

**MINISTRY OF HIGHER AND SECONDARY
SPECIAL EDUCATION OF THE REPUBLIC OF
UZBEKISTAN**

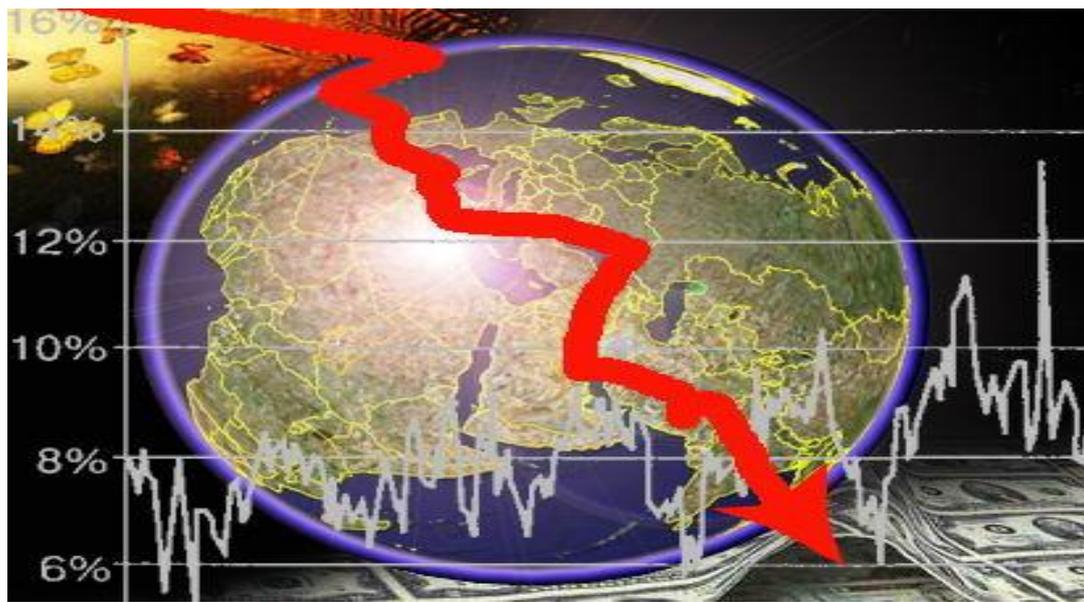
**BUKHARA ENGINEERING - TECHNOLOGICAL
INSTITUTE.**

“FOREIGN LANGUAGES” DEPARTMENT

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ENGLISH ON ECONOMICS

(For the third year students.)



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**Ingliz tili fanidan uslubiy ko'rsatma BuxMTI
Uslubiy Kengashining «___» _____ 2013 yil ___ raqamli majlisida
muhokama qilinib, chop etishga tavsiya etildi.**

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SO'Z BOSHI

Bu uslubiy ko'rsatma oliy o'quv yurtlarning menejment, iqtisod va marketing yo'nalishida tahsil olayotgan barcha guruhlarda ingliz tilini o'rganayotgan talabalar uchun mo'ljallangan. Ko'rsatma ikki o'quv mavsumiga mo'ljallangan bo'lib, u 64 soatdan iboratdir. Mashg'ulotning tarkibiga asosiy matnlardan tashqari, grammatik mashqlar, matn oldi va matndan keyingi mashqlar, atamalar berilgan. O'qish qoidalarini mustahkamlash inglizcha o'zbekcha lug'atdan foydalanishni o'rganish mashqlari, og'zaki nutqni rivojlantirish, savol-javob mashqlaridan keng foydalanilgan. Bu topshiriqlar darsni puxta o'zlashtirish imkoniyatini beradi.

Mualliflar.

Unit 1. The Economic problem
Lesson (4 hours)
Text: The Individual and Society.
Grammar: Simple Tenses

Exercise:1. Read the following words

economics, sensible, essentially, true, equally, survival, conscious, however, continuity, prosperous, fortunate, extremely, sustain, peasant, inhabitant, observe, totally, directly.

Exercise:2. Read and translate the following group of words.

A vast subject, precise definition, the basic question, the material aspects, an underlying problem, advanced countries, struggle for existence, standard of living, economic independence, industrialized societies.

Exercise:3. Remember the following words and word combination

advanced countries		rivojlangan mamlakatlar (передовые страны)
apply	v	qo'llamoq, ishlatmoq -(применять,использовать)
completely	adv.	to'liq, to'la (полностью)
degree	n	daraja (степень)
depend on	v	bog'liq bo'lmoq (зависеть)
directly	adv	Bevosita (прямо,непосредственно)
effort	n	Kuchaytirish (усилие)
equally	adv	tenglik asosida (равным образом)
essentially	adv	asosiy tarzda (главным образом)
examine –	v	ko'rib chiqmoq, izlamoq - (рассматривать,исследовать)
extremely	adv	Juda (крайне)
however	adv	Biroq (однако)
inhabitant	n	yashovchi (житель)
means	n	Omil (средство)
opposite	adj.	-qarama-qarshi (противоположный)
percentage	n	foiz (процент,процентное отношение)
pose a question		shart qo'ymoq (ставить вопрос)
poverty	n	Qashshoqlik (бедность)
provide	v	ta'minlamoq (обеспечивать)
remote	v	Uzoq (далекий,неимеющийпрямого отношение)
satisfy wants		talabni qondirish (удовлетворять потребности)
self-sufficient	adj.	Iqtisodiy munosabatlarda mustaqillik - (независимый в экономическом отношении)
solve a problem		muammoni hal qilmoq (решать проблему)

skill	n	ustalik, malaka (умение, мастерство, квалификация)
standard of living		hayot darajasi (уровень жизни)
struggle for survival		yashash uchun kurash (борьба за выживание)
sustain life		hayotni ta'minlamoq (поддерживать жизнь)
totally -	adv	Butunlay (полностью)
vast way -	adj.	Kengaytirilgan (обширный)

Exercise:4. Reform sentences into Past and Future Simple

1. It is not a difficult matter to give a simple answer to the basic question.
2. People apply their knowledge and efforts to the gifts of nature in order to satisfy their material wants.
3. Even in the prosperous countries there is an aspect of survival.
4. This problem attracts little attention.
5. Such people have the abilities to sustain life without outside assistance.
6. They experience great poverty.
7. They depend on the efforts and cooperation of many thousands of specialist workers.

Exercise:5. Read and translate the text.

The Individual and Society

Most introductory textbooks on Economics begin by posing the question, 'What is Economics about? Although Economics is a vast subject and precise definitions are usually very complex, it is not a difficult matter to give a simple and sensible answer to the basic question. Economics is essentially a study of the ways in which people apply their knowledge, skills, and efforts to the gifts of nature in order to satisfy their material wants.

Economics limits itself to the study of the material aspects of life, and while it is true that man cannot live by bread alone, it is equally true that he cannot live without it. An underlying problem in economics is that of survival and we must examine how people have solved or are trying to solve this problem. In the more advanced countries this may seem a very remote problem — few people, if any, are conscious of a life or death struggle for existence. In many other countries, however, the continuity of human existence is by no means assured — starvation is a very real prospect for millions of human beings.

Even in the prosperous, economically advanced countries there is an aspect of survival, which attracts little or no attention from those of us, fortunate enough to live in these areas. This is our relative helplessness as 'economic' individuals. The Indian peasants have an extremely low standard of living, yet, left completely to their own devices, they can survive. Such people have the abilities to sustain life without outside assistance. A large percentage of the human race still lives in very small self-sufficient peasant communities. These people experience great poverty, but they can provide on an individual basis, for their own survival. They have a degree of economic independence.

If we now turn to the inhabitants of New York, London, or any other great

metropolitan area we must observe the opposite situation — a high standard of living together with an extreme economic dependence. The inhabitants of cities are totally incapable of providing for themselves, directly, the means of their survival. They could not feed themselves, or build their own houses. Such people depend, each and every day of their lives, on the efforts and cooperation of many thousands of specialist workers. In industrialized societies a high standard of living is possible only if the organized cooperation of large numbers of people can be guaranteed. In the economically developed countries we are rich, not as individuals, but only as members of a complex economic organization.

Exercise:6. Fill in blanks using the following words:

Inhabitants, precise, prospect, vast, standard, percentage, means, human

1. Economics is a ... subject and ... definitions are very complExercise:
2. Starvation is a very real... for millions of... beings.
3. The Indian peasants have an extremely low... of living.
4. A large ... of the human race still lives in small self-sufficient peasant communities.
5. The ... of cities are totally incapable of providing for themselves the ... of their survival.

Exercise:7. Define synonym pairs:

Study, precise, complex, subject, essentially, use, exact, matter, basically, mainly, apply, developed, examine, advanced, completely, help, community, totally, assistance, society, build, gift, construct, present.

Exercise: 8. Define antonym pairs:

begin, difficult, high, poor, inside, wealth, finish, easy, low, prosperous, outside, poverty, capable, dependence, incapable, directly, large, independence, indirectly, small.

Exercise:9. Translate the following group of words into English:

aynan aniqlash, oddiy javob, asosiy savol, hayotning moddiy aspectlarini o'rganish, rivojlangan mamlakatlar, yashash uchun kurash, turmush darajasi, tegishli muhtojlik, bironing yordamisiz, qashshoqlikni his etmoq, iqtisodiy mustaqillik darajasi, shahar aholisi, murakkab iqtisodiy tashkilot azolari.

точное определение, простой ответ, основной вопрос, изучение материальных сторон жизни, развитые страны, борьба за существование, уровень жизни, относительная беспомощность, без посторонней помощи, испытывать крайнюю бедность, степень экономической независимости, жители городов, члены сложной экономической организации

Exercise: 10. Give the third form of these verbs:

to be, to have, to give, to apply, to satisfy, to live, to study, to examine, to solve, to leave, to survive, to experience, to provide, to turn, to observe, to feed, to build, to

depend, to guarantee

Exercise: 11. Make up sentences with the following words:

1. limits, of, economics, to, study, the, of, aspects, the, material, itself, life.
2. Problem, an, is, underlying, economics, in, that, survival, of.
3. Seem, may, a problem, very, this, remote, very.
4. Very, starvation, a, prospect, millions, for, real, human, beings, is, of.
5. Peasants, an, Indian, have, living, of, the, low, extremely, standard.
6. People, great, experience, poverty, these.
7. Degree, they, a, have, economic, of, independence.

Exercise: 12. Put the prepositions where necessary:

1. Most textbooks ... Economics begin ... posing the question, ‘What is Economics...?’
2. Economics is essentially a study ... the ways... which people apply their knowledge ... the gifts... nature ... order to satisfy their needs.
3. ... the more advanced countries few people are conscious ... a life or death struggle ... existence.
4. Even ... the economically advanced countries there is an aspect... survival.
5. Such people have the abilities to sustain life ... outside assistance.
6. If we now turn ... the inhabitants of New York we must observe the opposite situation — a high standard ... living together ... an extreme economic, dependence.
7. The inhabitants ... cities are totally incapable ... providing ... themselves the means ... their survival.
8. Such people depend ... the efforts ... many thousands ... specialist workers.
9. ... industrialized societies a high standard ... living is possible only if the organized cooperation ... large numbers ... people can be guaranteed.
10. ... the economically developed countries we are rich, not as individuals, but only as members ... a complex economic organization.

Exercise: 13. Put questions to the underlined words:

1. Precise definitions are usually very complex.
2. Economics limits itself to the study of the material life.
3. The Indian peasants have an extremely low standard of living.
4. A large percentage of the human race still lives in very small peasant communities.
5. These people experience great poverty.
6. The inhabitants of big cities depend on the efforts of specialized workers.

Exercise: 14. Fill in the blanks using the verbs given in the bracket:

1. Although Economics ... a vast subject and precise definitions... usually very complex, it...not a difficult matter to give a simple answer to the basic question (to be).

2. Economics ... itself to the study of the material aspects of life (to limit).
3. We must examine how people have solved or ... to solve this problem (to try).
4. It... little attention from those of us fortunate enough to live in these areas (to attract).
5. A large percentage of human race still... in small self-sufficient communities (to live).

Exercise:15. Answer the following questions:

1. What do most introductory books on Economics begin by?
2. What does Economics study?
3. What does it limit itself to?
4. What is an underlying problem of Economics?
5. What categories of people can survive without outside assistance?
6. Why do they have a very low standard of living?
7. Why aren't the inhabitants of big cities economically independent?
8. Why is a high standard of living impossible without a cooperation of large numbers of people?

Exercise:16. Retell the text “The Individual and Society”.

Unit I

Lesson 2 (2 hours)

Text: Scarcity and choice.

Exercise:1. Read the following words:

Satisfaction, want, amount, scarcity, choice, certainly, , insufficient, advertising, judgment, whatever, humankind, decisions, machinery, artificially, scarcity, need resource .

Exercise:2. Read and translate following group of words.

The satisfaction of material wants, limited means, unlimited wants, scarcity problem, vast amounts of capital, productive potential, the nature of humankind, to make choices, productive capacity, people's ability, to face a similar problem .

Exercise: 3. Read and remember the following words and word combinations:

Material wants		moddiy ehtiyojlar- Материальный потребность
to obtain	v	olmoq, erishmoq- Получить
scarcity	n	difitsit, tanqislik- Дефицит
to assume	v	qabul qilmoq, faraz qilmoq- Принимать
factors of production		ishlab chiqarish omillari - Факторы производства
to avoid	v	o'zini chetga tortmoq (olib qochmoq)- Избегать

well-being	n	xotirjamlik, farovonlik- Благосостояние
entertainment	n	ko'ngil ochish- Развлечение
make decision	v	qaror qabul qilish- принимать решение
whatever	v	nimaiki, qanday...- Безотносительно
insufficient	adj.	yetarli emas- Недостаточный
consume	v	iste'mol qilmoq- употреблять
to force	v	majbur qilmoq, zo'rlamoq- Вынуждать
to commit	v	majburiyat olmoq, bajarmoq-принимать обязательства, совершать

Exercise:4. Read and translate the text.

Scarcity and choice.

Economics, then, is about the satisfaction of material wants. It is necessary to be quite clear about this, it is people's wants rather than their needs which provide the motive for economic activity. We go to work in order to obtain income which will buy us the things we want rather the things we need.

It is not possible to define "need" in terms of any particular quantity, because this would imply that a certain level of consumption is right for an individual.

Economists tend to avoid this kind of value judgment which tries to specify how much people ought to consume. It is assumed that individuals wish to enjoy as much well-being as possible and if their consumption of food, clothing, entertainment, and other goods and services is less than the amount required to give them complete satisfaction they will want to have more of them.

If the resources available to people are insufficient to satisfy all their wants , we say that such resources are scarce. Scarcity is a relative concept; it relates the extent of people's wants to their ability to satisfy those wants. Neither people's wants nor their ability to produce goods and services are constant. Their productive potential is increasing all the time, but so is their appetite for material things. Whether this increase in the demands for more and better material satisfaction is in the nature of humankind or whether it is artificially stimulated by modern advertising is a subject much disputed at the present time.

Whatever the reason the fact is that we find ourselves in a situation of scarcity. We can not have all things we want. The resources available to satisfy our wants, are, at any time, limited in supply. Our wants, however appear to be limited. Thus , we all are in a position of having to make choices; we can only have more of X by having less of Y. Our incomes are insufficient for us to buy all the things we would like to have. The individual with a limited income and unlimited wants is forced to Exercise: choice when he or she spends that income. Society as a whole faces a similar problem.

There is a limit to a country's productive capacity because the available supply of land, factories, machines, labour and other economic resources is limited. These economic resources have alternative uses; they can be used to produce many different kinds of goods and services. If some of these resources are committed to the production of one thing society must forego the outputs of the other things

which it might have produced. For example, if we commit resources to the building of houses then the real cost of these houses is the potential output of schools, shops office blocks or theatres which has been sacrificed in order to produce houses.

Exercise:5. Fill in the blanks using the following words .

insufficient, income, decisions, wants, powerful, resources, produced, safe, necessary, decide, scarce, activity.

1. People's wants rather than their needs which provide the motive for economic ...
2. If the resources available to people are insufficient to satisfy all their wants, we say that such resources are ...
3. Our incomes are ... for us to buy all the things we would like to have.
4. The individual with a limited ... and unlimited is forced to Exercise: choice when he or she spends that income.
5. There is a limit to a country's productive capacity because the available supply of land, factories, machines, labour and other economic resources is limited.

Exercise:6. Define synonym pairs.

Different, wants, goods, pleasant, powerful, confine, safe, to produce, defense, to work out, secure, mighty, nice, determine, income, merchandise, lack, various, limit, dimension, safeguard, decide, extent, profit.

Exercise:7. Define antonym pairs.

Powerful, simple, together , another, recent, natural, answer, safe, make, future, poverty, complex, alone, the same, long ago, chemical, question, danger, destroy, past.

Exercise:8. Make up nouns from the verbs.

To produce, to decide, to assume, to avoid, to select, to commit, to force, to distribute, to satisfy, to limit, to want .

Exercise:9. Put the prepositions where necessary.

1. ... this country, you can buy just ... anything you want if you have the money.
2. You live ... a country that has an economic system ... which a large variety of goods is produced ... consumers to buy, and those goods have a high priority.
3. An economic system, then, provides the mechanism ... the country to decide ... whom it will produce goods and services.
4. A key factor ... knowing ... whom goods and services are produced is to look at how income is distributed to the citizens.
5. Countries are not equal ... the amount or types ... resources they have.

Exercise:10. Fill in the blanks using the verbs in correct form given in the brackets:

- 1 The fundamental economic problem facing all societies ... that of scarcity— a condition that ...because society does not have enough resources to produce all the things people would like to have. (to be, to arise)
2. The problem of scarcity ... not, as some might think, related to a shortage of money.(to be)

3. The huge increase in everyone's income would not ... the economic problem.(to solve)
4. If everyone suddenly ... an unlimited supply, they would ... the urge to work and factories would(to have, to lose, to close)
5. Rather, the problem of scarcity ... a lack of resources needed to make all the things people want. (to be)
6. We ...to work in order to obtain income which will ... us the things we want rather the things we need.(to go, to buy)

Exercise:11. Put questions to the text.

Exercise:12. Retell the content of the text.

Tests for self control on Unit I.

1. Define the synonym of the word “ income”.

- a) failure
- b) earning
- c) productive
- d) wants

2. Define the correct translation .”insufficient”

- a).yetarli
- b).aniq
- c).yetarli emas
- d).yetarlicha

3. Define the synonym of the word “to solve”

- a) to answer
- b)to decide
- c)to apply
- d)to mean

4. Define the antonym of the word “scarcity”

- a. quality
- b. abundance
- c. abundant
- d. effort

5. Choose the appropriate word.

You live in a country that has an economic system in which a large variety of goods is produced for ... to buy, and those goods have a high priority.

- A) pupils
- b) consumers
- c) retails
- d) wholesales

6. Define the synonym of the word “want”

- a) like
- b) desire
- c) concentrate
- d) occupy

7. Define synonym pair of the word “major”

- a) greater
- b) poverty
- c) starvation
- d) minor

8. Make up a sentence .

Peasants, an, Indian, have, living, of, the, low, extremely, standard.

1 2 3 4 5 6 7 8 9 10

- a)1,2,3,4,5,6,7,8,9,10
- b)2,3,1, 4, 6,8,7,9,10.
- c) 3,1,4,2,9,8,10,6,7,5.
- d) 10,2,3,14,5,7,6,8,9.

9. Define synonym pair of the word “survive”

- a. live
- b. fail
- c. die
- d. leave

10. Choose the synonym of the word "require"

- a) wish
- b) demand
- c) need
- d) wide

11. Choose the appropriate antonym of the word "fall"

- a) equal
- b) income
- c) legal
- d) rise

12. Choose the synonym of the word "quantity";

- a) cost
- b) freedom
- d) change
- e) amount

13. Define the antonym of the word “profit”

- a. damage

- b. income
- c. reward
- d. advantage

14. Choose the synonym of the word 'responsible'.

- a) debts
- b) ownership
- c) one-person
- d) liable

15. Choose the appropriate antonym. 'advantage'

- a) adverb
- b) discuss
- c) disadvantage
- d) advantages
- e) type

16. Arrange these words in right order .

1 2 3 4 5 6 7 8 9 10

1.limits, of, economics, to, study, the, of, aspects, the, material,
11 12
itself, life.

- a)1,2,3,4,5,6,7,8,9,10, 12,11,12.
- b) 3,1, 11, 4, 6,5,2,9,10,8,7,12
- c) 3,1,11,,4,5,6,7,12,10,8,9,2
- d) 3,1,11,4,6,5, 9,2,7,10,12,8.

17. Fill in blanks with appropriate prepositions.

1. ... traditional societies, people use methods ... production and distribution that were devised ... the distant past.

- a)on/in/on
- b) in/of/ on
- c) in/ of/ in
- d) in/on/on

18. Fill in blanks with appropriate prepositions.

1. Most textbooks ... Economics begin ... posing the question, 'What is Economics ...?'

- a) on/by/about
- b) on/in/ about
- c) on/on/about
- d) on/of/ about

19. Choose the appropriate antonym of, 'increase'

- a) reduce
- b) major
- c) presence
- d) same

20. Choose the appropriate translation. "moddiy ehtiyojlar"

- a) material wants
- b) material assistance
- c) materials
- d) materialistic

Unit 2. Types of Business Organizations

Lesson 1. (2hours)

Text: Sole proprietorship.

Grammar: Continuous Tenses (Active and Passive)

Exercise:1. Read and translate the text.

Sole proprietorship.

Sole proprietorship. Sole proprietorship is by the most widely used business form in the world. Nearly 70% of all business in the US is sole proprietorship. Many of the largest companies in the country began as sole proprietors. Although owned and managed by one person, sole proprietors may have numerous employees. Many local neighborhood business are sole proprietor retail, gift, floral, and shops, for example, owned by people who are “self-owned.”

Advantage of sole proprietorship. One of the advantages of sole proprietorship is the ease of starting business. Unless business requires a license, as some professions (doctors, lawyers) and trades (plumbers and electricians) do, sole proprietorship may usually be established simply by opening a door and doing business. Other advantages are the cost of organization, the tax considerations, and the ease of dissolution.

Cost of organization. Again, sole proprietorship are the easiest and least expensive forms of business to start. They demand no legal or organizational expenses. Frequently, the investment is the labor and ability of the sole proprietor himself or herself. As long as the proposed activity is legal, anyone can start a sole proprietorship.

Tax considerations. The sole proprietor directly receives any profits the business makes and absorbs any loss that the business may experience. Business pays no taxes, but all of the income from business is the considered owner’s personal income and is taxed accordingly. Thus the owner has no obligation to reveal financial information to anyone. He or she can make all business decisions independently.

Ease of dissolution. To dissolve sole proprietorship the owner can sell business (remember: it is his or personal property) or simply close a door and stop doing business.

New words and phrases

employee n (наемный работник), yollanma ishchi

neighborhood	n	(соседство, близость), qo'shnichilik, ijtimoiy muhit
retail	n	(розница), chakana
gift	n	(дарения), tuhfa, in'om
floral	adj	(цветочный), gul do'koni
shoe repair shop	phr	(обувная мастерская), poyafzal ta'mirlash ustaxonasi
self-owned	adj	(собственный), xususiy
ease	n	(легкость), yengillik, osonlik
license	n	(лицензия), litsenziya
trade	n	(ремесло), hunarmandchilik
plumber	n	(водопроводчик), vodoprovodchik
electrician	n	(электрик), elektrik
cost	n	(стоимость), qiymat, narx
tax	n	(налог), soliq
consideration	n	(рассмотрение, обсуждение, размещение), ko'rib chiqish, muhokama qilish, joylashtirish
to dissolve	v	(прекращать деятельность, ликвидировать), o'z faoliyatini to'xtatmoq, bekor qilmoq
dissolution	n	(ликвидация, роспуск, конец), bekor qilish, tarqatib yuborish, faoliyatni to'xtatish
expensive	adj	(дорогой), qimmat
investment	n	(инвестиция), investitsiya, sarmoya
proposed	adj	(предложенный), taklif etilgan
to absorb	v	(поглощать), o'rnini qoplamoq (xarajatlarning)
income	n	(доход), daromad, foyda
obligation	n	(обязательство), majburiyat
decision	n	(решение), qaror

Exercise:2. Answer the questions:

1. What form of the business is widely used in the world?
2. How many persons own sole proprietorship?
3. What kinds of local neighborhood businesses do you know?
4. What are advantages of sole proprietorship?
5. What's the main investment?
6. What is owner's personal income? Do they pay taxes?

Exercise: 3. Complete the sentences:

1. Although owned and managed by
2. One of the advantages of

3. The investment is
4. The sole proprietor directly receives
5. Business pays no taxes, but

Exercise:4. Give English equivalents to the following words and word combinations:

Mulkdor; keng qo'llamoq, yakka mulk egasi (yakka tadbirkor) sifatida boshlamoq, ko'p sonli yollanma ishchilarga ega bo'lmoq, tadbirkorlik litsenziyasini talab etmoq, tashkilotning qiymati, faoliyatni to'xtatish yengilliklari, qonuniy va tashkiliy investitsiya, mulkdorning xususiy daromadi.

Владелец, широко использовать, начать как единоличный владелец, иметь многочисленных наемных работников, требовать лицензию, стоимость организации, ловкость ликвидации, законные и организационные инвестиции, личный доход владельца.

Exercise: 5. Give the Uzbek (Russian) equivalents to the following words and word combinations:

To open an independent business, to own, to operate, to be responsible for, to be responsible for its success or failure, enterprise, to deplete, personal assets, to make decisions, to pay taxes, to inherit, to save money, to borrow money, to adapt, to Exercise: initiative, to be one's own boss, valuable learning experience, profit, losses, to pay fewer taxes, at a lower rate, legally

Exercise: 6. Give the summary of the text using as many new words as possible:

Exercise: 7. Explain Continuous in Active and Passive with examples.

Exercise:8. Translate the following sentences into your native language:

1. When he met me I was going to the Institute and had little time to talk to him.
2. "What's your little brother doing?" "He is still sleeping."
3. She was sitting there doing nothing.
4. Next Monday we'll be working only five hours.
5. The construction of the road was being completed when the commission arrived.
6. The new engine is being tested in the laboratory.
7. The child is being looked for everywhere.
8. When I come home the family will be watching the TV programme.

Exercise:9. In the cartoon below, a sole proprietor of a small business tells why he has no profit-sharing plan for his employees. What are the economic advantages of sole proprietorships?



-Merli, how come you don't have some kind of profitsharing plan?

-Well, two reasons really... . In the first place, I don't make that much of a profit... and in the second place, I don't want to share it.

Unit 2. Types of Business Organizations

Lesson 2. (4 hours)

Text: Disadvantages of sole proprietorship.

Grammar: Perfect Tenses.

Exercise:1. Read and translate the text.

Disadvantages of sole proprietorship.

Disadvantages of sole proprietorship. The disadvantages of owning sole proprietorship are several fold. First, the owner has complete liability for business. The owner of sole proprietorship has limited ability to borrow. Also ownership does not continue automatically to others: there is a lack of continuity of ownerships. And finally, sole proprietorship offers fewer career opportunities to employees and place greater demands on management.



Liability of ownership. A sole proprietor has unlimited personal liability. His or her personal assets: home, automobile, personal savings, and so on are considered a part of business. Therefore, owner's personal assets are not protected from creditors.

Limited ability to borrow. When sole proprietors borrow money, they do so as individuals, using their own personal assets to finance personal loans. Borrowing power, therefore is directly dependent on the credit standing of the proprietor. Thus the owner of successful business may not be able to borrow money for business expansion if he or she, for example, has large personal debts from a home mortgage or college tuition expenses.

Continuity of ownership. Sole proprietorship has a limited life, namely, the life of the sole proprietor. With the death of the owner, sole proprietorship ceases to exist.

Fewer career opportunities. Since the business is generally small, and career advancement is limited, recruiting and retaining good personnel can be difficult.

Demands on management. Because sole proprietorship is usually owned by a single individual, that person must have a multitude of abilities skills, and experience in management, book keeping, sales, marketing, production skills, and so on.

New words and phrases

severalfold	adj	(Многосторонний), ko'p qirrali, ko'p tomonli
liability	n	(Пассив), passive, javobgarlik, majburiyat
demand	n	(Спрос, требование), talab
asset	n	(Актив), faol, mol-mulk
saving	n	(Сбережение), iqtisod qilish, tejash, jamg'arish, pl.jamg'arma
protected	adj	(Защищенный), himoyalangan
loan	n	(Заём), qarz

expansion	n	(Расширение), yuksalish, kengayish
mortgage	n	(Недвижимость), ko'chmas mulk
tuition expenses	phr	(Расходы на образование), ta'lim sarf-harajatlari
to cease	v	(Прекращать, останавливать, приостанавливать), to'xtatmoq
advancement	n	(Продвижение), taraqqiyot, ilgarilash
recruiting	n	(Вербовка), ishga jalb qilish
to retain	v	(Удерживать, сдерживать), saqlab qolmoq, ushlab qolmoq
personnel	n	(Кадры, персонал), xodimlar, xodimlar tarkibi

Exercise: 2. Answer the questions:

1. What are disadvantages of sole proprietorship?
2. What are personal assets of sole proprietorship?
3. When do they use their own personal assets?
4. When does sole proprietorship cease to exist?
5. By whom is sole proprietorship owned?

Exercise: 3. Complete the sentences:

1. The disadvantages of
2. And finally, sole proprietorship offers
3. His or her personal assets:
4. When sole proprietors borrow money,
5. With death of the owner

Exercise: 4. Give English equivalents to the following words and word combinations:

Shaxsiy mol-mulkdan foydalanish, faoliyatni to'xtatmoq, shaxsiy qarz, tadbirkorlikni kengaytirish uchun pul qarz olmoq, omadli biznes egasi, kreditga layoqatlilik.

Использовать личное имущество, прекращать существование, личный долг, брать займы для расширения бизнеса, владелец удачного бизнеса, кредитоспособность.

Exercise: 5. Translate the text into English:

Hukumat tadbirkorlik sohasi va ayrim shaxslarga turli-tuman yordam ko'rsatadi. Misol uchun, importga soliq tariflari ayrim mahsulot turlariga, nisbatan olganda, xorijiy raqobatdan xoli turishni ta'minlaydi. Import mahsulotlari ba'zan qiymati jihatidan shu qadar yuqori soliqlarga uchraydi yoki hajmi chegaralanadiki, davlatning mahsulotlari xorijiy muqobillari bilan yaxshiroq raqobatga erishadi.

Exercise: 6. Give Uzbek (Russian) equivalents to the following words and word combinations:

liability for business, a lack of continuity of ownerships, career opportunities, personal assets, a part of business, personal loans, to borrow money for business expansion, college tuition expenses, career advancement, recruiting and retaining good personnel.

Exercise: 7. Write synonyms of the following words:

Prosperious, variety, cost, personnel, venture, profit, liability, fresh, to shrink, assets, prediction, production, keeping, storage.

Exercise: 8. Translate the text into Uzbek (Russian):

One of the advantages of a sole proprietorship is that an owner can make decisions quickly and decisively without having to consult others. And an individual proprietor by law, pays fewer taxes and at a lower rate than a corporation does. There are disadvantages of this form of business organization, however. A sole proprietorship ends with the incapacity or death of the owner. The assets can be inherited by a person who may then become an operator, but legally the business dies with its owner. Also, since it is dependent upon the amount of money the owner has saved or can borrow, usually it does not develop into a large-scale enterprise. In spite of its limitations, the sole proprietorship is well adapted to many kinds of small businesses and suits the temperament of many persons who like to Exercise: initiative and be their own bosses.

Exercise: 9. Give the summary of the text using as many new words as possible:

Exercise: 10. Explain Perfect in Active and Passive with examples.

Exercise: 11. Translate the following sentences into your native language:

1. He has never been there. 2. When you see him next, he will have passed the last exam. 3. By that time we had already changed our plans. 4. He decided to become a writer only when his first story had been published. 5. He told me that he had never been to doctors. 6. The boy has never been told the truth. 7. The papers have not yet been sent. 8. It's a long time since I have visited that town. 9. I have not made my plans yet. 10. Have you ever travelled by air?-Yes, I have often travelled by air. A month ago I flew to the Caucasus.

Exercise: 12. Read the passage and translate it:

There are disadvantages of this form of business organization, however. A sole proprietorship ends with the incapacity or death of the owner. The assets can be inherited by a person who may then become an operator, but legally the business dies with its owner. Also, since it is dependent upon the amount of money the

owner has saved or can borrow, usually it does not develop into a large-scale enterprise. In spite of its limitations, the sole proprietorship is well adapted to many kinds of small businesses and suits the temperament of many persons who like to Exercise: initiative and be their own bosses.

Exercise:13. Split into pairs and act out the following dialogues.

a) You have recently inherited a small business and would like to operate it. But your friend is absolutely against it. Try to persuade him that it would be a valuable learning experience and you can make a big profit.

b) Your friend is eager to become a sole proprietor but you have recently read an article about private companies and think that it is a dangerous and difficult business. Persuade your friend not to start it.

Tests for self control on lessons 1-2.

Variant I

1. Choose the synonym of the word 'responsible',

- a) debts
- b) one-person
- c) liable
- d) liability

2. Choose the appropriate antonym, 'advantage'

- a) adverb
- b) discuss
- c) disadvantage
- d) advantages

3. Choose the word logically out of the group.

- a) the sole proprietor
- b) the partnership
- c) the joint stock company
- d) economic policy

4. Complete the sentence.

The owner is personally liable for the... incurred by his firm.

- a) debts
- b) rights
- c) risks
- d) types

5. Choose the appropriate form of the verbs.

A single person (provide) capital (to take) decision and (assume) the risk.

- a) provide, takes, assumed
- b) provides, takes, assumes
- c) provided, take, assumes
- d) providing, taking, assuming

6. Choose the appropriate answer?

Where is the one-person business prevalent?

- a) everywhere
- b) in farming, retailing, building, hairdressing
- c) nowhere
- d) in Joint stock company

7. Choose the word logically out of the group

- a) profit
- b) loss
- c) simple
- d) value

8. Choose the appropriate synonym

'require'

- a) event
- b) need
- c) case
- d) owner

9. Choose the appropriate form of the verb .

The different types of business organization ... in the UK may ... under five headings.

- a) found/ classified
- b) to be found/to be classified
- c) to be found / be classified
- d) find/ classify

10. Choose the appropriate form of the verb.

All his personal possessions mayto meet creditors' demand.

- a) be seized
- b) seized
- c) seize
- d) is seized

11. Choose the appropriate form of adjective.

This is the ... and the ... form of business enterprise.

- a) simple/old
- b) simplest/old
- c) simpler /older
- d) simplest / oldest

12. Choose the appropriate forms of the verbs

The oldest form of business enterprise ... often to as the one-person business.

- a) is /referred
- b) are / referred
- c) is / referring
- d) - / referred

13. Choose the appropriate antonym of the underlined word

He was a good '**seller**'

- a) differ

- b) dealer
- c) buyer
- d) owner

14. Choose the appropriate prepositions

The strength this type firm lies the direct person interest the proprietor in the efficiency ... his business.

- a) of/of/in/of/of
- b) at / in / at / in / of
- c) of/ in / of / - / -
- d) of/of/-/of/of

15. Choose the appropriate prepositions

Another disadvantage the type of firm is the strict limitation its ability to acquire capital.... expansion

- a) for/of/fo
- b) of/of/for
- c) in/of/for
- d) on/ in/of

16. Choose the appropriate antonym of “major”

- a) main
- b) spread
- c) same
- d) minor

17. Choose the appropriate antonym of 'income'

- a) excess
- b) expenditure
- c) level
- d) growth

18. Choose the appropriate synonym of 'useless'

- a) frustrating
- b) need
- c) labour
- d) spoil

19. Choose the appropriate synonym of 'purchaser'

- a) profit
- b) rent
- c) matter
- d) buyer

20. Define tense form of the verb.

The owner of sole proprietorship **has** limited ability to borrow.

- a) The Present Indefinite
- b) The Past perfect
- c) The Present Continuous
- d) The Present Perfect

Unit 2. Types of Business Organizations

Lesson 3. (4 hours)

Text: Partnership.

Grammar: Non-finite forms of the verbs. Gerund.

Exercise:1. Read and translate the text.

Partnership.

Partnership. Partners are described in the legal definition of the Uniform Partnership Act as “co-owners of a business for profit.” Partners agree to carry on business and to share the profits and losses. Partnerships are easy to organize: a written or an oral agreement is all that is required. Partnership can be small, with just two people, or large, with hundreds of partners (as in a very large law firm). Yet, despite several positive features, partnership is the least used of the three common forms of business ownership.

Partners need not be “equal” that is each partner’s share of ownership may vary, depending on the agreement among partners.



Types of partnership. The individuals who participate in partnership can be classified as general or limited partners.



General partners. A general partner bears full liability and is active in managing business. Law and accounting firms are often made up of many general partners.

Limited partners. The liability of a limited partner, as the name suggests, is narrower specifically, it is limited to the amount of the investment she or he made in the firm. Unlike general partners limited partners usually are not actively involved in managing their firm. For liability purposes, limited partnership is a hybrid, having some of the features of partnership, and some of corporation. Limited partnership is typically found, ventures in theatrical production, real estate, oil and gas, and professional athletic teams.

Advantages of partnership. Because partnership is like joining two or more proprietorships, a partnership shares some of the advantages of proprietorship, as discussed below.

Ease and cost of organization. Formation of partnership does not require complicated or expensive organization. The major is the partnership agreement which attorney can easily develop.

Tax considerations. Partnership is neither singled out for government regulation nor subjected to special taxes. Partnership's profits are not taxed but treated instead as personal income of the partners whether or not the profits are distributed to them.

Exercise: 2. New words and phrases

Uniform Act	phr	(Единый акт), yagona qaror
Co-owner	n	(Совладелец), birgalikda egalik qiluvchi, hammulkdor
Profit	n	(Прибыль), foyda
To share	v	(Делить), bo'lmoq, taqsimlamoq
Despite	prep	(Несмотря на), ...ga qaramay
Positive	adj	(Положительный), ijobiy
To participate	v	(Принимать участие), ishtirok etmoq
Limited	adj	(Ограниченный), chegaralangan, cheklangan
To bear	v	(Претерпевать), zarar keltirmoq
Accounting	n	(Бухгалтерский учет), buxgalteriya hisobi
To be involved	phr	(Быть привлеченным), jalb etadigan bo'lmoq
Hybrid	n	(Гибрид), gibrid
Venture	n	(Предприятие), tashkilot, korxonona
Estate	n	(Земельное угодье), er,mol-mulk,boylik
Attorney	n	(Поверенный в делах), vakolatli shaxs,ishonchli vakil

Exercise: 3. Answer the questions:

1. What is a partnership?
2. How can partnership be organized?
3. How can individuals be classified in partnership?
4. What are advantages of a partnership?
5. Are partnership's profit taxed?

Exercise: 4. Complete the sentences:

1. Partnerships are easy to organize:
2. The individuals who
3. Law and accounting firms are
4. Limited partnership is
5. The major is

Exercise: 5. Give English equivalents to the following words and word combinations:

Foyda va zararni bo'lmoq, yozma va og'zaki kelishuv (bitim), turli xil alomatlar (xususiyatlar)ga qaramay, umumiy va cheklangan hamkorlar, biznesni boshqarish, investitsiya hajmi, firma boshqaruvida jalb etadigan bo'lmoq, ma'suliyati cheklangan kompaniya, ma'suliyati cheklanmagan asosiy hamkor, ma'suliyati cheklangan asosiy hamkor.

Делить прибыли и убытки, письменное и устное соглашение (договор), несмотря на различно положительные признаки, общее и ограниченные партнеры, руководство бизнеса, объем инвестиции, быть привлеченным в управление фирмы, компания с ограниченной ответственностью, главный партнер с неограниченной ответственностью, партнер с ограниченной ответственностью.

Exercise: 6. Translate the text into English:

Mulk sohibi o'z biznesini kengaytirishni istaganida, buni bajarishning yo'llaridan biri-foyda olish niyatida ikki yoki undan ortiq sohiblar tomonidan sherikchilik ishini tashkil etish. Sherikchilik huquqlari va majburiyatlari ish tashkil etilgan shtat qonunlari asosida tartibga solinadi. Odatda, shartnomada sheriklardan har biri kiritgan sarmoya miqdori va har bir sherikning o'z zimmasiga olgan majburiyatlari sanab o'tiladi. Sherikchilik shartnomasi "sustkash sherik" (indamas sherik)ning ham ishtirokini qonunlashtirishi mumkin.

Exercise: 7. Give Uzbek (Russian) equivalents to the following words and word combinations:

Legal definition, co-owners of a business for profit, to carry on business, to share the profits, to be easy to organize smth, common forms of business ownership, full liability, hybrid, venture in theatrical production, real estate, professional athletic teams, formation of partnership, personal income.

Exercise: 8. Find synonyms:

To form, advertisement, to launch, to deliver, difficult, to publicize, buyers, service, to held a press conference, to start.

Exercise: 9. Write T (for True) and F (for False) next to the statements below:

1. The rights and duties of a partnership are regulated by a legal agreement between the co-owners.
2. A “silent partner” takes part in the management, but does not invest money in the business.
3. The partnership is liable for most of the reporting that the government requires of corporations.
4. Individual partners are taxed on their share of earnings.
5. The partnership remains a vital part of the overall business economy.

Exercise: 10. Give the Uzbek (Russian) equivalents to the following words and word combinations:

To expand the business; to form a partnership; co-owner; to share the rights and duties with smb; one be qualified in production, another in marketing; to take part in the management; to invest money in the business; exempt from most of the reporting that the government requires of corporations; disadvantages of the partnership; to be liable for all the debts of the partnership; to assume; to squander a large amount of money from the business;

Exercise: 11. Translate the text into your native language:

Bir kuni do'stim menga biznes sherikchiligini tashkil etishni va birgalikda egalik qilishni taklif qildi. U menga huquq va majburiyatlarimizni teng bo'lishimizni tushuntirdi. Ikkimizdan birimiz mahsulot ishlab chiqarish bilan, ikkinchimiz uni bozorda sotish bilan shug'ullanamiz, biroq ikkalamiz ham kompaniyamizni boshqaruvida ishtirok etamiz. Men rozi bo'ldim va bu ish uchun mo'ljallangan miqdorda mablag' ajratdim. Men sherikchilikning barcha afzalliklarini tushunar edim. Biz korporatsiyadan davlat talab etadigan ayrim soliq to'lovlaridan ozod etilgan edik. Ammo, baxtga qarshi, firmaning biznes tashkil etishdagi barcha kamchiliklarini ko'ra olmadim. Qaror qabul qilish-bu barchasidan eng asosiysidir. Do'stim buni o'z zimmasiga oldi. Lekin u hamkorligimiz qarzlari uchun javob berishni xohlamadi. Bir kuni u kompaniya sarmoyasining katta miqdorini sarflab tugatdi va u ehtimol xato qilganligi, va hamkorlikni tashkil etish behuda ekanligi haqida gapirdi. Hozir men shaxsiy mablag'imni yo'qotib, qarzga botganligimni tushundim.

Однажды мой друг предложил мне создать товарищество и стать его совладельцем. Он объяснил мне, что мы будем делить права и обязанности. Один из нас будет занят производством, другой-маркетингом. Но мы оба будем принимать участие в управлении нашей компанией. Я согласился и вложил определенное количество денег в это дело. Я понимал все преимущества партнерства. Мы были освобождены от некоторых налогов и отчетов, которые правительство требует от корпораций. Но, к сожалению, я не видел всех недостатков этой фирмы организации бизнеса. Принятие

решений - основной из них. Мой друг взял его на себя. Но он не хотел отвечать за долги нашего товарищества. Однажды он промотал большую часть денег компании и заявил, что, вероятно, он сделал ошибку и ему не стоило создавать партнерство. Сейчас я понимаю, что потерял свой личный капитал и приобрел долги.

Exercise: 12. Give the summary of the text using as many new words as possible:

Exercise: 13. Explain Gerund with examples.

Exercise: 14. Translate the following sentences into your native language:

1. Making a decision without knowing the facts is foolish. 2. Planning your future is difficult. 3. Getting enough sleep is important. 4. Entertaining friends every day is necessary. 5. Going somewhere is essential. 6. Spending a few days on the beach is a good idea. 7. Going up north this summer is impossible for me. 8. Reading a novel is enjoyable. 9. Doing some work on holiday is hard.

Exercise: 15. Think and answer:



Partnerships, such as bicycle shop, are important to the economy. They are easy to set up and represent about 10 percent of business organizations in the United States. What may partnership agreements contain?

Unit 2. Types of Business Organizations

Lesson 4. (4 hours)

Text: Advantages and disadvantages of partnership.

Grammar: Infinitive.

Exercise:1. Read and translate the text.

Advantages of partnership.

Advantages of partnership. Ability to borrow. Since more than one person owns business, financial resources of partners are increased, and with it – borrowing capacity.

Continuity of ownership. When a partner wishes to leave partnership or dies, that partner's share of business can be sold to the remaining partner. An alternative solution is to sell the partner's share to an outside person, someone who is acceptable to the remaining partner. In this way, partnership has continuity.

Fewer demands on management. Since there are at least two partners, in theory partnership has greater management skills and other business talents available to it. Frequently, in fact, partnership is formed by people of complementary skills, for example, sales expert who works “outside”, bringing in business, and an operational professional who works “inside”, managing and supervising the day-to-day operation of the enterprise.

Career opportunities for employees. Partnership has added incentive for job applicants and talented employees alike-the opportunity to become a partner.

Disadvantages of partnership. Disadvantages of partnership include liability of ownership, potential for disagreement among partners, and difficult of dissolution.

Liability of ownership. The major disadvantage is the degree of liability of partners. Each general partner is liable for the full debts of partnership.

Potential for disagreement. Managerial difficulties may arise when two or more partners cannot agree. And even when there is an agreement, control is divided, making operations very difficult.

Difficult of dissolution. It is easy to enter into partnership but often difficult to withdraw with the full original investment. It is not easy to sell one’s share of partnership. Partnership is dissolved every time a new member is added or an existing member ceases to be a partner either through withdrawal or by death.

Exercise:2. New words and phrases

resources	n	(ресурсы), resurslar
capacity	n	(способность), qobiliyat, layoqat
acceptable	adj	(приемлемый), mos keladigan
complementary	adj	(дополнительный), qo’shimcha
expert	n	(эксперт), mutaxassis
supervising	adj	(руководящий, наблюдающий), rahbarlik qilayotgan, nazorat qilayotgan, boshqarayotgan
inceptive	adj	(начальный, начинающий), dastavval, bosh

Exercise:3. Answer the questions:

1. What are advantages and disadvantages of partnership?
2. Whom can partner’s share of business be sold to?
3. What are principal similarities and differences of a partnership from sole proprietorship?

Exercise:4. Complete the sentences:

1. When a partner wishes to
2. Since there are at least two partners
3. In fact, partnership is formed
4. Partnership has added incentive for

Exercise:5. Give English equivalents to the following words and word combinations:

Moliyaviy resurslar, qolayotgan sherik, sherikning tadbirkorlikdagi ulushi, muqobil yechimlar, sherikning ulushi, sherikchilik nazariyasi, boshqaruv mahorati, foydali, yaroqli.

Финансовые ресурсы, партнер, доля партнера в деле, альтернативные решения, доля партнера, теория партнерства, мастерство (ловкость) управления, полезный (доступный).

Exercise:6. Translate the text into English:

Sherikchilik ishi boshqaruv sohasida iste'dod egalarini birlashtirish afzalligi bilan ajralib turadi. Sheriklardan biri maxsulot ishlab chiqarishda, ikkinchisi uni bozorda sotish borasida ixtisoslashishi mumkin. Xususiy mulkdorlik kabi, sherikchilik ishi ham, korporatsiyalardan talab etiluvchi hisobot turlarining ko'pidan xoli bo'ladi. Undan tashqari, korporatsiyaga nisbatan, sherikchilik ishi ancha mo'tadil soliqlar to'laydi. Sheriklar to'laydigan federal soliqlar ularning olingan foyda miqdoridagi ulushidan hisoblanmaydi.

Вы и еще один или больше человек согласились объединить свою собственность и создать товарищество. Для товарищества предусмотрен ограниченный срок деятельности и неограниченная ответственность по крайней мере одного из партнеров.

Преимущества:

- просто организовать;
- рабочая нагрузка, идеи, опыт и ответственность делятся между партнерами;
- потенциальные дополнительные источники капитала;
- участники не платят корпоративного налога. Участники включают свои доходы от деятельности товарищества в свой личный доход, который облагается обычным подоходным налогом;
- каждый из основных партнеров может действовать от имени товарищества.

Exercise:7. Give Uzbek (Russian) equivalents to the following words and word combinations:

financial resources of partners, capacity, to leave partnership, to the remaining partner, alternative solution, theory partnership, greater management skills and other business talents, who works "outside", who works "inside", operational, professional, the day-to-day operation of the enterprise.

Exercise:8. Write synonyms of the following words:

Receive, different, common, basic, produce, advanced, narrow, same, legal, to borrow, increase, job.

Exercise:9. Give the summary of the text using as many new words as possible:

Exercise:10. Explain Infinitive with examples.

Exercise:11. Fill in:

1. Did you decide against ___ married this year? (get)
2. Did you decide ___ married next year instead? (get)
3. I wanted ___ to the movies, too. (go)
4. He insisted on ___ to the movies. (go)
5. He refused ___ a new car this year. (buy)
6. She wouldn't consider ___ a new car this year. (buy)
7. She kept on ___ her mind. (change)
8. She refused ___ her mind. (change)
9. I like ___ advice to everyone. (give)
10. I enjoy ___ advice to everyone. (give)
11. I will consider ___ your judgement. (accept)
12. I intend ___ your judgement. (accept)
13. I've definitely decided against ___ to California. (go)
14. I don't plan ___ to California. (go)

Exercise:12. Give three forms of the verbs:

To wish, to leave, to sell, to form, to work, to bring, to manage, to become, to do, to arise, to follow.

Tests for self- control on lessons 3-4.

1. Choose the appropriate prepositions

Partners usually specialize ... one or more aspects the business.

- a) on / in
- b) in / on
- c) in / of
- d)of/of

2. Choose the word logically out

- a) macro-economics
- b) micro-economics
- c) economics
- d) several

3. Choose the word logically out

- a) purchaser
- b) seller
- c) buyer
- d) consider

4. Choose the right answer:

1. A partnership is _____ .
 - a) a business formed for losses by two or more co-owners
 - b) a firm owned and operated by a single person
 - c) a business formed for profit by two or more co0owners
 - d)exchange

5. Choose the right answer:

A "silent partner" is a co-owner _____ .

- a) who takes part in the management, but who does not invest money.
- b) qualified in production.
- c) who does not take part in the management, but who invests money in the business .
- d) who does not take part in partnership.

6. Choose the appropriate answer.

What is the disadvantage of partnership?

- a) The liability of the partners is limited
- b) The liability of them unlimited
- c) They don't share profit
- d) They share profit

7. Choose the appropriate forms of the verbs

The partners usually ... in the task of running the business.

- a) share
- b) will share
- c) shared
- d) shares
- e) is sharing

8. Choose the appropriate forms of the verbs

This type of organization ...a logical development from the one-person business.

- a) represent
- b) represents
- c) representing
- d) represented
- e) have represented

9. Choose the appropriate forms of the verbs

Another disadvantage of this type of firm the strict limitation of its ability to acquire capital for expansion.

- a) where
- b) shall be
- c) to be
- d) is

10. Complete the sentence.

Federal taxes are paid by individual partners on their _____ .

- a) share of earnings.
- b) share of losses.
- c) share of income .
- d) share of partnership .

11. Complete the sentence.

A major disadvantage of the partnership is that _____ .

- a) each partner assumes definite rights and duties.
- b) decision-making is shared.

- c) each member is liable for all the debts of the partnership.
- d) it is not profitable.

12. Choose the synonym of the word "income";

- a) revenue
- b) output
- c) profit
- d) resort
- e) key

13. Choose the synonym of the word "affluent"

- a) desire
- b) poor
- c) evident
- d) rich
- e) growth

14. Choose the synonym of the word "desire"

- a) wish
- b) demand
- c) need
- d) wide
- e) more

15. Choose the right word.

I enjoy ___ advice to everyone.

- a) to give
- b) giving
- c) having give
- d) given

16. Choose the appropriate translation of "economic growth"

- a) иктисодий усиш
- b) иктисодий юксалишс
- c) иктисодий сиёсат
- d) иктисод

17. Fill in missing words.

The people who ... in production are also consumers.

- a) tell
- b) take part
- c) takes
- d) do
- e) works

18. Choose the synonym of the word "quantity"

- a) cost
- b) freedom
- c) various
- d) change
- e) amount.

19. Complete the sentence.

The of a partnership are regulated by a legal agreement between the co-owners.

- a) income
- b) investment
- c) rights and duties
- d) documents

20. Define tense form of the verb.

Partnership is **dissolved** every time a new member is added or an existing member ceases to be a partner either through withdrawal or by death.

- a) The Present Indefinite active
- b) The Past perfect passive
- c) The Present Continuous
- d) The Present Indefinite passive

Text: Corporations.

Grammar: Participle I-II.

Exercise:1. Read and translate the text.

Corporations.

Corporations. A corporation is clearly the dominant element in the American economy in terms of total sales profits, and a number of employees. Corporations employ millions of people and are owned by millions of investors. The United States Chief Justice John Marshall, in a famous 1819 decision, wrote that a corporation is “an artificial being, invisible, intangible and existing only in the contemplation of the law”. Although it is not a real person, a corporation can conduct business, own and sell property, borrow money, and sue and be sued. In fact, most laws that apply to people also apply to corporations.

A corporation must be chartered. A charter is the official agreement that establishes and describes the corporation. When selecting the state in which to charter a corporation, incorporators must consider where the corporation will conduct most of its business, what charter restrictions may be imposed in that particular state, and which taxes and fees must be paid to the state. Each state specifies the minimum amount of capital required to start the corporation and imposes both an annual fee for the privilege of doing business as a corporation and an incorporation fee.

Forming a corporation. A corporation comes into being when a state, in response to an application by incorporators, issues a certificate of incorporation or corporate charter authorizing the corporation to do business. The corporate charter, also called the articles of incorporation, provides information such as the purpose of the corporation, its name and address, the names and addresses of its officers and board of directors, the number of shares of stock, the classes of stock (common, preferred), and the rights of each class of stockholder.

Domestic, foreign and alien corporations. A corporation is considered a domestic corporation in the state in which it is incorporated. In other states it is considered a foreign corporation. An American corporation, that does business in a foreign country, is known as an alien corporation. American express, for example, is incorporated in Delaware, and in Delaware it is a “domestic corporation.” In Illinois American express is a “foreign corporation” and in England – an “alien corporation”.

Exercise:2. New words and phrases

dominant	adj	(преобладающий), ustunlik qiluvchi
artificial	adj	(искусственный), sun'iy
intangible	adj	(недвижимый), ko'chmas
contemplation	n	(созерцание, размышление, намерение), o'ylab mulohaza qilish
to sue	v	(преследовать судебным порядком,

		возбуждать дело), sudga bermoq, da'vo qilmoq
to charter	v	(давать привилегию, создавать льготу), imtiyoz bermoq
restriction	n	(ограничение), cheklab qo'yish
to impose	v	(облагать налогом, предписывать, налагать обязательство), soliq solmoq, zimmasiga yuklamoq
fee	n	(плата), to'lov
privilege	n	(привилегия), imtiyoz, ustunlik
incorporation fee	phr	(вступительный взнос при объединении), birlashtirishdagi ilk badallar
to issue	v	(издавать), nashr etmoq
certificate	n	(удостоверение, сертификат), guvohnoma, sertifikat
to authorize	v	(разрешать, санкционировать), ruhsat bermoq, ruhsatnoma bermoq
stock	n	(акция), aksiya
preferred	adj	(предпочтительный), afzal, ortiq, imtiyozli
common	adj	(обычный), oddiy
stockholder	n	(держатель акции), aksiya egasi, aksiyador
domestic	adj	(внутренний), ichki
alien	adj	(отчужденный), musodara qilingan

Exercise:3. Answer the questions:

1. What's corporation in the American economy?
2. By whom are corporations owned?
3. What's a charter?
4. How can you explain forming a corporation?
5. What are domestic, foreign and alien corporations?

Exercise:4. Complete the sentences using information from the text :

1. A corporation is clearly the dominant element in
2. A charter is
3. The corporate charter, also called
4. A corporation is considered
5. An American corporation, that does business in

Exercise:5. Give English equivalents to the following words and word combinations:

Ko'plab odamlarni ish bilan ta'minlamoq, korporatsiya, mol-mulkni sotish, pul qarz berish, sud mahkamalarida da'vogar va javobgar bo'lmoq, imtiyoz bermoq, sarmoyaning eng past miqdori, tadbirkorlik qilishning imtiyozli yillik badali, talabnomaga javoban, korporatsiya ustavi, oddiy va imtiyozli aksiyalar; ichki, tashqi (xorijiy) va musodara qilingan korporatsiyalar.

Exercise:6. Translate the text into your native language:

Large corporations also have the financial strength to research, develop and produce new goods. Their scientific know-how, innovation and technical capability are critical to maintaining the nation's competitiveness and productivity. In the United States, a corporation is a specific legal form of organization of persons and resources chartered by one of the 50 states for the purpose of conducting business. When people and resources are brought together to form a corporation, the result in the eyes of the law-is a person.

Exercise:7. Give Uzbek (Russian) equivalents to the following words and word combinations:

Investors, artificial being, contemplation, most laws that apply to corporations, to authorize, board of directors, the rights of each class of stockholders, common or preferred stocks, corporate charter.

Exercise:8. Find synonym pairs of the following words :

a) to complete, important, to receive, to return, usually, wish, to leave, to grow, to need, each, to consist of, way, to make, hard, to build, state.

b) Will, to go out, to become, to require, every, always, to include, to come back, to get, road, essential, to produce, difficult, to construct, to finish, country.

Exercise:9. Translate the conversation between Sales Manager for a British company and managers of this company:

-Ruxsat bering, firma haqida gapirsam. Biz texnologiya asbob-uskunalarini ishlab chiqaramiz. Bizning firma 6 bo'limdan iborat: ishlab chiqarish, eksport, kadrlar bo'limi va tadqiqot bo'limi, tajriba-loyihalash bo'limlaridir. Bulardan oxirgisi eng yangi bo'limdir. U besh yil oldin tashkil topgan. Bizning rahbariyat-bu aksiyadorlarning yig'ilishi va direktorlar kengashi. Bizning firmada qariyb 1,600 kishi ish bilan ta'minlangan.

-Bizning eksport bo'limimiz bilan ish olib borasiz. Biz jahonning 5 ta mamlakatlariga o'z jihozlarimizni eksport qilamiz. Bundan tashqari Gollandiya va Germaniyada bizning 2ta sho'ba firmalarimiz mavjud.

-Bular firmaning sho'balarimi yoki filiallari?

-Bu sho'ba firmalari. Ularning har birini o'z nomi mavjud.

-Позвольте мне рассказать о фирме. Мы производим технологическое оборудование. Наша фирма состоит из 6 отделов: производственный, торговый, экспортный, отдел кадров и отдел научно-исследовательских и опытно-конструкторских работ. Последний из них самый новый. Он был создан пять лет назад. Наше руководство- это собрание акционеров и совет директоров. На фирме занято около 1 600 человек.

-Вы будете работать с нашими экспортным отделом. Мы экспортируем оборудование в 5 стран мира. Кроме того, у нас есть две дочерние фирмы в Голландии и Германии.

-Так это дочерние компании или филиалы?

-Это дочерние фирмы. Каждая из них имеет свое собственное название.

Exercise:10. Give the summary of the text using as many new words as possible:

Exercise:11. Explain Participle I-II with examples.

Exercise:12. Read and translate the following word combinations paying attention to Participles:

a) having entered the Institute, having calculated the distance, having developed the speed of 120 km, having introduced new methods of work, having decided to leave the city, having divided the apple into three parts, having found the new way, having offered her his help.

b) The achieved results, all developed countries, the apple divided into three parts, the information obtained recently, the railway built between two towns, the boy saved by his dog, help offered by the teacher, the research made in the laboratory.

Exercise:13. Imagine you are a newspaper journalist. You have recently visited a Trade Fair where a company launched its products and began an advertising campaign. Write your article about it. Use the words of the whole unit.

Exercise:14. Think and answer the following questions:

1. What kind of stocks do you know?
2. How are partnerships formed?
3. How do unlimited liability and limited liability differ?
4. What are the differences between management rights of shareholders of common stock and preferred stock?
5. If you were planning to open your own business, which form of business organization would you prefer-sole proprietorship, partnership, or corporation? Give reasons for your own answer.

A share of stock

B+H CORPORATION
12 shares of common stock
in trust for John Jones J.R.
№27622 _____

<i>Key Erology</i>
<i>To own a share of stock is to own part of the company that sells the stock.</i>

This means that you own part of a company's plant and equipment, and have a voice in how the company is managed.

The actual amount of a company that you own varies with how many shares of stock you have. For example, owning 12 shares of stock in the B&H Corporation means you own a 1/100,000 part of that corporation if the total number of shares offered is 1,200,000.

Unit 2. Types of business organizations

Lesson 6. (4 hours)

Text:Differences between corporations and other forms of business.

Grammar: Conjunctions

Exercise:1. Read and translate the text.

Differences between corporations and other forms of business.

Corporations are different from sole proprietorship and partnership in several ways. Corporations must meet formal legal requirements before they are formed. Ownership (that is shareholders) and management are separated, shareholders do not directly manage corporations. Corporate owners have limited financial liability. Finally, corporations have unlimited life.

Corporate framework. Corporation has a clearly defined framework, consisting of shareholders, a board of directors, and management.



Shareholders. Each share of stock represents ownership in corporation. Thus owners of stock are called shareholders. Each share of common stock carries with it in the right to cast one vote in electing members of the board of directors. The number of directors is established in the corporate charter.

Shareholders also vote on any changes in corporate charter and on the appointment of a Certified Public Accountant (CPA) to audit the firm's books. When shareholders cannot attend corporation's annual meeting, they vote by proxy. A proxy is a statement that authorizes someone else to vote for the shareholder.



Board of directors. The board of directors represents shareholders, sets corporate policy, and distributes dividends. It has the final authority for all corporate actions. The board of directors meets regularly and is required to hold an annual meeting, which is open to all shareholders. Within the board of directors there are committees that deal with company audits, compensation of the Chief Executive Officer (CEO),

long-range strategy, and other issues. An inside director is an employee of the corporation, someone engaged in its day-to-day operations. Usually the president of the corporation serves as an inside director on the board. An outside director is not an employee but someone outside the corporation, frequently a banker, a supplier or someone representing a group of shareholders.

Management. The board of directors selects and hires the corporation's senior managers in charge of day-to-day operations such as President and Chief Executive Officer.

Exercise:2. English equivalents to the following words and word combinations:

majburiyatlar; cheklangan; korporativ mulkdor; cheklanmagan hayot; direktorlar kengashi a'zolarini saylash; ovoz bermoq; firmaning hisob daftarini taftish o'tkazmoq; korporatsiyaning yillik yig'ilishi; ishonchli vakil tomonidan ovoz bermoq; dividendlarni taqsimlamoq.

Exercise: 3. Translate the text into your native language:

There are many small-and medium-size corporations, bigger business units are needed to perform certain services in the vast American economy. Large corporations can supply goods and services to a greatly goods and services to a greater geographic area than small businesses. They serve consumers across the nation and across the world. Corporate products tend to cost less because of the large volume and small overhead costs per unit sold. Moreover, consumers benefit from the availability of corporate "brand names", which they recognize as guaranteeing a certain level of quality wherever purchased.

Exercise: 4. Give Uzbek (Russian) equivalents for the following words and word combinations:

framework; to represent ownership; common stock; vote; to be responsible; the appointment of a Certified Public Accountant; to attend corporation's annual meeting; proxy; committees; employee; inside or outside director; Chief Executive Officer.

Exercise:5. Make up sentences using the following words and word combinations:

charge of; to distribute; to limit; a board of directors; the corporate charter; to vote by proxy.

Exercise: 6. Find Uzbek or Russian equivalents of the following words:

a)corporate charter; common stocks; preferred stocks; official agreement; to sell property; employee; legal; advantage; partnership.

3. The owners of shares of stock ... liability: they ... for corporate debts (to limit, to be responsible).
4. An owner of stock ... his or her holdings at any time or pass the stock along to heirs (can, to sell).
5. When the corporation ... along profits to individuals in the form of dividends, the individuals ... again on these dividends (passes, to tax).

Exercise: 13. Give the summary of the text using as many new words as possible:

Exercise: 14. Split into small groups and act out the following situation:

Imagine that you are a sole proprietor but your company is not known to many people. Try to promote your company giving an ad in the newspaper. At first discuss all the aspects of the information you are going to give with other people in the company. Then make up a good ad together.

Tests for self- control on lessons 5-6.

1. Choose the right translation .

“Oddiy aktsiyalar”

- a) common stock ; b) preferred stock; c) stock; d) shares

2. Choose the right translation .

“corporate charter”

- a) korporatsiya hujjati
 b) korporatsiya ustavi
 c) korporatsiya ishchilari
 d) korporatsiya

3. Complete the sentence.

Corporation has a clearly defined framework, consisting of

- a) shareholders, a board of directors
 b) shareholders, and management
 c) a board of directors, and management
 d) shareholders, a board of directors, and management

4. Answer the question .

What types of corporations do you know ?

- a) small-and medium-size corporations
 b) domestic, foreign and alien corporations
 c) foreign and alien corporations
 d) domestic, foreign corporations

5. Find the synonyms of the following phrase :

a business of one's own

1. Partnership
2. Sole proprietorship
3. corporation
4. joint-stock company

worth of value, market transactions, exchange of goods and services, a much wider meaning, the small ad. Columns, on a country wise basis, under market conditions

Exercise:3. Read and remember the following words and phrases.

Ad.		Reklama-рекламный
Buyer		-xaridor-покупатель
Commodity		-tovar-товар
Concern		-g'amxo'rlik,qiziqish-забота,интерес
Consumer goods		-iste'mol tovarlari-потребительские товары
Dealing		-bitim-сделка
Ease		-osonlik-легкость
Imply		-o'z ichiga olmoq,anglatmoq-заключать в себе,значить
Kind		-tur, xil -вид
Meaning		-ma'no-значение
Participant		-qatnashchi-участник
Particularly		-ayniqsa-особенно
Represent		-namoyish etmoq, anglatmoq-означать
Reveal		-ochmoq-раскрывать
Seller		-sotuvchi-продавец
Separate		-alohida-отдельный
Supply		-talab-предложение
Transaction		-bitim,kelishuv-сделка

Exercise: 4. Define what parts of speech these words belong to:

Chapter, basic, valuable, commodity, transaction, necessarily, wider, local, efficiently, effective, notably, particularly

Exercise:5. Form nouns from these verbs:

Discuss, measure, differ, concern, reveal, supply, exchange, represent, imply, build, mean, arrange, define, provide, require, know, participate, develop, demand.

Exercise: 6. Read and translate text.

Text. Price and Value

Price is not the same thing as *value*. Things are 'valuable' because people think they are, and for no other reason. The 'value', which an individual places on a commodity, cannot be measured; its value will be different for different people. This kind of subjective value is not the concern of the economist who is interested only in 'value in exchange'. The economic worth of value of a good can only be measured in some kind of market transaction, which reveals the value of the good in terms of what is offered in exchange for it. If 5 lb of potatoes will exchange for 5 lb of sugar, then the 'price' of 1 lb of sugar is 5 lb of potatoes. Nowadays practically all exchanges represent an exchange of goods and services for money, and prices in terms of money are the market value of the things they buy.

Markets

Prices arise in exchange transactions and this implies some kind of market. This need not, necessarily, be a fixed location — a building, or a market place. We are all familiar with the open and covered markets in the centers of our towns, but in the modern world the word ‘market’ has a much wider meaning. Any effective arrangement for bringing buyers and sellers into contact with one another is defined as a market. The small ad. columns of the local newspaper provide a very efficient market for second-hand cars. Face to face contact between buyers and sellers is not a t for a market to be able to operate efficiently. In the foreign exchange market, buyers and sellers are separated by thousands of miles, but the knowledge of what is happening in the market is just as complete, and the ease of dealing is just as effective as if the participants were in the same room.

For some commodities, notably fresh fruit and vegetables, the traditional market is still the normal arrangement, but for most goods the market is a national one. Most Consumer goods, in developed countries, are bought, and sold on a country wise basis. For other commodities the market is worldwide. This is particularly true of the more important primary products such as rubber, tin, copper, and oil, and of the basic foodstuffs such as meat, wheat, sugar, tea, and coffee. Most of the products of advanced technology also have working markets, for example, computers, aero planes, ships, and motor cars.

The price of any economic good, under market conditions such as we find in the capitalist world, is determined by the forces of supply acting through the sellers and the forces of demand acting through the buyers, determine the market price.

Exercise: 7.Fill the blanks use following words

Supply, transaction, determinants, concern, arise, advanced, value, meaning, markets, conditions, worth, demand

1. In this chapter we discuss the basic ... of price.
2. Price is not the same thing as....
3. This kind of subjective value is not the ... of the economist.
4. The economic ... of value of a good can only be measured in some kind of market....
5. Prices ... in exchange transactions.
6. In the modern world the word ‘market’ has a much wider....
7. Most of the products of... technologies also have world...
8. The price of any economic good under market... is determined by the forces of... and

Exercise: 8.Define synonym pairs.

transaction, price, especially, developed, cost, advanced, basic, take place, purchaser, particularly, buyer, happen, commodity, kind, good, sort, reveal, discover, main, dealing

Exercise: 9.Define antonym pairs.

same, false, ignorance, domestic, true, new, different, wide, second-hand, foreign, narrow, knowledge.

Exercise: 10. Form antonyms of the following words using necessary prefixes.

valuable, necessary, familiar, effective, efficient, complete, normal, important.

Exercise: 11. Translate the following word combinations into English:

aniqlovchi omil, shungs o'xshash, bosgqa sabaga ko'ra, tovar ayriboshlash, bozor narxi, xaridorlar va sotuvchilar, reklama kolonkalari, ko'plab iste'mol tovarlar, rivojlangan mamlakatlar, asosan to'g'ri, asosiy iste'mol tovarlari, bozor sharoitida.

Определяющий фактор, то уже самое, по другой причине, обмен товаров, рыночная стоимость, покупатели и продавцы, рекламные колонки, большинство потребительских товаров, в развитых странах, особенно верно, основные продукты питания, в условиях рынка.

Exercise: 12. Make up three forms from the following verbs

think, reveal, represent, buy, sell, imply, find, determine, have.

Exercise: 13. Make up sentences using the following words:

1. thing, is, as, value, price, not, same, the.
2. will, its, different, different, for, be, people, value.
3. arise, exchange, transactions, prices, in.
4. word, this, a, has, meaning, wider, much.
5. commodities, some, for, market, the, normal, traditional, still, is, arrangement, the.
6. is, for, worldwide, other, market, the, commodities.

Exercise: 14. Fill the blank with appropriate prepositions:

1. The economic worth ... value, ... a good can only be measured ... some kind ... market transaction.
2. Nowadays practically all exchanges represent and exchange ... goods and services ... money, and prices ... terms... money are the market value ... the things they buy.
3. We are all familiar... the open and covered markets... the centers ... our towns.
4. Any effective arrangement... bringing buyers and sellers ... contact... one another is defined as a market.
5. Face ... face contact between buyers and sellers is not a requirement... a market to be able to operate efficiently.
- 6... the foreign exchange market, buyers and sellers are separated? ... thousands... miles.

Exercise: 15. Put questions to the sentences:

1. This implies *some kind of market*.
2. The small ad. columns provide *a very efficient market* for second-hand cars.
3. *Buyers and sellers* are separated by several miles.

4. Most consumer goods are bought and sold on a *countrywide* basis.
5. *Most of the products of advanced technologies* also have world markets.

Exercise: 16. Fill in blank using verbs given in brackets:

1. Things are 'valuable' because people think they ... (to be).
2. The economic worth of value of a good can only be ... (to measure) in some kind of market transaction which... (to reveal) the value of the goods in terms of what is ... (to offer) in exchange for it.
3. If 5 lb of potatoes ... (to exchange) for 1 lb of sugar, then the 'price' of 1 lb of sugar is 5 lb of potatoes.
4. Nowadays practically all exchange ... (to represent) an exchange of goods and services for money.
5. Any effective arrangement for bringing buyers and sellers into contact with one another ... (define) as a market.
6. The price of any economic good, under market conditions ... (to determine) by the forces of supply acting through the sellers and the forces of demand acting through the buyers,... (to determine) the market price.

Exercise: 17. Answer the following questions:

1. What is the difference between 'price' and 'value'?
2. Where do prices arise?
3. What kind of goods are usually sold in fixed locations?
4. What kind of goods are primarily sold and bought on a countrywide basis?
5. For what products is the market world-wide?
6. What is the price of economic goods determined by in the capitalist world?

Exercise: 18. Retell the text.

UNIT 3 PRICES AND MARKETS

Lesson 2 (4 hours)

Text : THE ROLE OF PRICES

Exercise: 1. Read the following words.

High, influence, decision, smoothly, allocation, bureaucracy, favor, competitive, efficient, adjustment, surprisingly, flexible, strength

Exercise: 2. Read and translate the following group of words.

a free market system, the price adjustment, unforeseen events, natural price system, a high price, allocation decisions, government bureaucracy, disasters, less competitive, surprisingly flexible, some items.

Exercise: 3. Read and remember the following words and phrases

smoothly	adv.	ravon, tekis(гладкий, ровный)
a link	n	bo'g'in, aloqa(связь, соединять)

competition	n	raqobat,musobaqa(соревнование)
flexibility	n	elastiklik, egiluvchanlik (упругость,гибкость)
competitive	adj.	Raqobatbardosh(соревнующийся,конкурирующий)
tend	v	moyil bo'lmoq, yo'llanoq(иметь склонность,имет тенденцию)
natural disasters		tabiiy halokat(катастрофа,несчастье)
adjust	v	Moslashmoq(приводить в порядок,улаживать)
absorb	v	singdirmoq, berilib ketish(поглощать,впитывать)
unexpected	adj	Kutilmagan(внезапный,неисполненный)

Exercise: 4. Read and translate the text.

The Role of Prices

Prices play an important role in all economic markets. If there were no price system, it would be next to impossible to determine a value for any good or service. In a market economy, prices act as signals. A high price, for example, is a signal for producers to produce more and for buyers to buy less. A low price is a signal for producers to produce less and for buyers to buy more.

Prices, then, serve as a link between producers and consumers. In so doing, they help with the three basic WHAT, HOW, and FOR WHOM decisions faced by market economies. Without a system of prices to influence these decisions, the economy would not run as smoothly, and allocation decisions could end up being made by some form of government bureaucracy.

Prices, especially in a free market system, are also neutral. That is, they favor neither the producer nor the consumer. Instead, they come about as a result of competition between buyers and sellers. Thus, the more competitive the market, the more efficient the price adjustment process. If the market is less competitive, however, prices tend to favor some groups more than others.

The price system in a market economy is surprisingly flexible. Unforeseen events such as weather, strikes, natural disasters, and even wars can affect the prices for some items. When this happens, however, buyers and sellers react to the new level of prices and adjust their consumption and production accordingly. Before long, the system functions smoothly again as it had before. This flexibility to absorb unexpected "shocks" is one of the strengths of a free enterprise market economy.

Exercise:5. Answer the questions.

1. What is the role of price in economic markets?
2. Why do we say prices act as signals in a market economy?
3. Why does it serve as a link between buyers and producers?
4. Do prices come about as a result of competition between buyers and sellers?
5. Why is the price system in a market economy surprisingly flexible?
6. What is the role of flexibility?

Exercise:6. Write the definition of these words.

For example: Price - The amount of money given or asked for when goods or services are bought or sold.

producer	price
market	consumption
competition	consumer
buyer	seller

Exercise:7. Complete the sentences.

1. Price is
2. If there were no price system
3. If there were no price system
4. Unforeseen events such as weather, strikes, natural disasters, and even wars
5. Producers and consumers
6. Competition is

Exercise:8. Retell the content of the text.

UNIT 3 PRICES AND MARKETS
Lesson 3 (2 hours)
Text : Demand

Exercise: 1. Read the following words.

Desire, ability, willingness, curve, quantity, commodity, period, schedule, characteristic, certain, describe, meaningful, representation, effective, demand

Exercise: 2. Read and translate the following group of words.

Effective demand, quantity of the commodity, the first statement, a demand schedule, a certain economic product, the ability and willingness to pay, definition of demand, at given price, by a demand curve, particular characteristic

Exercise: 3. Read and remember the following words and phrases

demand –		спрос --talab
to be in demand -		пользоваться спроси – talabda bo'lmoq

to satisfy demand -	удовлетворять спроси –talabni qondirmoq
desire –	желание --xohish
to draw (drew, drawn) -	рисовать, чертить --chizmoq
curve-	кривая – egri
force –	сила --kuch
application -	применение – qo'llanilishi
benefit-	прибыль, польза – foyda
support—	поддерживать – qo'llab-quvvatlash
ability—	ловкость; способность –iste'dod; qobiliyat
quantity –	количество – son, miqdor
consider –	размышлять;обсуждать–ko'ribchiqmoq; muhokama qilmoq
commodity –	продукт; товар –mahsulot
definition	– определение – aniqlash, muayyan qilish
majority –	большинство – ko'rpchilik
demand curve –	Кривая линия спроса- talab egri chizig'i
experience –	опыть --tajriba

Exercise: 4.Read and translate the text.

Demand

The first thing to understand is that demand is not the same thing as desire, or need, or want. We are looking for the forces, which determine price, and the strength of the desire for something will not, in itself, have any influence on the price. Only when desire is supported by the ability and willingness to pay the price does it become an effective demand and has an influence in the market. Demand, in economics, means effective demand, and may be defined as 'the quantity of the commodity which will be demanded at any given price over some given period of time'.

Consider the following statements:

1. The demand for commodity X is 1 000 units.
 2. The demand for commodity X, at a price of 6 p per unit, is 1 000 units.
 3. The demand for commodity X, at a price of 6 p per unit, is 1 000 units per week.
- Note that only the third statement is meaningful. The first statement is incomplete because the quantity demanded will be different at different price. The second statement tells us the quantity demanded at given price, but it does not tell us how long it will take to sell 1 000 units. Any definition of demand must say something about the quantity, the price, and the time period.

For the great majority of goods and services, experience show that the quantity demanded will increase as the price falls. This particular characteristic of demand may be illustrated by a table described as a demand schedule, or, as is more usual, by a demand curve, which is a graphical representation of the date in the demand schedule.

Most people think of demand as being the desire for a certain economic product. In this sense, anyone who would like to own a swimming pool could be said to “demand” one. This however, does not help much in the study of economics for almost everyone would like to have a swimming pool. There is more to the definition of demand than just the desire for an economic product. That desire must be coupled with the ability and willingness to pay. Only those people with the desire and the ability and willingness to buy a product will be competing with other people with a similar desire, ability and willingness to buy a product. Effective demand, the kind of demand that is desire plus ability and willingness to pay, influences and helps to determine prices. When economists speak of demand, they mean effective demand

Exercise: 5. Fill in the blanks using following words.

Illustrated, demand curve, demand, the prices falls, the price, the quantity, ability, willingness, an influence, effective.

1. Demand, in economics, means demand, and may be defined as the quantity of the commodity.
2. Only when desire is supported by the andto pay the price does it become an effective demand and has in the market.
3. Any definition of demand must say something about,, and the time period.
4. For the great majority of goods and services experiences show that the quantity demanded will increase as
5. The first thing to understand is that is not the same thing as desire, or need, or want.
6. This particular characteristic of demand may be by a table described as a demand schedule, or, as is more usual, by a which is graphical representation of the data in the demand schedule.

Exercise: 6. Fill in the blanks using the following words .

Amount available, lower price, relationship, market prices, existing stock, higher price, existing producers, price.

1. An increase in usually means that production will become more profitable.
2. We would expect To expand their outputs in response to rising prices.
3. The basic law of supply says “ more will be supplied at a than at
4. The demand curve shows the prices and the quantities demanded.
5. The supply schedule and supply curve show the relationship between and the quantities which suppliers are prepared to offer for sale.
6. Supply is not the same thing as or

Exercise: 7. Answer the following questions .

1. What does the demand curve show ?
2. What does the supply schedule and supply curve show?
3. What does the basic law of supply say?
4. Is supply the same thing as “existing stock” or “amount available”?
5. What does an increase in price mean?

Exercise: 8. Define synonym pairs.

Demand, force, support, ability, quantity, consider, commodity, definition, majority, experience, request, strength, to back up, capability, amount, discuss, goods, exactness, in most, proficiency.

Exercise: 9. Make up three forms from the following verbs.

Illustrate, support, consider, mean, understand, describe, take, sell.

Exercise: 10. Match the words having the opposite meaning

Demand, willingness, volume, value, supply, drop, behind, ahead, high low, rise, national, least, most, last, first, worst, best, in front of, reluctance

Exercise: 11. Make up nouns from the verbs:

direct, apply, cost, depend, fall, measure, offer, supply, operate, consider, compose, engage, retire, mean, reduce, decline, improve, increase

Exercise: 12. Retell the content of the text.

UNIT 3 PRICES AND MARKETS

Lesson 4 (2 hours)

Text : Demand and the demand schedule.

Exercise: 1. Read the following words.

Business, industry, might, barrels, per day, daily, wheat, bushels, steel, while, volume, guess, average, crude, possibility, schedule, prevail, point, view

Exercise: 2. Read and translate the following group of words.

Business people, oil industry, daily demand, steel industry, per day, sales volume at a certain price, lower price, average price, economic analysis, the full range, economic decisions, a demand schedule

Exercise: 3. Read and remember the following words and phrases

Effective demand –		–samarali talab(эффективный спрос)
per day -		bir kunda-(в день)
demand schedule-		talab egri chizig'i-(кривая линия спроса)
common	adj	Umumiy-(общий)
measure -	n	o'lchov-(измерение)
average price		o'rtacha narx-(средняя цена)
crude oil	n	neft xomashyosi-(сырая нефть)
economic analysis -		iqtisodiy tahlillar-(экономический анализ)

possibilities -	n	İmkoniyatlar-(перспективы)
prevail —	v	üstün kelmoq-(превалировать)

Exercise: 4. Read and translate the text.

DEMAND AND THE DEMAND SCHEDULE

If you were to ask business people in different industries about the demand in their own industry, you would get many different answers. A person in the oil industry might answer by saying that the demand for oil was 46 million barrels per day. Someone in agriculture might say that the daily demand for wheat was 10 million bushels. And a person in the steel industry might say that the demand for steel was 2 million tons per day.

While each person is in a different industry, they all have one thing in common. Each sees demand as measured in terms of the sales volume in his or her own industry. Each may have a general idea about current sales and perhaps can offer an educated guess as to what may happen at a later date.

Economists, however, want to know more than the amount demanded at a certain price. They also want to know how much would have been demanded at a higher or lower price. The average price of crude oil, for example, may have been \$17 per barrel last year, and 16 million barrels may have been demanded at that price. But how much would have been demanded if the price had been \$21 or \$12 per barrel? In economic analysis, demand means that the full range of possibilities has been considered.

In order (to be able to make sound economic decisions, economists must be able to see the market as a whole. They want to know the amount people will demand at each and even." possible price. The result is a demand schedule—a listing that shows (the quantity demanded at all prices that might prevail in the market at a given point in time. Viewed this way, there is no difference between the terms demand and demand schedule.

Exercise: 5. Put questions to the text.

Exercise: 6. Complete the sentences.

1. In economics , this relationship of demand and price is expressed
2. For consumers, price is a n abstract to buying, so when prices fall
3. Changes in consumer income can cause
4. Advertising a product can cause
5. Alfred Marshall still is famous for his work
6. In order to be able to make sound economic decisions economists
 - a) ... the more consumers buy.
 - b) ... consumers to buy more of that product.
 - c) ... must be able to see the market as a whole.
 - d) ... in the field of demand.
 - e) ... a change in demand.
 - f) ... by the Law of Demand

Exercise: 7. Discuss the text with your group mates.

Exercise: 8. Retell the content of the text.

UNIT 3
PRICES AND MARKETS
Lesson 4 (2 hours)
Text : SUPPLY

Exercise:1.Read the text and translate it.

Supply

Business people think of demand as the consumption of goods and services, At the same time , they think of supply as their production. Economists are concerned with the market as a whole. They want to know how much a certain product sellers will supply at each and every possible market price. Supply may be defined as a schedule of quantities that would be offered for sale at all of the possible prices that might prevail in the market.

The demand curve shows the relationship between prices and the quantities demanded. The supply schedule and supply curve show the relationship between market prices and the quantities which suppliers are prepared to offer for sale. Supply is not the same thing as ‘existing stock’ or ‘amount available’. We are only concerned here with the amounts actually brought to market and these amounts depend to a large extent on the ruling market price. If a farmer ploughs in his cabbages farmer ploughs in his cabbages be is too low-the cabbages were a part of the existing stock but they never become part of the current supply.

The basic law of supply says ‘More will be supplied at a higher price than at lower price’. An increase in price usually means that production will become more profitable and we would expect existing producers to expand their outputs in response to rising prices. In addition, in the long run, an increase in price (and hence profits) would tend to encourage new firms to enter the industry.

Exercise: 2. Read and remember the following words and phrases

relationship	n	munosabat, aloqa-(отношение)
supply schedule	n	taklif egri chizig’i-(кривая линия предложения)
existing stock	ph.	mavjud zahira-(существовать запасы)
current supply	ph	joriy taklif-(текущая предложения)
basic law	ph	asosiy qonun-(основной закон)
in response		Javoban-(в ответ)
to encourage	v	ruhlantirmoq, dalda bermoq-(ободрять,поощрять)
hence	adv.	binobarin, shu paytdan, demak-(с этого момента)

to plough	v	yer haydamoq-(пахать)
profitable	adj.	Foydali-(прибыльный,полезный)

Exercise: 3. Answer the questions.

1. What do business people think of demand?
2. How may supply be defined?
3. What does the demand curve show ?
4. What is the supply schedule ?
5. Is supply the same thing as 'existing stock' or 'amount available'? Why not?
6. What does an increase in price usually mean?

Exercise: 4. Make up nouns from the following verbs.

invent, indicate, exchange, serve, require, direct, specialize, increase, vary, satisfy, want, produce, arrange, adopt, measure, solve, act, store, consider, accumulate, distribute, add, explain.

Exercise: 5. Write English equivalents of the following words.

Talab egri chizig'I, samarali talab, mavjud zaxira, taklif egri chizig'I, narxning oshishi, ko'tarilayotgan narxlar, ancha foydali, muayyan maxsulot, munosabat.

Exercise: 6. Retell the content of the text

**UNIT 3.
PRICES AND MARKETS
Lesson 6. (2 hours)
Text : SUPPLY AND THE SUPPLY SCHEDULE.**

Exercise: 1. Read the following words.

Suppose, uniform, pairs , possible , inquiries, manufacturers, chance , supplier, data , graphically, curve ,upward , right, tendency, opposite .

Exercise: 2. Read and translate the following group of words.

Pairs of shoes, the best possible buy, indirect inquiries, small quantities, a supply schedule, possible market price, the Law of Supply,

Exercise: 3. Read and remember the following words and phrases

Suppose	v	Faraz qilmoq-(полагать)
pairs of shoes		Bir juft tufli-(одна пара туфли)
inquiry	n	So'roq, savol, ma'lumotnoma-(вопрос,запрос,справка)
Bid	n	Narx qo'yish-(предложение цены, заявка)
data	n	Ma'lumot-(сведения, факты, информация)

construct	v	Qurmoq,yaratmoq-(строить, составлять, создавать)
present	v	Taqdim etmoq-(дарить, подносить, представлять)
tendency	n	Niyat, mayl-(склонность, стремление)
In other words		Boshqacha, qilib aytganda-(по другому сказать)
offer	v	Taqlif qilmoq-(предлагать)

Exercise: 4. Read and translate the text.

SUPPLY AND THE SUPPLY SCHEDULE

Suppose, for example, you are an army officer whose job is to obtain dress shoes for every person in uniform. Since you will need so many pairs of shoes, you will want to get the best possible buy. To do this, you could make indirect inquiries, meet with manufacturers, and then ask for bids. The chances are that you would discover that when you offer a low price, suppliers will be willing to offer only small quantities for sale. For example, at a price of \$15 a pair, they might offer only 1.6 million pairs. But if you offered a higher price, such as \$21 a pair, they might be willing to offer 2.5 million pairs.

After you have gathered all the data possible, you would be able to construct a supply schedule. This tells the quantities offered at each and every possible market price.

The data presented in the supply schedule also can be shown graphically. The supply curve (S) in the graph on page 125 slopes upward and to the right to reflect the tendency of suppliers to offer greater quantities for sale at higher prices. The curve also shows that supply is the opposite of demand.

If you hold the figure in front of a mirror, you will see what looks like a demand curve. Just as the demand curve showed **that greater** amounts would be bought at low prices, the supply curve shows that greater amounts will be offered for sale at higher prices.

The tendency of suppliers to offer more for sale at high prices than at low prices forms the basis for the Law of Supply. The law states that the quantity of an economic product offered for sale varies directly with its price. In other words, if prices are high suppliers will offer greater quantities for sale. If prices are low, they will offer smaller quantities for sale.

Exercise: 5. Complete the sentences.

1. Everyone who offers an economic product for sale
2. Each supplier must decide how much to offer for sale-....

3. The amount that producers bring to market at any one price
4. The introduction of a new machine, chemical, or industrial process might lower
5. The tendency of suppliers to offer more for sale at high prices
6. Supply may be defined as a schedule of quantities that would be offered ...
- ... a decision made according to what is best for the individual seller.
 - ... the cost of production and allow more product to be produced at each and every price.
 - ... than at low prices form the basis for the Law of supply.
 - ... for sale at all of the possible prices that might prevail in the market.
 - ... is a supplier
 - ... is called the quantity demanded.

Exercise: 6. Put questions to the text.

Exercise: 7. Discuss the text with your group mates.

Exercise: 8. Retell the content of the text.

Tests for self- control on Unit 3.

1. Choose the appropriate form of the verb.

Supply not the same thing as 'existing stock' or 'amount available'

- is
- are
- was
- were

2. Choose the appropriate form of the verb.

Exchange may the form of barter, which to direct exchange of goods and services for goods and services.

- took / is
- take / was
- taken / is
- take / is
- taking / is

3. Choose the appropriate prepositions

The basic law supply says: More will be supplied higher price than lower price.

- at / at / at
- in / of / of
- at / of / at
- of / at / at
- of / in / in

4. Choose the appropriate prepositions

..... the great majority goods and services quantity demanded will increase as the price falls.

- a) for / -
- b) of / of
- c) in / of

5. Choose the appropriate words.

The economic ...of value of a good can only be measured in some kind of market

- 1. worth/ value
- 2. worth/ condition
- 3. worth/transactions
- 4. value/transactions

6. Choose the appropriate antonym of the word.

Dealing

- 1. exchange
- 2. familiar
- 3. transaction
- 4. contrast

7. Make up the appropriate sentence.

arise, exchange, transactions, prices, in.

- 1. Exchange arise in prices transaction.
- 2. Prices arise in exchange transactions.
- 3. Transaction exchange in prices arise.
- 4. Arise transaction exchange prices in/

8. Choose the appropriate prepositions.

1.Face ...face contact between buyers and sellers is not a requirement ...a market to be able to operate efficiently.

- 1. in/to
- 2.at/for
- 3.to/for
- 4.to/to

9. Answer the question.

Where are most consumer goods sold?

- 1. in the world wide
- 2. on a country wise basis
- 3. in the modern world
- 4. in fixed location

10. Choose the appropriate synonym "Demand"

- 1. supply
- 2. require
- 3. need
- 4. want

UNIT 4. Money
Lesson 1. (4 hours)
Text : Money

Exercise: 1. Read the following words.

Invention, human, indicate, exchange, exchange, requirement, adequately, specialization, cumbersome, alternative, coincidence, acceptable, acceptable

Exercise: 2. Read and translate the following group of words.

man’s greatest inventions, human societies, direct exchange, very inefficient and frustrating, double coincidence of wants, a surplus of corn, to become very cumbersome

Exercise: 3. Read and remember the following words and phrases

indicator	n	belgi, nishon, -указатель, индикатор
invention	n	ixtiro-изобретение
barter	n	Barter-бартер
exchange	n	Ayirboshlash-обмен
frustrating	adj	Tartibsiz-бесполезный
cumbersome	adj.	og’ir, qiyin-громоздкий
merely	adv.	faqat, chindan ham-только, просто
laborious	adj	qiyin, og’ir-затрудненный
adequately	adv.	yetarli, talabga javob beradigan-адекватно
surplus	n	ortiqchalik, mo’lko’llik-добавка

Exercise:4. Read and translate the text.

Money

Money is one of man’s greatest inventions and the fact that all but the least developed of human societies use money indicates that it is an essential tool of civilization. In the absence of some form of money, exchange may take the form of barter, which is the direct exchange of goods and services for goods and services. Barter will serve man’s requirements quite adequately when he provides most of his needs directly and relies upon market exchanges for very few of the things he wants/ As the extent of specialization increases, the barter system proves very inefficient and frustrating.) In the simplest societies each family will provide by its own efforts most of its needs and perhaps some small surpluses. A Farmer will exchange any small surplus of food, wool or hides for the surpluses of other producers. But this system of exchange becomes very cumbersome as economic activities become more specialized. A specialist metal worker must seek out a large number of other specialists in order to obtain, by barter, the variety of goods he needs to satisfy his daily wants.

The great disadvantage of barter is the fact that it depends upon a 'double coincidence of wants'. A hunter who wants to exchange his skins for corn must find, not merely a person who wants skins, but someone who wants skin and has a surplus of corn for disposal. The alternative is to exchange his skins for some other article and they carry out a series of similar exchanges until he finally gets his corn. Time and energy, which could be devoted to production, is spent on a laborious system of exchange.

Quite early in his history man discovered a much more convenient arrangement. The use of some commodity as a medium of exchange makes exchange triangular and removes the major difficulty of the barter system. If a commodity is generally acceptable in exchange for goods and services, it is money. A producer now exchanges his goods for money and the money can be exchanged for whatever goods and services he requires.

Exercise:5.Fill in blanks using the following words:

granted, convenience, monetary, commodity, money, direct, inventions, barter, valuation.

1. Money is one of man's greatest.... .
2. In the absence of some form of money, exchange may take the form of....
3. If a ... is generally acceptable in exchanging for goods and services, it is
4. Such exchanges are taken for
5. The ... of goods for goods would raise all sorts of problems regarding
6. It is a great... to hold wealth in the form of money.
7. A complex trading organization based upon a system of credit can only operate in a ... economy.

Exercise:6. Define synonym pairs:

means, form, tool, frustrating, obtain useless, need, instrument, shape, get, medium, commodity, general, require, labour, store, common, article, work, stock, deteriorate, significant, spoil, essential, apparent, conduct, purchase, evident, carry out, buy

Exercise:7. Define antonym pairs:

absence, increase, major, spread, presence, same, reduce, minor, accumulate, different

Exercise:8. Make antonyms of the following words:

direct, adequately, advantage, efficient, convenience, acceptable, likely

Exercise:9.Translate the following group of words into English:

tovar va xizmatlarni to'g'ridan to'g'ri ayirboshlash, ixtisoslashning o'sishi bilan, o'xshash ayirboshlash qatori, ancha qulay usul, barter sistemasining asosiy qiyinchiligi, rivojlangan jamiyatda, mebel qismi, pulning ishtirokisiz, birinchi qadam, almashiv kursi muammosi, tovarlar zaxirasi, katta qulaylik, ulkan

yetishmovchilik, inflyatsiya davrida.

прямой обмен товарами и услугами, с ростом специализации, ряд подобных обменов, гораздо более удобное средство, основная сложность бартерной системы, в развитом обществе, предмет мебели, без использования денег, первый шаг, проблема обменных курсов, запас товаров, большое удобство, огромный недостаток, в период инфляции.

Exercise:10. Make up sentences using the following words:

take, prove, become, seek, need, find, set, spend, make, come, raise, give, store, fall, pay, spread, do

1. one, money, is, man's, inventions, greatest, of.
2. is, it, tool, essential, of, an, civilisation.
3. take, the, exchange, of, may, barter, form.
4. will, barter, requirements, quite, man's, adequately, serve.
5. barter, the, system, very, and, inefficient, proves, frustrating.
6. system, very, becomes, exchange, of, cumbersome, this.
7. upon, a, depends, it, coincidence, wants, of, double.
8. discovered, a, arrangement, man, more, much, convenient.
9. removes, the, it, of, the, barter, major, system, difficulty.
10. exchanges, are, such, for, granted, taken.
11. would, be, they, without, inconvenient, use, of, the, money.
12. is, problem, exchange, the, rates, solved, of, easily.
13. is, to, deferred, it, serve, payment, means, a, as, of.

Exercise:11.Fill in the blanks with appropriate prepositions:

1. Monetary policy is concerned with the cost... money.
2. Bank notes and coins are not the most important form ... money ... developed economies.
3. Cheques didn't come ... general use ... the second half of the seventeenth century.
4. A payment from one person ... another merely requires that the banker reduces the amount ... one deposit and increases it... another.
5. The transmission ... payments ... means ... cheques creates problems when the person making the payment has an account... a different bank ... the person receiving the payment.
6. Most countries have a central bank, which is responsible ... the operation ... the banking system.
7. Several merchant banks date back ... the nineteenth century.
8. ... recent years there has been a considerable extension ... the range ... financial services offered... building societies.

Exercise:12. Put questions to the sentences:

1. *In the absence of some form of money, exchange may take the form of barter.*
2. *As the extent of specialization increases, the barter system proves very inefficient.*

3. A specialist metal worker must seek out *a large number of other specialists* in order to obtain, by barter, the variety of goods he needs.
4. The alternative is to change his skins for some other article.
5. *The use of money* makes possible a great extension of the principle of specialization.
6. The use of money allows us to exchange hours of labour for an amazing variety of goods and services.
7. *The direct exchange of goods for goods would raise all sorts of problems regarding valuation.*
8. The problem of exchange rates is easily solved when all other commodities are valued in terms of a single commodity.
9. It is a great convenience to hold wealth *in the form of money*.
10. The money value of wealth may fall *when it is being stored*.

Exercise:13.Fill in the blank using verbs given in brackets.

1. Exchange may ... (to take) the form of barter, which ... (to be) to direct exchange of goods and services for goods and services.
2. Barter ... (to serve) man's requirements quite adequately when he ... (to provide) most of the needs directly and ... (to rely upon) market exchanges for very few of the things he ... (to want).
3. As the extent of specialization ... (to increase) the barter system ... (to prove) inefficient.
4. In the simplest societies each family ... (to provide) by its own efforts most of its needs.
5. This system of exchange ... (to become) very cumbersome as economic activities ... (to become) more specialized.
6. A specialist metal worker must... (to seek out) a large number of other specialists in order... (to obtain), by barter, the variety of goods he needs ... (to satisfy) his daily wants.
7. The great disadvantage of barter ... (to be) the fact that it... (to depend upon) a 'double coincidence of wants'.
8. A hunter who ... (to want) ... (to exchange) his skins for corn must... (to find), not merely a person who...
(to want) skins, but someone who ... (to want) skins and ... (to have) a surplus of corn for disposal.

Exercise:14.Answer the following questions:

1. What is barter?
2. When may exchange take the form of barter?
3. When is barter inefficient and frustrating?
4. What is the great disadvantage of barter?
5. What is the best form of exchange?
6. What can you say about functions of money?

Exercise:15.Retell the content of the text «Money».

UNIT 4. Money

Lesson 2. (4 hours)

Text : The functions of money

Exercise: 1. Read the following words.

Extenuation, specialization, adoption, measure, valuation, acceptable, convenience, deteriorate, apparent, significant, inconvenient, significant, immediate, immediate

Exercise: 2. Read and translate the following group of words.

A medium of exchange, a measure of value, a store of value, a means of making deferred payments, to come into use, direct exchange, to store wealth, in a monetary economy, the first step, the problem of exchange rates.

Exercise: 3. Read and remember the following words and phrases

medium	n	Vosita-средство, способ
extenuation	n	kamaytirish, yumshatish, yengillatish-смягчение
valuation	n	baho, baho qo'yish-определение стоимости, оценка
bushel	n	o'lchov birligi-измерение
deteriorate	v	yomonlashmoq, buzilmoq-портиться
accumulate	v	to'planmoq, yig'ilmoq-накапливать, собирать
apparent	adj	oshkor, yaqqol-очевидный, явный
deferred payment		muddati keyinga surilgan to'lov-отсроченный платеж
pattern	n	andaza, qolip-образец, модель
commodity	n	Maxsulot-товар

Exercise: 4. Read and translate the text.

The functions of money

1. A medium of exchange.

As we have already explained, the use of money as a medium of exchange makes possible a great extenuation of the principle of specialization. In an advanced society the use of money allows us to exchange hours of labor for an amazing variety of goods and services. We can exchange, for example, two weeks' labor for a holiday abroad just as easily as we can exchange it for a piece of furniture or a year's rent on a television set. Such exchanges are taken for granted yet they would be inconvenient without the use of money.

2. A measure of value.

The first step in the use of money was probably the adoption of some commodity as a unit of account or measure of value. Money, most likely, came into use within

the barter system as a means whereby the values of different goods could be compared. The direct exchange of goods for goods would raise all sorts of problems regarding valuation. For example ‘How many bushels of corn are equal in value to one sheep, if twenty sheep exchange for three cows and one cow exchanges for ten bushels of corn?’ The problem of exchange rates is easily solved when all these commodities are valued in terms of a single commodity, which then acts as a standard of value. Money now serves as such a standard and when all economic goods are given money values (i.e. prices), we know, immediately, the value of one commodity in terms of any other commodity.

3. A store of value.

Once a commodity becomes universally acceptable in exchange for goods and services, it is possible to store wealth by holding a stock of this commodity. It is a great convenience to hold wealth in the form of money. Consider the problems of holding wealth in the form of some other commodity, say wheat. It may deteriorate, it is costly to store, may be insured, and there will be significant handling costs in accumulating and distributing it. In addition, its money value may fall when it is being stored. The great disadvantage of holding wealth in the form of money has become very apparent in recent years — during periods of inflation its exchange value falls.

4. A means of making deferred payments.

An important function of money in the modern world, where so much business is conducted on the basis of credit, is to serve as a means of deferred payment. When goods are supplied on credit, the buyer has immediate use of them but does not have to make an immediate payment. The goods can be paid for three, or perhaps six, months after delivery. In the case of hire purchase contracts, the buyer takes immediate delivery but pays by means of installments spread over one, two, or three years.

A complex trading organization based upon a system of credit can only operate in a monetary economy. Sellers would be most unlikely to accept promises to pay in the future, which were expressed in terms of commodities other than money. They would have no idea how much of the commodities they would need in the future, and if they do not want them, they face the trouble and risks involved in selling them. Sellers will accept promises to pay expressed in terms of money because, whatever the pattern of their future wants, using money can satisfy them.

Exercise: 5. Find synonyms of these words from the text.

Compound, expense, goods, need, barter, regard as, means, suitable, cost, currency, employment, buy, riches, amass, model, source.

Exercise: 6. Answer the questions.

1. What are the main functions of money?
2. Why has it become unprofitable to hold wealth in the form of money in recent years?

3. Why is money a perfect means of deferred payments?
4. How does a complex trading organization operate in a monetary economy?

Exercise: 7. Write your opinion on the theme:

- 1) Functions of money
 - 2) Money as a medium of exchange
 - 3) Money as a store of value
 - 4) Money as a means of making deferred payments
- Exercise: 8.

Exercise: 8. Retell the content of the text.

UNIT 4. Money
Lesson 3. (4 hours)
Text : Modern money

Exercise: 1. Read the following words.

Medium, portable, durable, divisible, stable, remove, denomination, available, advance, circulation, checkbooks, reasonably, cause, inflation, value, term, zinc.

Exercise: 2. Read and translate the following group of words.

Medium of exchange, the most familiar, through an act of law, demand deposits, modern money, paper currency, major cause of inflation, be portable, durable, divisible and stable in value, different forms of money, by writing a check.

Exercise: 3. Read and remember the following words and phrases

portable	adj.	ixcham, ko'tarib yurishga qulay-удобный, портативный
durable	adj.	mustahkam, davomiy-прочный, долговечный
divisible	adj.	bo'linadigan, taqsim bo'ladigan-делимый
stable	adj.	Barqaror-стабильный
to issue	v	nashr etish-выходить, вытекать
remove	v	bo'shatmoq, ko'chib o'tmoq, o'tkazmoq-удалять, устранять
denomination	n	qiyamat, kuruyura-достоинство, наименование
bill	n	hisob raqami, schyot-вексел
demand deposits	ph.	muddatsiz omonat, joriy hisob raqam-депозитный спрос
advance	adj.	Oldindan-аванс, прогресс
Cheque book	n	chek daftarchasi-чековая книжка

Exercise: 4. Read and translate the text.

Modern money

Today, most nations use fiat money as their medium of exchange. A few, like Canada, China, South Africa, Mexico and even United States, mint gold coins but

these generally are bought by investors, Whatever the money supply, it must be portable, durable, divisible and stable in value in order to be useful. There are different forms of money in use in the United States today. Of these , however , the most familiar are coins and currency. The term coin refers to metallic forms of money. The term currency refers to paper money issued by government through an act of law. The coins of the United States come in six denominations, starting with the penny and ranging up to the dollar. Most are made in part of copper, zinc, nickel or silver. Today currency is printed in denominations of \$1, \$2, \$5, \$10, \$20, \$50, and \$100. In early years , however, it also was issued in amounts of \$500, \$1000, \$10,000, and even \$100,000. Although people who have the larger denomination bills still are able to spend them, the banks remove such bills from circulation when and if they find them.

One of the forms of money is demand deposits. This refers to deposits available on demand at certain banks. These funds are available whenever the depositor wishes to have them. He or she removes them from the bank by writing a check. The bank receives no advance notice from the depositor that the money will be removed. It finds out when the check arrives to be cashed.

While money has changed in form, kind, or size over the years, modern money still shares many of the same characteristics of primitive money. Most importantly, to function effectively as a medium of exchange, it must satisfy the four characteristics of money.

Modern money is very portable. When people carry checkbooks , for example , they really are carrying very large sums of money since checks can be written in almost any amount.

Modern money also is very durable. Metallic coins last a long time under normal use and generally do not go out of circulation unless they are lost. Paper currency is also reasonably durable with the average life of \$1 bill being about 13 months. Checking and demand deposits never wear out.

Modern money also rates high in divisibility. The penny which is the smallest denomination of coin, is more than small enough for almost any purchase. In addition, checks almost always can be written for the exact amount. .

Modern money, however is not as stable in value. The inflation of the 1970's indicated that money was not as scarce as it could have been. The fact that the money supply often grew at a rate of 10 to 12 percent a year was considered a major cause of inflation.

Exercise: 5. Complete the sentences.

1. Modern money is
2. The most familiar forms of money are
3. Functions of money are
4. The term currency refers
5. The coins of the United States come in six denominations,
6. One of the forms of money is

Exercise: 6. Find synonyms of these words from the text.

Convenient, middling, form, phrase, ancient, transmission, commonly, value,

tempo, steady, limited, successfully , precise, as well .

Exercise: 7. Put questions to the text.

Exercise: 8. Discuss the text with your group mates.

Exercise: 9. Read and discuss the text with your groupmates.

Cheques

Bank-notes and coins are not the most important form of money in developed economies. In the UK about 90%, by value, of all transactions are settled by means of cheques. But cheques themselves are not money, they are merely orders to bankers to transfer money from one person to another. The money so transferred consists of bank deposits. If there is no money in the form of a bank deposit then any cheques drawn on that account will be worthless.

Cheques were used as early as the second half of the seventeenth century, but they did not come into general use until the second half of the nineteenth century. The Bank Charter Act of 1844 put strict limitations on the note issue at a time when the output of goods and services was expanding rapidly. The need for an expansion of the money supply to keep pace with increasing output greatly stimulated the use of bank deposits.

This most developed form of money (i.e. bank deposit) consists of entries in the banks' ledgers, or more likely nowadays, of records on computer tapes. The greater part, in value terms, of the payments made each day are carried out by adjustment made to the totals in different bank deposits. A payment from one person to another merely requires that the banker reduces the amount in one deposit and increases it in another. Transferring money, therefore, has become little more than a kind of bookkeeping Exercise:; the money itself does not consist of some physical tangible commodity.

Exercise: 10. Speak about:

1. The most important form of money
2. Bank deposits
3. The Bank Charter Act of 1844

Exercise: 11. Number your paper 1 through 6 .Then write the term that best matches each numbered definition.

barter	standard of value
medium of exchange	store of value
currency	checkbook dollars

1. A common form of money , paper money or coins.
2. Something that is accepted by people in exchange for goods and services.
3. The exchange between people of goods and services for other goods and services.

4. Something that is used as a base for determining the value or worth of one thing in relation to another.
5. Something that can be stored or kept for later use and by itself is worth something of value.
6. The money that people have in checking accounts

UNIT 5. Population, income, poverty.

Lesson 1. (2 hours)

Text : Population

Exercise: 1. Read the following words.

Fast, mouths, benefit, per capita, since colonial times, a bulge, samples, average, percent, households, resources, census, welfare , retirement.

Exercise: 2. Read and translate the following group of words.

productive resources, thousands of samples, an average rate, an average rate, location of new plants, a little lopsided, the total population, other health care facilities, nursing homes, sale of new products.

Exercise: 3. Read and remember the following words and phrases

responsible	adj	mas'ul, javobgar-ответственный,обязательный
to feed	v	Boqmoq-кормиться, питаться
output growth	ph.	ishlab chiqarishning o'sishi-ростъ производства
benefit	n	foйда, manfaat, nafaqa- прибыл, пособие
a per capita		kishi boshiga-на душу населения
estimates	n	smeta (ko'zda tutilgan kirim va chiqim hisobi)
census	n	(aholini) ro'yxatga olish-перепись(населения)
shift	n	kochish, almashtirish-сдвиг,смещение
impact	n	zarba, to'qnashuv-удар,столкновение
lop-sided	Adj.	qiyshaygan, bir tomonga egilgan-кривобокий, кривой

Exercise: 4. Read and translate the text.

Population

All societies are concerned about their populations. Population means people; people make things, work and are responsible for the way in which things are done. People are the ones who benefit from the fruits of their efforts.

If a country's population grows too fast, it may have too many mouths to feed. This holds down output growth on a per capita basis. If, on the other hand, a country's population grows too slowly, it may not have enough productive resources to achieve economic growth.

In the United States, population data is collected every ten years by the Bureau of the Census. In addition, projections and estimates are made every year on the basis of thousands of, taken from all over the country.

The population of the United States has grown a great deal since colonial times. In 1790, it was a little less than 4 million. Between 1790 and 1860, it grew at an average rate of 2.5 percent a year. From the Civil War until World War I, the average fell to 2.13 percent. From (then until today, the growth rate has been closer to 1.3 percent. In the future, it is expected to drop even further.

The census also shows that there has been a steady trend toward smaller and smaller households. During colonial times, the average household size was 5.8 people. By 1990, it will be about 2.6 people. This is consistent in part with the fact that in advanced industrial countries, children often are thought of as being a cost and families have fewer children. The other factor involves that **more individuals** living alone today than **ever have before**. Each **census** also **indicates the center of population** — the point where the country *would* balance if it were flat and every American weighed the same. In 1790, the first census was taken, the center was east of Baltimore. Since then, it has moved slowly westward. By 1970, it was in a cornfield near Mascoutah, Illinois. According to the latest census taken in 1980, it is on a farm about 45 miles (76.5 kilometers) south of St. Louis, Missouri. Economists also are concerned with changes in where people live as well as the make-up of the population. Population shifts are important to a number of groups. Political leaders, for example, are concerned about such shifts because they affect voting patterns. Community leaders are interested because population shifts impact such services as sanitation, water, and education. Businesses are concerned because they affect the location of new plants and the development and sale of new products.

At some future time, the bulge in the middle of the tree will work its way to the top. When this happens, a larger part of the total population will be elderly. As a result, there will be greater need for welfare and retirement benefits, as well as hospitals, nursing homes, and other health care facilities. Many of these payments and services will have to be provided by a smaller proportion of people in their working years.

Exercise: 5. Complete the sentences paying attention to the meaning of the sentences..

1. If a country's population grows too fast,

2. The census also shows that
3. The other factor involves that
4. New additions to the population are not as large as they were in the past
5. Economists also are concerned with changes
6. According to the latest census taken in 1980,

Exercise: 6. Read and answer the questions according to the text.

1. What does population mean?
2. What is the center of population? In what direction has it moved since 1790?
3. Why are households smaller today than in the past?
4. How is the population of the United States expected to shift between 1984 and 2000?
5. What happens if a country's population grows too fast?
6. What is the reason of the declining birth rate?

Exercise: 7. Define the synonyms of the following words.

Inhabitants, knob, influence, bed, peak, fall, persons, reach, progress, center, withdraw, cause, profit, ancient times, tempo, usually, whole, piece, fitness.

Exercise: 8. Retell the content of the text.

UNIT 5. Population, income, poverty.

Lesson 2. (2 hours)

Text : Income and poverty programs

Exercise: 1. Read the following words.

Elsewhere, household, analyzing, equally, scale, however, poverty, relative, measure, suburbs, income, welfare, impossible, needy, ability, incorporate.

Exercise: 2. Read and translate the following group of words.

the same income, the term distribution of income, several different ways, at the bottom of the income scale, to find a job, the basic needs, the poverty level, the potential labor force, the general standard of living.

Exercise: 3. Read and remember the following words and phrases

income	n	daromad , foyda-доход
poverty	n	Qashshoqlik-нищета, бедность
elsewhere	Adv.	boshqa joyda (ga)-где-то в другом месте
income scale		foyda shkalasi-шкала прибыли
content	n	qanoat, qoniqish, mazmun-довольство
lack	v	yetishmovchilikni his qilmoq-нуждаться, недостаток

wipe out	v	yo'q qilmoq, yuvmoq-стирать,уничтожать
obligation	n	Majburiyat-обязательство
the needy	n	Muhtoj-нуждающийся
incorporate	v	qo'shmoq, birlashtirmoq-содержать,объединяться
incentive	n	tilak, istak, xohish-стимул

Exercise: 4. Read and translate the text.

INCOME

In the United States, as elsewhere, everyone does not have the same income. Economists use the term distribution of Income to describe the way in which income is distributed among individuals, families, households, and other groups. Economists have several different ways of analyzing the distribution of income. The most common is to rank all families from highest to lowest; break them into quintiles of fifth and then look at the amount of income earned by each fifth.

Poverty Programs

Poverty is a problem that must be faced by all societies and all countries. As long as income is not distributed equally among all people, someone has to be at the bottom of the income scale. That "someone" may be too old, too young, too ill to work. On the other hand, that someone may be willing to work but not find a job. Or, that person may be content to depend on others to provide for his or her needs. Generally, however, that "someone" is a combination of all of these people.

Poverty is a relative measure that depends on the level of prices, the general standard of living, and the incomes earned by others. What may seem like poverty to the person may, on the other hand, seem like riches to another. For this reason, governments define poverty by a poverty level—a minimum income below which Person or family lacks the means to provide even the basic needs. In 1986, the poverty level in the United States , excluding Alaska and Hawaii, for a family of four was \$ 11,000.. The poverty level for a family of four in Hawaii was \$12,650 and \$ 13,750 for Alaska . Normally , about 12 to 14 percent or the total United States population have incomes below poverty levels in any given year.

Wiping out poverty has proved to be a difficult task. Many poor people are too young or too old to find jobs or have obligations in the home that make it impossible for them to work . Many others simply live in the wrong place. Companies often build new plants on the outskirts of town because the land costs less and they have better access to major highways . But , at the same time , much of the potential labor force may live miles away in the central city. If the city does not have an adequate transportation system to provide service to the new plants, they will draw workers from suburbs and those in the central city will remain unemployed.

Over the years, the government of the United States has instituted a number of programs to help the needy. Most come under the general heading of welfare and are part of the broad social welfare net programs - programs designed to help the

needy, but place a limit on the ability of poor families to buy and consume. These programs provide three basic kinds of help – income assistance, general assistance, and assistance in the form of social service programs. A fourth kind of is based on the market and tries to incorporate the incentives of the market system..

Exercise: 5. Number your paper 1 through 6 .Then write the term that best matches each numbered definition.

income	poverty
population	the needy
public welfare	the poor

1. People who make things, work and are responsible for the way in which things are done.
2. A person who needs others help
3. It is a relative measure that depends on the level of prices, the general standard of living, and the incomes earned by others.
4. Something that comes in from property, business or work.
- 5.The well- being of society
- 6.Someone whose standard of life is low.

Exercise: 6.Put questions to the text.

Exercise: 7. Complete sentences with your own words.

- 1.Economists have several different ways of... .
2. Poverty is a relative measure that
3. Over the years, the government of the United States has instituted... .
4. Many poor people are
5. Much of the potential labor force may live
6. Poverty is a problem that must be... .

Exercise: 8. Discuss the text with your group mates.

Exercise: 9.Retell the content of the text.

UNIT 6. Famous economists
Lesson 1. (4 hours)
Text : Famous economists of the world.

Exercise: 1. Read the following words.

Foundation, institution, evolution, organization, corporation, production, consumption, tradition, contribution, distribution, competition, representation, education, position.

Exercise: 2. Read and translate the following group of words.

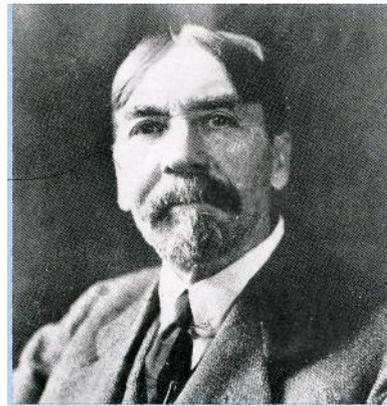
The economic theories, economic behavior, the profit-seeking "captains of industry", laissez faire, the rights of the individual, proportional representation, the emancipation of women, the development of labor organizations, drastic decline.

Exercise: 3. Read and remember the following words and phrases

psychological bases		psixologik asos-психологическая основа
neat	Adj.	toza, pokiza-чистая
labour unions		mehnat uyushmasi-трудовое объединение
behavior	n	Hatti- harakat, xulq-atvor-поведение
greed	n	ochko'zlik, ziqnalik-жадность, жажда
heap	v	O'yib tashlamoq, yuklamoq-нагромождать
scorn		nafrat, jirkanish-презрение
conspicuous	Adj.	tanilgan, ko'zga ko'ringan-заметный
absence	n	yoq kishi-отсутствие
adult life		O'smirinlik davri-совершеннолетний
set out	v	bayon etmoq-излагать, раскладывать
intervene	v	yuz bermoq, aralashmoq-происходить
safeguard	n	xavfsizlik chorasi-гарантия, защитная мера
free trade		erkin savdo-свободная торговля
to be in favour		qo'llab – quvatlamoq, yengillik bermoq-поддерживать, помогать
tyranny	n	zulm, azob-жестокость
dismiss	v	ishdan bo'shatmoq, bekor qilmoq-увольнять
cotton-spinning mill		raxta yigirish zavodi-хлопко-прядильное завод
concept of entrepreneur		tadbirkor tushunchasi-концепция предпринимателя

Exercise: 4. Read and translate the texts.**Famous economists of the world**

**Thorstein
Veblen
1857—1929**



Thorstein Veblen was an American economist and social scientist who challenged the economic theories of his time. By analyzing the psychological bases of social and economic institutions, he laid the foundations for the school of institutional economics.

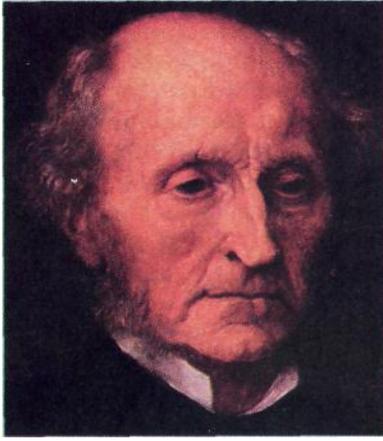
Veblen rejected the neat logic and static natural laws of most other economists and argued that the nature of the economic order was evolutionary. He felt it changed with society's values, customs, and laws and was influenced by such institutions as churches, schools, labor unions, and business organizations. He believed that along with the institutions, the prevailing attitudes of the day had a great deal of influence on economic behavior.

Veblen saw a basic conflict in corporate business structure. As he saw it, the profit-seeking "captains of industry" who owned and ran corporations knew that increased production of goods would drive prices down and lower profits. So they hired engineers, technologists, and others to increase production of the goods the consumer needed and wanted. Then, in their greed for profits, they restricted the benefits to humanity by cutting production.

In his work, *The Theory of the Leisure Class* (1899), Veblen heaped similar scorn on the wealthy. He described the higher classes as barbaric and wasteful, engaging in useless activities and conspicuous consumption, which he called "conspicuous waste." To emphasize his point, he cited such examples as the lavish parties of the 1890's—where thousands of dollars were spent on food and drink, much of which was thrown away later.

Veblen also authored other works, all written in a dry, satiric style. These include *The Theory of Business Enterprise* (1904), *The Engineers and the Price System* (1921), and *Absentee Ownership and Business Enterprise in Recent Times* (1923). Although his theories did not attract many disciples in his time, economists from that time forward have had to reckon with the influence of social institutions and values on economic behavior.

**John Stuart Mill
1806-1873**



John Stuart Mill was an outstanding British philosopher and noted economist who spent most of his adult life as a public servant. He held a post in the East India Company in London, England, for 36 years. He then became a member of the British Parliament.

In 1848, Mill's work, *Principles of Political Economy*, was published. In it, he set out to revise the earlier works of economists Adam Smith and David Ricardo.

John Stuart Mill challenged the traditional idea that goods and services were distributed by natural law.

He believed instead that the distribution of goods and services could be controlled. Mill thought that through technological change, the working class could have a better future and raise its standard of living.

Mill also felt that government should intervene to improve the lot of the poor. He believed that laissez faire would have to give way to a greater extension of government duties. He thought that government had to intervene to preserve competition, protect against monopolies, and safeguard the rights of the individual. Mill believed strongly in free trade. Like Adam Smith, he was in favor of international specialization and the division of labor. Mill was the first to spell out clearly the principle of comparative advantage. The principle states that if countries produce that which they can produce most efficiently, total production will be greater.

Mill also made several important contributions in the areas of logic, ethics, philosophy, and politics. He was very much in favor of individual liberties and stressed the need for safeguards against the tyranny of the majority. He felt strongly that certain political and social reforms were needed. Among these were proportional representation, the emancipation of women, and the development of labor organizations and farm cooperatives. Many of Mill's ideas are embodied in today's laws and economic theories.

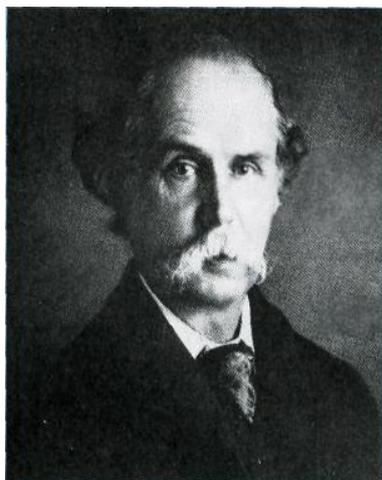
John Baptiste Say (1767-1832)



John Baptiste Say was an early nineteenth-century French economist who was experienced in business, politics, and education. After serving first as an editor and then as editor-in-chief of a magazine dedicated to the ideas of the French Revolution, he was appointed to the French Tribunal. He held the position until he was dismissed by Napoleon. In 1807, Say started his own cotton-spinning mill, which he sold six years later. From 1817 to 1830, he was associated with the Conservatoire des

Arts et Metiers, where he specialized in the area of industrial economy. The last two years of his life, he was a professor of political economy at the College de France.

In 1803, Say published *A Treatise on Political Economy*, in which he reorganized and popularized the theories of Adam Smith. In 1821, the work was translated into English. Say also developed the concept of entrepreneur. His own career in business and as a professor of economics helped him gain a keen insight into the workings of the entrepreneur. Many economists view him as the first important economist to distinguish clearly between the entrepreneur and the capitalist. Say is best known, however, for his theory of markets, known as Say's Law. It states that supply creates its own demand. Unlike other economists of the time, Say did not believe that periods of drastic decline in the economy were due to a lack of demand. He believed instead that the market became depressed when too much was produced for some markets while not enough was produced for others. In Say's view, this imbalance would be only temporary and in time would adjust itself automatically. Those who overproduced would have to redirect their production to go along with consumers' wants, or they would be forced out of business. By determining that supply creates its own demand, Say was affirming that there always would be a market, no matter how great output might grow. Say's Law remained central to economic thought until the Great Depression of the 1930's.

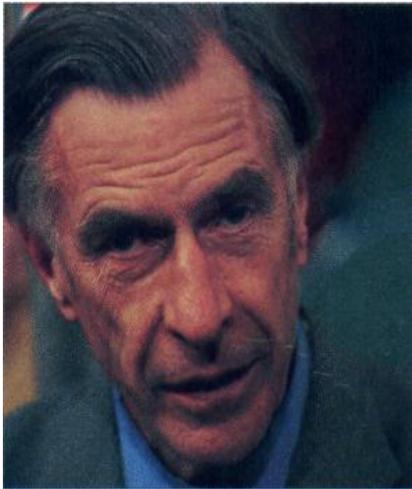


Alfred Marshall 1842—1924

Alfred Marshall was an English economist, philosopher, and mathematician who taught at Cambridge University for 23 years. Marshall believed that economics should be analyzed mathematically. Not long after his book, *Principles of Economics*, came out in 1890, he became recognized as the foremost economist of his time. Marshall was concerned with theories of costs, value, and distribution. One of his greatest contributions to economic theory was the development of the concept of marginal analysis. He believed that one of the most important things in economic analysis was what happened at the margin. He did not view the average revenue or average cost as important considerations. Instead, he focused on the additional revenue received from the sale of one more unit of a product compared with the additional cost incurred in making that product.

Marshall still is famous for his work in the field of demand theory. He was the first to use the term *inferior goods*. He also must be given credit for perfecting the notions of diminishing marginal utility and consumer surplus. Marshall felt that as long as the utility, or satisfaction, a person received was greater than the price of a product, the consumer enjoyed a *consumer surplus*. As long as this surplus existed, people would keep buying the product until the price of the marginal unit bought was equal to the marginal utility obtained. Marshall also pointed out that the total utility of a product increases at a diminishing rate. Thus, the price a person would be willing to pay for a product decreases as he or she gets more of it.

Marshall's theories were generally accepted until the middle 1930's. By the late 1930's, economists had come to believe that although the theories were valid, they were not complete. Marshall's influence still is felt today, however, especially in the field of microeconomics.



John Kenneth Galbraith 1908

John Kenneth Galbraith is a well-known and controversial economist. He has authored such books as *The Affluent Society*, *The New Industrial State*, *The Age of Uncertainty*, and *Economics and the Public Purpose*.

Galbraith believes economists failed to foresee the extent to which corporations would grow in size, dominate the market, and influence government policies. He points out that during bad times, a weak company may go bankrupt, and during good times, it may be able to consolidate; but the end result is the same—the number of firms in the industry tends to shrink. According to Galbraith, as corporations grow in size, they develop the ability to "manage" consumer demand and sell the quantities they desire at favorable prices by such means as advertising and withholding goods from the market. They may even be able to get government concessions that would protect them against competition in hard times. Ultimately, says Galbraith, "producer sovereignty" takes the place of consumer sovereignty, and the producer becomes ruler of the marketplace.

Exercise: 5. Fill in blanks with appropriate words and translate sentences.

Adam Smith, scorn, career, specialization, laissez faire, division, the entrepreneur

1. Like Adam Smith, Mill was in favor of international ...and the ... of labor.
2. Say's own ...in business and as a professor of economics helped him

gain a keen insight into the workings of the entrepreneur.

3. Many economists view Say as the first important economist to distinguish clearly between ...and the capitalist.

4. In his work, *The Theory of the Leisure Class* (1899), Veblen heaped similar ...on the wealthy.

5. In 1803, Say published *A Treatise on Political Economy*, in which he reorganized and popularized the theories of... .

6. Mill believed that ... would have to give way to a greater extension of government duties.

Exercise: 6. Define synonyms of the following words from the text.

Factory, forever, idea, manufacture, employment, to amend, sufficient, industrialist, famous, oppression, refuse, significant,traditions,allocation, regulate

Exercise: 7. Put questions to the texts.

Exercise: 8. Complete sentences with your own words.

1.The entrepreneur is

2. *The Theory of the Leisure*

3. John Stuart Mill was an outstanding British philosopher

4. John Baptiste Say was an early nineteenth-century French economist... .

5. Thorstein Veblen was an American economist... .

6. Mill also made several important contributions in the areas of... .

Exercise: 9. Discuss the text with your group mates.

Exercise: 10. Retell the content of the texts.

FOYDALANILGAN ADABIYOTLAR

1. Portugalov. “Angliyskiy yazik dlya ekonomistov.” Moskva 2002
2. S.A .Sheveleva “English on economics”. Moskva 2001
3. “Our Business and Economic World” Second Edition. Brown and Clow.
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5. “English-Russian-Uzbek Dictionary” Q.M.Musaev, M.Sh.Qudratov. Uch jildlik lug’at. Toshkent-2001.
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7. “English-Uzbek Dictionary” U.Isaqov. Toshkent-2005.

Part 2

Tasks for Independent works

Mustaqil ishlarni bajarish va baholash bo'yicha uslubiy ko'rsatma

Mustaqil ishlar to'plami 2 ta mavsum uchun mo'ljallangan bo'lib, talabalar Y mavsumda 3 ta mustaqil ishni, YI mavsumda esa 2 ta mustaqil ishni bajaradilar. Ushbu mustaqil ishlar quyidagi tartibda bajariladi: Har bir mavsumning mustaqil ishlari alohida daftarda bajariladi. Mustaqil ishni bajarishda daftarning o'ng tomonidan yo'l qo'yilgan xatolarni ko'rsatish uchun hoshiya qoldirilishi kerak.

Har bir mustaqil ish mavsum davomidagi joriy nazoratlarga to'g'ri keladi va talaba ularni joriy nazorat haftasidan bir hafta oldin bajarib topshirishi kerak.

Mustaqil ishlarning har bir varianti og'zaki va yozma topshiriqlarni o'z ichiga oladi. Bu topshiriqlar mazmun jihatdan oldingi kurslarda o'tilgan grammatik mavzular va mazkur kursning mutaxassislikka asoslangan matnlaridan tashkil topgan. Talabalarning bajargan mustaqil ishlari quyidagi mezon asosida baholanadi.

BAHOLASH MEZONI

Ingliz tili fani bo'yicha talabaning mavsum davomidagi mustaqil ishlari 34 ballik tizimda baholanadi va baholashda quyidagi namunaviy mezonlarga amal qilinadi:

O'zlashtirish ko'rsatkichi 86-100%

Fanni o'quv dasturiga kiritilgan mavzular bo'yicha mustaqil ish materiallarini to'liq o'zlashtirganda, o'z xatolarini talaba o'zi tuzata bilgan holda. Fanga qiziqishi, yaratuvchanligi, yangi texnika-texnologiyalarga intilishi, murakkab topshiriqlarni bajarishga harakatchanligi, internet orqali olingan yangiliklarni tahlil etib bilganligi.

O'zlashtirish ko'rsatkichi 71-85%

Fanni o'quv dasturiga kiritilgan mavzular bo'yicha mustaqil ish materiallarini to'liq izohlab bergan, ba'zi ahamiyatga ega bo'lmagan xatoliklarga yo'l qo'ygan va xatoliklarni o'qituvchi ko'rsatmasi asosida tuzata olgan holda. Fanga qiziqish, yangi texnika-texnologiyalarga qiziqishini namoyon etishi, murakkab topshiriqlarni bajarishga intilishi.

O'zlashtirish ko'rsatkichi 55-70%

Fanni o'quv dasturiga kiritilgan mavzular bo'yicha mustaqil ish materiallarini to'liq izohlanmagan, fanni boshqa qismlarini o'rganishga xalaqit bermaydigan ayrim ahamiyatga ega bo'lmagan xatoliklarga yo'l qo'ygan, bu xatoliklarni o'qituvchi yordamida tuzatilgan hollarda. Fanni o'rganishda yangi texnika-texnologiyalarga qiziqishi passivligi, murakkab topshiriqlarni bajarishga intilishi yo'qligi.

O'zlashtirish ko'rsatkichi 55% dan past

Fanni o'quv dasturiga kiritilgan mavzular bo'yicha mustaqil ish materiallarini to'liq bilmagan, tizimlashtirilmagan, tuzatib bo'lmaydigan xatoliklarga yo'l qo'ygan holda.

1- Mustaqil ish baholash bali: 12

6 - 8 "3"
 8 - 10 "4"
 10 - 12 "5"

2- Mustaqil ish baholash bali: 12

6 - 8 "3"
 8 - 10 "4"
 10 - 12 "5"

3- Mustaqil ish baholash bali: 10

6 - 7 "3"
 8 - 9 "4"
 9 - 10 "5"

Birinchi mustaqil ishda 4 ta topshiriq bo'lib, u quyidagicha baholanadi.

Task:		ball		
		„5“	„4“	„3“
1	-	4	3	2,5
2	-	3	2	1,5
3	-	3	2	1,5
4	-	4	3	2,5
Jami:		12	10	8

Ikkinchi mustaqil ishda 4 ta topshiriq bo'lib, u quyidagicha baholanadi.

Task:		ball		
		„5“	„4“	„3“
1	-	4	3	2,5
2	-	3	2	1,5
3	-	3	2	1,5
4	-	4	3	2,5
Jami:		12	10	8

Uchinchi mustaqil ishda 4 ta topshiriq bo'lib, u quyidagicha baholanadi.

Task:		ball		
		„5“	„4“	„3“
1	-	3	2,5	2
2	-	2	1,5	1
3	-	2	1,5	1
4	-	3	2,5	2
Jami:		10	8	6

Quyida mustaqil ishni bajarish bo'yicha namuna keltiramiz. Har bir talaba mustaqil ishni bajarishda namunaga ahamiyat berishi kerak.

Sample variant

Task 1. Read and translate the text.

Sole proprietorship is by the most widely used business form in the world. Nearly 70% of all business in the US is sole proprietorship. Many of the largest companies in the country began as sole proprietors. Although owned and managed by one person, sole proprietors may have numerous employees. Many local neighborhood business are sole proprietor retail, gift, floral, and shops, for example, owned by people who are "self-owned."

One of the advantages of sole proprietorship is the ease of starting business. Unless business requires a license, as some professions (doctors, lawyers) and trades (plumbers and electricians) do, sole proprietorship may usually be established simply by opening a door and doing business. Other advantages are the cost of organization, the tax considerations, and the ease of dissolution.

Again, sole proprietorship is the easiest and least expensive forms of business to start. They demand no legal or organizational expenses. Frequently, the investment is the labor and ability of the sole proprietor himself or herself. As long as the proposed activity is legal, anyone can start a sole proprietorship.

The sole proprietor directly receives any profits the business makes and absorbs any loss that the business may experience. Business pays no taxes, but all of the income from business is the considered owner's personal income and is taxed accordingly. Thus the owner has no obligation to reveal financial information to anyone. He or she can make all business decisions independently.

Yakka tadbirkorlik dunyoda eng ko'p foydalanadigan tadbirkorlik turidir . Amareka Qo'shma shtatlari biznesining deyarli 70 % ini yakka tadbirkorlik tashkil etadi . Ko'plab katta kompaniyalar o'z faoliyatini yakka tadbirkorlikdan boshlagan . Bir kishi tomonidan egalik qilinishi va boshqarilishiga qaramasdan yakka tadbirkor bir nechta ishchilarga ega bo'lishi mumkin . Ko'plab mahalliy tadbirkorliklar yakka tadbirkorlik bo'lib bularga chakana savdo , sovg'a ,gul do'konlari va oyoq kiyim ta'mirlash ustaxonalari misol bo'ladi . Yakka tadbirkorlikning afzalliklaridan biri bu ishni boshlashning osonligi . Shifokorlar va yuristlar kabi kasblarda hamda vadaprovodchik va elektrklar kabi ishlarda lisnziya talab qilinsada yakka tadbirkorlikni osongina boshlash ham mumkin. Boshqa afzalliklari bu tashkilot narxi , soliq muammolari va ishni tugatishning osonligi .Bundan tashqari yakka tadbirkorlik tadbirkorlikni boshlashning eng arzon va eng oson turidir . Ular qonuniy va tashkiliy xarajatlar talab qilmaydi.Ko'pincha asosiy investitsiya bu tadbirkorning mehnati va qoliliyati hisoblanadi . Yakka tadbirkor biznesdan keladigan har qanday foydani oladi va har qanday zarar uning bo'ynida . Biznes soliq to'lamaydi ammo biznesdan keladigan foyda tadbirkorning shaxsiy daromadi sifatida soliqqa tortiladi .Mulkdor o'zining moliyaviy ahvoli to'g'risa boshqalargq axborot berishga majbur emas . U o'zi mustaqil qarorlar qabul qilishi mumkin.

Task 2. Explain the meaning of these terms.

<i>goods</i>	<i>consumer</i>
<i>want</i>	<i>service</i>
<i>working population</i>	<i>price</i>
<i>market economy</i>	<i>scarcity</i>

1. **Goods** are products, or items, that we may buy or someone else may buy for us. Goods can be physically measured or weighed.
2. **Consumers**—people who use goods and services to satisfy wants and needs—play an important role in many economies.
3. **Wants** are the desire for things that we wish we could have. All of us want things. In fact, our wants are almost unlimited in number
4. **Services** are tasks that people or machines perform for others.
- 5 **Working population.** – *the* number of people who are able to work..
6. **Price** is the amount of money given or asked for when goods or services are bought or sold.
7. A **market system** is an economic system in which the interaction between buyers and sellers determines what is bought and sold.
8. **Scarcity** is a lack of something that can be used to satisfy all the wants of a group of people.

Task 3. Answer the question in details.

1. What is a distributor?

A distributor is someone who moves goods from one business to another. Such a business is often referred to as a middleman because it takes the goods from a manufacturer and either stores them or moves them to where they are wanted. Eventually, of course, the goods go to the consumer. The activities involved in moving goods from producers to consumers are those related to distribution. One type of business firm that is involved in the distribution of goods is a wholesaler—a business that distributes or sells products, most often to other businesses. Wholesalers gather the goods produced by manufacturers into central locations. The goods are then generally sold to another type of distributor, a retailer. Retailers are businesses that sell directly to the consumer, the final buyer of the goods. For the most part, large quantities of goods are moved by railroad, trucking, shipping, and airline businesses.

Task 4. Retell the content of the text.

Term I

Independent work I Variant 1.

Task 1. Read and translate the text.

DECISION MAKING IN OUR SYSTEM

You may remember the questions that every economic system answers:

- a. What will be produced?
- b. How will those goods and services be produced?
- c. How much will be produced?
- d. Why will receive the goods and services?

In our system the answers of decisions are those of a market economy. Individual buying and selling decisions, when added together, play an important part in deciding how our economy works.

In our private enterprise system goods and services that people are willing to buy are produced. Buyers include consumers, businesses, and different levels of government. Of these, the major group is consumers, who purchase over two thirds of the goods and services that are produced in this country each year. Also, many of the purchases by government and businesses are made in order to make or provide items for the consumer. This is the reason that many people say that the consumer is really the one who answers the questions for our economic systems. Let's look more closely at how consumers affect the answers to the four economic questions.

What will be produced is based on the individual decisions of consumers as they buy in the market place. If consumers decide not to buy certain items, those items will not be produced. If enough consumers want a certain good or service, it is produced, provided it can be produced and sold at a profit.

After looking at what the consumers want, the producers decide *how* the goods and services will be made, along with *how many* will be produced. Many cars made in the United States, for example, are not put together with the quality of materials and care of the Rolls-Royce. Why? Many consumers do not demand that type of car. They cannot afford one of that quality, or they do not want to spend that much on a car. Thus, automobile producers answer the question of how goods and services will be made after looking at what consumers want and how much they can afford to spend. How many goods and services will be produced is determined by how many items the consumers will probably demand in a particular time period. *Who* will receive the goods and services is also influenced by the consumer. Businesses have to employ people to supply the goods and services that the consumer wants. Those individuals who work for businesses that make items the consumer wants will be employed-receiving money for their labor. That money, in turn, can be used to buy goods and services. Those who work for businesses that make items the consumer does not want will eventually be out of a job-without income to buy goods and services.

Task 2. Explain the meaning of these terms.

<i>private enterprise</i>	<i>demand</i>
<i>goods</i>	<i>business</i>
<i>consumer</i>	<i>income</i>
<i>want</i>	<i>service</i>

Task 3. Answer the question in details.

1. *What is demand ?*

Task 4. Retell the content of the text.

Recommended literature:

8. Португалов. “АНГЛИЙСКИЙ ЯЗЫК ДЛЯ ЭКОНОМИСТОВ.” Москва 2002
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13. “Dictionary of Synonyms and Antonyms.” Cambridge University.
14. “English-Uzbek Dictionary” U.Isaqov. Toshkent-2005.

Independent work I

Variant 2.

Task 1. Read and translate the text.

HOW BUSINESSES FUNCTION

You’ll learn about these terms in this chapter.

In our economic system, businesses are responsible for producing goods and services. If we had no businesses, each individual would have to provide whatever was necessary to satisfy his or her wants. There would be no *interdependence*, no relying on someone else to supply a particular item or service. Indeed, no one would have any reason to work with anyone else.

How did the early settlers get food, clothing, and shelter? They produced those items themselves. They had farms and gardens, spun cloth and sewed clothing, and built houses and barns themselves. But through the years people found that working together helped them improve their standard of living. Now business firms specialize in producing the goods and services we need. They have increased the productivity of our economic system.

In the early years of the United States, most people were farmers. As much as 70 percent of the population worked on farms in 1790. As the country grew, more and more businesses were started. People left the farms to work in business. New technology was developed, and more goods and services were produced. At the same time, technology also benefited farming. New machinery and equipment

were developed, and farmers could grow more crops. As a consequence, they could also feed more people. That, in turn, meant that fewer farm workers were needed, even though more crops were being grown. Over a period of time our whole economy was affected. Today only about 3 percent of the labor force works on farms. On the other hand, we have several million business firms. Fewer farmers produce more food for everyone, and many business firms keep improving our technology. But technology alone was not enough to cause such a rise in the number of business firms. Certain other factors had to be present. For example, people had to have the right to own property. Also, people had to have the freedom to start businesses. They had to have the freedom to make agreements. They had to have the right to enter into agreements for producing goods or services and for providing labor. They had to have the opportunity to compete with others in an open market. And all individuals had to have the freedom to buy whatever they wanted. These factors are found in a private enterprise type of economy.

Task 2. Explain the meaning of these terms.

<i>innovations</i>	<i>wholesaler</i>
<i>raw goods</i>	<i>retailers</i>
<i>processed goods</i>	<i>container ships</i>
<i>distributor</i>	<i>monopoly</i>

Task 3. Answer the question in details.

What kinds of economic systems do you know ?

Task 4. Retell the content of the text.

Independent work I

Variant 3.

Task 1. Read and translate the text.

The industry of Uzbekistan emerged and developed mainly on the basis of needs outlined in the main branches of the national economy : cotton –growing , silk – warm breeding , gardening , astrakhan sheep breeding and others . It is characterized with a highly developed specialization and cooperation between its major branches . The achievement of self secure necessity in oil and gas, in receiving precious metals , reorganization , re equipment of technique and technology of great industrial concerns , building and interpolation in exploitation of new ones . All these are economical developing steps of our country.

Economic independence of any state depends , first , on the liver of developing and quality of work of industrial base branches . That is why in our republic from the first days of independence great attention allotted to solution of this problem . In fact all complex of the economic reforms in Uzbekistan is aimed on

improvement of organizational –legal , engineering – technologic , managing processes, lying as a principle of modern economy .

Heavy industry takes the leading place in the industry of Uzbekistan and fuel energy ,metallurgy , machinery engineering construction and construction materials complexes are constituent parts of this industry. In basic complexity specific gravity of heavy industry makes nearly 2/3 from all industry of the country.

Task 2. Explain the meaning of these terms.

Market price

Human resources

Wages

Means of production

Unemployment rate

Economic independence

Capital

Consumer goods

Task 3. Answer the question in details.

1. *What is individual freedom?*

Task 4. Retell the content of the text.

Independent work I

Variant 4.

Task 1. Read and translate the text.

The standard of living is one way people judge an economic system. The **standard of living** is a measure of how *well* the people in an economic system live. The standard of living depends on the amount and kinds of goods and services that the people of a country can enjoy. An economic system that can produce the goods and services its people want at a price they can afford probably will have a high standard of living. Another way of judging economic systems is to look at who makes the decisions. To some people, one advantage of the traditional system is that it does not change. There are few new decisions to make because tradition determines what is done. On the other hand, too much tradition way also be a disadvantage, making it too hard to make any progress. In a command economy, many of the decisions are made by a central committee, usually part of the government. Some people think that a well-informed committee can make better decisions than a large group of people. Others believe that a committee cannot know all the wishes of various individuals, and that the command economy takes away too much of an individual's freedom of choice. In a market economy, the freedom of individual choice is emphasized. In such an economy, individuals have the opportunity to make both *good* and *bad* choices. Some people are very concerned that the market does not protect individuals from making *bad* choices for themselves and the country. The market system also provides for differences in income for individuals. Goods and services are not equally shared. To some people

this is an advantage, while to others it is a disadvantage. The point is that each type of system has advantages and disadvantages. What you think of as advantages or disadvantages in a system depends to a great extent on what you consider fair and best for people. No economic system is perfect. Most economic systems in the world today are mixed systems. **Mixed systems** combine some parts of other systems. They may be a mixture of traditional, command, and market economic systems. Our own economy is mostly a market system. The former USSR was closest to the command system. Some African countries have a more nearly traditional economic system

Task 2. Explain the meaning of these terms.

<i>traditional economy</i>	<i>purchaser</i>
<i>command economy</i>	<i>economics</i>
<i>ownership</i>	<i>debt</i>
<i>micro-economics</i>	<i>survival</i>

Task 3. Answer the question in details.

What are basic economic questions ?

Task 4. Retell the content of the text.

Independent work I

Variant 5.

Task 1. Read and translate the text.

Even in the prosperous, economically advanced countries there is an aspect of survival, which attracts little or no attention from those of us, fortunate enough to live in these areas. This is our relative helplessness as ‘economic’ individuals. The Indian peasants have an extremely low standard of living, yet, left completely to their own devices, they can survive. Such people have the abilities to sustain life without outside assistance. A large percentage of the human race still lives in very small self-sufficient peasant communities. ”These people experience great poverty, but they can provide on an individual basis, for their own survival. They have a degree of economic independence.

If we now turn to the inhabitants of New York, London, or any other great metropolitan area we must observe the opposite situation — a high standard of living together with an extreme economic dependence. The inhabitants of cities are totally incapable of providing for themselves, directly, the means of their survival. They could not feed themselves, or build their own houses. Such people depend, each and every day of their lives, on the efforts and cooperation of many thousands of specialist workers. In industrialized societies a high standard of living is possible only if the organized cooperation of large numbers of people can be guaranteed. In the economically developed countries we are rich, not as individuals, but only as members of a complex economic organization.

Task 2. Explain the meaning of these terms.

<i>the standard of living</i>	<i>guarantee</i>
<i>macro- economics</i>	<i>UK-built</i>
<i>retailer</i>	<i>real exports</i>
<i>wholesaler</i>	<i>the selling price</i>

Task 3. Answer the question in details.

What is the advantage of the market economy ?

Task 4. Retell the content of the text.

Independent work I

Variant 6.

Task 1. Read and translate the text.

There are number of ways to classify nations by level of economic development. The three world classification scheme has gained relatively wide acceptance. The First World is the highly industrialized, non-communist Western nations, plus the United States, Australia, Canada, new Zealand, and Japan. The Second World includes the nations of Eastern Europe, of the former Soviet Union, and the People's Republic of China. The Third World is the term given to identify remaining countries, i.e. in Africa, Asia, and Latin America. They find themselves in a vicious circle of poverty and overpopulation.

At the bottom of the Third World list are the world's poorest countries, found mainly in sub-Saharan Africa, which have so few resources and so little money that is virtually impossible for them to develop at all. In Somalia and Sudan, for example, there are essentially no natural resources on which to base economic growth. This group is sometimes called the Fourth World.

But this classification of the globe has as much a political dimension to it as economic. A more basic distinction has been made between mainly developed countries situated in the Northern Hemisphere - the North' - and the vast majority of countries which are less developed and are located below the Equator' - the South. Any definition of a less-developed country (LDC) is arbitrary. Typically, a cut-off point in terms of per capita income of around \$480 helps us define an LDC. LDCs differ among themselves almost as much as the differences between them and the countries in the First World.

Task 2. Explain the meaning of these terms.

<i>economic development</i>	<i>working population</i>
<i>total population</i>	<i>producers</i>
<i>bankruptcy</i>	<i>natural foods</i>

presentation

price

Task 3. Answer the question in details.

1. What does economics study?

Task 4. Retell the content of the text.

Independent work I

Variant 7.

Task 1. Read and translate the text.

In different countries market economy develops according to general rules . But at the same time, every country has its own peculiarities . The structure and branches of economy , geographical and climate conditions, as well as national traditions of the population define these peculiarities. This is why Uzbekistan has shaped its own specific transition model to market relations . The main propositions of the model selected by the Republic have been substantiated in the works of our President, in adopted Laws and Resolutions of the Government . Special attention is attached to the 5 main principles of the building of the sovereign state, advanced by I.A.Karimov , that were recognized not only in our country , but also abroad . This principles are the following : economy should be a priority task over politics ; the state should act as the main reformer; leadership of law should be established in all spheres of life, strong social policy should be implemented in all spheres of Life transition to market economy should be evolutionary , i.e. step by step. Exactly these 5 principles are at the basis of the development of our State and branches of economy.

Task 2. Explain the meaning of these terms.

market economy

national traditions

scarcity

natural resources

price

labour

marketing

advertising

Task 3. Answer the question in details.

1. Why is a high standard of living impossible without a cooperation of large numbers of people?

Task 4. Retell the content of the text.

Independent work I

Variant 8.

Task 1. Read and translate the text.

The size of the total population. This is obviously very important because the size of the total population sets an upper limit to the supply of labour.

The age composition of the population. The age composition of a population takes accounts of the proportions in the different age groups. Two countries might have the same total' populations, but very different age compositions and hence very different numbers in the working age groups.

The working population. In many countries the minimum age at which a person may engage in full-time employment is legally controlled. In the UK this is now 16 years and the normal age for retirement is 65 years (60 in the case of women). The age range 16 to 65 years (or 6,0 years) covers the working age groups, but this does not mean that the total working population embraces all the people in these age groups.

The working population may be defined as the number of people who are eligible for work and offer themselves for employment.

The working week and holidays. The number of people who work (or are available for work) is an important determinant of the supply of labour, but sols the average number of hours each person works. The supply of labour provided by 20 people working for 40 hours is the same as that provided by 40 people working for 26 hours. Other things being equal, the shorter the working week, the smaller the supply of labour.

The gradual reduction in the working week has been accompanied by an extension of the annual holiday period. Again this amounts to a reduction in the supply of labour.

It must not be assumed, however, that a fall in the supply of labour implies a reduction in the output of goods and services. In spite of the decline in the average number of hours worked by each person, output per worker has continued to rise because of improved technology.

Task 2. Explain the meaning of these terms.

exports

foreign exchange market

market

capital goods

mixed system

pure market economy

raw goods

a distributor

Task 3. Answer the question in details.

1. *What categories of people can survive without outside assistance?*

Task 4. Retell the content of the text.

Independent work I

Variant 9.

Task 1. Read and translate the text.

Property law.

Property defines anything that can be owned. The law classifies property as real or personal.**Real Property.** Real property is land and anything permanently attached to it, such as a house with all its built in appliances or a factory with all its machinery.**Tangible personal property.** Tangible personal property includes all movable items that can be bought, sold, owned or leased, for example, automobiles, clothes and jewelry.**Intangible personal property.** Intangible personal property includes insurance policies, stocks, bonds, bank accounts, receivables, trade secrets, and other property that can be documented in writing but cannot be seen. Intangible personal property also includes patents, copyrights, and trademarks.**Patents.** A patent grants exclusive rights for a machine, process or other useful invention for a period of seventeen years. Holders of patents can sell or license the use of their creations within the period of exclusivity.

Copyright. A copyright grants exclusive rights to publish, perform or sell an original book, article, design, illustration, computer program, film or other creation for a period ending fifty years after the creator's death. Holders of copyrights can sell or license the use of their creation within the period of exclusivity.

Trademarks. Trademarks, brands registered with the U.S. Patent and Trademarks office, can be renewed indefinitely. Examples of trademarks are Kleenex brand tissues and Perdue brand chickens.**Transfer of real property.** The contract concerning the sale of real property must be in writing. Deeds are used to transfer real property on a permanent basis: leases are used to transfer property on a temporary basis.**Deeds.** The document transferring ownership of real property is called a deed. The deed must contain the names of the previous owner, the new owner and a legally acceptable description of the property.

Leases. A lease is an agreement for the temporary transfer or use of property from owner to tenant. A lease usually specifies the period of time and the amount of rent. Lease renewals may be negotiated. But when the lease is terminated, the property reverts to the owner.

Task 2. Explain the meaning of these terms.

distributor

raw

monopoly

goods

wholesaler

innovation

services

retailer

entrepreneurship

Task 3. Answer the question in details.

1. Why aren't the inhabitants of big cities economically independent?

Task 4. Retell the content of the text.

Independent work I

Variant 10.

Task 1. Read and translate the text.

When a company starts to sell goods in a new market, they often do some market research to see if the project is feasible. They research (investigate) the market potential to see if they will make money by selling in the new market. One way to assess the market potential is to take a stand to a Trade Fair where companies can exhibit samples of their products and see what response they get from prospective customers. The Trade Fair is an exhibition of goods, and a company exhibits a sample of its product at its stand. This is also a form of publicity (or advertising) and the company representative will probably hand out brochures to advertise (or promote) the product further. Often journalists (the press) write about the Trade Fair and sometimes companies hold a press conference if they want to promote a particular model or range. (Each different type of a car, a bike etc. Is a model. All the different models made by a company make up its range. The full range of goods is normally displayed in the company's catalogue. The catalogue is a booklet or a brochure). Another way of promoting (or publicizing) a new product is to place advertisements in magazines or newspapers. Advertisements are also called adverts or ads for short. A plan to do a lot of advertising of one product is called campaign. Starting an advertising campaign on a new product is known as launching the product. The aim of publicity / promotion is to interest customers, clients (or buyers) in the product. Initially customers / clients might inquire about the product. When they decide to buy, they place an order. At a Trade Fair companies are trying to win as many orders as possible. However, before a client places an order he wants to know many things: how long delivery takes, whether the company can supply spare parts, what the after sales service is like.

Task 2. Explain the meaning of these terms.

capital

private enterprise

competition

productivity

consumer goods

profit

command system

price

Task 3. Answer the question in details.

1. Why is a high standard of living impossible without a cooperation of large numbers of people?

Task 4. Retell the content of the text..

Independent work II

Variant 1

Task 1. Read and translate the text.

At one time, those who could not pay their debts went to debtor's prison. Today individuals or companies who cannot pay their debts may seek relief by filing for bankruptcy. Bankruptcy is court-granted permission not to pay some or all of an individual's or a company's outstanding debts. Bankruptcy serves two purposes: it assures fair treatment of creditors, those who are owed money, and it permits the debtors, those who owe, to make a fresh start.

Bankruptcy can be voluntary or involuntary.

Voluntary bankruptcy can be initiated by businesses or individuals that can no longer meet their financial obligations and that have debts of at least \$1,000 more than the total value of their assets.

Bankruptcy is not always initiated by the business having financial problems. Bankruptcy (involuntary) can be initiated by creditors. In such cases creditors must prove that the, business has debts in excess of \$5,000 and cannot pay debts as they come due.

Bankruptcy may be resolved by one of three methods under the Bankruptcy Reform Act of 1978. To liquidate means to sell. In bankruptcy cases, liquidation means selling assets of business. As money is received from the sales of assets, debtors' claims are paid following a specific order, as stated by law .Reorganization is a process that allows a business firm to continue to operate under supervision of court. Reorganization is especially effective for firms that are able to make some operating profits, though they are not yet able to cover longer - term debt .

Task 2. Explain the meaning of these terms.

<i>consumer goods and services</i>	<i>goods and services</i>
<i>individual freedom</i>	<i>standard of living</i>
<i>economic system</i>	<i>scarce resources</i>
<i>basic economic questions</i>	<i>consumer wants and needs</i>

Task 3. Answer the question in details.

1. *What goods and services will be produced?*

Task 4. Retell the content of the text.

Independent work II

Variant 2.

Task 1. Read and translate the text.

Consumers and producers play the two most important roles in a market economy. Unlike a command system, regulation by government is at a minimum. If consumers want a certain food, kind of clothing, or automobile, someone will produce it. Producers who can make a profit at a price consumers are willing to pay are successful in a market system. The interaction of consumers and producers is what makes a market system work. How will the goods and services be produced

in a market system? A market system will use its resources-natural resources, labor, capital goods, and entrepreneurship-to produce goods and services that people will buy. The ways in which items are produced depends on consumer wants and on the combination of resources that can produce items most efficiently so as to generate a profit. The demand for “natural foods” grown without insecticides and other chemicals illustrates this point. Businesses in this market had to change their way of producing various foods. They also had to find the most efficient way to produce these foods so as to make a profit. How much will be produced is another question to be answered by the market system. What the producers think will sell is what will be produced. Consumer demand plays an important part in deciding how much of each good and service will be produced. Who will use the goods and services produced? That’s the fourth question, and it is answered by income. Most income is earned through work. Some people earn higher incomes than others. Those who have more income can buy more goods and services. However, everyone has certain needs such as food, clothing, and shelter that must be satisfied. The economic system that does the best job of satisfying those needs obviously is the most successful.

Task 2. Explain the meaning of these terms.

four basic economic questions

a market system

bring a profit

money

a product

regulation by government

an entrepreneur

consumer demand

Task 3. Answer the question in details.

1. How will goods and services be produced?

Task 4. Retell the content of the text.

Independent work II

Variant 3.

Task 1. Read and translate the text.

The government owns or controls some businesses and industries. Most businesses and property, however, are owned by ordinary people.

Free enterprise is another term used to describe our economic system. You are free to buy whatever you want as long as you have the money to pay for it, it is legal, and it is available! You are free to work where you want, or to start your own business. If you do start a business, you are free to produce any legal goods and services. In our economy, there is a need for a great deal of capital, the money or other material wealth needed to run businesses. Because our capital comes mainly from private individuals, our economic system is often called capitalism.

Private enterprise, free enterprise, and capitalism all describe our economic system. The important thing about our system is that it is all of these. It encourages the ownership of private property and business, it is free in many ways, and it uses

capital. Some other features of our private enterprise system include an emphasis on consumer goods, freedom of choice, high productivity, the profit motive, and competition.

Consumer goods. Our country is rich in natural resources, most of them owned by private individuals. As you have learned, one of the features of our economic system is private ownership. In addition, we place an emphasis on the production of consumer goods, the products that all of us want or need. When we are short on some natural resources, we import them from other countries. But our country is so rich in minerals, trees, grains, and other natural resources that we satisfy many of our needs with consumer goods made from our own natural resources.

Task 2. Explain the meaning of these terms.

natural resources

labor

importer

unlimited wants

factors of production

manufacturers

savings

unlimited liability

Task 3. Answer the question in details.

1. What goods and services are produced in a market system?

Task 4. Retell the content of the text.

Independent work II

Variant 4.

Task 1. Read and translate the text.

What will be produced is based on the individual decisions of consumers as they buy in the market place. If consumers decide not to buy certain items, those items will not be produced. If enough consumers want a certain good or service, it is produced, provided it can be produced and sold at a profit.

After looking at what the consumers want, the producers decide how the goods and services will be made, along with *how many* will be produced. Many cars made in the United States, for example, are not put together with the quality of materials and care of the Rolls-Royce. Why? Many consumers do not demand that type of car. They cannot afford one of that quality, or they do not want to spend that much on a car. Thus, automobile producers answer the question of how goods and services will be made after looking at what consumers want and how much they can afford to spend. How many goods and services will be produced is determined by how many items the consumers will probably demand in a particular time period. *Who* will receive the goods and services is also influenced by the consumer. Businesses have to employ people to supply the goods and services that the consumer wants. Those individuals who work for businesses that make items the consumer wants will be employed-receiving money for their labor. That money, in turn, can be used to buy goods and services. Those who work for

businesses that make items the consumer does not want will eventually be out of a job-without income to buy goods and services.

Task 2. Explain the meaning of these terms.

To own the resources

Income

a central planning committee

individual freedom

to employ the workers

a command system,

centralized decision making,

goods and services.

Task 3. Answer the question in details.

1. *What is "price"?*

Task 4. Retell the content of the text.

Independent work II

Variant 5.

Task 1. Read and translate the text.

The best way to deal with scarcity is first to accept it as part of life. It affects everyone, from individuals to the country as a whole. We just can't have everything we want! Since all of our wants cannot be met, choices must be made. The scarcity of natural resources, labor, capital goods, and entrepreneurs explains why everyone cannot have everything that they want. There are also other scarcities that limit the number of wants that we can satisfy. One of these scarce items is income. Most people do not have enough income to buy all the things that they would like to have. For example, you may want new clothes and a couple of the latest records, but you may not have enough income to buy both of them at the same time. Another scarce resource is time. You may heard people say, "I just don't have enough time to do all the things that I want to do." You may have said that yourself at one time or another. Most people are faced with not having enough time to do everything they want to do. Time spent doing one thing means less time, or no time, to do something else. Making decisions about how to use scarce resources requires a lot of thought. We must decide which wants will be met and why. We must then decide which goods and services will best meet these wants. To satisfy the most wants possible, we must decide how to conserve our natural resources and how to use our productive resources most efficiently. We must also determine how best to use our income and our time to satisfy our wants.

Task 2. Explain the meaning of these terms.

economic society

the tasks of production and distribution

the same skills and tools

equal pay

a mechanism of survival

working procedures

in a similar manner

legal sanction

Task 3. Answer the question in details.

1. *What makes a market system work ?*

Task 4. Retell the content of the text.

Independent work II

Variant 6

Task1. Read and translate the text.

Colombia is a free market economy with major commercial and investment ties to the United States. Transition from a highly regulated economy has been underway for more than a decade¹.

In 1990, the administration of President César Gaviria Trujillo (1990-94) initiated economic liberalism policies or "aperture economical" and this has continued since then, with tariff reductions, financial deregulation, privatization of state-owned enterprises, and adoption of a more liberal foreign exchange rate. Almost all sectors became open to foreign investment although agricultural products remained protected.

The original idea of his then Minister of Finance, Rudolf Hommes, was that the country should import agricultural products in which it was not competitive, like maize, wheat, cotton and soybeans and export the ones in which it had an advantage, like fruits and flowers. In ten years, the sector lost 7,000 km² to imports, represented mostly in heavily subsidized agricultural products from the United States, as a result of this policy, with a critical impact on employment in rural areas. Still, this policy makes food cheaper for the average Colombian than it would be if agricultural trade were more restricted.

Until 1997, Colombia had enjoyed a fairly stable economy. The first 5 years of liberalization were characterized by high economic growth rates of between 4% and 5%. The Samper administration (1994-98) emphasized social welfare policies which targeted Colombia's lower income population. However, these reforms led to higher government spending which increased the fiscal deficit and public sector debt, the financing of which required higher interest rates. An over-valued peso inherited from the previous administration was maintained.

The economy slowed, and by 1998 GDP growth was only 0.6%. In 1999, the country fell into its first recession since the Great Depression. The economy shrank by 4.5% with unemployment at over 20%. While unemployment remained at 20% in 2000, GDP growth recovered to 3.1%.

Colombia also entered into an agreement with the International Monetary Fund which provided a \$2.7 billion guarantee (extended funds facility), while committing the government to budget discipline and structural reforms.

By early 2000 there had been the beginning of an economic recovery, with the export sector leading the way, as it enjoyed the benefit of the more competitive exchange rate, as well as strong prices for petroleum, Colombia's leading export

product. Prices of coffee, the other principal export product, have been more variable.

Task 2. Explain the meaning of these terms.

a free market economy

interest rates

unemployment

economic growth

foreign exchange rate

price

income

export product

Task 3. Answer the question in details.

1. How does a market system differ from other economic systems?

Task 4. Retell the content of the text.

Independent work II

Variant 7

Task1. Read and translate the text.

Many businesses are sole proprietorship, firms owned and operated by a single person. When a person decides to open an independent business, that person is then entirely responsible for its success or failure. Any profits go to the owner; any losses are his or her responsibility as well. If the losses prove to be greater than the investment, the individual is responsible for paying them, even if this depletes his personal assets.

One of the advantages of a sole proprietorship is that an owner can make decisions quickly and decisively without having to consult others. And an individual proprietor by law, pays fewer taxes and at a lower rate than a corporation does. There are disadvantages of this form of business organization, however. A sole proprietorship ends with the incapacity or death of the owner. The assets can be inherited by a person who may then become an operator, but legally the business dies with its owner. Also, since it is dependent upon the amount of money the owner has saved or can borrow, usually it does not develop into a large-scale enterprise. In spite of its limitations, the sole proprietorship is well adapted to many kinds of small businesses and suits the temperament of many persons who like to Exercise: initiative and be their own bosses. Some economic contributions of a small business are:

A small business is often the starting point for developing a new product or service. One person tries out an idea. If it is successful, the business grows, or the product may be bought by a larger firm.

The small business can give an individual a chance to gain experience, which the person may use later on a large scale.

Task 2. Explain the meaning of these terms.

private sector

high unemployment

credit

entrepreneurship

economy

government budget

debt

traditional system

Task 3. Answer the question in details.

1. What form of the business is widely used in the world?

Task 4. Retell the content of the text.

Independent work II

Variant 8

Task1. Read and translate the text.

Marketing is an integral part of the business operations. It is the fundamental by which industry sells its products. To curtail marketing or to eliminate it altogether would be like suggesting that industry should stop selling — a process that would remove the dynamic element in the national economy and hence, eliminate the growth rate in both production and job opportunity.

In some industries such as office equipment and data processing it would be more than the growth rate that would suffer. In new industries selling to new markets is essential and in modernized production plans of the established industries marketing effort is necessary to achieve the volume essential in maintaining low unit costs and remaining competitive internationally. The most criticized actively of marketing is advertising. Advertising is intended to in form in order to sell. It sells by informing people in as persuasive way as possible. The advertiser describes his product as being the best because he believes this to be true. And it is for his chosen market. He has spent time researching the place and finding out people's needs and then developed a product accordingly following this. He goes into the market place and promotes the product he has specially developed for the market he has selected.

Task 2. Explain the meaning of these terms.

<i>foreign investment</i>	<i>sole proprietorship</i>
<i>economic growth</i>	<i>stocks</i>
<i>Business</i>	<i>exports</i>
<i>goods</i>	<i>service</i>

Task 3. Answer the question in details.

1. What are advantages of sole proprietorship?

Task 4. Retell the content of the text.

Independent work II

Variant 9

Task1. Read and translate the text.

When a proprietor wants to expand the business, one way to do is to form a partnership, a business formed for profit by two or more co-owners. The rights and duties of a partnership are regulated by laws of the state where it is formed and by a legal agreement entered into by the co-owners. Usually an agreement specifies the amount of money each is investing and the duties each partner assumes. A partnership agreement also may provide for a “ silent partner ” who does not take part in the management, but who invests money in the business.

The partnership has the advantage of pooling managerial talent. One partner may be qualified in production, another in marketing. The partnership, like individual ownership, is exempt from most of the reporting that the government requires of corporations.

Furthermore, it has a favorable tax position when compared with the corporation. Federal taxes are paid by individual partners on their share of earnings; beyond that the business is not taxed. A major disadvantage of the partnership is that each member is liable for all the debts of the partnership; the act of any partner is legally binding upon all the others. If one partner takes a large amount of money from the business and squanders it, the others must pay the debt. Partnerships suffer another major disadvantage: decision-making is shared. If partners have serious disagreements, the business is bound to suffer.

Task 2. Explain the meaning of these terms.

natural resources

labor

importer

unlimited wants

factors of production

manufacturer

business

market system

Task 3. Answer the question in details.

1. What is owner's personal income? Do they pay taxes?

Task 4. Retell the content of the text.

Independent work II

Variant 10

Task1. Read and translate the text.

Advantages of a Corporation. Since the owners have limited liability, corporations often find it easier to get additional money by selling stock. The corporation also has unlimited life. Because it is legal entity quite apart from the owners, the corporation does not end if one or more owners decide to sell their shares. Ownership can easily be transferred to new stockholders, and the corporation goes on.

Disadvantages of a Corporation. One major disadvantage of a corporation is that it is subject to special taxes. Owners are taxed on their income from the corporation. Then the corporation itself, which is legally regarded as a person, is also taxed. In one sense, this is double taxation. A corporation is more difficult to start than a sole proprietorship or partnership. A **charter**, a legal form giving the corporation the permission to operate, must be obtained. The owners apply to the state in which they wish to operate for the charter. It outlines some of the regulations of the corporation, such as the number of shares of stock that may be sold. Corporations are more closely regulated by government than other business organizations. For instance, before state issues a charter, an application must be

filled out by the owners and certain fees must be paid. Only after the application is approved and a charter is issued can the owners draw up the **bylaws**, or rules of operation, for the corporation. Those by laws also outline the duties of the officers of the business. Japan's industrialized, free-market economy is the world's third-largest by purchasing power parity (PPP) after the United States and the People's Republic of China, and second-largest by market exchange rates. Its economy is highly efficient and competitive in areas linked to international trade, although productivity is lower in areas such as agriculture, distribution, and services.

Task 2. Explain the meaning of these terms.

<i>corporation</i>	<i>stockholders</i>
<i>distribution</i>	<i>stock</i>
<i>free-market economy</i>	<i>fee</i>
<i>a charter</i>	<i>productivity</i>

Task 3. Answer the question in details.

1. What are disadvantages of sole proprietorship?

Task 4. Retell the content of the text.

Independent work III

Variant 1

Task1. Read and translate the text.

Types of corporations. There is a number of types of corporations. The type of corporation is determined by the purpose specified in its charter.

Public corporations. A public corporation is one set up by Congress or a state legislature for a specific public service. Examples are the Federal Deposit Insurance Corporation (FDIC) and the Student Loan Marketing Association.

Quasi-public corporations. A quasi-public corporation is a corporation to which the government has granted a monopoly in an effort to provide certain services to the public. Public utility companies supplying gas or electricity and regional telephone companies are examples of quasi-public corporations.

Private corporations. Most corporations are private corporations, formed by private individuals or companies and chartered for some purpose other than providing a public utility service. There are several types of private corporations.

A non-profit corporation. A non-profit corporation is one set up for charitable, educational or fraternal purposes. Examples include the Multiple Sclerosis Society, the Girl Scouts of the USA, and all private colleges. A non-profit corporation, despite its name, may make a profit, but profits cannot be distributed to owners. The use of profits is clearly stipulated in the corporate charter.

A for-profit corporation. A for-profit corporation is formed to make profits for its owners who receive these profits in the form of dividends. Most corporations are for-profit corporations. In fact, there are millions of for-profit corporations, and most are privately owned. For-profit corporations may be privately owned, or they may be publicly traded. The distinction is that privately owned corporations do no

allow outside investors to buy shares, as “publicly traded” corporations do. Relatively few corporations are publicly traded, but most of the very largest corporations are, including all those listed on the various stock exchanges where stocks are bought and sold. However, some very large companies Mars Candy and Revlon Cosmetics among them are privately owned. **Task 2. Copy out two sentences from the text and put questions to them.**

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work III

Variant 2

Task1. Read and translate the text.

In a **market economy**, the questions of WHAT, HOW, and FOR WHOM to produce are made by individuals and firms acting in their own best interests. In economic terms, a **market** is an arrangement that allows buyers and sellers to come together to conduct transactions. In a market economy, individual economic decisions are like votes. When consumers buy a particular product, they are casting their dollar “votes” for that product. Once the votes are counted, the manufacturers will know what people want. As such, consumer sovereignty plays a key role, because producers are continually looking for goods and services that consumers will buy. Since consumers like products with low prices and high quality, producers in a market economy will try to supply such products. Those who make the best products for the lowest prices will make profits and stay in business. Other producers will either go out of business or switch to different products consumers will buy. A market economy has several major advantages that traditional and command economies do not have. First, a market economy is flexible and can adjust to change over time. A second major advantage of the market economy is the freedom that exists for everyone involved. Producers are free to make whatever they think will sell. They are also free to produce their products in the most efficient manner. Consumers, on the other hand, are free to spend their money on whatever goods and services they wish to have.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work III

Variant 3

Task1. Read and translate the text.

When the country faced a shortage of male workers in the mines and on construction projects, the government put women to work in those industries. Even

today, women continue to work with picks, shovels, and wheelbarrows on construction projects.

A major disadvantage of the command system is that it does not always meet the wants and needs of individuals. A second disadvantage of the command economy is the lack of incentives that encourage people to work hard. In most command economies today, workers with different degrees of responsibility receive similar wages. In addition, people seldom lose their jobs regardless of the quality of their work. As a result, there is a tendency for some to work just hard enough to fill production quotas set by planners. This can have unexpected results.

Another disadvantage of the command economy is that the command economy requires a large decision-making bureaucracy. Many clerks, planners and others are needed to operate the system. As a result, most decisions cannot be made until a number of people are consulted, or a large amount of paperwork is processed. This causes production costs to increase and decision-making to slow down. Thus, a command system does not have the flexibility to deal with minor, day-to-day problems.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work III

Variant 4

Task1. Read and translate the text.

In different countries market economy develops according to general rules. But at the same time, every country has its own peculiarities. The structure and branches of economy, geographical and climate conditions, as well as national traditions of the population define these peculiarities. This is why Uzbekistan has shaped its own specific transition model to market relations. The main propositions of the model selected by the Republic have been substantiated in the works of our President, in adopted Laws and Resolutions of the Government. Special attention is attached to the 5 main principles of the building of the sovereign state, advanced by I.A.Karimov that were recognized not only in our country, but also abroad. These principles are the following: economy should be a priority task over politics the state should act as the main reformer; leadership of law should be established in all spheres of life, strong social policy should be implemented in all spheres of life; transition to market economy should be evolutionary , i.e. step by step.

Exactly these 5 principles are at the basis of the development of our State and branches of economy. Economics, then, is about the satisfaction of material wants. It is necessary to be quite clear about this; it is people's wants rather than their needs, which provide the motive for economic activity. We go to work in order to obtain income, which will buy us the things we want rather the things we need. It is not possible to define 'need' in terms of any particular quantity of a commodity,

because this would imply that a certain level of consumption is 'right' for an individual.

Task 2. Copy out two sentences from the text.

<i>natural resources</i>	<i>labor</i>
<i>importer</i>	<i>unlimited wants</i>
<i>factors of production</i>	<i>manufacturers</i>
<i>savings</i>	<i>unlimited liability</i>

and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work III

Variant 5

Task1. Read and translate the text.

A society may attempt to deal with the basic economic problems by allowing free play to what are known as market forces. The state plays little or no part in economic activity. Most of the people in the non-communist world earn and spend in societies, which are still fundamentally market economies.

The market system of economic organization is also commonly described as a free enterprise or laissez-faire, or capitalist system. We shall use all these terms to stand for a market economy. Strictly speaking the pure market of laissez-faire system has never existed. Whenever there has been some form of political organization, the political authority has exercised some economic functions (e.g. controlling prices or levying taxation). It is useful, however, to consider the way in which a true market system would operate because it provides us with a simplified model, and by making modifications to the model we can approach the more realistic situations step by step.

The framework of a market or capitalist system contains six essential features. They are:

1. Private property
2. Freedom of choice and enterprise
3. Self-interest as the dominating motive
4. Competition
5. A reliance on the price system
6. A very limited role for government.

The institution of private property is a major feature of capitalism. It means that individuals have the right to own, control and dispose of land, buildings, machinery, and other natural and man-made resources. Man-made aids to production such as machines, factories, docks, oil refineries and road networks are known as capital. Private property not only confirms the right to own and dispose of real assets, it provides the owners of property with the right to income from that

property in the form of rent, interest and profits.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work III

Variant 6

Task 1. Read and translate the text.

FROM LITTLE TO BIG BUSINESS

Although large business firms are important in our economic system, the majority of businesses are small. Our private enterprise system encourages entrepreneurs. As you learned in Chapter 1, an entrepreneur is someone who takes the risk of starting and managing a business. Entrepreneurs can compete in the market just as large firms do. In fact, some products and services are more suited to production by an entrepreneur in a small firm. Some people have skills for making products by hand. You might pay more for the handmade product than if it were mass-produced because you might consider its quality and uniqueness worth the added cost.

Both small and large business firms compete for the consumer's dollars. If firms are not able to meet the wants of consumers, they go out of business. If they compete successfully, they stay in business, and may grow larger. Competition is a way of assuring consumers of the best product or service at the best price.

Businesses can gain some control over their prices simply by becoming larger. They have a larger share of the market. They can buy supplies for less because they buy in large amounts. They can advertise more. They take the lead in setting prices, and smaller firms have to follow. A smaller firm usually cannot afford a "price war". In some cases our economy has so few firms selling one kind of product that they have little or no competition. If one firm sells all or practically all of a product, that firm has a **monopoly**. Because the company has no competition, it can determine the one price to be set. Since a monopoly usually means higher prices for the consumer, the government may step in. In most cases, it is not legal to control the market through a monopoly. The government may, through the courts, break up the company into smaller companies or make it sell some of its own divisions. While growing bigger is not bad in our economy, controlling prices is. Our private enterprise system favors competition and risk taking by both big and little businesses.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work III

Variant 7

Task1. Read and translate the text.

We have said that businesses are important to our private enterprise system. They provide the organization for producing goods and services efficiently and in large quantities. They have given our country the largest gross national product in the world. They have given our consumers one of the highest standard of living. Without businesses, we could not meet our wants and needs.

We have seen five types of businesses: raw goods producers, raw goods processors, manufacturers, distributors, and service businesses. Each of these has a different kind of function in providing goods and services to satisfy our wants. Now we are going to look at how businesses organize to *do* business. In what different ways are they organized? Why is each different form of organization considered best for reaching certain goals?

Our economic system has over 17 million business firms. Almost three fourths of these businesses are organized as sole proprietorships. When we speak of a proprietor , we are referring to the owner of a business or firm. A **sole proprietorship**, then, is a business or firm owned by one person. Sole proprietorships are often found in businesses offering services to consumers. Examples of sole proprietorships are clothing shops, travel agencies, florists, TV repair shops, and so on.

Advantages of a Sole Proprietorship. The sole proprietorship has several advantages. First, it is simple to start. Depending on local laws, the only requirement for starting sole proprietorship may be a license. Second, because the business is owned by one person, that person is free to do as he or she pleases. When you are the sole proprietor , you are the boss. No one tells you how to run your business. If you decide to change the hours you are open, add or drop some products, you are free to do so. A third advantage is that you receive all of the profits. You have good reason to work hard for all of those benefits. In fact, a characteristic of a sole proprietorship is long hours of work. Most sole proprietors put in longer work days than if they worked for someone else as an employee. After all, they want their own businesses to do well. A fourth advantage comes when the sole proprietor is paying taxes. A sole proprietor pays taxes only once on the income from the firm.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work III

Variant 8

Task1. Read and translate the text.

A person who starts a sole proprietorship may find that it grows and grows. More money must be found to expand the business, and that isn't easy. Banks want certain guarantees before they make loans, even to old, successful businesses. One way, then, to expand a business is to add skills and spread out the responsibility by

forming a partnership. A **partnership** is a business organization with two or more owners who share responsibility.

Advantages of a Partnership. Starting the partnership has few requirements. Depending on the nature of the business, a partnership may need a license. The partners should draw up a **partnership agreement**, a kind of contract in which they declare certain understandings between them. For instance, they put into writing how they will share the work and profits, how they will end the partnership, and other matters. A written agreement from the start may prevent problems later on. At least two people, but as many more as are wanted, are needed to form a partnership. Some firms have dozens of partners. Each partner can contribute skills, as well as money, to running the business. One advantage of a partnership is that each partner can bring special skills to the business. Another advantage is that, unlike sole proprietorship, partnerships find it easier to acquire money because there are more owners who can contribute to the business. All partners who share in the business have good reason to work hard for its success. Each shares in the profits according to the partnership agreement. Like the income of the sole proprietorship, the income of the partnership is taxed only once.

Disadvantages of a Partnership. Certainly the partnership has disadvantages. Like sole proprietors, partners have unlimited liability for debts. Wrong decisions may cause business to lose money. And any partner can act for the partnership. If one partner makes wrong decisions that are expensive for the partnership, the other partners are bound by that person's decisions. If your partner in the restaurant makes some bad decisions, you both are responsible for them. For that reason alone, making a partnership agreement is wise. It spells out the duties of each partner so that each knows exactly what responsibilities are his or her.

However, even with a partnership agreement, partners may disagree. Those disagreements may become such a problem that the partners no longer can work together. The partnership agreement should provide for adding new partners and for ending the partnership, to avoid problems. The partnership is also legally ended if one partner decides to leave the partnership or dies. The remaining partners may reorganize, but they really are starting a new business. Many partnership agreements provide a way for the remaining partner or partners to buy the share of ownership of a partner that allows the partners to do this, they can keep the business and continue it as a new one.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work III

Variant 9

Task1. Read and translate the text.

A **cooperative** is a business firm owned and, in many cases, operated by its members. To start a cooperative, a group of people apply for a charter from the state government. After the charter has been given, a board of directors is elected. Managers and staff members are hired or appointed to operate the business.

A cooperative, unlike a corporation, is not set up to make a profit. Rather, its purpose is to help its members get the best prices. A cooperative helps its members buy or sell at lower prices through working together. If the cooperative sells products for its members, it attempts to get a good price by selling in large quantities. If it buys goods for its members, it attempts to get a low cost by buying in large amounts. Food cooperatives have become a part of our business and economic system. A group of people band together to buy food in large quantities, thus saving money. That savings is passed on to the members in the form of lower prices. If the cooperative buys for its members, it is a consumers' cooperative. If it sells goods or services, it is a producers' cooperative.

Insurance companies, electric power companies, savings and lending agencies, agricultural buying and selling organizations, bookstores, apartment buildings, and even restaurants may be cooperatives. The largest number of cooperatives in this country are credit unions, in which members can save and borrow money. Credit union membership is usually available through the company, agency, or organization in which member works.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work III

Variant 10

Task1. Read and translate the text.

A **corporation** is a business that is legally regarded as a separate entity. An *entity* is defined as "something that exists independently". That means that, as far as the law is concerned, the corporation exists separate from the people who own it. It has a life of its own. As a consequence, owners in a corporation have limited liability. With **limited liability**, the owners are responsible for the debts of the business only to the extent of the amount they have invested. Even if the business fails, the owners cannot lose more than they have invested. Their personal savings and possessions cannot be taken to pay the corporation's debts.

Although only about 16 percent of all businesses are corporations, they earn about 79 percent of the income. Some corporations have offices and plants in more than one country. These are called **multinational corporations**. Indeed, they may operate in several countries. A number of corporations in the United States are among the largest businesses in the world. And a few of our corporations have annual sales that are larger than the budgets of some small countries. The original owners of a corporation may decide to issue **stock**, or shares in the ownership. The

new owners, called **stockholders**, pay a certain amount for their shares, many buying the stock through a stock exchange. Each stockholder has one vote in the management of the corporation for each share of stock he or she owns. Some of the largest corporations in the United States have over a million stockholders, or owners. The stockholders of a corporation elect a **board of directors**, a group of individuals chosen to make the major decisions for the company. The board of directors then appoints officers to make the day-to-day decisions of the firm. The officers, such as the president, vice presidents, treasurer and so on, make most of the decisions for the corporation. Both the officers and the board of directors are responsible to the owners. By law the board of directors must oversee the work of the officers. The board also must provide a way for the owners to vote on important decisions and to be informed about the operations of the corporation. Most companies hold an annual meeting for stockholders. In addition, they issue an annual report giving full information about the year's activities. In a small corporation, the original owners may run the business, much as a sole proprietor or partner do. In that case, the owners act as the officers of the corporation and make up much or all of the board of directors. There is no reason that a small corporation has to sell shares of ownership to the public.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Term II

Content

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Independent work I

Variant 1.

Task1. Read and translate the text.

Bank-notes and coins are not the most important form of money in developed economies. In the UK about 90%, by value, of all transactions are settled by means of cheques. But cheques themselves are not money, they are merely orders to bankers to transfer money from one person to another. The money so transferred consists of bank deposits. If there is no money in the form of a bank deposit then any cheques drawn on that account will be worthless.

Cheques were used as early as the second half of the seventeenth century, but they did not come into general use until the second half of the nineteenth century. The Bank Charter Act of 1844 put strict limitations on the note issue at a time when the output of goods and services was expanding rapidly. The need for an expansion of the money supply to keep pace with increasing output greatly stimulated the use of bank deposits.

This most developed form of money (i.e. bank deposit) consists of entries in the banks' ledgers, or more likely nowadays, of records on computer tapes. The greater part, in value terms, of the payments made each day are carried out by adjustment made to the totals in different bank deposits. A payment from one person to another merely requires that the banker reduces the amount in one deposit and increases it in another. Transferring money, therefore, has become little more than a kind of bookkeeping Exercise; the money itself does not consist of some physical tangible commodity.

The Bank Charter Act of 1844 followed a long dispute about the control of the money supply and whether the value of the note issue should be allowed to exceed the stock of gold available to support it. The Act placed a statutory limit on the fiduciary issue (that part of the note issue which was not backed by gold) and restrictions were placed on the issue of notes by joint stock banks other than the Bank of England. In fact, these regulations were framed so that the passage of time would eventually leave the Bank of England as the sole note-issuing authority in England and Wales. The last private bank of issue in England surrendered its rights in 1921. Apart from relatively short periods of emergency when conversion was suspended, all bank-notes, until 1914, were convertible into gold. Convertibility on a restricted basis was restored in 1925, but finally abandoned in 1931. Since that time Bank of England notes have been wholly inconvertible and we have now reached the stage where our bank-notes, while still carrying a 'promise to pay' printed on their faces, are no more than token money. This is also true of the coinage; the commodity value of the coins is but a tiny fraction of their money value. Nevertheless the notes and coins are universally acceptable, the fact that

they have no real commodity value, and are not backed by gold, in no way affects their ability to serve as money.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work I

Variant 2.

Task1. Read and translate the text.

There are number of ways to classify nations by level of economic development. The three world classification scheme has gained relatively wide acceptance. The First World is the highly industrialized, non-communist Western nations, plus the United States, Australia, Canada, new Zealand, and Japan. The Second World includes the nations of Eastern Europe, of the former Soviet Union, and the People's Republic of China. The Third World is the term given to identify remaining countries, i.e. in Africa, Asia, and Latin America. They find themselves in a vicious circle of poverty and overpopulation.

At the bottom of the Third World list are the world's poorest countries, found mainly in sub-Saharan Africa, which have so few resources and so little money that is virtually impossible for them to develop at all. In Somalia and Sudan, for example, there are essentially no natural resources on which to base economic growth. This group is sometimes called the Fourth World.

But this classification of the globe has as much a political dimension to it as economic. A more basic distinction has been made between mainly developed countries situated in the Northern Hemisphere - the North' - and the vast majority of countries which are less developed and are located below the Equator' - the South. Any definition of a less-developed country (LDC) is arbitrary. Typically, a cut-off point in terms of per capita income of around \$480 helps us define an LDC. LDCs differ among themselves almost as much as the differences between them and the countries in the First World.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work I

Variant 3.

Task1. Read and translate the text.

There are several ways of defining inflation. In some contexts it refers to a steady increase in the supply of money. In others it is seen as a situation where demand persistently exceeds supply. It seems best, however, to define inflation in terms of its basic symptom-rising prices. Inflation is a situation in which the general price level is persistently upwards.

In the extreme form of inflation, prices rise at a phenomenal rate and terms such as hyperinflation, runaway inflation, or galloping inflation have been used to explain the situation. Germany experienced this kind of inflation in 1923 and by the end of that year prices were one million times greater than their pre-war level. Towards the end of 1923, paper money was losing half or more of its value one hour, and wages were fixed and paid daily.

Under conditions of hyperinflation people lose confidence in the currency's ability to carry out its functions. It becomes unacceptable as a medium of exchange and other commodities, such as cigarettes, are used as money. When things have become as bad as this the only possible course of action is to withdraw the currency and issue new monetary units. So great was the loss of confidence in Hungary that the new currency had to be given a new name, the Forint replacing the Pengo.

Another type of inflation is described as suppressed inflation. This refers to a situation where demand exceeds supply, but the effect on prices is minimized by the use of such devices as price controls and rationing. We should note that price controls do not deal with the causes of inflation; they merely attempt to suppress the symptoms. The excess demand still exist and it will tend to show itself in the form of waiting lists, queues, and almost inevitably, in the form of black markets.

The most common type of inflation is that experienced since the war in Britain and other developed countries. This is creeping inflation where the general price level rises at an annual rate between 6 percent and 10 percent. The causes of inflation are usually classified as demand -pull or cost-push.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work I

Variant 4.

Task1. Read and translate the text.

Demand inflation may be defined as a situation where aggregate demand persistently exceeds aggregate supply at current prices so that prices are being 'pulled' upwards. This type of inflation is usually associated with conditions of full employment. If there are unemployed resources available, an increase in demand can be met by bringing these resources into employment.

Supply will increase and the increase in demand will have little or no effect on the general price level. If the total demand for goods and services continues to increase, however, a full employment situation will eventually be reached and no further increases in output are possible (i.e. in the short run). Once the nation's

resources are fully employed, an increase in demand must lead to an upward movement of prices.

A situation of excess demand may arise when a country is trying to achieve an export surplus, in order, perhaps, to pay off some overseas debt. Exports are inflationary because they generate income at home but reduce home supplies. Imports, of course, can make good this deficiency of home supply, but if exports are greater than imports there will be excess demand in the home market unless taxes and savings are increased to absorb the excess purchasing power. Demand inflation might develop when, with full employment, a country tries to increase its rate of economic growth. In order to increase the rate of capital accumulation, resources will have to be transferred from the production of consumer goods to the production of capital goods. Incomes will not fall since the factors of production are still fully employed, but the supply of the things on which these incomes may be spent will fall. Unless taxation and/or savings increase there will be excess demand and rising prices.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work I

Variant 5.

Task 1. Read and translate the text.

Inflation is regarded as undesirable because it produces some serious economic and social problems. Inflation leads to an arbitrary redistribution of real income. Although a rise in the general price level produces a corresponding rise in money incomes, all prices do not rise to the same extent and different income groups will be affected in different ways. There will be some 'gainers' and some 'losers'.

The losers are those whose incomes are fixed, or relatively fixed, in money terms. This group will include people whose income is derived from fixed interest securities, controlled rents, or some private pension schemes. Income recipients in this category will experience a fall in their real incomes.

A large number of wage earners also come into this group since many workers have agreements which link their money wages to the Retail Price Index.

The effects on incomes derived from profits depend largely upon the kind of inflation being experienced. During demand-pull inflation, profits tend to rise. The prices of final goods and services tend to be more flexible in an upward direction than many factor prices, some of which are fixed on fairly long-term contracts. The margins between the two price levels tend to widen because of this time lag. When there is cost-push inflation, profits may be squeezed. Since there is no excess demand some firms may find it rather difficult to pass on the full effects of rising cost in the form of higher prices.

Wage earners generally more than hold their own when the price level is rising. In the UK and most other industrial countries wages in most years have risen faster than prices, but as already mentioned, there tends to be some redistribution effect

as those with superior bargaining power gain at the expense of the weaker groups. Inflation tends to encourage borrowing and discourage lending because debtors 'gain' and creditors 'lose'. Debtors repay in monetary units, which have less purchasing power than those which they borrowed. If a person borrows a sum of money for 2 years during which time inflation is running at 10 percent per annum, the same sum repayable at the end of the term will be worth about 17 percent less in real purchasing power than the sum of money borrowed. It is for this reason that lenders demand higher rates of interest during periods of inflation.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work I

Variant 6.

Task1. Read and translate the text.

Demand-pull inflation is associated with buoyant trading conditions and sellers' markets where the risks of trading are greatly reduced. These easy market conditions might give rise to complacency and inefficiency since the competitive pressures to improve both product and performance will be greatly weakened. This is not likely to be the case in a cost-push inflation where trading conditions are likely to place a premium on greater efficiency. Where firms cannot absorb some of the higher factor prices by improving productivity they may find it difficult to survive. It is possible that employers seeking to hold down costs will react to rapidly rising wage cost by devising means of economizing in their use of labour and hence raise the level of unemployment.

Demand inflation, it is sometimes argued, is conducive to a faster rate of economic growth since the excess demand and favorable market conditions will stimulate investment and expansion. The falling value of money, however, may encourage spending rather than saving and so reduce the funds available for investment. It may also lead to higher interest rates as creditors demand some additional return to compensate for the falling value of money. Nevertheless relatively high nominal rates of interest may not be a deterrent to investment. If the nominal rate of interest is 10-percent, but the rate of inflation is 8 percent, the 'real' rate of interest is only 2 percent.

3. In economies such as the UK, which are dependent upon a high level of exports and imports, inflation often leads to balance of payments difficulties. If other countries are not inflating to the same extent, home-produced goods will become more competitive in the home market. Exports will be depressed and imports will rise. If this process continues it must lead to a balance of payments deficit on the current account. The problem will be a particularly difficult one where inflation is of the demand-pull type, because in addition to the price effects the excess demand at home will tend to 'draw in' more imports. These balance of payments effects

apply particularly where a country is operating a fixed rate of exchange. A floating rate of exchange means that the rise in home prices does not have such an unfavorable effect on the volumes of exports and imports.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work I

Variant 7.

Task1. Read and translate the text.

The main advantages of the corporate form are in these areas: liability of ownership, ability to borrow, continuity of ownership, and career opportunity for employees.

Liability of ownership. A major advantage of the corporate form that corporations have limited liability. Owners of corporations (shareholders) are not personally liable for acts or debts of corporations. Owners' losses are limited to their individual investments in the shares they own.

Ability to borrow. When a corporation is formed, it raises its capital by selling shares in business to individuals who then become shareholders. At its formation, a corporation's share may sell for pennies, enabling virtually everyone to invest and to own a tiny portion of ownership. Once formed, a corporation can then raise money in two basic ways:

1. by issuing more shares of stock, a process that increases ownership in the corporation, or
2. by issuing bonds, a process that increases indebtedness of the corporation.

Continuity of ownership. A corporation has an unlimited life. Its existence is not dependent on the life of individual or any group. Owners are shareholders, and as share are bought and sold, ownership changes and continues into the future.

Career opportunities for employees. Employees generally have a wider range of opportunities in a corporation, especially if the corporation is large. Employees can benefit from the potential for growth and promotion that corporations offer, perhaps even share in ownership.

The disadvantages of the corporate form include the expense and complication of organizing a corporation, legal restrictions, tax considerations, and disclosure problems.

Expense and complications of incorporating. Compared to proprietorship or partnership, corporations are more expensive and complex to form and to operate. Corporations must pay legal and filing fees and must file numerous federal, state and local tax and regulatory reports.

Legal restrictions. Corporate activities are limited to the purposes stated in the corporate charter, as well as by laws that specifically cover the corporate form.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work I

Variant 8.

Task1. Read and translate the text.

A **cooperative** is a business firm owned and, in many cases, operated by its members. To start a cooperative, a group of people apply for a charter from the state government. After the charter has been given, a board of directors is elected. Managers and staff members are hired or appointed to operate the business.

A cooperative, unlike a corporation, is not set up to make a profit. Rather, its purpose is to help its members get the best prices. A cooperative helps its members buy or sell at lower prices through working together. If the cooperative sells products for its members, it attempts to get a good price by selling in large quantities. If it buys goods for its members, it attempts to get a low cost by buying in large amounts. Food cooperatives have become a part of our business and economic system. A group of people band together to buy food in large quantities, thus saving money. That savings is passed on to the members in the form of lower prices. If the cooperative buys for its members, it is a consumers' cooperative. If it sells goods or services, it is a producers' cooperative.

Insurance companies, electric power companies, savings and lending agencies, agricultural buying and selling organizations, bookstores, apartment buildings, and even restaurants may be cooperatives. The largest number of cooperatives in this country are credit unions, in which members can save and borrow money. Credit union membership is usually available through the company, agency, or organization in which member works.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work I

Variant 9.

Task1. Read and translate the text.

Most people think of demand as being the desire for a certain economic product. In this sense, anyone who would like to own a swimming pool could be said to "demand" one. This, however, does not help much in the study of economics for almost everyone would like to have a swimming pool. There is more to the definition of demand than just the desire for an economic product. That desire must be coupled with the ability and willingness to pay. Only those people with the desire and the ability and willingness to buy a product will be

competing with other people with a similar desire, ability, and willingness to buy a product. Effective demand, the kind of demand that is desire plus ability and willingness.

Most people think of demand as being the desire for a certain economic product. In this sense, anyone who would like to own a swimming pool could be said to "demand" one. This, however, does not help much in the study of economics for almost everyone would like to have a swimming pool. There is more to the definition of demand than just the desire for an economic product. That desire must be coupled with the ability and willingness to pay. Only those people with the desire and the ability and willingness to buy a product will be competing with other people with a similar desire, ability, and willingness to buy a product. Effective demand, the kind of demand that is desire plus ability and willingness, you may discover that it would be wise to open a shop in a neighborhood where there were many television sets and few repair shops. It would not be wise to open it in an area where there were few television sets and many repair shops.

Once you have decided you are going to open the shop and where it will be located, you will have to decide what to charge for your services. To do this, you will have to measure the demand for these services, But how? You could go out into other shops and do your own study of how consumers react to higher and lower prices. Or you could take a poll of consumers to see how they feel about prices and then try to measure demand from this data, Or you could study tables of data that have been compiled over past years to show the reactions of consumers to higher and lower prices.

Once you have gathered the data, you might get a general idea of the overall demand for the economic product. Still, it is not easy to gather precise data on how people behave.

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work I

Variant 10

Task1. Read and translate the text.

Unemployment and inflation are closely tied to long-run economic growth. Sometimes, the economy will have both growth and inflation. At other times, it will have neither. At even other times, the economy encounters stagflation—a period of stagnant growth and inflation.

One thing, however, is certain—both un-employment and inflation are types of instability which hurt economic growth. To measure the impact of unemployment and inflation, economists use two tools. One is the GNP gap, the other is the misery index

The GNP gap measures the difference between the actual GNP being produced at any one time and the potential that could be produced. Since the potential is based on the amount of output that could be produced given the available amount of land, labor, and capital, it is a measure of the cost of unemployed resources in terms of output not produced.

The misery index, or the discomfort index, is the sum of the inflation and unemployment rates as they are reported

on a monthly basis. The graph on this page shows the discomfort index for recent years. The index was first proposed as a more comprehensive measure of consumer misery during periods of high inflation and high unemployment

STANDARD OF LIVING. Economic growth brings about a higher standard of living—the quality of life based on the possession of necessities and luxuries that make life easier. A major feature of a free enterprise economy is its ability to increase real per capita output enough over time to allow people to raise their standard of living. In the end, it also allows people to have more free time because they will not need to work as many days as before to earn the same income. With more free time, they can enjoy more hobbies and recreational, family, and cultural activities.

GOVERNMENT SPENDING. Economic growth allows government at all levels to carry out its tasks more easily. For example, at present, the burden of national defense is heavy. This means there is less money available for social welfare and other domestic items. Economic growth, however, enlarges the tax base—the incomes and properties that may be taxed. This gives the government greater tax revenues, which, in turn, lightens the burden of public sector spending. It also may

Task 2. Copy out two sentences from the text and put questions to them.

Task 3. Copy out six economic terms from the text and explain their meaning.

Task 4. Retell the content of the text.

Independent work II

Variant 1.

Task 1. Prepare your own report on the theme “National economy of Uzbekistan”

Independent work II

Variant 2

Task 1. Prepare your own report on the theme “Economy of the USA”

Independent work II

Variant 3.

Task 1. Prepare your own report on the theme “Famous economists”

Independent work II

Variant 4.

Task 1. Prepare your own report on the theme “Inflation and Uzbekistan”

Independent work II

Variant 5.

Task 1. Prepare your own report on the theme “Standard of living of Uzbeks”

Independent work II

Variant 6.

Task 1. Prepare your own report on the theme “Economic growth of Uzbekistan”

Independent work II

Variant 7.

Task 1. Prepare your own report on the theme “Small business in Uzbekistan”

Independent work II

Variant 8.

Task 1. Prepare your own report on the theme “Economy of the UK”

Independent work II

Variant 9.

Task 1. Prepare your own report on the theme “Standard of living of Englishmen”

Independent work II

Variant 10.

Task 1. Prepare your own report on the theme “Uzbekistan and the world”