms can change all major factors of production.

Firms face different types of **costs**. **Fixed costs** do not change directly with the level of output in the short run. Rent for a factory or certain insurance payments may be examples of fixed costs. **Variable costs** change when the level of production changes. Costs of raw materials, energy and some types of labour may increase when a firm produces more.

Total cost is the sum of fixed and variable costs. Firms also consider **average cost**, which is the total cost per unit of output. Another important concept is **marginal cost**, which represents the additional cost of producing one more unit of output.

Firms receive **revenue** from selling their products. **Total revenue** is the total amount of money received from sales. A firm's **profit** is the difference between its total revenue and total costs. If total revenue is greater than total cost, the firm earns a profit. If total costs are greater than total revenue, the firm makes a loss.

A firm's production decisions are influenced by both costs and expected revenue. If demand for a product is high and the price is profitable, a firm may decide to increase production. However, producing more may also increase variable costs. Managers therefore need to compare expected benefits with additional costs.

Another important concept is **economies of scale**. A firm experiences economies of scale when its average cost decreases as it increases its scale of production. Large firms may achieve lower average costs because they can use specialised equipment, purchase materials in large quantities or organise production more efficiently.

However, increasing the scale of production does not always reduce costs. Firms may eventually experience **diseconomies of scale**, when average costs begin to increase as the firm becomes too large or difficult to manage.

Production and cost analysis is important for business decision-making. Firms need to determine how much to produce, what resources to use and how to control costs. Understanding productivity, costs and revenue helps businesses improve efficiency and make better economic decisions.

KEY VOCABULARY

English term / expression Ukrainian equivalent

production	виробництво
productivity	продуктивність
factor of production	фактор виробництва
labour	праця
capital	капітал
entrepreneurship	підприємництво
fixed cost	постійні витрати
variable cost	змінні витрати
total cost	загальні витрати
average cost	середні витрати
marginal cost	граничні витрати
revenue	дохід; виручка
total revenue	загальний дохід
profit	прибуток
economies of scale	ефект масштабу

TASK 1. Match the economic terms with their Ukrainian equivalents.

1. production	a. прибуток
2. productivity	b. змінні витрати
3. factor of production	c. продуктивність
4. labour	d. виробництво
5. capital	e. сукупні витрати
6. entrepreneurship	f. збиток
7. fixed cost	g. середні витрати
8. variable cost	h. обсяг виробництва
9. total cost	i. підприємницька діяльність
10. average cost	j. фактор виробництва
11. marginal cost	k. постійні витрати
12. revenue	l. граничні витрати
13. total revenue	m. дохід, виручка
14. profit	n. сукупний дохід, загальна виручка
15. loss	o. економія від масштабу
16. economies of scale	p. ефект негативного масштабу
17. diseconomies of scale	q. праця
18. output	r. капітал

TASK 2. COMPLETE THE SENTENCES. Complete the sentences with the words from the box. **productivity | fixed costs | variable costs | total cost | marginal cost | revenue | profit | economies of scale**

1. _____ measures how effectively resources are used.
2. Factory rent may be an example of _____.
3. Raw material costs are usually _____.
4. _____ is the sum of fixed and variable costs.
5. _____ is the additional cost of producing one more unit.
6. Firms receive _____ from selling their products.

7. A firm earns _____ when revenue is greater than total cost.
8. _____ occur when average cost decreases as production increases.

TASK 3.TRUE OR FALSE.Read the statements and decide whether they are **True (T)** or **False (F)**.

1. Production combines resources to create goods and services.
2. Labour includes only physical work.
3. Productivity measures how effectively resources are used.
4. All factors of production can be changed immediately in the short run.
5. Fixed costs remain relatively unchanged as output changes in the short run.
6. Variable costs can increase when production increases.
7. Total cost includes fixed and variable costs.
8. Profit is the difference between revenue and total cost.
9. Economies of scale mean that average costs increase as production grows.
10. Cost analysis can help firms make production decisions.

TASK 4. ANSWER THE QUESTIONS. Answer the questions according to the text.

1. What is production?
2. What are the main factors of production?
3. What does productivity measure?
4. What is the difference between fixed and variable costs?
5. What is total cost?
6. What is marginal cost?
7. What is revenue?
8. How is profit calculated?
9. What are economies of scale?
10. Why is cost analysis important for firms?

TASK 5. TRANSLATE into Ukrainian

1. Firms combine labour, capital, land and entrepreneurship in the production process.
2. Productivity measures how effectively resources are used.
3. Fixed costs do not change directly with the level of output in the short run.
4. Variable costs usually increase when a firm increases production.
5. Total cost is the sum of fixed and variable costs.
6. Marginal cost is the additional cost of producing one more unit.
7. A firm earns a profit when total revenue exceeds total cost.
8. Investment in technology can increase productivity.
9. Economies of scale can reduce average production costs.
10. Cost analysis helps firms make efficient production decisions.

TASK 6. TRANSLATE THE PARAGRAPH. Translate the paragraph into Ukrainian.

Firms need to consider both production costs and expected revenue when making decisions. If demand is high, a firm may increase output. However, producing additional units may also increase variable costs. Managers therefore need to compare the expected revenue from additional production with the additional costs.

TASK 7. SUMMARIZE THE TEXT. Complete the summary using the words from the box.

production | resources | productivity | fixed costs | variable costs | revenue | profit | economies of scale

Firms use different _____ to produce goods and services. The efficiency of this process is measured by _____. Firms have both _____ and _____. They receive _____ from selling their products. When revenue is greater than total cost, the firm earns _____. Large firms may benefit from _____ if their average costs decrease as production increases.

UNIT 6. MONEY AND BANKING

Read the text and pay attention to the key economic terms.

Money and Banking

Money is an essential part of a modern economy. It allows people to buy and sell goods and services without directly exchanging one product for another. Before the widespread use of money, people often relied on **barter**, which involved exchanging goods and services directly. Barter could be difficult because both participants had to want what the other person offered.

Money performs several important functions. First, it is a **medium of exchange** because people use it to purchase goods and services. Second, money is a **unit of account** because it provides a common way to measure the value of different goods and services. Third, money acts as a **store of value**, allowing people to save purchasing power for future use.

Modern money can take different forms. **Cash** includes banknotes and coins. People also use money in bank accounts to make electronic payments. Digital payment systems allow consumers and businesses to transfer funds quickly without using physical cash.

Banks play an important role in the financial system. **Commercial banks** accept deposits from individuals and businesses and provide loans to households and firms. When a customer deposits money in a bank, the bank can use part of these funds to provide loans, while maintaining sufficient liquidity to meet customers' withdrawal needs.

A **loan** is an amount of money provided by a bank or another lender that the borrower agrees to repay, usually with **interest**, over a particular period. Businesses may borrow money to purchase equipment, expand production or finance investment. Households may take loans to buy homes, vehicles or other expensive goods.

Banks receive income from interest on loans and may charge fees for some financial services. They also pay interest on certain types of deposits. The difference between interest received and interest paid is an important source of bank income.

The **central bank** has a different role from commercial banks. It is responsible for important functions within the national monetary and financial system. A central bank may issue currency, supervise parts of the banking system and conduct **monetary policy**.

Monetary policy involves measures used to influence money, credit and economic conditions. One of the main tools is the **interest rate**. Changes in interest rates can influence borrowing, saving, investment and consumer spending. Lower interest rates may encourage borrowing and investment, while higher rates may reduce demand for loans and encourage saving.

Banks also face risks. A borrower may fail to repay a loan, creating **credit risk** for the bank. Banks must therefore assess borrowers and manage their financial resources carefully. They also need to maintain liquidity so that they can meet their short-term obligations.

The banking system connects savers, borrowers and businesses. It helps transfer financial resources from those who have funds available to those who need funds for consumption or investment. Efficient banking and financial systems therefore support economic activity and investment.

KEY VOCABULARY

English term / expression	Ukrainian equivalent
money	гроші
barter	бартер
medium of exchange	засіб обміну
unit of account	міра вартості
store of value	засіб збереження вартості
cash	готівка
commercial bank	комерційний банк
deposit	депозит; вклад
loan	позика; кредит
borrower	позичальник
lender	кредитор
interest rate	відсоткова ставка
central bank	центральний банк
monetary policy	грошово-кредитна політика
liquidity	ліквідність

TASK 1. Match the economic terms with their Ukrainian equivalents.

1. money	a. ліквідність
2. barter	b. позичальник
3. medium of exchange	c. фінансова система
4. unit of account	d. центральний банк
5. store of value	e. інвестиції
6. cash	f. гроші
7. commercial bank	g. відсоткова ставка
8. deposit	h. готівка
9. loan	i. банківський депозит, вклад
10. borrower	j. бартер
11. lender	k. кредитний ризик
12. interest rate	l. кредит, позика
13. central bank	m. комерційний банк
14. monetary policy	n. грошово-кредитна політика
15. investment	o. позикодавець, кредитор
16. credit risk	p. засіб обміну
17. liquidity	q. міра вартості
18. financial system	r. засіб збереження вартості

TASK 2. COMPLETE THE SENTENCES. Complete the sentences with the words from the box.

money | barter | deposits | loans | interest | commercial banks | central bank | monetary policy

- _____ is used as a medium of exchange.
- _____ involves the direct exchange of goods and services.
- People can keep their money in bank _____.
- Commercial banks provide _____ to households and firms.
- Borrowers usually have to pay _____ on loans.
- _____ accept deposits and provide loans.
- The _____ performs important functions in the national monetary system.
- _____ is used to influence money, credit and economic conditions.

TASK 3. TRUE OR FALSE. Read the statements and decide whether they are **True (T)** or **False (F)**.

1. Money makes exchange easier than barter.
2. Money has only one economic function.
3. A unit of account provides a common way to measure value.
4. Cash includes banknotes and coins.
5. Commercial banks accept deposits and provide loans.
6. A borrower provides a loan to a bank.
7. Central banks and commercial banks have exactly the same functions.
8. Interest rates can influence borrowing and investment.
9. Banks do not face any financial risks.
10. The banking system can transfer financial resources from savers to borrowers.

TASK 4. ANSWER THE QUESTIONS. Answer the questions according to the text.

1. Why is money important in a modern economy?
2. What is barter?
3. What are the three main functions of money?
4. What is the difference between cash and money held in bank accounts?
5. What do commercial banks do?
6. What is a loan?
7. Why do borrowers pay interest?
8. What is the role of a central bank?
9. How can interest rates influence economic activity?
10. What is credit risk?

TASK 5. TRANSLATE the following sentences INTO UKRAINIAN

1. Money is used as a medium of exchange, a unit of account and a store of value.
2. Commercial banks accept deposits and provide loans to households and businesses.
3. Borrowers usually repay loans with interest over a particular period.
4. Businesses may borrow money to finance investment and expand production.
5. Central banks play an important role in the monetary and financial system.
6. Monetary policy can influence borrowing, saving and investment.
7. Lower interest rates may encourage firms to increase investment.
8. Banks need sufficient liquidity to meet their short-term obligations.
9. Credit risk occurs when a borrower may fail to repay a loan.
10. The banking system connects savers, borrowers and businesses.

TASK 6. TRANSLATE THE PARAGRAPH

Changes in interest rates can affect economic activity. When interest rates are lower, households and firms may be more willing to borrow money. This can increase consumer spending and business investment. Higher interest rates, in contrast, may reduce borrowing and encourage people and businesses to save more.

TASK 7. SUMMARIZE THE TEXT

Complete the summary using the words from the box..

money | exchange | banks | deposits | loans | interest | central bank | monetary policy

_____ makes it easier to buy and sell goods and services. It functions as a medium of _____, a unit of account and a store of value. Commercial _____ accept _____ and provide _____ to households and businesses. Borrowers usually pay _____ on loans. The _____ performs important functions in the monetary system and uses _____ to influence economic conditions.

UNIT 7. INFLATION AND UNEMPLOYMENT

Read the text and pay attention to the key economic terms.

Inflation and Unemployment

Inflation and unemployment are two of the most important indicators of economic conditions. They affect households, businesses, governments, and the overall performance of an economy. Although they are different problems, both can influence people's income, spending decisions, and standard of living. Economists therefore monitor changes in prices and employment when assessing the health of an economy.

Inflation is a sustained increase in the general price level of goods and services over time. When inflation occurs, the purchasing power of money decreases. In other words, the same amount of money buys fewer goods and services than before. A moderate and stable rate of inflation is common in many economies, but high or unpredictable inflation can create serious difficulties for consumers and businesses.

There are several causes of inflation. **Demand-pull inflation** occurs when demand for goods and services grows faster than the economy's ability to produce them. If consumers and businesses increase their spending while production cannot expand sufficiently, prices may rise. **Cost-push inflation**, in contrast, results from increasing production costs. Higher wages, energy prices, transportation costs, or the prices of raw materials can increase the cost of production. Businesses may respond by raising the prices of their products and services.

Inflation affects different groups in different ways. Consumers may find it more difficult to maintain their usual standard of living when prices rise faster than their incomes. People with fixed incomes can be particularly affected because their purchasing power may decline. Businesses also face uncertainty because rapidly changing prices make it more difficult to plan production, investment, and future expenditure. At the same time, some borrowers may benefit from inflation if they repay loans with money that has lower purchasing power than when the loans were taken out.

Another major economic problem is **unemployment**. The unemployment rate shows the percentage of people in the labour force who are willing and able to work but cannot find a job. Unemployment can have economic and social consequences. When people lose their jobs, their income and ability to spend usually decrease. At the national level, high unemployment means that part of the available labour force and productive capacity is not being fully used.

Not all unemployment has the same causes. **Frictional unemployment** occurs when people are temporarily between jobs or looking for a position that matches their skills. **Structural unemployment** results from changes in the structure of the economy, such as technological development or changes in consumer demand. Workers may lose jobs because their skills no longer correspond to employers' needs. **Cyclical unemployment** is associated with economic downturns. When demand for goods and services falls, businesses may reduce production and employment.

Governments and central banks use different policies to influence inflation and unemployment. A central bank may change interest rates to affect borrowing, spending, and investment. Higher interest rates can reduce demand and help control inflation, while lower rates may stimulate economic activity and support employment. Governments can also use fiscal measures, such as changes in taxation and public spending, to influence economic activity.

Inflation and unemployment are therefore closely connected to macroeconomic policy. Policymakers often have to balance several objectives rather than focus on only one indicator. Reducing inflation

may require policies that slow economic activity, while supporting employment may require measures that stimulate demand. The appropriate policy depends on the causes of the economic problem, the current state of the economy, and the expected effects of government and central-bank decisions.

KEY VOCABULARY

English term	Ukrainian equivalent
inflation	інфляція
unemployment	безробіття
price level	рівень цін
purchasing power	купівельна спроможність
demand-pull inflation	інфляція попиту
cost-push inflation	інфляція витрат
production costs	витрати на виробництво
raw materials	сировина
standard of living	рівень життя
fixed income	фіксований дохід
unemployment rate	рівень безробіття
labour force	робоча сила
frictional unemployment	фрикційне безробіття
structural unemployment	структурне безробіття
cyclical unemployment	циклічне безробіття
economic downturn	економічний спад
interest rate	процентна ставка
economic activity	економічна активність
fiscal measures	фіскальні заходи
monetary policy	монетарна політика

TASK 1. Match the terms with their definitions.

- | | |
|----------------------------|---|
| 1. inflation | A. the percentage of the labour force without a job |
| 2. purchasing power | B. unemployment caused by changes in the structure of an economy |
| 3. demand-pull inflation | C. the ability of money to buy goods and services |
| 4. cost-push inflation | D. a sustained increase in the general price level |
| 5. unemployment rate | E. inflation caused by rising production costs |
| 6. frictional unemployment | F. unemployment connected with a period of economic decline |
| 7. structural unemployment | G. inflation resulting from demand growing faster than production |
| 8. cyclical unemployment | H. temporary unemployment while people are changing or looking for jobs |

TASK 2. COMPLETE THE SENTENCES

Complete the sentences with the words from the box.

inflation | purchasing power | production costs | standard of living | labour force | structural unemployment | interest rates | economic downturn

1. When prices rise continuously, the economy experiences _____.
2. A rise in prices can reduce consumers' _____.
3. Higher energy and raw material prices can increase _____.
4. Rapid growth in prices may negatively affect people's _____.
5. The unemployment rate is calculated as a percentage of the _____.
6. Technological changes can contribute to _____.
7. Central banks may change _____ to influence borrowing and spending.
8. Cyclical unemployment often increases during an _____.

TASK 3. TRUE OR FALSE

Read the statements and decide whether they are **True (T)** or **False (F)**.

1. Inflation means a sustained increase in the general price level.
2. Inflation always increases people's purchasing power.
3. Demand-pull inflation can occur when demand grows faster than production.
4. Cost-push inflation may result from higher energy and raw material prices.
5. People with fixed incomes may be particularly affected by inflation.
6. The unemployment rate includes only people who are unwilling to work.
7. Structural unemployment can result from technological changes.
8. Cyclical unemployment is associated with economic downturns.
9. Higher interest rates can help reduce demand and control inflation.
10. Governments and central banks have no influence on economic activity.

TASK 4. ANSWER THE QUESTIONS

Answer the questions according to the text.

1. What is inflation?
2. How does inflation affect the purchasing power of money?
3. What is the difference between demand-pull and cost-push inflation?
4. Why can rising production costs lead to higher prices?
5. Why can people with fixed incomes be particularly affected by inflation?
6. What does the unemployment rate measure?
7. What is frictional unemployment?
8. How can technological development cause structural unemployment?
9. How is cyclical unemployment related to economic downturns?
10. How can changes in interest rates influence inflation and employment?

TASK 5. COMPLETE THE SENTENCE

Choose the appropriate word or phrase from the text to complete each sentence.

1. A continuous rise in the general price level is known as _____.
2. When money loses its ability to buy the same amount of goods and services, its _____ decreases.
3. Inflation caused by rising wages, energy prices, or raw material costs is called _____.
4. People who are temporarily looking for a new job may experience _____.
5. Unemployment caused by changes in technology and the structure of production is called _____.
6. During an _____, businesses may reduce production and employment.
7. A central bank can influence economic activity by changing _____.
8. Government changes in taxation and public spending are examples of _____.

TASK 6. TRANSLATE THE SENTENCES into Ukrainian. Pay attention to the meaning of the economic terms and to the changes in wording compared with the text.

1. When the prices of goods and services increase faster than household incomes, consumers may find it increasingly difficult to maintain their usual standard of living.
2. Inflation caused by strong consumer and business demand can develop when producers are unable to increase output quickly enough to satisfy the growing demand.
3. A significant increase in the cost of energy, transportation, or raw materials may force businesses to raise the prices of their products in order to cover higher production expenses.
4. People whose incomes remain relatively stable while prices continue to rise may experience a substantial decline in their purchasing power.
5. Structural unemployment may appear when technological progress changes the skills required by employers and some workers are no longer able to find jobs that match their qualifications.
6. During periods of weak economic activity, falling demand can encourage firms to reduce production, which may result in job losses and higher cyclical unemployment.
7. By increasing interest rates, a central bank can make borrowing more expensive and reduce spending and investment, thereby putting downward pressure on inflation.
8. Economic policymakers have to consider the possible effects of their decisions on both price stability and employment rather than concentrating on a single economic indicator.

TASK 7. SUMMARIZE THE TEXT. Complete the summary using the words from the box.

inflation | purchasing power | demand | production costs | unemployment | labour force | structural | cyclical | interest rates | economic activity

Inflation is a sustained increase in the general price level that reduces the _____ of money. It may result from excessive _____ or from rising _____. Unemployment refers to people in the _____ who are willing and able to work but cannot find a job. It may be frictional, _____, or _____, depending on its causes. Governments and central banks use different policies to influence inflation and _____. Changes in _____ can affect borrowing, spending, investment, and overall _____.

UNIT 8. ECONOMIC GROWTH AND DEVELOPMENT

Read the text and pay attention to the key economic terms.

Economic Growth and Development

Economic growth and economic development are closely related concepts, but they do not mean exactly the same thing. **Economic growth** generally refers to an increase in the amount of goods and services produced by an economy over a period of time. **Economic development** is a broader concept that includes not only growth in production and income but also improvements in people's living conditions, access to education and healthcare, employment opportunities, and overall well-being.

A common way to measure economic growth is by using **gross domestic product (GDP)**. GDP represents the market value of all final goods and services produced within a country during a specific period. When real GDP increases, the economy is producing more goods and services than before. Economists often use **real GDP** rather than nominal GDP because real GDP adjusts for changes in the general price level and therefore provides a better picture of changes in actual production.

Economic growth can result from several factors. One important factor is an increase in the **labour force**. When more people participate in economic activity, the economy may be able to produce more goods and services. However, simply increasing the number of workers is not enough to guarantee sustained growth. **Labour productivity**, or the amount of output produced per worker, is also essential.

Productivity can increase when workers become better educated and trained, when firms introduce more efficient production methods, or when new technologies are adopted. **Physical capital**, such as machinery, equipment, buildings, and infrastructure, also contributes to productivity. A modern production system can allow workers to produce more output in less time and with fewer resources.

Another important source of growth is **technological progress**. New technologies can improve production processes, reduce costs, create new products, and increase the efficiency with which resources are used. Innovation can therefore make firms more competitive and contribute to higher economic output. However, technological change may also create challenges because some existing jobs and skills can become less important as production methods change.

Economic growth is influenced not only by labour, capital, and technology but also by the quality of economic institutions. **Property rights**, effective legal systems, political stability, and a predictable business environment can encourage people and firms to invest in productive activities. When businesses are confident that their investments will be protected, they are more likely to expand production, introduce new technologies, and create jobs.

Economic development involves a wider range of changes. A country may experience economic growth while some groups continue to have limited access to education, healthcare, housing, or employment. For this reason, economists also consider indicators such as **income distribution**, life expectancy, educational attainment, and poverty levels when assessing development.

Growth can improve living standards by increasing employment opportunities, household incomes, and government revenues. Higher government revenues can provide additional resources for public services and infrastructure. Nevertheless, economic growth does not automatically benefit everyone equally. Income inequality may increase if the gains from growth are concentrated among particular groups or regions.

Sustainable development has therefore become an important economic objective. **Sustainable economic growth** means increasing production and improving living standards without using natural resources in a way that seriously damages the ability of future generations to meet their needs. Environmental protection, efficient resource use, and investment in cleaner technologies can help economies combine economic progress with long-term sustainability.

In conclusion, economic growth is an important condition for improving living standards, but it is not the only measure of economic progress. A strong economy should be able to increase production and productivity while also creating opportunities, improving public services, reducing extreme poverty, and using resources responsibly. Economic development therefore requires a broader perspective than growth in GDP alone.

KEY VOCABULARY

English term

economic growth

economic development

gross domestic product (GDP)

real GDP

nominal GDP

labour force

labour productivity

Ukrainian equivalent

економічне зростання

економічний розвиток

валовий внутрішній продукт (ВВП)

реальний ВВП

номінальний ВВП

робоча сила

продуктивність праці

English term	Ukrainian equivalent
output	обсяг виробництва; випуск продукції
physical capital	фізичний капітал
infrastructure	інфраструктура
technological progress	технологічний прогрес
innovation	інновація
economic institutions	економічні інститути
property rights	права власності
business environment	ділове середовище
income distribution	розподіл доходів
living standards	рівень життя
income inequality	нерівність доходів
sustainable development	сталий розвиток
resource use	використання ресурсів

TASK 1. Match the economic terms with their definitions.

- | | |
|---------------------------|--|
| 1. economic growth | A. the value of final goods and services produced within a country |
| 2. economic development | B. the amount of output produced by a worker |
| 3. GDP | C. an increase in the production of goods and services |
| 4. labour productivity | D. the physical resources used to produce goods and services |
| 5. physical capital | E. a broader improvement in economic and social conditions |
| 6. technological progress | F. the system of roads, buildings, transport, and other facilities supporting economic activity |
| 7. infrastructure | G. improvements in technology and production methods |
| 8. income inequality | H. differences in income received by different groups of people |

TASK 2. COMPLETE THE SENTENCES

Complete the sentences with the words from the box.

GDP | productivity | labour force | technology | infrastructure | investment | income inequality | sustainable development

- Economists often use _____ to measure the value of production in an economy.
- Higher labour _____ allows workers to produce more output in the same amount of time.
- An increase in the _____ can contribute to economic growth.
- New _____ can make production more efficient.
- Good transport and communication systems are important elements of economic _____.
- Business _____ in machinery and equipment can increase productive capacity.
- Economic growth does not necessarily reduce _____.
- _____ aims to combine economic progress with responsible use of natural resources.

TASK 3. TRUE OR FALSE

Read the statements and decide whether they are **True (T)** or **False (F)**.

- Economic growth and economic development have exactly the same meaning.
- Real GDP takes changes in the general price level into account.
- Increasing the number of workers is the only way to achieve economic growth.
- Education and training can improve labour productivity.
- Physical capital includes machinery, equipment, and buildings.

6. Technological progress can reduce production costs.
7. Economic institutions can influence investment decisions.
8. Economic growth always benefits all groups of society equally.
9. Economic development can be assessed using indicators other than GDP.
10. Sustainable development considers the needs of future generations.

TASK 4. ANSWER THE QUESTIONS.

Answer the questions according to the text.

1. What is economic growth?
2. How does economic development differ from economic growth?
3. What does GDP measure?
4. Why is real GDP useful for measuring economic growth?
5. How can education and training affect labour productivity?
6. What role does physical capital play in economic growth?
7. How can technological progress increase economic output?
8. Why are economic institutions important for investment?
9. Why is GDP alone not sufficient for measuring economic development?
10. What is meant by sustainable economic growth?

TASK 5. COMPLETE THE SENTENCES using appropriate terms from the text.

1. An increase in the total production of an economy is known as _____.
2. The broader process of improving economic and social conditions is called _____.
3. _____ is used to measure the market value of final goods and services produced in a country.
4. The amount of output produced per worker is called _____.
5. Machinery, equipment, and buildings are examples of _____.
6. Improvements in production methods resulting from new technologies are part of _____.
7. Differences between the incomes of various groups are referred to as _____.
8. Economic progress that does not seriously damage the interests of future generations is associated with _____.

TASK 6. TRANSLATION.

Translate the following sentences into Ukrainian. Pay attention to the economic terminology and to the use of synonyms and paraphrased structures.

1. An economy can increase its total output by expanding the labour force, but long-term growth usually depends on improvements in productivity as well.
2. Investment in modern machinery and equipment enables employees to produce a greater quantity of goods in less time and can therefore increase the productive capacity of firms.
3. Technological innovation can contribute to economic growth by making production processes more efficient, lowering costs, and creating new products and services.
4. Although higher GDP generally indicates that an economy is producing more, it does not necessarily mean that all members of society experience an equal improvement in their living conditions.
5. A stable legal system and clearly protected property rights can encourage businesses to invest because firms are more willing to undertake long-term projects when they expect their assets to be secure.
6. Economic development should be assessed not only by changes in national output but also by improvements in education, healthcare, employment opportunities, and the distribution of income.

7. Rapid economic expansion may create additional employment and increase household incomes, while at the same time placing greater pressure on natural resources and the environment.
8. Sustainable development seeks to reconcile economic progress with responsible resource use so that present economic needs can be satisfied without reducing opportunities for future generations.

TASK 7. SUMMARY.

Complete the summary of the text using the words from the box.

economic growth | GDP | productivity | labour force | physical capital | technology | economic development | income inequality | living standards | sustainable development

_____ refers to an increase in the production of goods and services, while _____ is a broader concept that also includes improvements in people's well-being. _____ is commonly used to measure economic output, although other indicators are needed to assess development. Economic growth can be supported by an expanding _____, higher labour _____, investment in _____, and technological progress. However, higher output does not automatically improve _____ for everyone or reduce _____. For this reason, modern economic policy also focuses on _____, which combines economic progress with responsible use of natural resources.

UNIT 9. FISCAL POLICY AND GOVERNMENT SPENDING

Read the text and pay attention to the key economic terms.

Fiscal Policy and Government Spending

The government plays an important role in a modern economy. It provides public goods and services, supports social programmes, builds infrastructure, and creates the legal conditions necessary for economic activity. To finance these activities, the government collects revenue and makes expenditures. The way in which a government uses taxation and public spending to influence economic activity is known as **fiscal policy**.

Government revenue comes from several sources, but **taxes** are usually the main source. Individuals and businesses may pay different types of taxes, including income taxes, corporate taxes, value-added taxes, and taxes on specific goods and services. Tax revenue allows the government to finance public services and programmes. The amount of revenue collected depends on tax rates, the level of economic activity, employment, incomes, and business profits.

Government spending includes expenditure on a wide range of activities. Governments may finance education, healthcare, transport infrastructure, public administration, defence, social protection, and other public services. Some expenditure is directed towards current needs, while investment in infrastructure and other long-term projects can increase the productive capacity of the economy.

Fiscal policy can be **expansionary** or **contractionary**, depending on economic conditions and government objectives. Expansionary fiscal policy is generally used when economic activity is weak. The government may increase public spending, reduce taxes, or use a combination of these measures to stimulate **aggregate demand**. Higher demand can encourage firms to increase production and employment.

For example, during an economic downturn, households may reduce their consumption and businesses may postpone investment. If the government increases spending on infrastructure projects, it can create

additional demand for construction, materials, transport, and labour. Workers and businesses receiving this additional income may then increase their own spending, creating further economic activity.

Contractionary fiscal policy has the opposite purpose. When demand is growing too rapidly and inflationary pressure is increasing, the government may reduce public spending or increase taxes. These measures can decrease aggregate demand and help prevent the economy from overheating. However, such policies may also slow economic growth and reduce employment if they are introduced when economic activity is already weak.

An important issue in fiscal policy is the relationship between government revenue and expenditure. When government spending is greater than government revenue, the government runs a **budget deficit**. A deficit may be financed through borrowing. When revenue is greater than expenditure, the government has a **budget surplus**. Governments may also have a balanced budget when revenue and expenditure are approximately equal.

Repeated budget deficits can increase **public debt**, which represents the accumulated amount of money a government owes to lenders. Borrowing can be useful when it finances productive investment or helps the economy during a serious downturn. However, excessive borrowing can increase the cost of servicing debt and limit the government's ability to respond to future economic problems.

Fiscal policy can also influence the distribution of income. Progressive taxation requires people with higher incomes to pay a larger proportion of their income in taxes. Government spending on social protection, education, healthcare, and other public services can also support lower-income households and reduce economic inequality.

The effectiveness of fiscal policy depends on many factors. Changes in government spending and taxation may take time to affect the economy. Their impact also depends on consumer behaviour, business expectations, interest rates, and the general state of the economy. Fiscal policy must therefore be designed carefully. Governments need to balance the objectives of economic stability, sustainable growth, employment, public services, and responsible management of public finances.

KEY VOCABULARY

English term

Ukrainian equivalent

fiscal policy	фіскальна політика
government revenue	державні доходи
government spending	державні видатки
tax revenue	податкові надходження
tax rate	податкова ставка
income tax	податок на доходи
corporate tax	податок на прибуток підприємств
public services	державні / суспільні послуги
public spending	державні видатки
aggregate demand	сукупний попит
expansionary fiscal policy	стимулювальна фіскальна політика
contractionary fiscal policy	стримувальна фіскальна політика
budget deficit	бюджетний дефіцит
budget surplus	бюджетний профіцит

KEY VOCABULARY

English term

Ukrainian equivalent

public debt	державний борг
government borrowing	державні запозичення
economic downturn	економічний спад
infrastructure	інфраструктура
income distribution	розподіл доходів
public finances	державні фінанси

TASK 1. Match the terms with their definitions.

- | | |
|---------------------------------|--|
| 1. fiscal policy | A. the total amount of money owed by a government |
| 2. government revenue | B. government income, mainly obtained from taxes |
| 3. aggregate demand | C. the use of taxation and public spending to influence the economy |
| 4. expansionary fiscal policy | D. a situation in which government spending is greater than revenue |
| 5. contractionary fiscal policy | E. total demand for goods and services in an economy |
| 6. budget deficit | F. a policy designed to stimulate economic activity |
| 7. budget surplus | G. a situation in which government revenue is greater than expenditure |
| 8. public debt | H. a policy designed to reduce excessive economic activity or demand |

TASK 2. COMPLETE THE SENTENCES

Complete the sentences with the words from the box.

taxes | government revenue | public services | aggregate demand | budget deficit | public debt | infrastructure | economic downturn

1. Most governments collect _____ through different types of taxes.
2. Education and healthcare are examples of _____.
3. Roads, bridges, and transport systems are important elements of economic _____.
4. During an _____, governments may increase spending to support economic activity.
5. Higher government spending can increase _____.
6. When government expenditure exceeds revenue, the result is a _____.
7. Repeated borrowing can contribute to an increase in _____.
8. Income taxes and value-added taxes are examples of _____.

TASK 3. TRUE OR FALSE

Read the statements and decide whether they are **True (T)** or **False (F)**.

1. Taxes are an important source of government revenue.
2. Government spending is limited to defence and public administration.
3. Expansionary fiscal policy can be used to stimulate economic activity.
4. Reducing taxes can increase aggregate demand.
5. Contractionary fiscal policy is designed to increase excessive demand.
6. A budget deficit occurs when government expenditure exceeds revenue.
7. A budget surplus occurs when government revenue is greater than expenditure.
8. Government borrowing always has a negative effect on the economy.
9. Fiscal policy can influence income distribution.
10. Changes in fiscal policy can affect the economy immediately in every situation.

TASK 4. ANSWER THE QUESTIONS.

Answer the questions according to the text.

1. What is fiscal policy?
2. What are the main sources of government revenue?
3. What types of activities can government spending finance?
4. When is expansionary fiscal policy generally used?
5. How can higher government spending stimulate economic activity?
6. Why might a government introduce contractionary fiscal policy?
7. What is a budget deficit?
8. How can repeated budget deficits affect public debt?
9. How can fiscal policy influence income distribution?
10. Why does fiscal policy need to be designed carefully?

TASK 5. COMPLETE THE SENTENCES using appropriate terms from the text.

1. The use of taxation and government expenditure to influence economic activity is called _____.
2. Government income obtained from taxes is known as _____.
3. When economic activity is weak, the government may use _____ fiscal policy.
4. When demand is excessively high, the government may introduce _____ fiscal policy.
5. Total demand for goods and services in an economy is called _____.
6. When expenditure is higher than revenue, the government has a _____.
7. The accumulated amount owed by the government is known as _____.
8. Government expenditure on roads, bridges, and transport systems is investment in _____.

TASK 6. TRANSLATION

Translate the following sentences into Ukrainian. Pay attention to the economic terminology and to the paraphrased wording.

1. When economic activity declines significantly, the government may increase public expenditure or reduce taxation in an attempt to strengthen demand and support employment.
2. Investment in transport networks, education, and other public infrastructure can provide short-term economic stimulus while also improving the productive capacity of the economy in the longer term.
3. If government spending remains above the level of government revenue for a prolonged period, the resulting budget deficits may require additional borrowing and contribute to the growth of public debt.
4. Contractionary fiscal measures may be introduced when rapidly increasing demand creates inflationary pressure and policymakers seek to prevent the economy from overheating.
5. Changes in taxation can affect households' disposable income and, as a result, influence their decisions about consumption, saving, and investment.
6. Government spending on healthcare, education, and social protection can improve access to essential services and provide additional support to lower-income groups.
7. Although government borrowing can help finance productive investment or support the economy during a downturn, excessive debt may increase future debt-servicing costs and restrict fiscal flexibility.
8. The effectiveness of fiscal policy depends not only on the size of government spending or tax changes but also on how households and businesses respond to these measures.

TASK 7. SUMMARY

Complete the summary of the text using the words from the box.

fiscal policy | taxes | government spending | aggregate demand | expansionary | contractionary | budget deficit | public debt | income distribution | economic activity

_____ refers to the use of taxation and public expenditure to influence the economy. Governments obtain much of their revenue from _____ and use _____ to finance public services and infrastructure. When _____ is weak, an _____ fiscal policy may be used to stimulate _____. In contrast, a _____ fiscal policy can reduce demand when inflationary pressure is too strong. If government expenditure exceeds revenue, a _____ occurs, which may increase _____ when the government borrows to finance it. Fiscal policy can also influence _____ through taxation and social spending.

UNIT 10. INTERNATIONAL TRADE AND GLOBALIZATION

Read the text and pay attention to the key economic terms.

International Trade and Globalization

No modern economy exists in complete isolation. Countries exchange goods, services, capital, technology, and information with one another. **International trade** allows countries to specialize in the production of goods and services in which they have particular advantages and to obtain products that may be more expensive or difficult to produce domestically. As a result, trade can increase the variety of goods available to consumers and expand markets for businesses.

One of the main economic arguments for international trade is the principle of **comparative advantage**. A country has a comparative advantage in producing a particular good when it can produce that good at a lower opportunity cost than another country. This does not necessarily mean that the country is the most efficient producer in absolute terms. Instead, specialization allows countries to use their resources more efficiently and gain from exchanging products with one another.

International trade includes both **exports** and **imports**. Exports are goods and services produced domestically and sold to foreign buyers, while imports are goods and services purchased from other countries. The difference between the value of exports and imports of goods is commonly described as the **trade balance**. A country has a trade surplus when the value of its exports exceeds the value of its imports and a trade deficit when imports are greater than exports.

Countries use different policies to influence international trade. **Free trade** means that goods and services can be exchanged with relatively few government restrictions. However, governments sometimes introduce **trade barriers** to protect domestic producers or pursue other economic objectives. A **tariff** is a tax imposed on imported goods. Tariffs can make imported products more expensive and therefore give domestic producers greater protection from foreign competition.

Another type of trade barrier is a **quota**, which places a limit on the quantity of a particular product that can be imported. Governments may also use subsidies to support domestic producers. Although such measures can protect particular industries and jobs, they may also increase prices for consumers, reduce competition, and encourage inefficient production.

International trade can generate significant benefits, but it can also create adjustment problems. When domestic firms face stronger competition from foreign producers, some companies may reduce production or leave the market. Workers in affected industries may lose their jobs and need to acquire

new skills or move into different sectors. At the same time, consumers may benefit from lower prices, greater product variety, and access to goods that are not produced domestically.

Globalization has increased the economic connections between countries. Advances in transportation, communication, and digital technologies have made it easier for firms to operate across national borders. Businesses can purchase inputs from foreign suppliers, produce components in different countries, and sell their products in international markets. This process has contributed to the development of **global supply chains**.

Foreign investment is another important part of globalization. **Foreign direct investment (FDI)** occurs when a company or investor establishes or acquires a lasting business interest in another country. FDI can bring capital, technology, management expertise, and employment opportunities to the host economy. However, governments may also be concerned about excessive dependence on foreign companies or the impact of international investment on domestic industries.

Globalization can therefore create both opportunities and challenges. It can encourage competition, innovation, specialization, and economic growth, but its benefits may not be distributed equally across regions, industries, or groups of workers. Governments may need to support workers affected by structural changes through education, retraining, and social programmes.

Overall, international trade and globalization have become important features of the modern economy. Effective participation in global markets requires countries to use their resources efficiently, remain competitive, and adapt to changing international conditions. At the same time, economic policy should consider both the benefits of international integration and the adjustment costs that may arise from increased global competition.

KEY VOCABULARY

English term

Ukrainian equivalent

international trade

міжнародна торгівля

comparative advantage

порівняльна перевага

specialization

спеціалізація

exports

експорт

imports

імпорт

trade balance

торговельний баланс

trade surplus

торговельний профіцит

trade deficit

торговельний дефіцит

free trade

вільна торгівля

trade barrier

торговельний бар'єр

tariff

мито

quota

квота

subsidy

субсидія

foreign competition

іноземна конкуренція

globalization

глобалізація

global supply chain

глобальний ланцюг постачання

foreign direct investment (FDI)

прямі іноземні інвестиції

host economy

економіка країни-реципієнта

English term

economic integration

comparative cost

Ukrainian equivalent

економічна інтеграція

порівняльні витрати

TASK 1. Match the terms with their definitions.

- | | |
|------------------------------|--|
| 1. international trade | A. a tax imposed on imported goods |
| 2. comparative advantage | B. goods and services purchased from foreign countries |
| 3. exports | C. the exchange of goods and services between countries |
| 4. imports | D. a restriction limiting the quantity of a product that can be imported |
| 5. tariff | E. goods and services sold to foreign buyers |
| 6. quota | F. the ability to produce a good at a lower opportunity cost |
| 7. globalization | G. increasing economic connections between countries |
| 8. foreign direct investment | H. investment that creates or acquires a lasting business interest in another country |

TASK 2. COMPLETE THE SENTENCES

Complete the sentences with the words from the box.

exports | imports | specialization | tariff | quota | globalization | trade deficit | comparative advantage

1. Countries can benefit from _____ by concentrating on goods they can produce relatively efficiently.
2. Goods and services sold to foreign buyers are called _____.
3. Goods and services purchased from other countries are called _____.
4. A country may develop a _____ when the value of its imports is greater than the value of its exports.
5. A _____ is a tax placed on imported goods.
6. A _____ limits the amount of a particular product that can be imported.
7. _____ has increased economic connections between countries.
8. International trade is often explained using the principle of _____.

TASK 3. TRUE OR FALSE

Read the statements and decide whether they are **True (T)** or **False (F)**.

1. Countries can benefit from international trade even when they have different levels of economic efficiency.
2. Comparative advantage is based on lower opportunity cost.
3. Exports are goods and services purchased from foreign countries.
4. A trade surplus occurs when exports exceed imports.
5. A tariff is a limit on the quantity of imported goods.
6. A quota restricts the quantity of a product that can be imported.
7. Trade barriers can protect domestic producers but may also increase prices.
8. Globalization has increased the economic connections between countries.
9. Foreign direct investment can bring capital and technology to a host economy.
10. Globalization benefits every industry and worker equally.

TASK 4. ANSWER THE QUESTIONS. Answer the questions according to the text.

1. Why do countries engage in international trade?
2. What is comparative advantage?
3. What is the difference between exports and imports?
4. What is meant by a trade surplus?
5. What is a trade deficit?

6. Why might a government introduce tariffs?
7. How does a quota differ from a tariff?
8. What are some benefits of international trade for consumers?
9. How can globalization affect businesses?
10. What are the possible benefits of foreign direct investment?

TASK 5. COMPLETE THE SENTENCES

Complete the sentences using appropriate terms from the text.

1. The exchange of goods and services between countries is called _____.
2. Producing goods at a lower opportunity cost is an example of _____.
3. Goods sold to foreign customers are known as _____.
4. A tax on imported products is called a _____.
5. A government restriction on the quantity of imports is a _____.
6. Increasing economic connections among countries are described as _____.
7. Production involving suppliers and firms in several countries can form a _____.
8. Investment by a foreign company in a lasting business operation is called _____.

TASK 6. TRANSLATION

Translate the following sentences into Ukrainian. Pay attention to the paraphrased wording and economic terminology.

1. International trade enables countries to concentrate their resources on products they can produce at relatively lower opportunity costs while obtaining other goods from foreign suppliers.
2. Although trade barriers may protect domestic companies from international competition, they can also make imported products more expensive and reduce the range of goods available to consumers.
3. A country records a trade surplus when the value of its exports exceeds the value of its imports over a particular period.
4. The expansion of global supply chains allows companies to obtain components and raw materials from different countries and organize production according to international cost and efficiency conditions.
5. Foreign direct investment can contribute to the development of a host economy by providing additional capital, introducing new technologies, and creating employment opportunities.
6. Greater exposure to foreign competition may force domestic firms to improve productivity, reduce unnecessary costs, and develop new products in order to remain competitive.
7. Workers employed in industries affected by international competition may need additional education or retraining if changes in production reduce the demand for their existing skills.
8. The economic benefits of globalization can be substantial, but governments may also have to address unequal effects on particular industries, regions, and groups of workers.

TASK 7. SUMMARY. Complete the summary of the text using the words from the box.

international trade | comparative advantage | exports | imports | tariffs | quotas | globalization | supply chains | foreign direct investment | competition

_____ allows countries to specialize according to their _____ and exchange goods and services. Goods sold abroad are called _____, while goods purchased from other countries are _____. Governments may restrict trade through _____ or _____, although such measures can also increase prices. _____ has strengthened economic links between countries and contributed to the development of global _____. Another important aspect of globalization is _____, which can bring capital, technology, and employment to host economies. International trade can increase consumer choice and encourage greater _____ among firms.

UNIT 11. BUSINESS CYCLES AND MACROECONOMIC STABILITY

Read the text and pay attention to the economic terms.

Business Cycles and Macroeconomic Stability

Economic activity does not usually grow at a constant rate. Periods of relatively rapid growth may be followed by slower growth or a decline in production. These regular fluctuations in economic activity are known as the **business cycle**. Understanding business cycles is important because changes in production, employment, income, and spending can affect both businesses and households.

A business cycle generally includes several stages: **expansion, peak, contraction, and trough**. During an expansion, production, employment, income, and consumer spending tend to increase. Businesses may invest more because they expect demand for their products to remain strong. As economic activity continues to grow, the economy may reach a peak, which represents a temporary high point in economic activity.

After a peak, economic activity may begin to slow down. This stage is known as a **contraction**. Businesses may experience weaker demand and respond by reducing production, investment, or employment. Household incomes may also decline, leading to lower consumer spending. If the decline in economic activity becomes particularly severe and prolonged, the economy may enter a **recession**.

A recession can have significant effects on businesses and households. Firms may postpone investment projects, reduce working hours, or lay off employees. Consumers may become more cautious and reduce spending because of lower incomes or uncertainty about the future. Lower demand can then cause businesses to reduce production further, creating a negative cycle of declining economic activity.

The lowest point of a business cycle is called a **trough**. After the trough, economic activity may begin to recover. During a recovery, production and employment gradually increase, consumer confidence improves, and businesses may resume investment. If the recovery continues, the economy enters another period of expansion.

Business cycles can be influenced by many factors. Changes in consumer spending and business investment can affect aggregate demand. Interest rates also play an important role. Lower interest rates can make borrowing less expensive and encourage households and firms to spend and invest. Higher interest rates can have the opposite effect by making credit more expensive and reducing demand.

External factors can also influence economic activity. Changes in international trade, energy prices, financial conditions, technological developments, or major geopolitical events may affect production and investment. Because modern economies are interconnected, economic problems in one country can sometimes spread to other countries through trade and financial links.

Governments and central banks attempt to reduce extreme fluctuations and maintain **macroeconomic stability**. Central banks can use **monetary policy**, particularly changes in interest rates, to influence borrowing, spending, investment, and inflation. During a downturn, lower interest rates may support economic activity. When inflationary pressure becomes too strong, higher interest rates may be used to slow demand.

Governments can also use **fiscal policy** to respond to economic fluctuations. During a downturn, higher public spending or lower taxes may stimulate aggregate demand. When the economy is expanding too rapidly, governments may reduce spending or increase taxes to limit excessive demand. However, policymakers must consider possible side effects, including inflation, public debt, and changes in employment.

Macroeconomic stability does not mean that an economy should experience zero changes in production or prices. Rather, it means maintaining relatively stable conditions that support sustainable economic growth, employment, and price stability. Policymakers therefore try to avoid both severe recessions and excessive economic overheating.

In practice, achieving macroeconomic stability is difficult because economic conditions are influenced by many factors, and policy decisions often have delayed effects. Governments and central banks must therefore analyse economic indicators, assess potential risks, and adapt their policies as conditions change. Effective economic management requires a balance between growth, employment, price stability, and sustainable public finances.

KEY VOCABULARY

English term	Ukrainian equivalent
business cycle	економічний цикл
economic activity	економічна активність
expansion	піднесення; розширення економічної активності
peak	вершина економічного циклу
contraction	скорочення економічної активності
trough	найнижча точка економічного циклу
recession	рецесія; економічний спад
recovery	відновлення економіки
consumer spending	споживчі витрати
business investment	інвестиції підприємств
aggregate demand	сукупний попит
consumer confidence	споживча впевненість
monetary policy	монетарна політика
fiscal policy	фіскальна політика
interest rate	процентна ставка
economic fluctuations	економічні коливання
macroeconomic stability	макроекономічна стабільність
inflationary pressure	інфляційний тиск
economic overheating	перегрів економіки
sustainable growth	сталий розвиток / стале економічне зростання

TASK 2. MATCH THE TERMS with their definitions.

- | | |
|----------------------------|--|
| 1. business cycle | A. the lowest point of economic activity |
| 2. expansion | B. a period when economic activity decreases |
| 3. peak | C. a period of increasing economic activity |
| 4. contraction | D. fluctuations in economic activity over time |
| 5. trough | E. a period when the economy begins to grow again |
| 6. recession | F. a temporary high point of economic activity |
| 7. recovery | G. a significant and prolonged decline in economic activity |
| 8. macroeconomic stability | H. relatively stable economic conditions supporting growth, employment, and price stability |

TASK 3. COMPLETE THE SENTENCES with the words from the box.

expansion | recession | peak | trough | recovery | investment | interest rates | inflation

1. During an economic _____, production and employment usually increase.
2. A prolonged decline in economic activity may result in a _____.
3. The _____ represents a temporary high point in the business cycle.
4. The _____ is the lowest point of economic activity.
5. During an economic _____, production and employment begin to increase again.
6. Businesses may reduce _____ when they expect weaker demand.
7. Changes in _____ can influence borrowing and spending.
8. Rapid economic growth may increase _____ if demand grows too quickly.

TASK 3. TRUE OR FALSE

1. Economic activity always grows at a constant rate.
2. An expansion is normally associated with increasing production and employment.
3. A peak is the lowest point of the business cycle.
4. A contraction involves a decline in economic activity.
5. A severe and prolonged contraction may develop into a recession.
6. Consumers may reduce spending during an economic downturn.
7. Lower interest rates can encourage borrowing and investment.
8. External events can influence domestic economic activity.
9. Monetary policy is used only to increase inflation.
10. Macroeconomic stability means that production and prices never change.

TASK 4. ANSWER THE QUESTIONS

1. What is a business cycle?
2. What are the main stages of a business cycle?
3. What usually happens during an economic expansion?
4. What happens when an economy enters a contraction?
5. What is a recession?
6. How can a recession affect households and businesses?
7. What factors can influence economic fluctuations?
8. How can interest rates affect economic activity?
9. How can governments and central banks respond to economic downturns?
10. What does macroeconomic stability mean?

TASK 5. COMPLETE THE SENTENCES using appropriate terms from the text.

1. A period of increasing production and employment is called an economic _____.
2. The highest temporary point in a business cycle is the _____.
3. A period of declining economic activity is known as a _____.
4. A particularly severe and prolonged economic decline may be called a _____.
5. The lowest stage of the cycle is the _____.
6. After the trough, the economy may enter a period of _____.
7. Central banks influence economic activity through _____.
8. Government taxation and public spending are instruments of _____.

TASK 6. TRANSLATION

Translate the following sentences into Ukrainian. Pay attention to the paraphrased wording, synonyms, and economic terminology.

1. During an expansion, growing consumer demand and business confidence may encourage firms to increase production, hire additional workers, and invest in new equipment.
2. When economic activity begins to weaken, households may postpone major purchases and companies may reduce investment because they become less confident about future demand.

3. A prolonged and significant decline in production can affect employment and household incomes, which may further reduce consumer spending and deepen the economic downturn.
4. Lower interest rates can stimulate economic activity by reducing the cost of borrowing and making households and businesses more willing to spend and invest.
5. An economy may enter a recovery after reaching the lowest point of the business cycle, with production, employment, and consumer confidence gradually improving.
6. Changes in energy prices, international trade, financial conditions, or major external events can create economic disturbances that affect both domestic production and investment.
7. Policymakers attempt to maintain macroeconomic stability by balancing the objectives of economic growth, employment, price stability, and sustainable public finances.
8. Because monetary and fiscal measures often influence the economy with a time lag, governments and central banks must consider not only current conditions but also possible future developments.

TASK 7. SUMMARY

Complete the summary of the text using the words from the box.

business cycle | expansion | peak | contraction | recession | trough | recovery | interest rates | monetary policy | fiscal policy

The _____ describes fluctuations in economic activity over time. During an _____, production, employment, and spending generally increase until the economy reaches a _____. This may be followed by a _____, which can become a _____ if the decline is severe and prolonged. The lowest point is called a _____, after which the economy may enter a _____. Changes in _____ can influence borrowing, spending, and investment. Central banks use _____, while governments use _____, to respond to economic fluctuations and support macroeconomic stability.

UNIT 12. FINANCIAL MARKETS AND FINANCIAL INSTITUTIONS

Read the text and pay attention to the key economic terms.

Financial Markets and their Role in the Economy

Financial markets are an important part of a modern economy because they provide mechanisms for transferring financial resources from those who have funds to those who need them. Households, businesses, governments, and financial institutions participate in financial markets for different purposes. Households may save part of their income or invest their savings, while businesses and governments may need additional funds to finance investment, production, or public projects.

A **financial market** is a system in which financial assets are bought and sold. Financial assets include shares, bonds, currencies, and other instruments that represent a financial claim or ownership interest. Financial markets make it possible for participants to obtain funds, invest savings, manage risks, and allocate financial resources among different economic activities.

One important distinction is between **financial markets** and **financial institutions**. Financial markets provide mechanisms through which financial assets are traded, whereas financial institutions act as intermediaries between savers and borrowers or provide specialized financial services. Commercial banks, insurance companies, investment funds, pension funds, and other institutions perform different functions within the financial system.

The **stock market** is a financial market where shares of companies are issued and traded. A share represents partial ownership of a company. When investors purchase shares, they become shareholders

and may receive dividends if the company distributes part of its profits. The value of shares can increase or decrease depending on the company's performance, expectations about future profits, general economic conditions, and investor confidence.

The **bond market** is another important component of financial markets. A bond represents a form of borrowing: an investor provides funds to a company or government, and the issuer promises to repay the principal amount at a specified date, usually with interest. Bonds therefore allow organizations to raise funds without selling ownership shares. For investors, bonds can provide relatively predictable income, although they are not completely free from risk.

Financial markets also help determine **interest rates** and the prices of financial assets. Interest rates influence decisions about saving, borrowing, consumption, and investment. When borrowing becomes more expensive, businesses may reduce investment and households may postpone major purchases. In contrast, lower interest rates can encourage borrowing and investment, potentially increasing economic activity.

Another important function of the financial system is **risk management**. Financial institutions such as insurance companies help individuals and businesses protect themselves against certain financial losses. Investment funds can also reduce risk by allowing investors to hold a diversified portfolio of assets rather than depending on a single investment.

Financial markets are closely connected with the broader economy. Efficient financial markets can support economic growth by directing savings toward productive investment. However, financial markets can also experience instability. Rapid changes in asset prices, excessive borrowing, or a loss of confidence may create financial difficulties for businesses and households and, in serious cases, contribute to wider economic problems.

For this reason, financial markets and institutions are subject to **financial regulation**. Governments and regulatory authorities establish rules designed to improve transparency, protect investors, reduce financial risks, and maintain confidence in the financial system. Effective regulation does not eliminate all risks, but it can contribute to greater financial stability and support the sustainable functioning of the economy.

KEY VOCABULARY

English term / expression

financial market

financial asset

financial institution

financial system

financial resources

stock market

share

shareholder

bond

dividend

interest rate

investment

Ukrainian equivalent

фінансовий ринок

фінансовий актив

фінансова установа

фінансова система

фінансові ресурси

фондовий ринок

акція

акціонер

облігація

дивіденд

відсоткова ставка

інвестиція; інвестування

English term / expression**Ukrainian equivalent**

investor	інвестор
borrowing	запозичення; залучення позикових коштів
lending	кредитування; надання позики
financial intermediary	фінансовий посередник
risk management	управління ризиками
investment risk	інвестиційний ризик
financial regulation	фінансове регулювання
financial stability	фінансова стабільність
partial ownership	часткова власність
raise funds	залучати кошти
provide financial resources	надавати фінансові ресурси
distribute profits	розподіляти прибуток
issue shares / bonds	випускати акції / облігації
invest savings	інвестувати заощадження
manage financial risks	управляти фінансовими ризиками
maintain financial stability	підтримувати фінансову стабільність

TASK 1. Match the economic terms with their Ukrainian equivalents.

Economic term	Ukrainian equivalent
1. financial market	A. акція
2. financial asset	B. фінансове регулювання
3. shareholder	C. фінансовий актив
4. share	D. фінансовий ринок
5. bond	E. акціонер
6. dividend	F. облігація
7. interest rate	G. дивіденд
8. risk management	H. управління ризиками
9. financial regulation	I. відсоткова ставка
10. financial stability	J. фінансова стабільність

TASK 2. COMPLETE THE SENTENCES

Complete the sentences with the appropriate terms from the box.

financial markets • financial institutions • shares • bonds • dividends • interest rates • investment • financial regulation • risk management • financial asset

1. Banks, insurance companies, and investment funds are examples of _____.
2. Companies can raise capital by issuing _____ to investors.
3. Investors may receive _____ when a company distributes part of its profits.
4. A bond is a type of _____ that represents a claim on the issuer.
5. _____ provide mechanisms for buying and selling financial assets.
6. Changes in _____ can influence borrowing and investment decisions.
7. Financial institutions provide different services, including _____.
8. Money directed toward productive activities is an important form of _____.
9. Governments establish _____ to improve transparency and protect investors.
10. A share is a _____ that represents partial ownership of a company.

TASK 3. DECIDE WHETHER THE STATEMENTS ARE TRUE OR FALSE

1. Financial markets help transfer funds between savers and those who need financial resources.
2. Only households participate in financial markets.
3. A share represents partial ownership of a company.
4. Bond investors normally become owners of the company or government that issues the bond.
5. Interest rates can influence saving, borrowing, and investment decisions.
6. Financial institutions include commercial banks and insurance companies.
7. Financial markets can never experience instability.
8. Diversification can help investors manage investment risk.
9. Financial regulation is intended to eliminate every possible financial risk.
10. Efficient financial markets can contribute to economic growth.

TASK 4. ANSWER THE QUESTIONS

1. What is a financial market?
2. Why do households participate in financial markets?
3. Why may businesses and governments need additional financial resources?
4. What is the difference between financial markets and financial institutions?
5. What does a share represent?
6. How can investors earn income from shares?
7. What is a bond, and how does it work?
8. How can interest rates affect economic activity?
9. Why is risk management important in the financial system?
10. Why is financial regulation necessary?

TASK 5. COMPLETE THE TERMS according to their definitions.

1. A market where shares of companies are issued and traded: _____
2. A financial instrument through which a company or government borrows money from investors: _____
3. A person who owns shares in a company: _____
4. Part of a company's profit distributed to shareholders: _____
5. The cost of borrowing money, usually expressed as a percentage: _____
6. The process of reducing or controlling potential financial losses: _____
7. Rules established to control financial activities and protect market participants: _____
8. The condition in which the financial system operates without serious disruption: _____

TASK 6. TRANSLATION. Translate the following sentences into Ukrainian.

1. Financial markets facilitate the movement of financial resources from households and other savers to businesses and governments that require additional funds.
2. When investors purchase shares, they obtain partial ownership of a company and may receive dividends from its profits.
3. Unlike shares, bonds do not normally give investors ownership of the issuing organization; instead, they represent a form of lending.
4. Changes in interest rates can influence the willingness of households to borrow and businesses to invest in new productive activities.
5. Financial institutions perform an important intermediary function by connecting people and organizations that have available funds with those that need financing.
6. Diversification allows investors to spread their funds across different assets and therefore reduce their dependence on the performance of a single investment.
7. Although financial markets can support economic growth by directing savings toward investment, excessive borrowing and declining confidence may increase financial instability.
8. Effective financial regulation cannot remove all risks from financial markets, but it can improve transparency, protect investors, and contribute to the stability of the financial system.

TASK 7. SUMMARIZE THE TEXT. Complete the summary using the words from the box.

financial markets • financial institutions • shares • bonds • interest rates • investment • risk management • regulation • financial stability

Financial markets play an important role in a modern economy because they help transfer financial resources between savers and those who need funds. They allow participants to buy and sell financial assets such as _____ and _____. Financial institutions, including banks and insurance companies, provide financial services and help with _____. Changes in _____ can influence saving, borrowing, and investment decisions. Financial markets can support economic growth by directing savings toward productive _____. At the same time, financial risks and market instability may affect the wider economy. Therefore, financial _____ is necessary to improve transparency, protect investors, and support _____.

UNIT 13. TAXATION AND THE ROLE OF GOVERNMENT

Read the text and pay attention to the key economic terms.

Taxation in a Modern Economy

Taxation is one of the main mechanisms through which governments obtain financial resources. Individuals and businesses are required to pay taxes according to established rules, and the revenue collected by the government is used to finance public expenditure. Although taxation is often discussed as a financial obligation, its economic role is broader. Taxes influence consumption, saving, investment, production, income distribution, and the allocation of economic resources.

A **tax** is a compulsory payment made by individuals or organizations to the government. Taxes are generally not connected with a direct payment for a particular service. Instead, tax revenue contributes to the financing of goods and services that are provided or supported by the public sector. These may include education, healthcare, public infrastructure, national security, social protection, and other government functions.

There are several major types of taxes. **Income tax** is imposed on the income earned by individuals or households. In many countries, businesses are also subject to taxes on their profits. **Corporate tax** is a tax paid by companies on their taxable profits. Another important category is **consumption tax**, which is charged when people purchase goods and services. Value-added tax (VAT) is a common example. **Property taxes** are imposed on certain forms of property and can provide revenue for national or local governments.

Taxes can also be classified according to how the tax burden changes as income increases. Under a **progressive tax system**, people with higher incomes pay a larger percentage of their income in taxes. A **proportional tax** applies the same tax rate to different income levels, while a **regressive tax** places a relatively greater burden on people with lower incomes. The design of a tax system therefore has important consequences for income distribution and economic inequality.

Taxation affects economic behaviour. When taxes on income increase, households may have less disposable income available for consumption or saving. Similarly, higher taxes on business profits may influence companies' decisions concerning investment and expansion. Taxes on particular products can also change consumer behaviour. For example, governments may impose higher taxes on goods that generate negative social or environmental effects in an attempt to reduce their consumption.

At the same time, taxation involves a trade-off. Governments need sufficient revenue to provide public services and maintain infrastructure, but excessively high taxes may reduce incentives to work, invest,

save, or start a business. The economic effect depends not only on the tax rate but also on the structure of the tax system, the use of tax revenue, and the overall economic environment.

Another important concept is the **tax burden**, which refers to the economic cost of taxation borne by individuals and businesses. The person or organization that formally pays a tax is not always the one who ultimately bears its full economic burden. For example, when a government introduces a tax on a product, businesses may increase prices, meaning that consumers bear part of the additional cost.

Governments also use taxation as an instrument of **economic policy**. During periods of strong economic activity, changes in taxes may help prevent excessive demand and inflationary pressure. During an economic downturn, governments may reduce certain taxes or introduce temporary tax measures to support household spending and business activity.

An effective tax system should therefore achieve several objectives. It should provide adequate government revenue, distribute the tax burden in a reasonably fair way, minimize unnecessary economic distortions, and remain understandable and administratively manageable. The challenge for policymakers is to design a system that finances public needs while allowing households and businesses to make productive economic decisions.

KEY VOCABULARY

English term / expression

Ukrainian equivalent

taxation	оподаткування
tax	податок
tax revenue	податкові надходження
tax system	податкова система
tax burden	податкове навантаження
income tax	податок на доходи
corporate tax	податок на прибуток підприємств
consumption tax	податок на споживання
value-added tax (VAT)	податок на додану вартість (ПДВ)
property tax	податок на майно
progressive tax	прогресивний податок
proportional tax	пропорційний податок
regressive tax	регресивний податок
tax rate	податкова ставка
disposable income	наявний дохід
public expenditure	державні видатки
public sector	державний сектор
income distribution	розподіл доходів
economic inequality	економічна нерівність
economic behaviour	економічна поведінка
investment decision	інвестиційне рішення
tax burden	податковий тягар / податкове навантаження
economic policy	економічна політика
inflationary pressure	інфляційний тиск
economic downturn	економічний спад

government revenue	державні доходи
public services	державні послуги
tax revenue	податкові надходження
impose a tax	запроваджувати / стягувати податок
pay taxes	сплачувати податки
collect taxes	збирати податки
tax burden	податкове навантаження
tax system design	структура / побудова податкової системи

TASK 1. Match the economic terms with their Ukrainian equivalents.

Economic term	Ukrainian equivalent
1. taxation	A. наявний дохід
2. tax burden	B. податок на споживання
3. disposable income	C. оподаткування
4. income tax	D. податкове навантаження
5. consumption tax	E. податок на доходи
6. corporate tax	F. прогресивний податок
7. progressive tax	G. державні видатки
8. public expenditure	H. податок на прибуток підприємств
9. income distribution	I. розподіл доходів
10. economic inequality	J. економічна нерівність

TASK 2. COMPLETE THE SENTENCES with the appropriate terms from the box.

tax revenue • public services • tax rate • disposable income • corporate tax • VAT • progressive tax • tax burden • public expenditure • economic inequality

- Governments use _____ to finance education, healthcare, infrastructure, and other public needs.
- A _____ requires people with higher incomes to pay a larger percentage of their income in taxes.
- _____ is a common form of consumption tax applied to goods and services.
- The amount of money households have available after taxes can be described as _____.
- Companies may be required to pay _____ on their taxable profits.
- The percentage used to calculate the amount of tax is called the _____.
- Government spending on public services and infrastructure is part of _____.
- The economic cost of taxation borne by individuals or businesses is called the _____.
- Taxation can influence the distribution of income and may be used to reduce _____.
- Money collected by the government through taxes is known as _____.

TASK 3. TRUE OR FALSE

- Taxation is one of the main sources of government revenue.
- Taxes are normally direct payments for one specific government service.
- Income tax is imposed on income earned by individuals or households.
- VAT is a common example of a consumption tax.
- A progressive tax system applies the same percentage to all income levels.
- Higher taxes may influence household consumption and saving decisions.
- Taxes can sometimes be used to influence consumer behaviour.
- The person who formally pays a tax always bears the entire economic burden.
- Governments can use taxation as an instrument of economic policy.
- An effective tax system should consider both government revenue and economic incentives.

TASK 4. ANSWER THE QUESTIONS

1. What is taxation, and why is it important for the government?
2. What are some examples of public services financed by tax revenue?
3. What is the difference between income tax and consumption tax?
4. What is a progressive tax system?
5. How can taxation affect income distribution?
6. How may higher taxes influence household economic behaviour?
7. Why can taxation influence business investment decisions?
8. What does the term “tax burden” mean?
9. How can governments use taxation as an economic policy instrument?
10. What characteristics should an effective tax system have?

TASK 5. COMPLETE THE TERMS according to their definitions.

1. Money collected by the government from individuals and businesses: _____
2. A tax imposed on the income of individuals or households: _____
3. A tax paid by companies on their taxable profits: _____
4. A tax applied when consumers purchase goods and services: _____
5. A system in which higher-income people pay a larger percentage of their income in taxes: _____
6. The amount of income available to a household after paying taxes: _____
7. The economic cost of taxation ultimately borne by taxpayers: _____
8. Government spending on services, infrastructure, and other public needs: _____

TASK 6. TRANSLATE the following sentences into Ukrainian.

1. Taxation provides governments with financial resources that can be used to maintain public services and finance infrastructure and social programmes.
2. A progressive tax system is designed so that taxpayers with higher incomes contribute a larger proportion of their income to government revenue.
3. Changes in tax rates may influence household decisions concerning consumption and saving because taxation affects the amount of disposable income available to individuals.
4. When governments impose taxes on business profits, companies may reconsider their investment plans, particularly when the expected return on investment becomes less attractive.
5. Although businesses may be legally responsible for paying a particular tax, part of the economic burden may ultimately be transferred to consumers through higher prices.
6. Taxation can be used not only to generate government revenue but also to influence economic behaviour and reduce the consumption of goods associated with negative social or environmental effects.
7. Policymakers must balance the need for sufficient public revenue with the possibility that excessive taxation may weaken incentives to work, save, invest, or establish new businesses.
8. During an economic downturn, temporary changes in taxation may be introduced to support household demand and encourage business activity.

TASK 7. COMPLETE THE SUMMARY using the words from the box.

taxation • tax revenue • public expenditure • income tax • consumption tax • progressive tax • disposable income • tax burden • economic policy

_____ is an important source of government revenue and helps finance _____ such as healthcare, education, and infrastructure. Different types of taxes include _____, which is imposed on income, and _____, which is charged when goods and services are purchased. A _____ system requires higher-income taxpayers to contribute a larger proportion of their income. Taxation affects household _____ and may influence consumption and saving. It also creates a _____ for individuals and businesses. In addition to raising _____, governments can use taxation as an instrument of _____.

UNIT 14. LABOUR MARKETS AND WAGES

Read the text and pay attention to the key economic terms.

Labour Markets and the Determination of Wages

The **labour market** is an important part of the economy because it connects people who are willing and able to work with organizations that need employees. Labour is one of the main factors of production, together with land, capital, and entrepreneurship. The functioning of the labour market influences employment, wages, household income, production, and overall economic well-being.

In the labour market, households generally represent the **supply of labour**, while businesses and other organizations create the **demand for labour**. Individuals offer their time, skills, knowledge, and experience in exchange for income. Employers, in turn, demand labour because employees contribute to the production of goods and services.

The price of labour is commonly represented by the **wage rate**. Wages can be paid per hour, week, month, or according to the amount of work completed. The level of wages is influenced by the interaction between labour demand and labour supply, although other economic and institutional factors are also important.

The **demand for labour** depends partly on the productivity of workers and the demand for the goods and services they produce. If demand for a company's products increases, the company may need additional employees and may therefore increase its demand for labour. Technological change can have different effects. New technologies may reduce demand for workers performing routine tasks, but they can also create demand for employees with new technical and analytical skills.

The **supply of labour** is influenced by population size, demographic structure, education, skills, migration, working conditions, and wages. People may decide whether to enter the labour market or increase their working hours based partly on the income they can earn. However, individuals also consider non-financial factors such as job security, working conditions, career opportunities, and the balance between work and personal life.

Wage differences between workers can be explained by several factors. Workers with specialized knowledge, advanced qualifications, or significant experience may receive higher wages because their skills are relatively scarce or because they can contribute more to productivity. This difference is sometimes described as a **return to human capital**. Human capital includes education, training, professional skills, experience, and other characteristics that increase a person's productive capacity.

Labour markets do not always operate under conditions of perfect competition. Employers may have different levels of **market power**, particularly when there are relatively few employers in a particular region or occupation. Workers may also have unequal bargaining power. **Trade unions** can represent employees in negotiations over wages, working conditions, working hours, and other employment conditions.

Governments influence labour markets through **labour-market policies**. These policies may include minimum-wage legislation, unemployment benefits, employment programmes, taxation, education and training initiatives, and regulations concerning working conditions. A **minimum wage** establishes a legal lower limit for wages. Its economic effects may depend on the level at which it is set and on the characteristics of the labour market.

Unemployment is another important indicator of labour-market conditions. A high level of unemployment may indicate that the economy is not using all available labour resources. However, some unemployment exists even in relatively healthy economies because people change jobs, enter the labour market, or need time to find positions that match their qualifications. This is known as **frictional unemployment**.

A well-functioning labour market can support economic growth by allocating workers to activities where their skills are most productive. At the same time, changes in technology, demographic trends, globalization, and economic conditions can create challenges for both workers and employers. Education, professional training, and labour-market flexibility can help individuals and businesses adapt to these changes.

KEY VOCABULARY

English term / expression

labour market
labour supply
labour demand
factor of production
wage rate
employment
unemployment
worker
employer
workforce
productivity
human capital
qualification
professional skills
working conditions
job security
bargaining power
trade union
minimum wage
labour-market policy
frictional unemployment
labour resources
labour-market flexibility
return to human capital
create demand for labour
enter the labour market
supply labour
increase productivity

Ukrainian equivalent

ринок праці
пропозиція праці
попит на працю
фактор виробництва
рівень / ставка заробітної плати
зайнятість
безробіття
працівник
роботодавець
робоча сила; персонал
продуктивність
людський капітал
кваліфікація
професійні навички
умови праці
гарантія зайнятості
переговорна сила
профспілка
мінімальна заробітна плата
політика на ринку праці
фрикційне безробіття
трудові ресурси
гнучкість ринку праці
віддача від людського капіталу
створювати попит на працю
виходити на ринок праці
пропонувати працю
підвищувати продуктивність

TASK 1. Match the economic terms with their Ukrainian equivalents.

Economic term

1. labour market
2. labour supply
3. labour demand
4. wage rate
5. human capital
6. productivity

Ukrainian equivalent

- A. людський капітал
- B. мінімальна заробітна плата
- C. ринок праці
- D. попит на працю
- E. пропозиція праці
- F. продуктивність

Economic term	Ukrainian equivalent
7. bargaining power	Г. переговорна сила
8. trade union	Н. профспілка
9. minimum wage	І. рівень / ставка заробітної плати
10. frictional unemployment	Ж. фрикційне безробіття

TASK 2. COMPLETE THE SENTENCES with the appropriate terms from the box.

labour market • labour supply • labour demand • wage rate • productivity • human capital • trade unions • minimum wage • working conditions • unemployment

1. The _____ connects people seeking employment with organizations that need workers.
2. The amount of labour that individuals are willing to offer is called _____.
3. Businesses create _____ when they need employees to produce goods and services.
4. The price of labour is commonly represented by the _____.
5. Education, training, and professional experience are important components of _____.
6. Higher worker _____ can increase the amount of output produced by a company.
7. _____ may represent employees in negotiations with employers.
8. A legal lower limit for wages is called the _____.
9. Job security and safe _____ can influence people's decisions about employment.
10. A situation in which people are willing and able to work but cannot find jobs is called _____.

TASK 3. TRUE OR FALSE

Read the statements and decide whether they are **True (T)** or **False (F)**.

1. Labour is one of the main factors of production.
2. Households generally represent the demand for labour.
3. Employers demand labour because workers contribute to production.
4. Wages are influenced only by labour supply.
5. Technological change can both reduce and create demand for particular types of labour.
6. Education and professional training contribute to human capital.
7. Workers consider only wages when choosing a job.
8. Trade unions can negotiate with employers about wages and working conditions.
9. A minimum wage establishes a legal lower limit for wages.
10. Frictional unemployment can occur when people are changing jobs.

TASK 4. ANSWER THE QUESTIONS

Answer the questions according to the text.

1. What is the main function of the labour market?
2. What do individuals offer in the labour market?
3. Why do businesses demand labour?
4. What factors can influence labour demand?
5. What factors affect labour supply?
6. What is human capital?
7. Why can some workers receive higher wages than others?
8. What role can trade unions play in the labour market?
9. What is the purpose of a minimum wage?
10. Why does frictional unemployment exist?

TASK 5. COMPLETE THE TERMS according to their definitions.

1. The system connecting workers and employers: _____
2. The amount of labour employers are willing to hire: _____
3. The amount of labour individuals are willing to offer: _____
4. Education, skills, and experience that increase productive capacity: _____
5. The price paid for labour: _____
6. A legal lower limit for wages: _____
7. An organization representing workers' interests: _____
8. Temporary unemployment associated with changing jobs or entering employment: _____

TASK 6. TRANSLATE the following sentences into Ukrainian.

1. The interaction between employers seeking workers and individuals offering their skills contributes to the formation of wages in the labour market.
2. A company's demand for labour may increase when consumer demand for its products rises and additional workers are required to expand production.
3. Education, professional training, and work experience can increase a person's human capital and improve their ability to perform economically valuable activities.
4. Technological progress may reduce employment in some routine occupations while simultaneously creating new opportunities for workers with advanced technical and analytical skills.
5. Workers do not base employment decisions exclusively on wages, since job security, working conditions, career prospects, and work-life balance may also influence their choices.
6. Trade unions can strengthen the bargaining position of employees by representing their collective interests in negotiations with employers.
7. Government labour-market policies are intended to influence employment conditions and may include minimum-wage regulations, unemployment benefits, and professional training programmes.
8. Frictional unemployment does not necessarily indicate serious economic weakness because it may result from the normal process of workers moving between jobs.

TASK 7. COMPLETE THE SUMMARY using the words from the box.

labour market • labour supply • labour demand • wages • human capital • productivity • trade unions • minimum wage • unemployment

The _____ connects workers with employers and plays an important role in determining employment and _____. Individuals contribute to _____ by offering their time, skills, and experience, while businesses create _____ when they need workers for production. Education and professional experience increase _____ and may contribute to higher _____. _____ can represent workers in negotiations concerning pay and working conditions. Governments may regulate the labour market through measures such as a _____. Another important indicator of labour-market conditions is _____.

UNIT 15. ECONOMIC INEQUALITY AND SOCIAL POLICY

Read the text and pay attention to the key economic terms.

Economic Inequality and the Distribution of Income

Economic inequality refers to differences in the distribution of income, wealth, and economic opportunities among individuals or households. Some degree of inequality exists in most economies because people have different levels of education, skills, employment income, property, and access to economic resources. However, significant and persistent inequality may have important economic and social consequences.

One of the most commonly studied forms of inequality is **income inequality**. Income includes money received from employment, self-employment, investments, property, and other sources. The distribution of income describes how total income is divided among members of a population. Economists use several indicators to analyse this distribution, including income shares and the **Gini coefficient**. The Gini coefficient is a statistical measure that summarizes the degree of inequality in an income distribution.

Income and wealth should not be confused. **Income** is a flow of resources received over a period of time, while **wealth** represents the value of assets owned at a particular point in time. Wealth may include housing, savings, shares, business assets, and other property. Because wealth can generate additional income through rent, interest, dividends, or capital gains, differences in wealth may contribute to differences in future income.

There are many causes of economic inequality. Differences in education and professional skills can lead to different levels of productivity and wages. Technological change may increase demand for highly qualified workers while reducing opportunities in some routine occupations. Globalization can create new employment opportunities but may also put pressure on workers in industries facing international competition. Family background, inheritance, regional differences, and access to education and financial resources can also influence economic outcomes.

Economic inequality can have both positive and negative economic effects. Differences in income may provide incentives for education, entrepreneurship, investment, and productive effort. People may be motivated to develop skills or establish businesses because these activities can generate higher income.

However, excessive inequality may limit **social mobility**, which refers to the ability of individuals to improve their economic position over time. If children from low-income households have limited access to quality education, healthcare, or other opportunities, their future economic prospects may also be restricted. Persistent inequality can therefore reduce the efficient use of human potential.

Governments use **social policy** to address poverty, inequality, and social risks. Social policy includes measures related to income support, healthcare, education, housing, pensions, unemployment assistance, and other forms of social protection. One important instrument is **income redistribution**, through which governments collect revenue, mainly through taxation, and use part of it to finance public services and transfers.

A **transfer payment** is a payment made by the government to individuals or households without a direct exchange of goods or services. Examples include pensions, unemployment benefits, and certain forms of social assistance. Transfer payments can help households maintain a basic standard of living during periods of unemployment, old age, or other economic difficulties.

Social policy involves difficult choices. Extensive redistribution may reduce inequality and support vulnerable groups, but it also requires financial resources and may influence incentives to work, save, or invest. Policymakers therefore need to consider both **equity** and **economic efficiency**. Equity concerns fairness in the distribution of resources and opportunities, while efficiency concerns the productive use of limited resources.

The objective of social policy is not necessarily to make all incomes equal. Rather, governments generally seek to reduce extreme poverty, expand access to essential services, and ensure that individuals have reasonable opportunities to participate in economic life. A balanced approach can combine economic growth with social protection and greater equality of opportunity.

KEY VOCABULARY

English term / expression

economic inequality
income inequality
income distribution
wealth
income
Gini coefficient
economic opportunity
social mobility
social policy
social protection
income redistribution
transfer payment
social assistance
unemployment benefit
pension
poverty
standard of living
equity
economic efficiency
human potential
inheritance
access to education
vulnerable groups
redistribute income
reduce poverty
equal opportunities

Ukrainian equivalent

економічна нерівність
нерівність доходів
розподіл доходів
багатство; майнові активи
дохід
коефіцієнт Джині
економічна можливість
соціальна мобільність
соціальна політика
соціальний захист
перерозподіл доходів
трансфертний платіж
соціальна допомога
допомога по безробіттю
пенсія
бідність
рівень життя
справедливість; рівність можливостей
економічна ефективність
людський потенціал
спадщина
доступ до освіти
вразливі групи населення
перерозподіляти доходи
скорочувати бідність
рівні можливості

TASK 1. Match the economic terms with their Ukrainian equivalents.

Economic term

1. income inequality
2. wealth
3. Gini coefficient
4. social mobility
5. social policy
6. income redistribution
7. transfer payment
8. poverty
9. equity
10. economic efficiency

Ukrainian equivalent

- A. соціальна мобільність
- B. трансфертний платіж
- C. багатство; майнові активи
- D. економічна ефективність
- E. коефіцієнт Джині
- F. нерівність доходів
- G. соціальна політика
- H. перерозподіл доходів
- I. бідність
- J. справедливість; рівність можливостей

TASK 2. COMPLETE THE SENTENCES with the appropriate terms from the box.

income inequality • wealth • Gini coefficient • social mobility • social policy • income redistribution • transfer payment • poverty • equity • economic efficiency

1. Differences in the distribution of income are known as _____.
2. The value of assets owned by an individual or household is called _____.
3. The _____ is used to measure inequality in an income distribution.
4. The ability to improve one's economic position over time is called _____.
5. Government measures designed to address social risks and inequality are part of _____.
6. The process of using government revenue and public programmes to change the distribution of income is called _____.
7. A pension or unemployment benefit can be an example of a _____.
8. A lack of sufficient resources to maintain a basic standard of living is called _____.
9. _____ concerns fairness in the distribution of resources and opportunities.
10. The productive use of limited resources is related to _____.

TASK 3. TRUE OR FALSE

1. Economic inequality refers only to differences in wealth.
2. Income and wealth are different economic concepts.
3. Education and professional skills can influence income differences.
4. The Gini coefficient can be used to analyse income inequality.
5. Wealth may generate additional income.
6. Economic inequality can never provide incentives for education or entrepreneurship.
7. Social mobility refers to changes in a person's economic position over time.
8. Transfer payments involve a direct exchange of goods and services.
9. Governments can use taxation and public spending to redistribute income.
10. Social policy should consider both equity and economic efficiency.

TASK 4. ANSWER THE QUESTIONS

1. What does economic inequality mean?
2. What is the difference between income and wealth?
3. What is the Gini coefficient used for?
4. What factors can cause income inequality?
5. How can technological change affect inequality?
6. Why can excessive inequality reduce social mobility?
7. What is social policy?
8. What is a transfer payment?
9. What is the difference between equity and economic efficiency?
10. What are the main objectives of social policy?

TASK 5. COMPLETE THE TERMS ACCORDING TO THEIR DEFINITIONS

1. A statistical measure of inequality in income distribution: _____
2. The total value of assets owned by an individual or household: _____
3. The distribution of income among members of a population: _____
4. The ability to improve one's economic position: _____
5. Government policy aimed at addressing poverty and social risks: _____
6. Government payment made without a direct exchange of goods or services: _____
7. The fair distribution of resources and opportunities: _____
8. The productive use of limited economic resources: _____

TASK 6. TRANSLATE the following sentences into Ukrainian.

1. Economic inequality may arise from differences in education, professional skills, productivity, employment opportunities, and access to financial resources.
2. Although income and wealth are closely connected, income represents a flow of resources received over time, whereas wealth refers to the value of assets accumulated by a household or individual.
3. Technological progress can increase the earnings of highly qualified workers while creating adjustment difficulties for people whose occupations are affected by automation.
4. Persistent inequality may limit social mobility when individuals from low-income households have fewer opportunities to obtain quality education or develop valuable professional skills.
5. Governments can influence income distribution through taxation, public expenditure, transfer payments, and programmes that improve access to education and healthcare.
6. Transfer payments can provide financial support to households experiencing unemployment, retirement, or other circumstances that temporarily reduce their income.
7. Policymakers face the challenge of combining greater equity with economic efficiency because measures designed to reduce inequality may also affect incentives to work, save, and invest.
8. The purpose of social policy is generally not to eliminate all differences in income but to reduce extreme poverty and improve people's access to essential economic and social opportunities.

TASK 7. COMPLETE THE SUMMARY using the words from the box.

economic inequality • income distribution • wealth • Gini coefficient • social mobility • social policy • income redistribution • transfer payments • equity

_____ describes differences in the distribution of economic resources among individuals and households. Economists study _____ to understand how income is shared within a population, while _____ represents the value of accumulated assets. The _____ can be used to measure the degree of income inequality. High levels of persistent inequality may restrict _____. Governments use _____ to address poverty and social risks and may apply _____ through taxation and public spending. _____ can provide financial support to households in difficult circumstances. An important objective of these measures is to improve _____ while maintaining economic efficiency.

UNIT 16. ECONOMIC GLOBALIZATION AND SUSTAINABLE DEVELOPMENT

Read the text and pay attention to the key economic terms.

Globalization and the Sustainable Use of Resources

Economic globalization refers to the increasing integration of national economies through international trade, investment, technology, finance, and the movement of information and, in some cases, labour. Over recent decades, improvements in transportation, communication, and digital technologies have made it easier for businesses and consumers in different countries to participate in common economic processes.

One important feature of globalization is the development of **global supply chains**. A product may be designed in one country, manufactured using components from several other countries, assembled elsewhere, and sold in markets around the world. This international specialization allows firms to use differences in production costs, skills, technology, and available resources.

Globalization can create significant economic benefits. International trade gives consumers access to a wider range of goods and services, while businesses can reach larger markets. Firms may also benefit from access to foreign investment, advanced technologies, and specialized knowledge. Developing economies can attract **foreign direct investment (FDI)**, which may contribute to employment, infrastructure, productivity, and technology transfer.

At the same time, globalization can create adjustment problems. Companies operating in highly competitive international markets may relocate production or change their business models. Workers in industries facing foreign competition may lose employment or need to acquire new skills. Therefore, the benefits of globalization are not always distributed equally across regions, industries, and groups of workers.

Another major issue is the relationship between economic activity and the natural environment. Production and consumption require resources such as energy, water, land, and raw materials. Economic growth can increase the demand for these resources and may contribute to **environmental degradation**, including air and water pollution, loss of biodiversity, and climate-related problems.

This has increased interest in **sustainable development**, which seeks to meet present economic and social needs without reducing the ability of future generations to meet their own needs. Sustainable development requires a balance between economic growth, social well-being, and environmental protection.

One important concept is **resource efficiency**. It means producing goods and services while using fewer natural resources and generating less waste. Businesses can improve resource efficiency through technological innovation, energy-saving equipment, recycling, better production processes, and more effective use of raw materials.

Governments also play an important role in promoting sustainable development. They can establish environmental regulations, support clean technologies, invest in public infrastructure, and create economic incentives for environmentally responsible behaviour. **Environmental taxes**, for example, may increase the cost of activities that create pollution and encourage businesses and consumers to reduce harmful behaviour.

The transition to a more sustainable economy can create both costs and opportunities. Firms may need to invest in new technologies and modify existing production processes. Some industries may face higher short-term costs, while others may develop new markets for renewable energy, energy-efficient technologies, recycling, and environmentally friendly products.

Sustainable development also has an international dimension. Environmental problems often cross national borders, meaning that individual countries cannot always solve them independently. International cooperation can support common environmental standards, technological exchange, investment, and coordinated responses to global challenges.

The central economic challenge is therefore to achieve **sustainable growth**. Economic progress should increase productivity and living standards while limiting unnecessary environmental damage and preserving resources for the future. A sustainable approach does not reject economic development; instead, it seeks to make economic activity more efficient, resilient, and compatible with long-term social and environmental objectives.

KEY VOCABULARY

English term / expression

economic globalization
global economy
economic integration
global supply chain
international trade
foreign direct investment (FDI)
foreign market
technology transfer
economic growth
sustainable development
sustainable growth
natural resources
resource efficiency
environmental degradation
environmental protection
renewable energy
environmental regulation
environmental tax
technological innovation
recycling
raw materials
living standards
international cooperation
environmentally responsible behaviour
attract foreign investment
reduce environmental damage
use resources efficiently

Ukrainian equivalent

економічна глобалізація
світова економіка
економічна інтеграція
глобальний ланцюг постачання
міжнародна торгівля
прямі іноземні інвестиції
зовнішній / зарубіжний ринок
передача технологій
економічне зростання
сталий розвиток
сталий розвиток / стале економічне зростання
природні ресурси
ефективність використання ресурсів
погіршення стану довкілля
захист довкілля
відновлювана енергія
екологічне регулювання
екологічний податок
технологічні інновації
перероблення; вторинне використання
сировина
рівень життя
міжнародне співробітництво
екологічно відповідальна поведінка
залучати іноземні інвестиції
зменшувати шкоду довкіл्लю
ефективно використовувати ресурси

TASK 1. Match the economic terms with their Ukrainian equivalents.

Economic term

Ukrainian equivalent

- | | |
|------------------------------|---------------------------------------|
| 1. economic globalization | A. передача технологій |
| 2. global supply chain | B. сталий розвиток |
| 3. foreign direct investment | C. природні ресурси |
| 4. technology transfer | D. глобальний ланцюг постачання |
| 5. sustainable development | E. прямі іноземні інвестиції |
| 6. natural resources | F. ефективність використання ресурсів |
| 7. resource efficiency | G. економічна глобалізація |
| 8. environmental degradation | H. екологічне регулювання |
| 9. environmental regulation | I. погіршення стану довкілля |
| 10. renewable energy | J. відновлювана енергія |

TASK 2. COMPLETE THE SENTENCES with the appropriate terms from the box.

economic globalization • global supply chains • foreign direct investment • technology transfer • sustainable development • natural resources • resource efficiency • environmental degradation • renewable energy • environmental regulations

1. _____ connects national economies through trade, investment, technology, and finance.
2. Many modern products are manufactured through _____ involving several countries.
3. _____ can provide developing economies with capital and new technologies.
4. The movement of knowledge and technological solutions between countries is called _____.
5. _____ aims to balance economic development, social needs, and environmental protection.
6. Energy, water, land, and raw materials are examples of _____.
7. Producing more output with fewer inputs is related to _____.
8. Pollution and the loss of biodiversity are examples of _____.
9. Solar and wind power are forms of _____.
10. Governments can establish _____ to limit harmful effects on the environment.

TASK 3. TRUE OR FALSE

1. Economic globalization increases the integration of national economies.
2. Global supply chains involve production activities in only one country.
3. International trade can give consumers access to a wider range of products.
4. Foreign direct investment can contribute to employment and technology transfer.
5. Globalization benefits all workers and regions equally.
6. Economic activity requires natural resources.
7. Sustainable development focuses only on environmental protection and ignores economic growth.
8. Resource efficiency means using resources more effectively and reducing unnecessary waste.
9. Environmental taxes can influence the behaviour of businesses and consumers.
10. International cooperation may be necessary to address environmental problems that cross national borders.

TASK 4. ANSWER THE QUESTIONS

1. What does economic globalization mean?
2. What are global supply chains?
3. What benefits can international trade provide?
4. How can foreign direct investment contribute to economic development?
5. Why can globalization create adjustment problems?
6. How is economic activity connected with natural resources?
7. What is sustainable development?
8. What does resource efficiency mean?
9. How can governments support sustainable development?
10. Why is international cooperation important for environmental protection?

TASK 5. COMPLETE THE TERMS according to their definitions.

1. The increasing integration of national economies: _____
2. An international production network involving several countries: _____
3. Investment by a foreign company or investor in productive activities in another country: _____.
4. The movement of technological knowledge between countries: _____.
5. Development that considers the needs of both present and future generations: _____.
6. The efficient use of natural resources in production: _____.
7. Damage to the natural environment caused by economic or other activities: _____.
8. Energy obtained from naturally replenished sources such as sunlight or wind: _____.

TASK 6. TRANSLATE the following sentences into Ukrainian.

1. Economic globalization has increased the interdependence of national economies by expanding international trade, investment, technological exchange, and global production networks.
2. Global supply chains allow companies to locate different stages of production in countries where particular resources, skills, or technologies are relatively efficient or available.
3. Foreign direct investment may contribute to economic development by creating employment, introducing new technologies, and improving the productivity of domestic businesses.
4. Although globalization can increase economic opportunities, workers in industries exposed to international competition may need retraining in order to adapt to structural changes.
5. Sustainable development requires economic activity to be organized in a way that supports current living standards without unnecessarily reducing the resources and opportunities available to future generations.
6. Improvements in resource efficiency can allow businesses to reduce production costs while simultaneously decreasing the amount of energy, raw materials, and waste associated with economic activity.
7. Environmental taxes and other regulatory measures can encourage businesses and consumers to take account of environmental costs when making economic decisions.
8. Because environmental problems frequently extend beyond national borders, international cooperation is necessary to develop common approaches to resource use and environmental protection.

TASK 7. COMPLETE THE SUMMARY using the words from the box.

economic globalization • international trade • global supply chains • foreign direct investment • technology transfer • sustainable development • natural resources • resource efficiency • environmental protection

_____ increases the integration of national economies through trade, investment, technology, and finance. _____ and _____ allow businesses to operate across national borders, while _____ can bring capital and new technologies to developing economies. At the same time, economic activity depends on _____ such as energy, water, land, and raw materials. _____ seeks to combine economic development with social well-being and _____. Improving _____ can help businesses reduce waste and use inputs more effectively. International cooperation is also important for addressing global environmental challenges.

КЛЮЧІ ДО ЗАВДАНЬ

UNIT 1

TASK 1 Answer Key

1 – C 2 – D 3 – A 4 – B 5 – E
6 – F 7 – G 8 – H 9 – I 10 – J

TASK 2 Answer Key

1 – resources 2 – scarcity 3 – labour 4 – capital 5 – production
6 – consumptioncost 7 – opportunity 8 – microeconomics 9 – macroeconomics 10 – entrepreneurship

TASK 3 Answer Key

1 – True 2 – False 3 – True 4 – False 5 – True 6 – False 7 – True 8 – False 9 – True 10 – False

TASK 4 Suggested Answers

1. Economics studies how people, businesses, and governments make decisions about the use of limited resources.
2. Scarcity exists because human needs and wants are numerous, while available resources are limited.
3. The four main factors are land, labour, capital, and entrepreneurship.
4. Labour includes human physical and intellectual effort used in economic activity.
5. Capital includes buildings, machinery, equipment, and other resources used to produce goods and services.
6. Opportunity cost is the value of the best alternative given up when a particular choice is made.
7. The main processes are production, consumption, distribution, and exchange.
8. Microeconomics studies individual economic units and particular markets, while macroeconomics examines the economy as a whole.
9. Individuals decide how to use their income and time; firms decide what and how much to produce; governments decide how public resources should be used.
10. Scarcity is important because it means that resources cannot satisfy all wants, so individuals and organizations must make choices.

TASK 5 Answer Key

1 – scarcity 2 – labour 3 – capital 4 – production
5 – consumption 6 – opportunity cost 7 – microeconomics 8 – macroeconomics

TASK 6 Suggested Translation

1. Економічна наука досліджує, як окремі особи, підприємства та уряди розподіляють обмежені ресурси між конкуруючими напрямками їх використання.
2. Оскільки ресурси є обмеженими, прийняття економічних рішень передбачає вибір між різними альтернативами.
3. Альтернативна вартість рішення визначається цінністю найкращого варіанта, від якого відмовляються.
4. Праця, капітал, земля та підприємницькі здібності поєднуються різними способами для виробництва товарів і послуг.
5. Виробництво і споживання тісно пов'язані, оскільки товари та послуги створюються для задоволення людських потреб і бажань.
6. Мікроекономіка зосереджується на окремих економічних суб'єктах і ринках, тоді як макроекономіка аналізує функціонування економіки в цілому.
7. Розподіл доходів і ресурсів впливає на економічні можливості, доступні різним особам і соціальним групам.
8. Розуміння обмеженості ресурсів та альтернативної вартості створює основу для аналізу економічної поведінки та прийняття рішень.

TASK 7 Answer Key

1 – decisions 2 – resources 3 – scarcity 4 – choices 5 – opportunity cost
6 – factors 7 – production 8 – consumption 9 – microeconomics 10 – macroeconomics

UNIT 2

TASK 1

Key: 1 – I, 2 – O, 3 – B, 4 – F, 5 – H, 6 – L, 7 – R, 8 – C, 9 – P, 10 – J, 11 – A, 12 – M, 13 – G, 14 – N, 15 – Q, 16 – K, 17 – D, 18 – E.

TASK 2

Key:

1. households; 2. firms; 3. factors of production; 4. wages; 5. consumer spending; 6. revenue; 7. output; 8. economic equilibrium

TASK 3

Key:

1. False; 2. True; 3. True; 4. True; 5. False; 6. True; 7. False; 8. True; 9. False; 10. True.

TASK 4

Key / Sample Answers:

1. Economists use models to explain economic processes, analyse changes and forecast future trends.
2. The main economic actors are households, firms, the government and the foreign sector.
3. The simplified model includes households and firms.
4. Households are consumers and suppliers of factors of production.
5. The main factors are labour, land and capital.
6. They can receive wages, rent, interest, profit or dividends.
7. Firms use them to produce goods and services.
8. The real flow includes resources, goods and services, while the money flow includes income and payments.
9. It can be measured through output, income and expenditure.
10. It is a situation, in which the main economic flows are balanced and there is no immediate tendency for economic activity to change.

TASK 5

Key / Suggested Translation:

1. Економічна модель — це спрощений опис економічних процесів і взаємозв'язків між ними.
2. Домашні господарства надають фірмам фактори виробництва й отримують натомість дохід.
3. Фірми використовують працю, землю та капітал для виробництва товарів і послуг.
4. Споживчі витрати є важливою складовою економічної діяльності.
5. Працівники отримують заробітну плату за надання своєї праці фірмам.
6. Грошовий потік рухається у протилежному напрямку до реального потоку.
7. Витрати однієї особи стають доходом іншої особи.
8. Економічну діяльність можна вимірювати за допомогою показників обсягу виробництва, доходу та витрат.
9. Економічна рівновага не означає відсутності проблем безробіття чи інфляції.
10. Модель кругообігу допомагає економістам зрозуміти взаємозв'язок між домашніми господарствами та фірмами.

TASK 6

Suggested Translation:

Модель кругообігу показує взаємозв'язок між домашніми господарствами та фірмами. Домашні господарства надають фактори виробництва, такі як праця та капітал, і отримують натомість

дохід. Вони використовують частину цього доходу для придбання товарів і послуг, вироблених фірмами. Фірми отримують виручку від цих продажів і використовують її для оплати факторів виробництва та продовження своєї економічної діяльності.

TASK 7

Key: 1. households; 2. firms; 3. factors of production; 4. income; 5. goods and services; 6. consumer spending; 7. circular flow; 8. economic equilibrium

UNIT 3

TASK 1

Key

1 – M; 2 – I; 3 – O; 4 – C; 5 – F; 6 – R; 7 – G; 8 – K; 9 – H; 10 – P; 11 – N; 12 – E; 13 – J; 14 – A; 15 – Q; 16 – D; 17 – L; 18 – B.

TASK 2

Key

1. income; 2. supply; 3. demand; 4. production costs; 5. surplus; 6. shortage; 7. equilibrium price; 8. output.

TASK 3

Key

1. True; 2. False; 3. True; 4. True; 5. True; 6. True; 7. False; 8. True; 9. False; 10. True.

TASK 4

Key / Sample Answers

1. They help explain how markets work and how prices and quantities are determined.
2. It states that, other things being equal, consumers usually demand less when the price increases and more when the price decreases.
3. Income, preferences, prices of related goods and expectations can influence demand.
4. Higher income may increase demand for some goods and services.
5. Producers generally supply more when prices increase and less when prices decrease.
6. Higher costs make production more expensive and may make firms reduce supply.
7. It is the situation, in which quantity demanded equals quantity supplied.
8. A surplus occurs when supply is greater than demand.
9. A shortage occurs when demand is greater than supply.
10. It provides a basic framework for understanding changes in market prices and quantities.

TASK 5

Key / Suggested Translation

1. Попит означає кількість товару, яку споживачі готові та спроможні придбати за різними цінами.
2. Дохід споживачів є одним із факторів, що можуть впливати на попит.
3. Вищі виробничі витрати можуть спонукати фірми скорочувати пропозицію.
4. Взаємодія попиту та пропозиції визначає ринкову ціну.
5. Ринкова рівновага виникає тоді, коли обсяг попиту дорівнює обсягу пропозиції.
6. Надлишок виникає тоді, коли виробники пропонують більше товарів, ніж споживачі хочуть придбати.
7. Дефіцит виникає тоді, коли споживачі хочуть придбати більше товарів, ніж виробники готові запропонувати.
8. Технологічні вдосконалення можуть зменшити виробничі витрати та збільшити обсяг виробництва.

9. Зміни споживчих переваг можуть призвести до змін попиту.

10. Модель попиту та пропозиції є корисним інструментом для аналізу поведінки ринку.

TASK 6

Suggested Translation

Взаємодія попиту та пропозиції визначає ринкову ціну товару. Коли обсяг попиту дорівнює обсягу пропозиції, ринок перебуває в стані рівноваги. Якщо попит зростає, а пропозиція залишається незмінною, рівноважна ціна може підвищитися. Якщо пропозиція зростає, а попит залишається незмінним, рівноважна ціна може знизитися.

TASK 7

Key

1. demand; 2. consumers; 3. supply; 4. producers; 5. price; 6. equilibrium; 7. surplus; 8. shortage.

UNIT 4

TASK 1

Key

1 – R; 2 – B; 3 – F; 4 – D; 5 – I; 6 – J; 7 – A; 8 – G; 9 – C; 10 – K; 11 – L; 12 – M; 13 – E; 14 – N; 15 – O; 16 – P; 17 – H; 18 – Q.

TASK 2

Key

1. market; 2. competition; 3. monopoly; 4. oligopoly; 5. market power; 6. market share; 7. barriers to entry; 8. regulation

TASK 3

Key

1. True; 2. True; 3. False; 4. True; 5. False; 6. True; 7. True; 8. True; 9. False; 10. True.

TASK 4

Key / Sample Answers

1. A market is a system in which buyers and sellers interact to exchange goods, services or resources.
2. Competition encourages firms to attract customers and improve their products and services.
3. It is a market with many buyers and sellers where individual firms have limited influence over price.
4. It is a market in which one firm is the main or only supplier.
5. It is dominated by a small number of large firms.
6. It is a market with many firms offering differentiated products.
7. It is the ability of a firm to influence market conditions.
8. They are factors that make it difficult for new firms to enter a market.
9. Competition can encourage lower costs, better quality, innovation and greater choice.
10. Governments may regulate markets when competition is weak or market activity has negative social effects.

TASK 5

Key / Suggested Translation

1. Конкуренція спонукає фірми підвищувати якість і залучати споживачів.
2. Монополія існує тоді, коли одна фірма є основним постачальником товару або послуги.
3. Олігополія — це ринок, на якому домінує невелика кількість великих фірм.
4. Ринкова влада дає фірмі можливість впливати на ціни або обсяг пропозиції.
5. Високі бар'єри для входу на ринок можуть зменшувати конкуренцію.

6. Диференціація продукції дає змогу фірмам конкурувати за допомогою якості, дизайну та репутації бренду.
7. Споживачі зазвичай отримують переваги, коли можуть обирати між кількома постачальниками.
8. Держава може регулювати ринки, коли конкуренція є недостатньою.
9. Сильна конкуренція може стимулювати фірми впроваджувати технологічні інновації.
10. Структура ринку впливає на поведінку фірм і вибір, доступний споживачам.

TASK 6

Suggested Translation

Конкуренція може приносити споживачам користь у кількох аспектах. Фірми мають стимул зменшувати витрати, підвищувати якість продукції та розробляти нові товари. Коли споживачі можуть обирати між різними постачальниками, фірми, які не реагують на потреби клієнтів, можуть втратити частку ринку.

TASK 7

Key

1. market; 2. monopoly; 3. oligopoly; 4. consumers; 5. market power; 6. barriers to entry; 7. regulation.

UNIT 5

TASK 1

Key

1 – D; 2 – C; 3 – J; 4 – Q; 5 – R; 6 – I; 7 – K; 8 – B; 9 – E; 10 – G; 11 – L; 12 – M; 13 – N; 14 – A; 15 – F; 16 – O; 17 – P; 18 – H.

TASK 2

Key

1. productivity; 2. fixed costs; 3. variable costs; 4. total cost; 5. marginal cost; 6. revenue; 7. profit; 8. economies of scale.

TASK 3

Key

1. True; 2. False; 3. True; 4. False; 5. True; 6. True; 7. True; 8. True; 9. False; 10. True.

TASK 4

Key / Sample Answers

1. Production is the process of combining resources to create goods and services.
2. The main factors are labour, capital, land and entrepreneurship.
3. It measures how effectively resources are used.
4. Fixed costs do not change directly with output in the short run, while variable costs change with production.
5. It is the sum of fixed and variable costs.
6. It is the additional cost of producing one more unit.
7. It is the money a firm receives from selling its products.
8. Profit equals total revenue minus total costs.
9. They occur when average cost decreases as the scale of production increases.
10. It helps firms decide how much to produce and how to use resources efficiently.

TASK 5

Key / Suggested Translation

1. Фірми поєднують працю, капітал, землю та підприємницьку діяльність у процесі виробництва.
2. Продуктивність вимірює ефективність використання ресурсів.
3. Постійні витрати безпосередньо не змінюються зі зміною обсягу виробництва в короткостроковому періоді.
4. Змінні витрати зазвичай зростають, коли фірма збільшує виробництво.
5. Сукупні витрати є сумою постійних і змінних витрат.
6. Граничні витрати — це додаткові витрати на виробництво ще однієї одиниці продукції.
7. Фірма отримує прибуток, коли загальна виручка перевищує сукупні витрати.
8. Інвестиції в технології можуть підвищити продуктивність.
9. Економія від масштабу може зменшити середні виробничі витрати.
10. Аналіз витрат допомагає фірмам ухвалювати ефективні виробничі рішення.

TASK 6.

Suggested Translation

Під час ухвалення рішень фірми повинні враховувати як виробничі витрати, так і очікувану виручку. Якщо попит є високим, фірма може збільшити обсяг виробництва. Однак виробництво додаткових одиниць продукції також може збільшити змінні витрати. Тому менеджери повинні порівнювати очікувану виручку від додаткового виробництва з додатковими витратами.

TASK 7

Key

1. resources; 2. productivity; 3. fixed costs; 4. variable costs; 5. revenue; profit; 6. economies of scale.

UNIT 6

TASK 1

Key

1 – F; 2 – J; 3 – P; 4 – Q; 5 – R; 6 – H; 7 – M; 8 – I; 9 – L; 10 – B; 11 – O; 12 – G; 13 – D; 14 – N; 15 – E; 16 – K; 17 – A; 18 – C.

TASK 2

Key

1. money; 2. barter; 3. deposits; 4. loans; 5. interest; 6. commercial banks; 7. central bank; 8. monetary policy

TASK 3

Key

1. True; 2. False; 3. True; 4. True; 5. True; 6. False; 7. False; 8. True; 9. False; 10. True.

TASK 4

Key / Sample Answers

1. Money makes the exchange of goods and services easier.
2. Barter is the direct exchange of goods and services.
3. Money is a medium of exchange, a unit of account and a store of value.
4. Cash consists of physical banknotes and coins, while money in bank accounts can be used for electronic payments.
5. They accept deposits and provide loans.
6. It is money provided by a lender that a borrower agrees to repay.

7. Interest is the cost of borrowing money.
8. A central bank performs important functions in the national monetary and financial system and conducts monetary policy.
9. Lower interest rates may encourage borrowing and investment, while higher rates may reduce borrowing and encourage saving.
10. It is the risk that a borrower will fail to repay a loan.

TASK 5

Key / Suggested Translation

1. Гроші використовуються як засіб обміну, міра вартості та засіб збереження вартості.
2. Комерційні банки приймають депозити та надають кредити домашнім господарствам і підприємствам.
3. Позичальники зазвичай повертають кредити з відсотками протягом певного періоду.
4. Підприємства можуть позичати гроші для фінансування інвестицій і розширення виробництва.
5. Центральні банки відіграють важливу роль у грошово-кредитній та фінансовій системі.
6. Грошово-кредитна політика може впливати на запозичення, заощадження та інвестиції.
7. Нижчі відсоткові ставки можуть стимулювати фірми збільшувати інвестиції.
8. Банкам необхідно мати достатню ліквідність для виконання короткострокових зобов'язань.
9. Кредитний ризик виникає тоді, коли позичальник може не повернути кредит.
10. Банківська система поєднує заощаджувачів, позичальників і підприємства.

TASK 6

Suggested Translation

Зміни відсоткових ставок можуть впливати на економічну діяльність. Коли відсоткові ставки є нижчими, домашні господарства та фірми можуть бути більш схильними позичати гроші. Це може збільшити споживчі витрати та бізнес-інвестиції. Вищі відсоткові ставки, навпаки, можуть скоротити обсяги запозичень і стимулювати людей та підприємства більше заощаджувати.

TASK 7

Key

1. money; 2. exchange; 3. banks; 4. deposits; 5. loans; 6. interest; 7. central bank; 8. monetary policy.

UNIT 7

TASK 1

Answer key:

1–D, 2–C, 3–G, 4–E, 5–A, 6–H, 7–B, 8–F.

TASK 2

Answer key:

1. inflation; 2. purchasing power; 3. production costs; 4. standard of living; 5. labour force; 6. structural unemployment; 7. interest rates; 8. economic downturn.

TASK 3

Answer key:

1. True; 2. False; 3. True; 4. True; 5. True; 6. False; 7. True; 8. True; 9. True; 10. False.

TASK 4

Suggested answers

1. Inflation is a sustained increase in the general price level of goods and services over time.
2. Inflation reduces purchasing power because the same amount of money can buy fewer goods and services.
3. Demand-pull inflation results from rapidly growing demand, while cost-push inflation is caused by increasing production costs.
4. When production becomes more expensive, businesses may increase the prices of their goods and services to cover higher costs.
5. Their incomes may not increase as quickly as prices, so their purchasing power can decline.
6. It measures the percentage of the labour force that is willing and able to work but cannot find a job.
7. It is temporary unemployment that occurs when people are between jobs or looking for a suitable position.
8. New technologies can change employers' skill requirements and make some workers' skills less relevant.
9. During an economic downturn, demand and production may fall, so businesses may reduce employment.
10. Higher interest rates can reduce borrowing and spending and help control inflation, while lower rates can stimulate economic activity and support employment.

TASK 5

Answer key:

1. inflation; 2. purchasing power; 3. cost-push inflation; 4. frictional unemployment; 5. structural unemployment; 6. economic downturn; 7. interest rates; 8. fiscal measures.

TASK 6

Suggested translation

1. Коли ціни на товари та послуги зростають швидше, ніж доходи домогосподарств, споживачам може бути дедалі важче підтримувати свій звичний рівень життя.
2. Інфляція, спричинена високим попитом з боку споживачів і підприємств, може виникати тоді, коли виробники не здатні достатньо швидко збільшити обсяг виробництва, щоб задовольнити зростаючий попит.
3. Значне підвищення вартості енергії, транспорту або сировини може змусити підприємства підвищити ціни на свою продукцію, щоб компенсувати зростання виробничих витрат.
4. Люди, чиї доходи залишаються відносно стабільними, тоді як ціни продовжують зростати, можуть зазнати істотного зниження купівельної спроможності.
5. Структурне безробіття може виникнути тоді, коли технологічний прогрес змінює вимоги роботодавців до навичок працівників і деякі працівники вже не можуть знайти роботу, що відповідає їхній кваліфікації.
6. У періоди низької економічної активності зниження попиту може спонукати підприємства скорочувати виробництво, що може призвести до втрати робочих місць і зростання циклічного безробіття.
7. Підвищуючи процентні ставки, центральний банк може зробити запозичення дорожчими та скоротити витрати й інвестиції, тим самим послаблюючи інфляційний тиск.
8. Розробляючи економічну політику, необхідно враховувати можливий вплив рішень як на стабільність цін, так і на зайнятість, а не зосереджуватися лише на одному економічному показнику.

TASK 7

Answer key

Inflation is a sustained increase in the general price level that reduces the **purchasing power** of money. It may result from excessive **demand** or from rising **production costs**. Unemployment refers to people in the **labour force** who are willing and able to work but cannot find a job. It may be frictional, **structural**, or **cyclical**, depending on its causes. Governments and central banks use different policies to influence inflation and **unemployment**. Changes in **interest rates** can affect borrowing, spending, investment, and overall **economic activity**.

UNIT8

TASK 1

Answer key: 1–C, 2–E, 3–A, 4–B, 5–D, 6–G, 7–F, 8–H.

TASK 2

Answer key:

1. GDP; 2. productivity; 3. labour force; 4. technology; 5. infrastructure; 6. investment; 7. income inequality; 8. sustainable development.

TASK 3

Answer key:

1. False; 2. True; 3. False; 4. True; 5. True; 6. True; 7. True; 8. False; 9. True; 10. True.

TASK 4

Suggested answers

1. Economic growth is an increase in the amount of goods and services produced by an economy over time.
2. Economic development is broader because it includes improvements in living conditions, education, healthcare, employment, and well-being.
3. GDP measures the market value of final goods and services produced within a country during a specific period.
4. Real GDP adjusts for changes in the general price level and therefore gives a clearer picture of changes in actual production.
5. Education and training can improve workers' skills and allow them to produce more output efficiently.
6. Machinery, equipment, buildings, and infrastructure can increase the productive capacity of workers and firms.
7. New technologies can improve production methods, reduce costs, and increase efficiency.
8. Effective institutions and protected property rights can make businesses more confident about investing in productive activities.
9. GDP measures production, but development also involves living standards, income distribution, education, healthcare, and poverty.
10. Sustainable economic growth means increasing production and living standards without seriously damaging the resources and environment needed by future generations.

TASK 5

Answer key:

1. economic growth; 2. economic development; 3. GDP; 4. labour productivity; 5. physical capital; 6. technological progress; 7. income inequality; 8. sustainable development.

TASK 6

Suggested translation

1. Економіка може збільшувати загальний обсяг виробництва за рахунок розширення робочої сили, але довгострокове зростання зазвичай також залежить від підвищення продуктивності.
2. Інвестиції в сучасні машини та обладнання дають змогу працівникам виробляти більшу кількість продукції за менший час і, таким чином, можуть збільшувати виробничі можливості підприємств.
3. Технологічні інновації можуть сприяти економічному зростанню, підвищуючи ефективність виробничих процесів, знижуючи витрати та створюючи нові товари й послуги.
4. Хоча вищий ВВП зазвичай свідчить про збільшення обсягів виробництва в економіці, це не обов'язково означає, що всі члени суспільства однаковою мірою відчують покращення умов життя.
5. Стабільна правова система та чітко захищені права власності можуть стимулювати підприємства до інвестування, оскільки фірми охочіше реалізують довгострокові проекти, коли впевнені в захищеності своїх активів.
6. Економічний розвиток слід оцінювати не лише за змінами в обсязі національного виробництва, а й за покращеннями в освіті, охороні здоров'я, можливостях працевлаштування та розподілі доходів.
7. Швидке економічне зростання може створювати додаткові робочі місця та збільшувати доходи домогосподарств, водночас посилюючи тиск на природні ресурси та довкілля.
8. Сталий розвиток спрямований на поєднання економічного прогресу з відповідальним використанням ресурсів, щоб задовольняти сучасні економічні потреби, не зменшуючи можливостей майбутніх поколінь.

TASK 7

Answer key

Economic growth refers to an increase in the production of goods and services, while **economic development** is a broader concept that also includes improvements in people's well-being. **GDP** is commonly used to measure economic output, although other indicators are needed to assess development. Economic growth can be supported by an expanding **labour force**, higher labour **productivity**, investment in **physical capital**, and technological progress. However, higher output does not automatically improve **living standards** for everyone or reduce **income inequality**. For this reason, modern economic policy also focuses on **sustainable development**, which combines economic progress with responsible use of natural resources.

UNIT9

TASK 1

Answer key: 1–C, 2–B, 3–E, 4–F, 5–H, 6–D, 7–G, 8–A.

TASK 2

Answer key:

1. government revenue; 2. public services; 3. infrastructure; 4. economic downturn; 5. aggregate demand; 6. budget deficit; 7. public debt; 8. taxes.

TASK 3

Answer key:

1. True; 2. False; 3. True; 4. True; 5. False; 6. True; 7. True; 8. False; 9. True; 10. False.

TASK 4

Suggested answers

1. Fiscal policy is the use of taxation and government spending to influence economic activity.
2. Taxes are usually the main source of government revenue, including income, corporate, and consumption-related taxes.
3. Government spending can finance education, healthcare, infrastructure, social protection, public administration, and other public services.
4. It is generally used when economic activity is weak or the economy is experiencing a downturn.
5. Higher government spending can increase aggregate demand, encourage firms to increase production, and support employment.
6. It may be introduced when demand is growing too rapidly and inflationary pressure is increasing.
7. A budget deficit occurs when government spending is greater than government revenue.
8. Repeated deficits may require additional borrowing and therefore increase the accumulated public debt.
9. Progressive taxation and spending on social programmes and public services can support lower-income households and reduce inequality.
10. Its effects may depend on consumer behaviour, business expectations, interest rates, and the overall state of the economy.

TASK 5

Answer key:

1. fiscal policy; 2. tax revenue; 3. expansionary; 4. contractionary; 5. aggregate demand; 6. budget deficit; 7. public debt; 8. infrastructure.

TASK 6

Suggested translation

1. Коли економічна активність істотно знижується, уряд може збільшити державні видатки або зменшити оподаткування, намагаючись посилити попит і підтримати зайнятість.
2. Інвестиції в транспортні мережі, освіту та іншу державну інфраструктуру можуть забезпечити короткострокове стимулювання економіки, водночас підвищуючи її виробничі можливості в довгостроковій перспективі.
3. Якщо державні видатки протягом тривалого періоду залишаються вищими за державні доходи, бюджетний дефіцит, що виникає внаслідок цього, може потребувати додаткових запозичень і сприяти зростанню державного боргу.
4. Стримувальні фіскальні заходи можуть застосовуватися тоді, коли швидке зростання попиту створює інфляційний тиск і політики прагнуть не допустити перегріву економіки.
5. Зміни в оподаткуванні можуть впливати на наявний дохід домогосподарств і, відповідно, на їхні рішення щодо споживання, заощаджень та інвестицій.
6. Державні видатки на охорону здоров'я, освіту та соціальний захист можуть покращувати доступ до основних послуг і забезпечувати додаткову підтримку груп населення з нижчими доходами.
7. Хоча державні запозичення можуть допомагати фінансувати продуктивні інвестиції або підтримувати економіку під час спаду, надмірний борг може збільшити майбутні витрати на його обслуговування та обмежити можливості проведення фіскальної політики.
8. Ефективність фіскальної політики залежить не лише від обсягу державних видатків або змін у податках, а й від того, як домогосподарства та підприємства реагують на ці заходи.

TASK 7

Answer key

Fiscal policy refers to the use of taxation and public expenditure to influence the economy. Governments obtain much of their revenue from **taxes** and use **government spending** to finance public services and infrastructure. When **economic activity** is weak, an **expansionary** fiscal policy may be used to stimulate **aggregate demand**. In contrast, a **contractionary** fiscal policy can reduce demand when inflationary pressure is too strong. If government expenditure exceeds revenue, a **budget deficit** occurs, which may increase **public debt** when the government borrows to finance it. Fiscal policy can also influence **income distribution** through taxation and social spending.

UNIT10

TASK 1

Answer Key: 1–C, 2–F, 3–E, 4–B, 5–A, 6–D, 7–G, 8–H.

TASK 2

Answer key:

1. specialization; 2. exports; 3. imports; 4. trade deficit; 5. tariff; 6. quota; 7. globalization; 8. comparative advantage.

TASK 3

Answer key:

1. True; 2. True; 3. False; 4. True; 5. False; 6. True; 7. True; 8. True; 9. True; 10. False.

TASK 4

Suggested answers

1. Countries trade to specialize, use resources more efficiently, expand markets, and obtain goods and services that may be difficult or expensive to produce domestically.
2. Comparative advantage is the ability to produce a good at a lower opportunity cost than another country.
3. Exports are domestically produced goods and services sold abroad, while imports are goods and services purchased from foreign countries.
4. A trade surplus occurs when the value of exports is greater than the value of imports.
5. A trade deficit occurs when the value of imports exceeds the value of exports.
6. Governments may introduce tariffs to protect domestic producers from foreign competition or to pursue other economic objectives.
7. A tariff is a tax on imports, while a quota limits the quantity of goods that can be imported.
8. Consumers may benefit from lower prices, greater product variety, and access to goods that are not produced domestically.
9. Globalization allows businesses to access foreign suppliers, international markets, technologies, and investment opportunities.
10. FDI can bring capital, technology, management expertise, and new employment opportunities to the host economy.

TASK 5

Answer key:

1. international trade; 2. comparative advantage; 3. exports; 4. tariff; 5. quota; 6. globalization; 7. global supply chain; 8. foreign direct investment.

TASK 6

Suggested translation

1. Міжнародна торгівля дає змогу країнам зосереджувати свої ресурси на виробництві продукції, яку вони можуть виготовляти з відносно нижчими альтернативними витратами, та отримувати інші товари від іноземних постачальників.
2. Хоча торговельні бар'єри можуть захищати вітчизняні підприємства від міжнародної конкуренції, вони також можуть робити імпортні товари дорожчими та зменшувати асортимент продукції, доступної споживачам.
3. Країна має торговельний профіцит, коли вартість її експорту перевищує вартість імпорту протягом певного періоду.
4. Розвиток глобальних ланцюгів постачання дає змогу компаніям отримувати комплектувальні та сировину з різних країн і організовувати виробництво з урахуванням міжнародних умов витрат та ефективності.
5. Прямі іноземні інвестиції можуть сприяти розвитку економіки країни-реципієнта, забезпечуючи додатковий капітал, упроваджуючи нові технології та створюючи робочі місця.
6. Посилення конкуренції з боку іноземних компаній може змусити вітчизняні підприємства підвищувати продуктивність, скорочувати зайві витрати та розробляти нову продукцію, щоб зберігати конкурентоспроможність.
7. Працівникам галузей, які зазнають впливу міжнародної конкуренції, може знадобитися додаткова освіта або перепідготовка, якщо зміни у виробництві зменшують попит на їхні наявні навички.
8. Економічні переваги глобалізації можуть бути значними, однак урядам також може бути необхідно реагувати на нерівномірний вплив цих процесів на окремі галузі, регіони та групи працівників.

TASK 7

Answer key

International trade allows countries to specialize according to their **comparative advantage** and exchange goods and services. Goods sold abroad are called **exports**, while goods purchased from other countries are **imports**. Governments may restrict trade through **tariffs** or **quotas**, although such measures can also increase prices. **Globalization** has strengthened economic links between countries and contributed to the development of global **supply chains**. Another important aspect of globalization is **foreign direct investment**, which can bring capital, technology, and employment to host economies. International trade can increase consumer choice and encourage greater **competition** among firms.

UNIT 11

TASK 1

Answer key: 1–D, 2–C, 3–F, 4–B, 5–A, 6–G, 7–E, 8–H.

TASK 2

Answer key:

1. expansion; 2. recession; 3. peak; 4. trough; 5. recovery; 6. investment; 7. interest rates; 8. inflation.

TASK 3

Answer key:

1. False; 2. True; 3. False; 4. True; 5. True; 6. True; 7. True; 8. True; 9. False; 10. False.

TASK 4

Suggested answers

1. A business cycle is a pattern of fluctuations in economic activity over time.
2. The main stages are expansion, peak, contraction, and trough, followed by recovery.
3. Production, employment, income, consumer spending, and investment tend to increase.
4. Production and demand may decline, and businesses may reduce investment and employment.
5. A recession is a significant and prolonged decline in economic activity.
6. Businesses may reduce production and employment, while households may experience lower incomes and reduce spending.
7. Consumer spending, business investment, interest rates, international trade, energy prices, financial conditions, and external events can influence economic activity.
8. Lower interest rates can encourage borrowing and investment, while higher rates can reduce demand.
9. They may use expansionary fiscal or monetary measures to support demand and economic activity.
10. Macroeconomic stability means maintaining relatively stable conditions that support sustainable growth, employment, and price stability.

TASK 5

Answer key:

1. expansion; 2. peak; 3. contraction; 4. recession; 5. trough; 6. recovery; 7. monetary policy; 8. fiscal policy

TASK 6

Suggested translation

1. Під час економічного піднесення зростання споживчого попиту та довіри бізнесу може спонукати підприємства збільшувати виробництво, наймати додаткових працівників та інвестувати в нове обладнання.
2. Коли економічна активність починає послаблюватися, домогосподарства можуть відкладати великі покупки, а компанії — скорочувати інвестиції, оскільки їхня впевненість у майбутньому попиті зменшується.
3. Тривале та значне скорочення виробництва може негативно впливати на зайнятість і доходи домогосподарств, що, своєю чергою, може ще більше зменшити споживчі витрати та поглибити економічний спад.
4. Нижчі процентні ставки можуть стимулювати економічну активність, зменшуючи вартість запозичень і підвищуючи готовність домогосподарств та підприємств витратити кошти й інвестувати.
5. Економіка може перейти до етапу відновлення після досягнення найнижчої точки економічного циклу, коли виробництво, зайнятість і споживча впевненість поступово покращуються.
6. Зміни цін на енергоносії, міжнародної торгівлі, фінансових умов або значні зовнішні події можуть спричинити економічні потрясіння, які впливають як на внутрішнє виробництво, так і на інвестиції.
7. Політики намагаються підтримувати макроекономічну стабільність, збалансовуючи цілі економічного зростання, зайнятості, стабільності цін і сталого стану державних фінансів.
8. Оскільки монетарні та фіскальні заходи часто впливають на економіку із часовою затримкою, уряди та центральні банки повинні враховувати не лише поточні умови, а й можливий розвиток подій у майбутньому.

TASK 7

Answer key

The **business cycle** describes fluctuations in economic activity over time. During an **expansion**, production, employment, and spending generally increase until the economy reaches a **peak**. This may

be followed by a **contraction**, which can become a **recession** if the decline is severe and prolonged. The lowest point is called a **trough**, after which the economy may enter a **recovery**. Changes in **interest rates** can influence borrowing, spending, and investment. Central banks use **monetary policy**, while governments use **fiscal policy**, to respond to economic fluctuations and support macroeconomic stability.

UNIT 12

TASK 1

Answer key: 1 – D; 2 – C; 3 – E; 4 – A; 5 – F; 6 – G; 7 – I; 8 – H; 9 – B; 10 – J.

TASK 2

Answer key:

1 – financial institutions; 2 – shares; 3 – dividends; 4 – financial asset;
5 – financial markets; 6 – interest rates; 7 – risk management; 8 – investment;
9 – financial regulation; 10 – financial asset

TASK 3

Answer key: True; 2. False; 3. True; 4. False; 5. True; 6. True; 7. False; 8. True; 9. False; 10. True.

TASK 4

Suggested answers:

1. A financial market is a system where financial assets are bought and sold.
2. Households participate to save or invest part of their income.
3. They may need additional funds for investment, production, or public projects.
4. Financial markets provide mechanisms for trading financial assets, while financial institutions provide financial services and often act as intermediaries.
5. A share represents partial ownership of a company.
6. They can earn income through dividends and an increase in the value of their shares.
7. A bond is a form of borrowing in which an investor provides funds to a company or government in return for repayment and usually interest.
8. Higher interest rates can reduce borrowing and investment, while lower rates can encourage them.
9. It helps individuals and businesses protect themselves against certain financial losses and manage uncertainty.
10. It helps improve transparency, protect investors, reduce risks, and support financial stability.

TASK 5

Answer key:

1. stock market; 2. bond; 3. shareholder; 4. dividend; 5. interest rate; 6. risk management; 7. financial regulation; 8. financial stability

TASK 6

Suggested translation:

1. Фінансові ринки сприяють переміщенню фінансових ресурсів від домогосподарств та інших заощаджувачів до підприємств і державних органів, які потребують додаткових коштів.
2. Купуючи акції, інвестори отримують часткове право власності на компанію та можуть одержувати дивіденди з її прибутку.
3. На відміну від акцій, облігації зазвичай не надають інвесторам права власності на організацію-емітента; натомість вони є формою кредитування.
4. Зміни відсоткових ставок можуть впливати на готовність домогосподарств брати кредити та підприємств інвестувати в нові види продуктивної діяльності.

5. Фінансові установи виконують важливу посередницьку функцію, поєднуючи людей та організації, які мають вільні кошти, з тими, хто потребує фінансування.
6. Диверсифікація дає змогу інвесторам розподіляти кошти між різними активами й таким чином зменшувати залежність від результатів одного інвестиційного вкладення.
7. Хоча фінансові ринки можуть сприяти економічному зростанню, спрямовуючи заощадження на інвестиції, надмірне запозичення та зниження довіри можуть посилювати фінансову нестабільність.
8. Ефективне фінансове регулювання не може усунути всі ризики на фінансових ринках, але воно здатне підвищити прозорість, захистити інвесторів і сприяти стабільності фінансової системи.

TASK 7

Answer key:

shares; bonds; risk management; interest rates; investment; regulation; financial stability.

UNIT 13

TASK 1

Answer key: 1 – C; 2 – D; 3 – A; 4 – E; 5 – B; 6 – H; 7 – F; 8 – G; 9 – I; 10 – J.

TASK 2

Answer key:

- | | | |
|------------------------|---------------------|-------------------------|
| 1 – public services | 2 – progressive tax | 3 – VAT |
| 4 – disposable income | 5 – corporate tax | 6 – tax rate |
| 7 – public expenditure | 8 – tax burden | 9 – economic inequality |
| 10 – tax revenue | | |

TASK 3

Answer key:

- | | | |
|-----------|-----------|----------|
| 1 – True | 2 – False | 3 – True |
| 4 – True | 5 – False | 6 – True |
| 7 – True | 8 – False | 9 – True |
| 10 – True | | |

TASK 4

Suggested answers:

1. Taxation is the system of compulsory payments made to the government, and it provides resources for public expenditure.
2. Examples include education, healthcare, infrastructure, national security, and social protection.
3. Income tax is imposed on income, while consumption tax is charged when goods and services are purchased.
4. It is a system in which people with higher incomes pay a larger percentage of their income in taxes.
5. It can influence how income is distributed and may help reduce economic inequality.
6. Higher taxes may reduce the disposable income available for consumption or saving.
7. Higher taxes on business profits may affect the amount of money companies are willing to invest or use for expansion.
8. It is the economic cost of taxation ultimately borne by individuals or businesses.
9. Governments may change taxes to influence economic activity, demand, consumption, and inflationary pressure.
10. It should provide sufficient revenue, distribute the tax burden fairly, reduce unnecessary distortions, and be manageable.

TASK 5

Answer key:

- | | | |
|---------------------|------------------------|-----------------------|
| 1 – tax revenue | 2 – income tax | 3 – corporate tax |
| 4 – consumption tax | 5 – progressive tax | 6 – disposable income |
| 7 – tax burden | 8 – public expenditure | |

TASK 6

Suggested translation:

1. Оподаткування забезпечує уряди фінансовими ресурсами, які можуть використовуватися для підтримки державних послуг і фінансування інфраструктури та соціальних програм.
2. Прогресивна податкова система передбачає, що платники податків із вищими доходами сплачують до державного бюджету більшу частку свого доходу.
3. Зміни податкових ставок можуть впливати на рішення домогосподарств щодо споживання та заощадження, оскільки оподаткування визначає обсяг наявного доходу, яким можуть розпоряджатися люди.
4. Коли уряд запроваджує податки на прибуток підприємств, компанії можуть переглядати свої інвестиційні плани, особливо якщо очікувана дохідність інвестицій стає менш привабливою.
5. Хоча підприємства можуть бути юридично відповідальними за сплату певного податку, частина економічного тягаря зрештою може бути перекладена на споживачів через підвищення цін.

TASK 7

Answer key:

- | | | |
|---------------------|------------------------|-----------------------|
| 1 – taxation | 2 – public expenditure | 3 – income tax |
| 4 – consumption tax | 5 – progressive tax | 6 – disposable income |
| 7 – tax burden | 8 – tax revenue | 9 – economic policy |

UNIT 14

TASK 1

Answer key: 1 – C; 2 – E; 3 – D; 4 – I; 5 – A; 6 – F; 7 – G; 8 – H; 9 – B; 10 – J.

TASK 2

Answer key:

- | | | |
|-------------------|-------------------|------------------------|
| 1 – labour market | 2 – labour supply | 3 – labour demand |
| 4 – wage rate | 5 – human capital | 6 – productivity |
| 7 – trade unions | 8 – minimum wage | 9 – working conditions |
| 10 – unemployment | | |

TASK 3

Answer key:

- | | | |
|-----------|-----------|----------|
| 1 – True | 2 – False | 3 – True |
| 4 – False | 5 – True | 6 – True |
| 7 – False | 8 – True | 9 – True |
| 10 – True | | |

TASK 4

Suggested answers:

1. It connects people who offer labour with organizations that need workers.
2. They offer their time, skills, knowledge, and experience.
3. Workers are needed to produce goods and services.
4. Product demand, worker productivity, and technological change can influence it.
5. Population, education, skills, migration, wages, and working conditions can affect it.

6. Human capital includes education, training, skills, and experience that increase productive capacity.
7. Their skills may be scarce, highly specialized, or associated with higher productivity.
8. They represent workers and negotiate over wages and employment conditions.
9. It establishes a legal minimum level for wages.
10. People may be temporarily unemployed while changing jobs or looking for suitable employment.

TASK 5

Answer key:

- | | | |
|-------------------|-----------------------------|-------------------|
| 1 – labour market | 2 – labour demand | 3 – labour supply |
| 4 – human capital | 5 – wage rate | 6 – minimum wage |
| 7 – trade union | 8 – frictional unemployment | |

TASK 6

Suggested translation:

1. Взаємодія між роботодавцями, які шукають працівників, та людьми, які пропонують свої навички, сприяє формуванню заробітної плати на ринку праці.
2. Попит підприємства на працю може зростати, коли збільшується споживчий попит на його продукцію і для розширення виробництва потрібні додаткові працівники.
3. Освіта, професійна підготовка та досвід роботи можуть підвищувати людський капітал людини й покращувати її здатність виконувати економічно корисну діяльність.
4. Технологічний прогрес може скорочувати зайнятість у деяких професіях, пов'язаних із виконанням стандартних завдань, водночас створюючи нові можливості для працівників із розвиненими технічними й аналітичними навичками.
5. Працівники приймають рішення щодо працевлаштування не лише на основі заробітної плати, оскільки на їхній вибір також можуть впливати гарантія зайнятості, умови праці, перспективи кар'єрного розвитку та баланс між роботою й особистим життям.
6. Профспілки можуть посилювати переговорну позицію працівників, представляючи їхні колективні інтереси під час переговорів із роботодавцями.
7. Державна політика на ринку праці спрямована на вплив на умови зайнятості й може передбачати регулювання мінімальної заробітної плати, допомогу з безробіття та програми професійної підготовки.
8. Фрикційне безробіття не обов'язково свідчить про серйозну економічну слабкість, оскільки воно може бути наслідком нормального процесу переходу працівників з однієї роботи на іншу.

TASK 7

Answer key:

- | | | |
|-------------------|-------------------|-------------------|
| 1 – labour market | 2 – wages | 3 – labour supply |
| 4 – labour demand | 5 – human capital | 6 – productivity |
| 7 – trade unions | 8 – minimum wage | 9 – unemployment |

UNIT 15

TASK 1

Answer key: 1 – F; 2 – C; 3 – E; 4 – A; 5 – G; 6 – H; 7 – B; 8 – I; 9 – J; 10 – D.

TASK 2

Answer key:

- | | | |
|--------------------------|-------------------|---------------------------|
| 1 – income inequality | 2 – wealth | 3 – Gini coefficient |
| 4 – social mobility | 5 – social policy | 6 – income redistribution |
| 7 – transfer payment | 8 – poverty | 9 – equity |
| 10 – economic efficiency | | |

TASK 3

Answer key:

- | | | |
|-----------|-----------|-----------|
| 1 – False | 2 – True | 3 – True |
| 4 – True | 5 – True | 6 – False |
| 7 – True | 8 – False | 9 – True |
| 10 – True | | |

TASK 4

Suggested answers:

1. It refers to differences in the distribution of income, wealth, and economic opportunities.
2. Income is a flow of resources received over time, while wealth is the value of assets owned at a particular point.
3. It is used to measure the degree of inequality in an income distribution.
4. Education, skills, technology, globalization, family background, inheritance, and regional differences can contribute to it.
5. It can increase demand for skilled workers while reducing opportunities in some routine occupations.
6. Low-income households may have limited access to education and other opportunities.
7. It consists of government measures addressing poverty, inequality, and social risks.
8. It is a government payment to individuals or households without a direct exchange of goods or services.
9. Equity concerns fairness, while efficiency concerns the productive use of limited resources.
10. They include reducing extreme poverty, supporting vulnerable groups, and improving access to essential services and opportunities.

TASK 5

Answer key:

- | | | |
|----------------------|-------------------------|-------------------------|
| 1 – Gini coefficient | 2 – wealth | 3 – income distribution |
| 4 – social mobility | 5 – social policy | 6 – transfer payment |
| 7 – equity | 8 – economic efficiency | |

TASK 6

Suggested translation:

1. Економічна нерівність може виникати через відмінності в освіті, професійних навичках, продуктивності, можливостях працевлаштування та доступі до фінансових ресурсів.
2. Хоча доходи й багатство тісно пов'язані між собою, дохід являє собою потік ресурсів, отриманих протягом певного періоду, тоді як багатство — це вартість активів, накопичених домогосподарством або людиною.
3. Технологічний прогрес може підвищувати доходи висококваліфікованих працівників, водночас створюючи труднощі адаптації для людей, професії яких зазнають впливу автоматизації.
4. Тривала нерівність може обмежувати соціальну мобільність, коли люди з малозабезпечених домогосподарств мають менше можливостей отримати якісну освіту або розвинути цінні професійні навички.
5. Уряди можуть впливати на розподіл доходів за допомогою оподаткування, державних видатків, трансфертних платежів і програм, що покращують доступ до освіти та охорони здоров'я.
6. Трансфертні платежі можуть забезпечувати фінансову підтримку домогосподарствам, які стикаються з безробіттям, виходом на пенсію або іншими обставинами, що тимчасово зменшують їхні доходи.
7. Розробники економічної політики стикаються з необхідністю поєднання більшої справедливості з економічною ефективністю, оскільки заходи, спрямовані на зменшення нерівності, можуть також впливати на стимули до праці, заощадження та інвестування.

8. Метою соціальної політики зазвичай не є усунення всіх відмінностей у доходах, а скорочення крайньої бідності та розширення доступу людей до основних економічних і соціальних можливостей.

TASK 7

Answer key:

- | | | |
|---------------------------|-------------------------|-------------------|
| 1 – economic inequality | 2 – income distribution | 3 – wealth |
| 4 – Gini coefficient | 5 – social mobility | 6 – social policy |
| 7 – income redistribution | 8 – transfer payments | 9 – equity |

UNIT 16

TASK 1

Answer key: 1 – G; 2 – D; 3 – E; 4 – A; 5 – B; 6 – C; 7 – F; 8 – I; 9 – H; 10 – J.

TASK 2

Answer key:

- | | | |
|--------------------------------|-------------------------------|-------------------------------|
| 1 – economic globalization | 2 – global supply chains | 3 – foreign direct investment |
| 4 – technology transfer | 5 – sustainable development | 6 – natural resources |
| 7 – resource efficiency | 8 – environmental degradation | 9 – renewable energy |
| 10 – environmental regulations | | |

TASK 3

Answer key:

- | | | | |
|-----------|-----------|----------|-----------|
| 1 – True | 2 – False | 3 – True | |
| 4 – True | 5 – False | 6 – True | |
| 7 – False | 8 – True | 9 – True | 10 – True |

TASK 4

Suggested answers:

1. It is the increasing integration of national economies through trade, investment, technology, finance, and information.
2. They are production networks in which different stages of production take place in different countries.
3. It gives consumers more choice and allows businesses to reach larger markets.
4. It can create employment, improve infrastructure, increase productivity, and support technology transfer.
5. Workers and industries facing international competition may need to change, retrain, or find new employment.
6. Production and consumption require energy, water, land, and raw materials.
7. It aims to meet present needs without reducing the ability of future generations to meet their needs.
8. It means producing goods and services while using resources more effectively and generating less waste.
9. They can establish regulations, support clean technologies, invest in infrastructure, and create economic incentives.
10. Environmental problems often cross national borders and therefore require coordinated action

TASK 5

Answer key:

- | | | |
|-------------------------------|-----------------------------|-------------------------------|
| 1 – economic globalization | 2 – global supply chain | 3 – foreign direct investment |
| 4 – technology transfer | 5 – sustainable development | 6 – resource efficiency |
| 7 – environmental degradation | 8 – renewable energy | |

TASK 6

Suggested translation:

1. Економічна глобалізація посилила взаємозалежність національних економік завдяки розширенню міжнародної торгівлі, інвестицій, технологічного обміну та глобальних виробничих мереж.
2. Глобальні ланцюги постачання дають змогу компаніям розміщувати різні етапи виробництва в країнах, де певні ресурси, навички або технології є відносно ефективними чи доступними.
3. Прямі іноземні інвестиції можуть сприяти економічному розвитку шляхом створення робочих місць, упровадження нових технологій і підвищення продуктивності вітчизняних підприємств.
4. Хоча глобалізація може розширювати економічні можливості, працівникам галузей, які зазнають впливу міжнародної конкуренції, може знадобитися перепідготовка для адаптації до структурних змін.
5. Сталий розвиток вимагає організації економічної діяльності таким чином, щоб підтримувати сучасний рівень життя, не скорочуючи без необхідності ресурси та можливості, доступні майбутнім поколінням.
6. Підвищення ефективності використання ресурсів може дати підприємствам змогу скоротити виробничі витрати та водночас зменшити обсяги енергії, сировини й відходів, пов'язаних з економічною діяльністю.
7. Екологічні податки та інші регуляторні заходи можуть спонукати підприємства і споживачів враховувати екологічні витрати під час прийняття економічних рішень.
8. Оскільки екологічні проблеми часто виходять за межі національних кордонів, міжнародне співробітництво є необхідним для вироблення спільних підходів до використання ресурсів і захисту довкілля.

TASK 7

Answer key:

- | | | |
|-------------------------------|-------------------------|-----------------------------|
| 1 – economic globalization | 2 – international trade | 3 – global supply chains |
| 4 – foreign direct investment | 5 – natural resources | 6 – sustainable development |
| 7 – environmental protection | 8 – resource efficiency | |
-

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