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Основная цель пособия – развитие и совершенствование навыков чтения англоязычных текстов по специальности, овладение лексикой, используемой в экономической сфере, подготовка студентов к использованию английского языка в их будущей профессиональной деятельности.

Пособие составлено в соответствии с Учебными программами для студентов экономического факультета специальностей:

- 1-25 01 08 Бухгалтерский учет, анализ и аудит
- 1-25 01 04 Финансы и кредит
- 1-25 01 07 Экономика и управление на предприятии
- 1-26 02 05 Логистика
- 1-26 02 03 Маркетинг
- 1-28 01 01 Экономика электронного бизнеса
- 1-28 01 02 Электронный маркетинг

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Unit 1

Text 1.

Defining Economics

1. Economics is a social science that examines how people choose among the alternatives available to them. It is social because it involves people and their behavior. It is a science because it uses, as much as possible, a scientific approach in its investigation of choices. All choices mean that one alternative is selected over another. Selecting among alternatives involves three ideas central to economics: scarcity, choice, and opportunity cost.

2. Our resources are limited. At any one time, we have only so much land, so many factories, so much oil, so many people. But our wants, our desires for the things that we can produce with those resources, are unlimited. We would always like more and better housing, more and better education, more and better of practically everything. If our resources were also unlimited, we could say 'yes' to each of our wants and there would be no economics. Because our resources are limited, we cannot say 'yes' to everything. To say 'yes' to one thing requires that we say 'no' to another. Whether we like it or not, we must make choices. Our unlimited wants are continually colliding with the limits of our resources, forcing us to pick some activities and to reject others. Scarcity is the condition of having to choose among alternatives. A scarce good is one for which the choice of one alternative requires that another be given up.

3. Virtually everything is scarce. Consider the air we breathe, which is available in huge quantity at no charge to us. Could it possibly be scarce? The test of whether air is scarce is whether it has alternative uses. What uses can we make of the air? We breathe it. We pollute it when we drive our cars, heat our houses, or operate our factories. In effect, one use of the air is as a garbage dump. We certainly need the air to breathe. But just as certainly, we choose to dump garbage in it. Those two uses are clearly alternatives to each other. The more garbage we dump in the air, the less desirable and healthy it will be to breathe. If we decide we want to breathe cleaner air, we must limit the activities that generate pollution. Air is a scarce good because it has alternative uses.

4. Not all goods, however, confront us with such choices. A free good is one for which the choice of one use does not require that we give up another. One example of a free good is gravity. The fact that gravity is holding you to the earth does not mean that your neighbor is forced to drift up into space! One person's use of gravity is not an alternative to another person's use. There are not many free goods. Outer space, for example, was a free good when the only use we made of it was to gaze at it. But now, our use of space has reached the point where one use can be an alternative to another. Conflicts have already arisen over the allocation of orbital slots for communications satellites. Thus, even parts of outer space are scarce. Space will surely become more scarce as we find new ways to use it. Scarcity characterizes virtually everything. Consequently, the scope of economics is wide indeed.

5. The choices we confront as a result of scarcity raise three sets of issues. Every economy must answer the following questions:

- What should be produced? Using the economy's scarce resources to produce one thing requires giving up another. Producing better education, for example, may require cutting back on other services, such as health care. A decision to preserve a wilderness area requires giving up other uses of the land. Every society must decide what it will produce with its scarce resources.

- How should goods and services be produced? There are all sorts of choices to be made in determining how goods and services should be produced. Should a firm employ a few skilled or a lot of unskilled workers? Should it produce in its own country or should it use foreign plants? Should manufacturing firms use new or recycled raw materials to make their products?

- For whom should goods and services be produced? If a good or service is produced, a decision must be made about who will get it. A decision to have one person or group receive a good or service usually means it will not be available to someone else. For example, representatives of the poorest nations on earth often complain that energy consumption per person in the United States is 17 times greater than energy consumption per person in the world's 62 poorest countries. Critics argue that the world's energy should be more evenly allocated. Should it? That is a "for whom" question.

6. It is within the context of scarcity that economists define what is perhaps the most important concept in all of economics, the concept of opportunity cost. Opportunity cost is the value of the best alternative forgone in making any choice. The opportunity cost to you of reading the remainder of this unit will be the value of the best other use to which you could have put your time. If you choose to spend \$20 on a potted plant, you have simultaneously chosen to give up the benefits of spending the \$20 on pizzas or a paperback book or a night at the movies. If the book is the most valuable of those alternatives, then the opportunity cost of the plant is the value of the enjoyment you otherwise expected to receive from the book.

7. The concept of opportunity cost must not be confused with the purchase price of an item. Consider the cost of a college or university education. That includes the value of the best alternative use of money spent for tuition, fees, and books. But the most important cost of a college education is the value of the forgone alternative uses of time spent studying and attending class instead of using the time in some other endeavor. Students sacrifice that time in hopes of even greater earnings in the future or because they place a value on the opportunity to learn. Or consider the cost of going to the doctor. Part of that cost is the value of the best alternative use of the money required to see the doctor. But, the cost also includes the value of the best alternative use of the time required to see the doctor. The essential thing to see in the concept of opportunity cost is found in the name of the concept. Opportunity cost is the value of the best opportunity forgone in a particular choice. It is not simply the amount spent on that choice.

The concepts of scarcity, choice, and opportunity cost are at the heart of economics. A good is scarce if the choice of one alternative requires that another be given up. The existence of alternative uses forces us to make choices. The opportunity cost of any choice is the value of the best alternative forgone in making it.

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. economics	a. a chance for advancement, progress or profit; a favourable circumstance or occasion
2. resource	b. useless or disposable material; waste material of any kind
3. continually	c. to be present at an event or place in order to take part in some action or proceedings
4. garbage	d. one who may speak for another in a particular capacity
5. communication	e. the study of resource allocation, distribution and consumption of capital and investment, and management of the factors of production
6. economy	f. transformation of raw materials into finished products, usually on a large scale
7. manufacturing	g. in a non-stop manner
8. representative	h. the system of production and consumption
9. opportunity	i. smth that one uses to achieve an objective
10. attend	j. act, fact or state of exchanging data or information between entities

Task 2. Decide if the following statements are True (T) or False (F)

1. Being a social science, economics, among other things, studies how people make their choices.
2. Unlike available resources, people's needs are unlimited.
3. Scarcity is the main reason that makes people choose among the alternatives available to people.
4. Alternative uses of a good may be a test to decide if it is scarce.
5. The decisions that people are forced to make because of scarcity may lead to four important issues.
6. If one group of people receives a good or service, another group will be deprived of it.
7. From economists' point of view, scarcity and choice are the most important concepts in economics as a whole.
8. If a person decides to spend a certain sum of money on one thing, it means that they will have to give up the benefits they expect to receive from another most valuable alternative.
9. Opportunity cost and the purchase price of an item are identical concepts.
10. The opportunity cost is the value of the most valuable forgone alternative.

Task 3. Compose synonymous pairs of words from tables *A* and *B*.

A

available	require	collide	dump	confront	scarcity	wilderness
unskilled	allocate	simultaneously	tuition	endeavour	forgo	arise

B

attempt	oppose	unsettled	land	at the same time	sacrifice	obtainable	emerge
order	alot	jettison	money paid for instruction	clash	dearth	unqualified	

Task 4. Answer the following questions.

1. Why is economics considered a science? 2. Why are people forced to make choices? 3. What is a free good? 4. What are the three sets of issues which people encounter because of scarcity? 5. How can you define the concept of ‘opportunity cost’? 6. What is the difference between the ‘opportunity cost’ and the ‘purchase price’? 7. When can we say that a good is scarce?

Task 5. Word families: fill in the empty blocks in the table.

<i>Verb</i>	<i>Noun</i>	<i>Adjective</i>	<i>Adverb</i>
	alternative		
condition			
	research		
		essential	
	consumption		

Task 6. Paraphrase the paragraph “There are not many free goods ... the scope of economics is wide indeed” in writing.

Text 2. The Shell Games Go On

Dirty money remains easy to hide, a new study finds

1. A book published in 2014 shook the world of off-shore finance. “Global Shell Games” exposed the ease with which ne’er-do-wells could launder money or dodge tax using bank accounts held by anonymous shell companies. The book, NGO activism and numerous leaks – the latest, earlier this month, being the Pandora Papers – have since pushed governments to increase corporate transparency. Britain and other countries introduced public registers of company owners. America passed a law ending shell-company anonymity.

2. But to what end? The book’s authors are putting the finishing touches on a study that suggests little has changed. The banks and corporate service providers (CSPs) – firms that set up companies for others – meant to be in the front line of the fight against financial crime do a terrible job of differentiating between legitimate would-be clients and those waving red flags.

3. The three academics behind the study – Jason Sharman of Cambridge University and Daniel Nielson and Michael Findley of the University of Texas at Austin – undertook what they call a “mystery shopping expedition”. They registered shell companies with varying risk profiles and then sent more than 30,000 emails to banks and CSPs in every country of the world to set up bank accounts. The riskiest-looking of these brass-plate firms were domiciled in places with a high corruption risk, such as Papua New Guinea or Pakistan. The safest-looking were from Australia

or New Zealand. In between were shells from havens of offshore secrecy like the British Virgin Islands. In some missives the authors and their team posed as legitimate businessmen; in others as dodgier-sounding applicants or actual miscreants, such as people on sanctions lists.

4. The global anti-money-laundering (AML) system that has evolved since the 1980s under the Financial Action Task Force (FATF), a multilateral agency, relies heavily on the private sector to weed out dirty money. Banks must follow “know your customer” rules and identify a would-be client’s real, or “beneficial”, owner.

5. This “risk-based” regime is broken, suggests the study. The authors found that the varying risk profiles made “almost no difference” to banks’ willingness to open an account; CSPs were even less sensitive to risk. (One Singaporean bank, however, deserves credit for smelling a rat, replying “Hey, you’re the Global Shell Games guys!”)

6. The study shows that the grunt-work of AML is being “pushed onto a private sector which can’t or won’t do it,” says Mr. Sharman. “Banks are unable or unwilling to make the fine-grained risk judgments the system demands, because they use standardized, generic procedures.”

7. Although the conclusion fits broadly with previous research by the authors, Mr. Sharman says he was surprised by the level of risk-insensitivity, because “some of our approaches were ridiculously dodgy”. Other experts will also be taken aback: scholars surveyed by the authors before they went shell-shopping predicted that the study would show the system to be working much better than it was before the transparency reforms of the past five years.

8. The FATF knows the system is far from perfect. Last year its chief, David Lewis (who has since resigned), admitted that national AML laws were rarely being used effectively. He also implored bankers to “stop just ticking the boxes”. Even before this study the agency was reviewing its approach. More than tinkering is in order.

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. launder	a. to remove unwanted elements from a group
2. dodge	b. to change with time or a similar parameter
3. academic	c. to avoid by moving suddenly out of the way; to avoid
4. domicile	d. a written message; a letter, note or memo
5. missive	e. having many sides or points of view
6. weed out	f. to wash; to disguise the source of (ill-gotten wealth) by various means
7. shell	g. to beg urgently or earnestly
8. multilateral	h. a home or residence
9. vary	i. a hard external covering of an animal
10. implore	j. a senior member of an academy, college, or university; a person engaged in scholarly pursuits

Task 2. Compose antonymous pairs of the words from tables **A** and **B**.

A

expose	anonymous	transparency	set up	front	undertake		
heavily	private	willingness	better	past	last	rarely	secrecy

B

lightly	conceal	abolish	initial	reluctance	openness	onymous
refuse	future	secrecy	frequently	back	worse	public

Task 3. Answer the questions.

1. What did the readers learn from the book 'Global Shell Games'? 2. How did governments react to the so-called 'Pandora Papers'? 3. What is the role of banks and CSPs? 4. What tasks did the three academics undertake? 5. What did FATF set up in the 1980ies? 6. Do banks try to take into consideration the varying risk profiles when opening an account? 7. Are AML laws used effectively?

Task 4. Complete the following sentences.

1. The governments of Britain and America... .
2. Corporate service providers and banks... .
3. A mystery shopping expedition... .
4. The three academics believe that... .
5. The work of AML system... .
6. Mr J. Sharman, one of the authors who undertook the research... .
7. D. Lewis was pessimistic about FATF and said that... .

Task 5. Choose the right answer.

1. ...a shell company
 - a) engages in construction business
 - b) engages in investment business
 - c) engages in financial and legal business
 - d) engages in manufacturing business
2. ...to wave a red flag
 - a) to show that danger has passed
 - b) to take part in a festive occasion
 - c) to give a warning signal
 - d) to give a signal that a flag must be raised
3. ...a brass plate firm
 - a) a company whose main line of business is ownership and operation of ships
 - b) a business enterprise dedicated to creating, planning and handling advertising on behalf of the client companies
 - c) a legally constituted company listed on a nameplate but having no real existence
 - d) a company engaged in the transformation of raw materials into finished products
4.to smell a rat
 - a) sense that one has an advantage over an adversary or rival
 - b) to indicate distinctively one's occupation or profession.
 - c) to be regarded as appealing, virtuous, or respectable
 - d) to sense smth suspicious

a focus on the effects of small changes are ideas of great power. They constitute the core of economic thinking.

4. If doing one thing requires giving up another, then the expected benefits of the alternatives we face will affect the ones we choose. Economists argue that an understanding of opportunity cost is crucial to the examination of choices. As the set of available alternatives changes, we expect that the choices individuals make will change. A rainy day could change the opportunity cost of reading a good book; we might expect more reading to get done in bad than in good weather. A high income can make it very costly to take a day off; we might expect highly paid individuals to work more hours than those who are not paid as well. If individuals are maximizing their level of satisfaction and firms are maximizing profits, then a change in the set of alternatives they face may affect their choices in a predictable way. The emphasis on opportunity costs is an emphasis on the examination of alternatives. One benefit of the economic way of thinking is that it pushes us to think about the value of alternatives in each problem involving choice.

5. What motivates people as they make choices? Perhaps more than anything else, it is the economist's answer to this question that distinguishes economics from other fields. Economists assume that individuals make choices that they expect will create the maximum value of some objective, given the constraints they face. Furthermore, economists assume that people's objectives will be those that serve their own self-interest. Economists assume, for example, that the owners of business firms seek to maximize profit. Given the assumed goal of profit maximization, economists can predict how firms in an industry will respond to changes in the markets in which they operate. As labor costs in the United States rise, for example, economists are not surprised to see firms moving some of their manufacturing operations overseas.

6. Similarly, economists assume that maximizing behavior is at work when they examine the behavior of consumers. In studying consumers, economists assume that individual consumers make choices aimed at maximizing their level of satisfaction. In assuming that people pursue their self-interest, economists are not assuming people are selfish. People clearly gain satisfaction by helping others, as suggested by the large charitable contributions people make. Pursuing one's own self-interest means pursuing the things that give one satisfaction. It need not imply greed or selfishness.

7. Economists argue that most choices are made "at the margin." The margin is the current level of an activity. Think of it as the edge from which a choice is to be made. A choice at the margin is a decision to do a little more or a little less of something. Assessing choices at the margin can lead to extremely useful insights. Consider, for example, the problem of curtailing water consumption when the amount of water available falls short of the amount people now use. Economists argue that one way to induce people to conserve water is to raise its price. A common response to this recommendation is that a higher price would have no effect on water consumption, because water is a necessity. Many people assert that prices do not affect water consumption because people "need" water.

8. But choices in water consumption, like virtually all choices, are made at the margin. Individuals do not make choices about whether they should or should not consume water. Rather, they decide whether to consume a little more or a little less water. Household water consumption in the United States totals about 105 gallons per person per day. Think of that starting point as the edge from which a choice at the margin in water consumption is made. Could a higher price cause you to use less water brushing your teeth, take shorter showers, or water your lawn less? Could a higher price cause people to reduce their use, say, to 104 gallons per person per day? To 103? When we examine the choice to consume water at the margin, the notion that a higher price would reduce consumption seems much more plausible. Prices affect our consumption of water because choices in water consumption, like other choices, are made at the margin.

9. The field of economics is typically divided into two broad realms: microeconomics and macroeconomics. It is important to see the distinctions between these broad areas of study. Microeconomics is the branch of economics that focuses on the choices made by individual decision-making units in the economy – typically consumers and firms – and the impacts those choices have on individual markets. Macroeconomics is the branch of economics that focuses on the impact of choices on the total, or aggregate, level of economic activity. Why do tickets to the best concerts cost so much? How does the threat of global warming affect real estate prices in coastal areas? Why do women end up doing most of the housework? Why do senior citizens get discounts on public transit systems? These questions are generally regarded as microeconomic because they focus on individual units or markets in the economy.

10. Is the total level of economic activity rising or falling? Is the rate of inflation increasing or decreasing? What is happening to the unemployment rate? These are questions that deal with aggregates, or totals, in the economy; they are problems of macroeconomics. The question about the level of economic activity, for example, refers to the total value of all goods and services produced in the economy. Inflation is a measure of the rate of change in the average price level for the entire economy; it is a macroeconomic problem. The total levels of employment and unemployment in the economy represent the aggregate of all labor markets; unemployment is also a topic of macroeconomics.

11. Both microeconomics and macroeconomics give attention to individual markets. But in microeconomics that attention is an end in itself; in macroeconomics it is aimed at explaining the movement of major economic aggregates – the level of total output, the level of employment, and the price level.

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. average	a. money coming in to a fund, account, or policy
2. pursue	b. property that cannot easily be moved, usually buildings and the ground they are built on
3. income	c. to lead by persuasion or influence; to incite

4. create	d. to follow urgently with intent to capture; to chase
5. insight	e. a sight or view of the interior of anything; a deep inspection
6. curtail	f. constituting or relating to the average
7. induce	g. seemingly or apparently valid, or acceptable; credible
8. plausible	h. to bring into existence; to design, invest with a new form, shape, etc.
9. real estate	i. an abstract sphere of influence, real or imagined; the domain of a certain abstraction
10. realm	j. to shorten or abridge the duration of smth; to truncate

Task 2. Decide if the following statements are True (T) or False (F)

1. Economists, like political scientists, study the choices of legislature.
2. Economic approach to studying choices is distinguished by four features.
3. The essence of economic thinking is proved by economists' interest in the issues of opportunity cost and emphasis on the consequences of small changes.
4. Contemporary economists claim that the examination of choices is of no importance in understanding opportunity cost.
5. People are mostly motivated by their self-interest.
6. Many firms in the US move their production abroad because of the rise in labour costs.
7. Individual consumers make choices to maximize their level of satisfaction.
8. Economists understand the expression 'at the margin' as a current level of a business activity.
9. Raising the water price can be a decisive factor to make people conserve water.
10. Microeconomics and macroeconomics typically constitute two major divisions of the economics field.
11. If questions focus on individual units or markets in the economy, they are usually regarded as microeconomic.
12. The issues of inflation, unemployment rate are discussed within the sphere of macroeconomics.

Task 3. Compose synonymous pairs of words from tables *A* and *B*.

A

distinguish	choose	assume	maximize	give up	crucial
predict	seek	per person	end up	selfish	entire
					average

B

foretell	essential/decisive	discriminate/differentiate	egoistic
undertake/suppose	look for	whole/complete	select
conclude	make as large as possible	abandon/surrender	per capita

Task 4. Answer the following questions.

1. What is the main object of economists' study?

2. In what way is the economists' approach to choice different from that in other social sciences?
3. What constitutes the essence of economic thinking?
4. Why do economists place great emphasis on opportunity cost?
5. Why do individuals make choices?
6. What is the consumer behaviour aimed at?
7. How do economists understand the term 'margin'?
8. How big is the daily water consumption per person?
9. What are the two branches of economics?
10. What issues does macroeconomics examine?

Task 5. Word families: fill in the empty blocks in the table.

<i>Verb</i>	<i>Noun</i>	<i>Adjective</i>	<i>Adverb</i>
		predictable	
	assumption		
		charitable	
consume			
	preference		

Task 6. Make a written summary of the whole text.

Text 2. The Quiet Americans

A new American law poses more dilemmas for Western firms in China

1. Most companies prefer to talk about corporate social responsibility than to act on such pronouncements. The Uyghur Forced Labour Prevention Act, which President Joe Biden signed into law on December 23rd, is leading many to do the opposite. American businesses may be happier to try to comply with it than to admit publicly they are doing so.

2. The law, which goes into effect in June, was a rare victory for human-rights Groups and reflects a bipartisan China hawkishness in Washington. It bans imports of products from the region of Xinjiang in China on the presumption they are made with the forced labour of Uyghurs, a mostly Muslim ethnic group enduring horrific repression. Goods from Xinjiang can be brought to America only if importers can prove that forced labour was not used in their production. That is usually rather difficult, since China (which denies the existence of forced labour) does not allow proper inspection of supply chains in the region. Suppliers outside Xinjiang can also be blacklisted if they are judged to be using forced labour.

3. Xinjiang does not export all that much directly to America: \$596 m-worth of goods in 2020, or 0.1% of total American imports from China. But some of the region's more specialist products, such as nitrogen heterocyclic compounds used in cancer drugs, will be hard to replace quickly. And many regional products make their way into American goods along complex global supply chains. Cotton from the region, an important export, is used in textiles made in other countries, such as

Vietnam. Forensic technology exists to identify cotton's origin but it is finicky and not yet widespread. Xinjiang's abundant tomatoes still end up in ketchup around the world.

4. Now American firms must make a greater effort to rid their supply chains of any hint of Xinjiang. Those trying to do so, owing to existing import restrictions (Xinjiang cotton and tomatoes have been barred from America for the past year) and in anticipation of the new law, have had some success. The value of Xinjiang's direct exports to America sank to less than \$8 m in September, down by nearly 90% year on year, according to the Observatory of Economic Complexity, a data provider.

5. A knottier problem for American firms is that they cannot be seen as endorsing their government's tough stance in China, a huge and important market. Those that helped craft the forced labour law prefer not to be identified, says a former Congressional staffer. Many big American clothing brands that are believed to have stopped bringing in products made with Xinjiang cotton have not been trumpeting this, fearing a backlash and boycotts. When Intel, a chipmaker, wrote to suppliers in mid-December stating that they must keep products free of goods or labour from Xinjiang, this sparked a nationalist furore in China, fuelled further by state media. Intel deleted the offending phrase from its letter and on December 22nd apologized on Chinese social media, saying it had not been making a political statement. The same week Walmart, a supermarket giant, faced local social-media opprobrium from shoppers unable to find Xinjiang products in its Chinese online store.

6. The new law will not end all American imports from Xinjiang. Those of the cancer-drug components have actually risen this year. In other cases, for example polysilicon used in solar panels, American firms may simply shift to suppliers in other parts of China — hardly a rebuke to the government in Beijing, which has sent tens of thousands of Uyghurs, if not more, to other regions to work under what are believed to be coercive conditions. Although other democracies, including France and Germany, have passed laws that force companies to monitor their supply chains for human rights violations, goods from Xinjiang once destined for the West can still be sold in China or exported to places with laxer rules. In the first nine months of 2021 Xinjiang's global exports added up to \$13.5 bn, nearly as much as the \$13.9 bn recorded in all of 2020.

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. pronouncement	a. to conclude, turn out, sometimes unexpectedly
2. comply (with)	b. to obstruct the passage of smb or smth
3. endure	c. an official public announcement
4. drug(s)	d. to cause a sudden backward motion
5. abundant	e. a substance used to treat an illness, relieve a symptom, or modify a chemical process in the body
6. end up	f. the act of anticipating, taking up, or considering smth beforehand
7. rod (of)	h. fully sufficient, found in copious supply

8. bar i. to support, to back, to give one's approval to, especially officially or by signatures
9. anticipation j. to yield assent; to render agreement
10. endorse k. to continue or carry on despite obstacles or hardships
11. backlash l. to make free of smth

Task 2. Compose antonymous pairs of the words from tables *A* and *B*.

A

responsibility	horrific	finicky	sink	former	free	local
rebuke	coercive	lax	go into effect	add up	widespread	rise

B

global	emerge	abolish	unaccountability	descend	unscrupulous	lenient
restricted	latter	approval	beautiful	contradict	strict	dependent

Task 3. Answer the questions.

1. What does the Act signed by J. Biden on December the 23-rd make many companies do? 2. What is the essence of the law which goes into effect in June? 3. How big are American exports from China? 4. What data on imports does the Observatory of Economic, a data provider, give? 5. Why did some big American clothing brands stop bringing products from China? 6. What happened in Walmart chain last december? 7. How can American imports be influenced by the new law?

Task 4. Complete the following sentences.

- On December the 23-rd President J. Biden... .
- The new law... .
- The only condition under which importers can... .
- Chinese imports to the United States... .
- The new law is not likely... .
- American firms can simply... .
- Such countries as France and Germany... .

Task 5. Choose the right answer.

- dilemma
 - one smb is faced with one choice
 - a choice between two or mote alternatives
 - a person with superficial interest
 - a person with extensive knowledge
- ...forced labour
 - work scheduled for the next month
 - work which one is compelled to perform
 - work which one plans for themselves
 - work done with zealous fervor
- blacklist
 - to mark as one to be shunned or banned
 - a sheet painted black
 - to include someone in the prize list
 - a list with the winners' names

4. forensic technology

- a) electronic means used in teaching b) technology used in conveyor production
c) used in investigation and establishment of facts d) used in foreign trade

5. import restrictions

- a) constrains to develop import b) tensity in import
c) the amount of imported goods d) limitations on import

6. tough stance

- a) advantageous position b) favourable opinion
c) sturdy position d) one who is tough in defending their point of view

7. staffer

- a) a staff member b) one who stuffs c) a stuffed bird d) one who selects staff

8. to do the opposite

- a) located distinctly across b) facing another direction
c) to work on another channel d) perform smth contrary to smth else

Task 6. Paraphrase § 3 in writing.

Unit 3

Text 1. Confronting Scarcity: Choices in Production

1. The so-called production possibilities model can be used, to examine the nature of choices to produce more of some goods and less of others. As its name suggests, the production possibilities model shows the goods and services that an economy is capable of producing its possibilities given the factors of production and the technology it has available. The model specifies what it means to use resources fully and efficiently. This model can also be used to illustrate economic growth, a process that expands the set of production possibilities available to an economy.

2. Choices are made in a certain type of economic system. An economic system is the set of rules that define how an economy's resources are to be owned and how decisions about their use are to be made. Economic systems differ in terms of how they answer the fundamental economic questions. Many of the world's economic systems, including the systems that prevail in North America, Europe, and much of Asia and Central and South America, rely on individuals operating in a market economy to make those choices. Other economic systems, including those of Cuba and North Korea today and historically those of the former Soviet Union, Soviet bloc countries, and China, rely (or relied) on government to make these choices. Different economic systems result in different sets of choices and thus different outcomes; the fact that market economies generally outperform the others when it comes to providing more of the things that people want helps to explain the dramatic shift from government-dominated toward market-dominated economic systems that has occurred throughout the world in the past 25 years.

Capital does not consist solely of physical objects. The score for a new symphony is capital because it will be used to produce concerts. Computer software used by business firms or government agencies to produce goods and services is capital. Capital may thus include physical goods and intellectual discoveries. Any resource is capital if it satisfies two criteria: a) the resource must have been produced and b) the resource can be used to produce other goods and services.

One thing that is not considered capital is money. A firm cannot use money directly to produce other goods, so money does not satisfy the second criterion for capital. Firms can, however, use money to acquire capital. Money is a form of financial capital. Financial capital includes money and other “paper” assets (such as stocks and bonds) that represent claims on future payments. These financial assets are not capital, but they can be used directly or indirectly to purchase factors of production or goods and services.

6. There are two essential characteristics of natural resources. The first is that they are found in nature — that no human effort has been used to make or alter them. The second is that they can be used for the production of goods and services. That requires knowledge; we must know how to use the things we find in nature before they become resources. Consider oil. Oil in the ground is a natural resource because it is found (not manufactured) and can be used to produce goods and services. However, 250 years ago oil was a nuisance, not a natural resource. Pennsylvania farmers in the eighteenth century who found oil oozing up through their soil were dismayed, not delighted. No one knew what could be done with the oil. It was not until the mid-nineteenth century that a method was found for refining oil into kerosene that could be used to generate energy, transforming oil into a natural resource. Oil is now used to make all sorts of things, including clothing, drugs, gasoline, and plastic. It became a natural resource because people discovered and implemented a way to use it.

Defining something as a natural resource only if it can be used to produce goods and services does not mean that a tree has value only for its wood or that a mountain has value only for its minerals. If people gain utility from the existence of a beautiful wilderness area, then that wilderness provides a service. The wilderness is thus a natural resource.

The natural resources available to us can be expanded in three ways. One is the discovery of new natural resources, such as the discovery of a deposit of ore containing titanium. The second is the discovery of new uses for resources, as happened when new techniques allowed oil to be put to productive use or sand to be used in manufacturing computer chips. The third is the discovery of new ways to extract natural resources in order to use them. New methods of discovering and mapping oil deposits have increased the world’s supply of this important natural resource.

7. Goods and services are produced using the factors of production available to the economy. Two things play a crucial role in putting these factors of production to work. The first is technology, the knowledge that can be applied to the production of goods and services. The second is an individual who plays a key role in a market economy: the entrepreneur. An entrepreneur is a person who, operating within the

3. Factors of production. Choices concerning what goods and services to produce are choices about an economy's use of its factors of production, the resources available to it for the production of goods and services. The value, or satisfaction, that people derive from the goods and services they consume and the activities they pursue is called utility. Ultimately, then, an economy's factors of production create utility; they serve the interests of people. The factors of production in an economy are its labor, capital, and natural resources. Labor is the human effort that can be applied to the production of goods and services. People who are employed or would like to be are considered part of the labor available to the economy. Capital is a factor of production that has been produced for use in the production of other goods and services. Office buildings, machinery, and tools are examples of capital. Natural resources are the resources of nature that can be used for the production of goods and services. The three basic building blocks of labour, capital, and natural resources may be used in different ways to produce different goods and services, but they still lie at the core of production. The roles played by technology and entrepreneurs in putting these factors of production to work should also be taken into consideration.

4. Labour is human effort that can be applied to production. People who work to repair tires, pilot airplanes, teach children, or enforce laws are all part of the economy's labor. People who would like to work but have not found employment – who are unemployed – are also considered part of the labor available to the economy.

In some contexts, it is useful to distinguish two forms of labor. The first is the human equivalent of a natural resource. It is the natural ability an untrained, uneducated person brings to a particular production process. But most workers bring far more. The skills a worker has as a result of education, training, or experience that can be used in production are called human capital. Students who are attending a college or university are acquiring human capital. Workers who are gaining skills through experience or through training are acquiring human capital. Children who are learning to read are acquiring human capital.

The amount of labor available to an economy can be increased in two ways. One is to increase the total quantity of labor, either by increasing the number of people available to work or by increasing the average number of hours of work per week. The other is to increase the amount of human capital possessed by workers.

5. Long ago, when the first human beings walked the earth, they produced food by picking leaves or fruit off a plant or by catching an animal and eating it. We know that very early on, however, they began shaping stones into tools, apparently for use in butchering animals. Those tools were the first capital because they were produced for use in producing other goods, food and clothing. Modern versions of the first stone tools include saws, meat cleavers, hooks, and grinders; all are used in butchering animals. Tools such as hammers, screwdrivers, and wrenches are also capital. Transportation equipment, such as cars and trucks, is capital. Facilities such as roads, bridges, ports, and airports are capital. Buildings, too, are capital; they help us to produce goods and services.

context of a market economy, seeks to earn profits by finding new ways to organize factors of production. In non-market economies the role of the entrepreneur is played by bureaucrats and other decision makers who respond to incentives other than profit to guide their choices about resource allocation decisions.

The interplay of entrepreneurs and technology affects all our lives. Entrepreneurs put new technologies to work every day, changing the way factors of production are used. Farmers and factory workers, engineers and electricians, technicians and teachers all work differently than they did just a few years ago, using new technologies introduced by entrepreneurs. The music you enjoy, the books you read, the athletic equipment with which you play are produced differently than they were five years ago. The textbook you are reading was written and manufactured using technologies that did not exist ten years ago. We can dispute whether all the changes have made our lives better. What we cannot dispute is that they have made our lives different.

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. goods	a. to be secreted or slowly leak; to give off a sense of smth
2. prevail	b. to seize smth and hold it firmly
3. outperform	c. to act upon each other
4. grapple	d. that which is produced, then traded, bought or sold, then finally consumed
5. enforce	e. an unsettled and uncultivated tract of land left in its natural state
6. ooze	f. a person who organizes and operates a business venture and assumes much of the associated risk
7. wilderness	g. to be superior in strength, dominance, influence or frequency; to have or gain the advantage over others
8. extract	h. to draw out; to pull out; to remove forcibly from a fixed position
9. interplay	i. to keep up, impose or bring into, affect smth, not necessarily by force
10. entrepreneur	j. smth that motivates or encourages
11. incentive	k. to perform better than smth or smb

Task 2. Decide if the following statements are True (T) or False (F)

1. The production possibilities model examines economic growth.
2. Economic systems differ on the basis of explaining the level of total output.
3. Utility is the satisfaction that people get from goods or services and the activities they pursue.
4. Labour, output, natural resources and entrepreneurship constitute the factors of production.
5. The unemployed are also thought to be a part of the labour.
6. Capital includes not only physical objects.

7. An enterprise can use money to acquire capital.
8. Natural resources are found in nature and can be used to produce goods and services.
9. Available natural resources can be expanded in two ways.
10. Technology and the entrepreneur play a crucial role in putting the factors of production to work.

Task 3. Compose synonymous pairs of words from tables *A* and *B*.

A

suggest	question	prevail	result in	apparently
solely	nuisance	implement	incentive	acquire

B

obtain	be over	evidently	dominate	enquiry	motive/stimulus
merely/exclusively		vexation/annoyance		perform/fulfill	propose

Task 4. Answer the following questions.

1. How can the production possibilities model be used?
2. What is an economic system?
3. What are the factors of production in economy?
4. How can 'labour' be defined?
5. How can the amount of labour be increased?
6. What are the modern versions of stone tools of the first human beings?
7. What does 'capital' consist of?
8. What are the two criteria which help to decide if any resource is capital?
10. How can available natural resources be expanded?
11. Who can be considered an entrepreneur?

Task 5. Word families: fill in the empty blocks in the table.

<i>Verb</i>	<i>Noun</i>	<i>Adjective</i>	<i>Adverb</i>
		available	
			efficiently
	scarcity		
			differently
experience			

Task 6. Make a written summary of the text.

Text 2.

Virtually There

1. "Ridiculous and cool." That is the architectural brief for a new office tower under construction in the Crypto Valley, a business district of Decentraland, a virtual platform built on the Ethereum blockchain. The edifice – owned by Tokens.com, a blockchain investor – will be a cross between a nightclub in Ibiza and the Bellagio resort in Las Vegas. In a fantasy world unencumbered by something as pedestrian as physics, a rotating company logo will float above the tower as nearby clouds shoot out company-branded thunderbolts. The tower's purpose – to provide office leases for firms and event space for crypto conferences – is humdrumby comparison.

2. Gamers have traded pixelated property and other digital assets for years. Now the activity has been turbocharged by the growth of unique digital artefacts known as nonfungible tokens (NFTs), and by the hype around the metaverse – an emerging virtual market which could, depending on whom you ask, ultimately generate revenues of between \$1 trn and \$30 trn.

3. Real money is changing hands. Some sales involve replicas of the physical world. Users of Legacy, an NFT-powered recreation of London, have spent \$54m on plots of land in the game (which is still in development with no launch date). SuperWorld, a virtual planet where people can buy digital versions of any place on Earth, says the average user spends some \$3,000 on property purchases. The Taj Mahal and the Eiffel Tower are selling for the crypto-currency equivalent of around \$200,000 and \$400,000, respectively. Their current owners paid under \$400 each.

4. Wholly invented worlds are also drawing investors. In November Republic Realm, a company that manages and develops digital real estate, paid \$4.3m for land in a platform called the Sandbox, the biggest virtual-property investment to date. That same month Tokens.com spent \$2.4m for a plot in Decentraland's Fashion Street district. Night clubs and casinos where users can win virtual money line the streets of the gambling district. In its art district Sotheby's, a real-world auction house, has opened a virtual gallery. Smaller parcels that fetched around \$20 apiece when Decentraland launched in 2017 can now sell for as much as \$100,000. Somnium Space, a competing platform, reported more than \$1.8 m of land sales by its users over a 30-day period in November. In other virtual worlds, concert halls stream performances by the digital avatars of pop stars such as Justin Bieber and Ariana Grande. Empty virtual shops could soon be leased by fashion houses such as Gucci, Dolce & Gabbana, Burberry and Balenciaga, all of which have sold branded items in one metaverse or other.

5. Will the digital-property boom last? As in the physical world, profits depend on footfall and people's willingness to spend real money. For that to happen at scale the user experience must improve. Popular metaverse platforms such as Decentraland and the Sandbox are clunky. The average user may not want to shell out on the graphics cards, virtual reality headsets and superfast broadband that gamers use to make cyberspace feel more real.

The second risk is volatility. Virtual-property sales typically involve the exchange of the crypto-currency unique to a given metaverse. Decentraland has MANA; Sandbox uses digital tokens known as sand. The price of these can swing wildly, even relative to established crypto monies such as bitcoin or ether, themselves hardly a predictable asset class. They could crash to zero if a particular metaverse bombs.

6. To lower the risk, early investors such as Republic Realm are diversifying their holdings. The firm says it owns land in 23 metaverse platforms. But unlike physical land, the value of which is in part a function of its scarcity, each virtual realm is in effect limitless. So, in principle, is their number. Hundreds of wannabe metaverses already exist and more will emerge as crypto technology improves. That points to a paradox. Soaring virtual-property prices are predicated on the metaverse taking off. But a booming metaverse means less scarcity and lower prices. The laws of physics may prove easier to work around than the law of supply and demand.

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. virtual	a. a contract grounding use or occupation of property during a specified period in exchange for a specified rent
2. blockchain	b. simulated in a computer or online
3. edifice	c. the money returned by an investment; the total income received from a given source
4. lease	d. behaving in an eccentric manner as though led by pixies
5. pixelated	e. an activity characterized by a balance between winning and losing that is governed by a mixture of skill and chance, usually with money wagered as the outcome
6. fungible	f. a building, a structure, an architectural fabric, especially large and spectacular one
7. revenue	h. able to be substituted for smth of equal value or utility
8. replica	i. a person who plays any kind of game; a person whose hobby is video games
9. gamer	j. an exact copy; a copy made at a smaller scale than the original
10. gambling	k. a shared record of past transactions in a crypto-currency network

Task 2. Compose antonymous pairs of the words from tables *A* and *B*.

A

draw	rotating	growth	spend	sell	willingness	volatility
known	diversify	scarcity	take off	ridiculous	virtual	ultimately

B

simplify	save	haul	descend	initially	motionless	sufficiency
real	decline	permanency	serious	reluctance	buy	forgotten

Task 3. Answer the questions.

1. What is the Crypto Valley? 2. What is the purpose of the edifice? 3. What stimulated training digital assets? 4. Wholly invented worlds are also drawing investor, aren't they? 5. On what condition will the digital property boom last on a wide scale? 6. What do virtual-property sales involve? 7. How can investors lower their risks?

Task 4. Complete the following sentences.

1. 'Ridiculous and Cool'...
2. Currently, the gamers' activity...
3. In a fantasy world, users of Legacy, SuperWorld...
4. Investors are also...

5. The digital-property boom will last on condition that... .
6. Each given metaverse... .
7. In order to lower their risks, investors... .

Task 5. Choose the right answer.

1. generate revenues
a) produce profit b) suffer losses c) calculate income d) finalize material
2. ... nonfungible tokens
a) received products b) uninterchangeable signs
c) visual objects d) tangible goods
3. real estate
a) surrounding scenery b) high-rising buildings
c) immovable property d) intangible objects
4. metaverse
a) a hypothetical future of the Internet b) prominent boundary
c) effective use of a search engine d) effective Internet tactics
5. shell out
a) save money b) spare one's strength
c) use a programme's 'shell escape' function d) spend money
6. swing wildly
a) run at a top speed b) fluctuate in an uncontrolled manner
c) lose one's grip d) fall on evil days
7. fail dismally
a) make great strides b) to experience a terrible failure
c) be doomed to failure d) indulge in a fit of the dismals
8. paradox
a) a refutable statement b) unfounded assertion
c) careful consideration d) self-contradicting statement

Task 6. Paraphrase § 3 in writing.

Unit 4

Text 1.

Supply and Demand

1. Countries around the globe are debating whether to permit firms to grow or sell genetically modified (GM) foods, which have their DNA altered through genetic engineering rather than through conventional breeding. The introduction of GM techniques can affect both the quantity of a crop farmer's supply and whether consumers want to buy that crop. Using GM techniques, farmers can produce more

output at a given cost. The first commercial GM food was Calgene's Flavr Savr tomato, which resisted rotting and could stay on the vine longer to ripen to full flavor. It was first marketed in 1994 without any special labeling. Other common GM crops include canola, corn, cotton, rice, soybean, and sugar cane. In 2012, developing countries were expected to grow more GM crops than more affluent countries in that year. Twenty-nine countries grow GM food crops, which are mostly herbicide-resistant varieties of maize, soy and oilseed rape. However, more than 40% of this acreage is in the United States, while Brazil and Argentina grow much of the rest. GM cotton is primarily grown in China and India. European farmers are less likely to grow GM crops, where GM crops are grown on only 0.1% of the cultivable land.

2. Some scientists and consumer groups have raised safety concerns about GM crops. In the European Union (EU), Australia, and several other countries, governments have required labeling of GM products. Although Japan has not approved the cultivation of GM crops, it is the nation with the greatest GM food consumption and does not require labeling. According to some polls, 70% of consumers in Europe object to GM foods. Fears cause some consumers to refuse to buy a GM crop (or the entire crop if GM products cannot be distinguished). In some countries, certain GM foods have been banned. In 2008, the EU was forced to end its de facto ban on GM crop imports when the World Trade Organization ruled that the ban lacked scientific merit and hence violated international trade rules. In 2011, while most of the EU was banning planting GM crops, the European Court of Justice ruled that the EU's constituent countries could not independently ban genetically modified crops. Consumers in other countries, such as the United States, are less concerned about GM foods, though many jurisdictions were considering labeling requirements in 2012. In yet other countries, consumers may not be aware of the use of GM seeds. In 2008, Vietnam announced that it was going to start using GM soybean, corn, and cotton seeds to lower food prices and reduce imports. By 2010, a study found that one-third of crops sampled in Vietnam were genetically modified (many imported). Vietnam's government has announced labeling regulations but has not yet explained how it will implement these regulations. Whether a country approves GM crops turns on questions of safety and economics. Will the use of GM seeds lead to lower prices and more food sold? What happens to prices and quantities sold if many consumers refuse to buy GM crops?

3. To analyze questions concerning the price and quantity responses from introducing new products or technologies, imposing government regulations or taxes, or other events, economists may use the supply-and-demand model. When asked, "What is the most important thing you know about economics?" many people reply, "Supply equals demand." This statement is shorthand for one of the simplest yet most powerful models of economics. The supply-and-demand model describes how consumers and suppliers interact to determine the quantity of a good or service sold in a market and the price at which it is sold. To use the model, you need to determine three things: buyers' behaviour, sellers' behavior, and their interaction.

After reading that grandiose claim, you might ask, "Is that all there is to economics? Can I become an expert economist that fast?" The answer to both

questions, of course, is no. In addition, you need to learn the limits of this model and which other models to use when this one does not apply. Even with its limitations, the supply-and-demand model is the most widely used economic model. It provides a good description of how markets function, and it works particularly well in markets that have many buyers and sellers, such as most agriculture and labor markets. Like all good theories, the supply-and-demand model can be tested and possibly proven false. But in markets where it is applicable, it allows us to make accurate predictions easily.

4. The quantity demanded is the amount of a good that consumers are willing to buy at a given price during a specified period (such as a day or a year), holding constant the other factors that influence purchases. The quantity demanded of a good or service can exceed the quantity actually sold. For example, as a promotion, a local store might sell DVDs for \$1 each today only. At that low price, you might want to buy 25 DVDs, but because the store has only 10 remaining, you can buy at most 10 DVDs. The quantity you demand is 25 it's the amount you want even though the amount you actually buy is 10. Potential consumers decide how much of a good or service to buy based on its price, which is expressed as an amount of money per unit of the good (for example, dollars per pound), and many other factors, including consumers' tastes, information, and income; prices of other goods; and government actions. Before concentrating on the role price plays in determining demand, let's look briefly at some of the other factors.

5. Consumers make purchases based on their tastes. Consumers do not purchase foods they dislike, works of art they don't appreciate, or clothes they think are unfashionable or uncomfortable. However, advertising can influence people's tastes. Similarly, information (or misinformation) about the uses of a good affects consumers' decisions. A few years ago, when many consumers were convinced that oatmeal could lower their cholesterol level, they rushed to grocery stores and bought large quantities of oatmeal. (They even ate it until they remembered that they disliked the taste.)

6. The prices of other goods also affect consumers' purchase decisions. Before deciding to buy a pair of Levi's jeans, you might check the prices of other brands. If the price of a close substitute a product that you think is similar or identical to the jeans you are considering purchasing is much lower than the price of the Levi's, you might buy that other brand instead. Similarly, the price of a complement a good that you like to consume at the same time as the product you are considering buying could affect your decision. If you only eat pie with ice cream, the higher the price of ice cream, the less likely you are to buy pie.

7. People's incomes play a major role in determining what and how much of a good or service they purchase. A person who suddenly inherits great wealth might purchase a Mercedes and other luxury items, and may be less likely to buy do-it-yourself repair kits. Government rules and regulations affect people's purchase decisions. Sales taxes increase the price that a consumer must spend on a good, and government-imposed limits on the use of a good can affect demand. For example, if a city government bans the use of skateboards on its streets, skateboard sales fall.

8. Other factors can also affect the demand for specific goods. Some people are more likely to buy a pair of \$200 shoes if their friends do. The demand for small evergreen trees is substantially higher in December than in other months. Although many factors influence demand, economists usually concentrate on how a product's price affects the quantity demanded. To determine how a change in price affects the quantity demanded, economists must hold constant other factors, such as income and tastes, which affect the quantity demand.

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. breed	a. a survey of people, usually statistically analyzed to gauge wider public opinion
2. average	b. a necessity or prerequisite, smth required or obligatory
3. poll	c. the act or process of seeking and obtaining smth
4. merit	d. to give birth to; to be the native place of
5. shorthand	e. to use in place of smth else, with the same function
6. purchase	f. that which reflects one's welfare or happiness
7. substitute	g. smth deserving positive recognition
8. quantity	h. an indefinite amount of smth
9. requirement	i. a rough or rapid method of writing by substituting symbols, for letters, words, etc.
10. concern	j. any measure of central tendency, especially any mean

Task 2. Decide if the following statements are True (T) or False (F)

1. The world countries come to an agreement to produce genetically modified foods.
2. Sugar cane was the first commercial GM food.
3. GM food crops are mostly grown in US Brazil and
4. In some countries governments demand labeling GM products.
5. The EU countries were forced to abolish their ban on GM crop imports.
6. The use of the 'supply-and-demand' model is based on studying the behaviours of buyers and sellers, and the interaction of the former and the latter.
7. The amount of a good that consumers are willing to buy at a certain price over a specified period of time represents the quantity demanded.
8. The decision of how much of a good or service to buy is determined by not only by their price.
9. In general, consumers doubt to buy products they dislike.
10. Customers' purchase decisions can also be affected by the price of other goods, people's incomes, government rules and requirements, their friend's purchase decisions.

Task 3. Compose synonymous pairs of words from tables *A* and *B*.

A

alter	lack	violate	lower	ban	provide
exceed	purchase	inherit	require	affluent	

B

encroach	change	diminish	be short of smth	abundant/copious	give
demand	go beyond	take possession	prohibition	buy	furnish

Task 4. Answer the following questions.

1. What were the characteristics of the first commercial GM food? 2. What is the attitude of some scientists and consumer groups to GM crops? 3. When can economists use the 'supply-and-demand' model? 4. Does the quantity demanded always equal the quantity actually sold? 5. What plays a major role when consumers make their purchases? 6. How can you define a product substitute? 7. Do people's incomes and government rules play a major role in purchases that people make?

Task 5. Word families: fill in the empty blocks in the table.

<i>Verb</i>	<i>Noun</i>	<i>Adjective</i>	<i>Adverb</i>
		aware	
describe			
	luxury		
		wide	
			specifically

Task 6. Make a written summary of the whole text.

Text 2. The Pandemic Pay Rise

Wages are surging across the rich world. What does that mean for the economic recovery?

1. Not long ago pundits obsessively checked the latest statistics on covid-19 cases. Now they are doing the same with the inflation numbers. American consumer prices rose by 5.4% in the year to September, according to figures published on October 13th, exceeding forecasts. A survey from the New York Federal Reserve released the previous day showed a small pickup in consumers' inflation expectations. In its semi-annual report on the global economy the IMF warned that the prospects for inflation were "highly uncertain". Soaring energy costs will push up consumer prices in the near term. Pay, too, is surging, as red-hot demand runs up against a shortage of workers. Does it stand to fuel further price rises?

2. When covid-19 first struck, most forecasters expected bosses to slash bonuses and yearly rises, or even to cut basic pay, as they did after the global financial crisis in 2007-09. Although wage growth did slow modestly early in the pandemic, that restraint has since been abandoned. Oxford Economics, a consultancy, finds that pay in the rich world is growing at a rate well above its prepandemic average. The acceleration in compensation per worker across the OECD, a club of mostly rich countries, is equally arresting.

3. The wage numbers have sometimes misled during the pandemic. When lockdowns were imposed poorly paid people in service jobs dropped out of the

workforce, for instance, which had the effect of raising average pay as measured by statisticians. Even so, wage growth seems to have been stronger than the scale of the economic downturn alone would have suggested. Goldman Sachs, a bank, has created a “tracker” that corrects for pandemic-related distortions. Underlying wage growth, at about 2.5% across the G10 group of large economies, is as fast as it was in 2018.

4. No wonder then that pay has become a hot topic in the corporate world. On October 6th Bank of America increased its company-wide minimum wage by 5%. Amazon now boasts of roles in transport and packaging paying \$22.50 an hour in America, making left-wing activists’ demands for a federal minimum wage of \$15 seem quaint. An index compiled by Goldman suggests that the share prices of American companies most exposed to rising labour costs have fallen by 4% since May, even as the broader stockmarket has risen by 7%. Even bosses in Germany, long used to acquiescent unions, now face demands to pay up.

5. Some workers are benefitting more than others. Analysis by The Economist of British wage data by industry suggests that annual pay growth is twice as dispersed as it was before the pandemic. Wages in the accommodation and food-service sector, which is struggling to attract workers, rose by 8% in the year to July; increases in manufacturing have been more modest. In America the wages of the least-paid quartile of workers are growing 70% faster than those at the top.

6. Underlying pay is rising about three times as quickly in Anglo-Saxon countries as in continental Europe. That could be because places such as America and Canada rely more on the consumer-facing industries experiencing the worst labour shortages. And France and Italy, where annual pay growth is below 1%, probably do not face the same immigration crunch as Britain, which has Brexited, or Australia and New Zealand, which have closed their borders to keep out covid-19.

7. Only a few years ago economists were bemoaning weak wage growth. So it may seem churlish not to pop the champagne now that the opposite is happening. But pay can rise for a variety of reasons, some more benign than others. For a given level of productivity, higher wages must show up in one of two ways: as higher inflation or as a higher “labour share” of GDP.

8. Take inflation first. Costlier staff may force bosses to raise the price of whatever they are selling. At worst, higher inflation could cancel out any rise in cash wages, leaving workers no better off than they were before (and perhaps encouraging them to seek further increases). American real wages are growing on a monthly basis but they remain lower than a year ago.

9. Some firms seem happy to pass on a bigger wage bill to consumers. On a recent earnings call an executive at Domino’s Pizza discussed how the firm might offset wage rises (pricier Margheritas might be on the way). Most s & p 500 companies are protecting margins “by passing on price increases to consumers”, says Goldman.

10. Other firms, however, may absorb higher wages by accepting lower profits. That would change the distribution of the economic pie, raising the “labour share”, or the proportion of GDP paid to workers as wages. Our analysis suggests that the labour share in the G 7 has risen by about one percentage point since the

pandemic began — equivalent to \$400 bn or so of extra real income for households each year.

11. What does this mean for the wider economy? A big topic of debate among economists is whether the labour share before covid-19 had been declining or not. It seems most likely that the share fell in America, so a recovery might be welcome. But an ever-rising labour share would be a worry: it would crimp companies' profits and thus the investments that are crucial to improving long-run economic growth.

12. There is another, happier, possibility. If productivity rises, then wage growth need not cause sustained inflation, nor push up the labour share. Instead the economic pie would grow, with more for everyone.

13. Some evidence suggests that workers are doing more with less. Firms are investing in new technologies to meet new demands, especially from online commerce. "Hybrid" work may be more efficient than everyone being in the office all the time. Productivity statistics are even cloudier than the wage ones; but since the third quarter of 2020 output per employed person has risen in 25 of the 29 rich countries for which figures are available.

14. The rise in wages, then, seems to reflect a number of underlying economic forces, and need not feed through entirely to inflation. But forecasting prices is just as hard as predicting covid-19 case numbers. One thing is clear: that if the pay surge endures, the consequences will be profound.

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. pundit	a. a downward trend; a decline
2. soar	b. to issue, distribute or put out
3. abandon	c. a self-professed expert in a particular field
4. lock down	d. strange or odd; (pleasingly) unusual
5. downturn	e. to secure, make people stay locked indoors for their safety
6. distortion	f. to crush smth, especially food, with a noisy cracking sound
7. quaint	h. to leave behind, to desert, typically to overwhelming odds
8. compile	i. an act or a result of distorting
9. dispense	j. to put together; to make by gathering things from other sources
10. crunch	k. to fly aloft with little effort, as a bird

Task 2. Compose antonymous pairs of the words from tables *A* and *B*.

A

rise	previous	slow	weak	cancel	protect	happy	accept
income	decline	crucial	cloudy	profound	churlish		

B

reject	descend	expense	following	ascend	rapid	insignificant
powerful	clear	insert	shallow	expose	courteous	sad

Task 3. Answer the questions.

1. What did the IMF write in its semi-annual report on the global economy?
2. What did most forecasters think about economic prospects after Covid-19 first struck?
3. Why were the wage numbers sometimes misleading during the pandemic?
4. Pay has become a hot topic in the corporate world since the pandemic broke out, hasn't it?
5. Did workers from different industries benefit equally as far as wages are concerned?
6. What tendencies can a pay-rise reflect?
7. What has happened to output per person employed since the third quarter of 2020?

Task 4. Complete the following sentences.

1. Experts are now trying... .
2. After the Covid-19 outbreak, most forecasters... .
3. The statistics concerning ... may sometimes... .
4. Since the pandemic started, the issue of pay... .
5. Statistics show that some workers... .
6. There are various reasons why... .
7. In some firms the workers' wage bills... .
8. The rise in wages may indicate... .

Task 5. Choose the right answer.

1. a small pick-up in consumers' inflation expectations... – ... their expectations are
a) exposure b) improving c) decline d) revival
2. ... demand *runs up against* a shortage of workers
a) confronts b) excludes c) hires d) complies
3. ... expected bosses *to slash* bonuses and yearly rises
a) raise b) avoid c) reduce d) experience
4. people in service jobs *dropped out* of the workforce
a) restrained b) benefited c) quitted d) increased
5. became a *hot* topic
a) necessary b) popular c) lukewarm d) churlish
6. ...economists *were bemoaning* weak wage growth
a) complained b) rejoiced c) benefited d) implored
7. statistics were even *cloudier*
a) were in cloud storage b) more impressive c) uncertain d) more obsessive
8. *underlying* economic forces
a) declining b) basic/fundamental c) protecting d) manufacturing

Task 6. Paraphrase § 2 in writing.

Unit 5

Text 1.

What Is GDP?

1. Microeconomics and macroeconomics look at the economy through different lenses. While microeconomics examines the actions of individuals and single markets, macroeconomics examines the economy as a whole. Macroeconomists analyze the economy using *national income accounting*, statistical measures that track the income, spending, and output of a nation. The most important of those measures is *gross domestic product (GDP)*, the market value of all final goods and services produced within a nation in a given time period.

2. To be included in GDP, a good or service has to fulfill three requirements. First, it has to be final rather than intermediate. For example, the fabric used to make a shirt is an intermediate good; the shirt itself is a final good. Second, the good or service must be produced during the time period, regardless of when it is sold. For example, cars made this year but sold next year would be counted in this year's GDP. Finally, the good or service must be produced within the nation's borders. Products made in foreign countries by U.S. companies are not included in the U.S. GDP.

3. Although there are several different ways to calculate GDP, economists often use the expenditures approach. With this method, they group national spending on final goods and services according to the four sectors of the economy: spending by households, or consumption; spending by businesses, or investment; government spending; and total exports minus total imports, or net exports. Economists identify consumption with the letter *C*; investment with the letter *I*; government spending with the letter *G*; and net exports with the letter *X*. To calculate GDP, economists add the expenditures from all sectors together: $C+I+G+X=GDP$.

4. **Consumption** includes all spending by households on durable goods, nondurable goods, and services. You drive to the movies in a durable good (an item that does not wear out quickly). You purchase a service when you pay for the movie (since you are not buying to own something). And you obtain a nondurable good (a good that is used up relatively soon after purchase) when you buy popcorn.

5. **Investment**, which measures what businesses spend, has two categories. One is fixed investment, which includes new construction and purchases of such capital goods as equipment, machinery, and tools. The other is inventory investment. This category, also called unconsumed output, is made up of the unsold goods that businesses keep on hand.

6. **Government spending** includes all the expenditures of federal, state, and local governments on goods and services. Examples include spending for defense, highways, and public education. However, government spending on transfer payments, such as social security and unemployment benefits, is not included. These payments allow the recipients to buy goods and services, and these are counted as consumption.

7. **Exports**, the final component of GDP, represents foreign trade. This component takes into account the goods and services produced in the United States but sold in foreign countries — in other words, exports. However, U.S. consumers and businesses also buy, or import, goods made in foreign countries. Cars, car parts,

and crude oil are the largest imports in dollar value. The GDP counts only net exports — the value of U.S. exports minus the value of U.S. imports. When GDP declines, jobs and more business opportunities become less plentiful. To get a clearer picture of a country's economic health, economists calculate two forms of GDP — nominal and real. The most basic form is nominal GDP, which is stated in the price levels for the year in which the GDP was measured. If prices never changed, nominal GDP would be sufficient. But prices tend to increase over time. If you estimate the difference from 1990 to 2005, the nominal GDP of the United States about doubled. However, during this time prices went up, adding dollars to GDP without adding value to the nation's output.

To factor out rising prices, economists use *real GDP*, which is nominal GDP adjusted for changes in prices. Real GDP is an estimate of the GDP if prices were to remain constant from year to year. To find real GDP, economists compare nominal GDP to a base year. Real GDP provides a more accurate measure of economic performance.

What GDP Does Not Measure

8. Though GDP provides an important estimate of how well the economy is performing, it does not measure all output. It does not measure nonmarket activities, such as home childcare or performing one's own home repairs. GDP also does not measure output from the underground economy, market activities that go unreported because they are illegal or because those involved want to avoid taxation. Further, GDP does not measure "quality of life" issues related to economic output.

9. **Nonmarket Activities.** Some productive activities do not take place in economic markets. For example, there is no effective way to measure the output of plumbers who install or repair plumbing systems in their own homes or people who do volunteer work for schools or hospitals. By far the biggest nonmarket activity, also left out of GDP, consists of the many services — cooking, cleaning, childcare — provided by homemakers.

10. **Underground Economy.** Also missing from GDP is the underground sector of the economy. Some activities are kept underground because they are illegal — drug dealing, smuggling, gambling, and selling stolen goods, for example. When goods are rationed or otherwise restricted, illegal trading occurs on what is called the black market. Other underground activities are themselves legal, but the way the payment is handled is not. For example, a plumber who does repairs for a neighbor might receive payment in cash and not declare it as taxable income. Estimates suggest that the underground economy would make up 8 to 10 percent of the U.S. GDP.

11. **Quality of Life.** Countries with high GDPs have high living standards. But GDP does not show how the goods and services are distributed. The United States has the largest GDP of any country, but more than 10 percent of its people still live in poverty. GDP also does not express what products are being built and services offered: for example, are there more jails being built than schools?

12. Other economic performance measures are derived by making adjustments to GDP.

Gross national product (GNP) is the market value of all final goods and services a country produces in a given time period. GNP equals GDP plus the income from goods and services produced by U.S. companies and citizens in foreign countries but minus the income foreign companies and citizens earn in this country.

Net national product (NNP) is GNP minus depreciation of capital stock — in other words, the value of final goods and services less the value of capital goods that became worn out during the time period.

National income (NI) is the total income earned in a nation from the production of goods and services in a given time period. It is calculated by subtracting indirect business taxes, such as property and sales taxes, from NNP.

Personal income (PI) is the income received by a country's people from all sources in a given time period. It can be calculated from NI by subtracting social security taxes, corporate profit taxes, and corporate profits not paid to stockholders and by adding social security, unemployment, and welfare payments.

Disposable personal income (DPI) is personal income minus personal income taxes. It shows how much money is actually available for consumer spending.

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. output	a. equipment used in a production
2. value	b. to try not to meet or communicate with smb
3. expenditure	c. quantity produced
4. purchase	d. to gain possession
5. obtain	e. the decline in value of assets
6. tool	f. to move or pass from one place, person or thing to another
7. transfer	g. one who receives
8. recipient	h. the act or process of seeking and obtaining smth
9. depreciation	i. the degree of importance
10. avoid	j. the amount expended

Task 2. Decide if the following statements are True (T) or False (F)

1. Macroeconomics examines the actions of single markets and individuals.
2. A good or service which is included in GDP must correspond to four requirements.
3. Most commonly economists use the investment method to calculate GDP.
4. Consumption, investment, government, spending and net exports are the most essential components of GDP.
5. GDP provides all the estimates, including the measure of all output.
6. Some productive activities do not occur in economic markets.
7. The underground sector is also missing from the GDP figures.
8. GDP reveals how goods and services are distributed in a society.
9. Some other economic performance measures, such as investment and government spending, can be derived by making some adjustments to GDP.
10. Personal income is national income minus personal income taxes.

Task 3. Compose synonymous pairs of words from tables *A* and *B*.

A

fulfill	regardless	according (to)	durable	movie	expenditure	security
opportunity	estimate	underground	restrict	handle	distribute	income

B

appraised	secretive	safety	irrespective	disbursement	bring to completion
in line with	permanent	motion picture		favourable circumstance	restrain
manage	spread	profit			

Task 4. Answer the following questions.

1. What is the difference between microeconomics and macroeconomics? 2. What are the requirements for a product or service to be included in GDP? 3. What approach is used by economists to calculate GDP? 4. What does government spending include? 5. GDP does not measure all the output, does it? 6. Why are some activities kept underground? 7. How is net national product calculated?

Task 5. Word families: fill in the empty blocks in the table.

<i>Verb</i>	<i>Noun</i>	<i>Adjective</i>	<i>Adverb</i>
	increase		
estimate		taxable	
		relative	
	security		

Task 6. Make a written summary of the part entitled “What GDP does not measure”.

Text 2.

Glencore’s Message to the Planet

1. In “the coal question”, written in 1865, William Stanley Jevons, a British economist, ascribed “miraculous powers” to the fuel source powering the Industrial Revolution. Coal, he wrote, stood entirely above all other commodities. Such were its superpowers, he fretted about the consequences for Britain if it ran out of the stuff. He needn’t have worried. Not only has coal proved impossible to exhaust. More than a century and a half later, the largest source of carbon emissions is devilishly hard to kill off.

2. In 2021 the world, which was meant to “consign coal power to history” during the UN’s COP 26 climate summit, probably consumed more coal-fired electricity than ever before, the International Energy Agency, the world’s preeminent energy forecaster, said in December. The strength of demand drove coal prices to record levels in October 2021. The buoyancy is expected to continue into 2022, not least because coal is a substitute for natural gas, whose price around the globe has continued to surge in the run-up to the new year.

3. What is bad news for the planet has been great for coal producers. With the mineral in the ascendancy, no big Western mining company has done as well for shareholders in the past 12 months as Glencore, the diversified minerals and metals producer valued at \$66 bn that since 2018 has snapped up coal assets divested by peers like Rio Tinto, BHP and Anglo American. Quietly, given coal's increasingly grimy reputation, the Swiss-based firm is one of the unloved mineral's most resolute champions.

4. That makes a campaign by a tiny activist fund, Bluebell Capital, which is trying to force Glencore to shed its coal assets, an intriguing opportunity to examine shareholder attitudes towards coal. Only a few years ago investors, especially those with environmental, social and governance (ESG) mandates, were virtually united in the opinion that big miners should withdraw from the dirtiest fossil fuel. Now they take a different view. This may be a matter of principle. It is also a sign of how fickle investors can be when ESG goals clash with the objective of maximizing financial returns.

5. Bluebell's diagnosis is straightforward. It says that Glencore's decision to cling on to some coal assets until 2050 is "morally unacceptable and financially flawed". It believes that the firm's exposure to coal has dragged down its valuation, overshadowing the promising role that its other mining assets, such as copper and cobalt, are playing in the clean-energy revolution. It sees the appointment of Gary Nagle, only the fourth CEO in Glencore's 47-year history following Ivan Glasenberg's departure in June, as a unique opportunity to change course. Eliminating the "coal discount" and further simplifying the business could put an extra 40-45% into shareholders' pockets, it reckons.

6. So far, so simplistic. What it misses, though, is a recent sea change in investor views on the wisdom of owning coal. After Rio Tinto became the first big miner to abandon coal in 2018, its rivals, Glencore included, all laid out plans to curb or terminate their coal exposure. In mid-2021 Anglo took the biggest step by spinning off its South African coal assets into a newly listed company, Thungela Resources. Shareholders applauded every step of the way.

7. Then the unexpected happened. Thungela's shares, after a rocky start, quadrupled in value in a matter of months. Glencore, shortly after 94% of shareholders had approved its coal-reduction plans, bought out its joint venture partners Anglo and BHP in a Colombian coal mine that will bolster its over all output from about 104 m tonnes in 2021 to 122 m tonnes within two years. BHP has reportedly put its retreat from thermal coal under review because of rising prices and changing investor attitudes. In a sign of the times, Bravus Mining and Resources, a subsidiary of the Adani Group, an Indian conglomerate, said on December 27th that it was about to export coal from the Carmichael mine in Australia for the first time. It has overcome a decade of opposition from environmentalists to bring the project to fruition.

8. Among investors, the change of heart has come from the top. In 2020 BlackRock, the world's biggest fund manager, set out a commitment to remove mining companies that generated more than a quarter of their revenues from thermal

coal from its active investment portfolio. Though it still holds huge passive stakes in coalminers (including the second biggest in Thungela), it was a powerful divestment signal. Since then, however, some investors, including BlackRock’s CEO, Larry Fink, have come to the conclusion that in private hands fossil fuel assets are likely to be less responsibly managed and more opaque than in the public markets. Mines may be expanded, rather than gradually wound down as Glencore promises to do with its coal assets. Its defenders say this is one of the main reasons Bluebell’s campaign appears to have fallen on deaf ears.

9. They have a point. Yet as long as the strength of the coal price is adding billions to Glencore’s cash-flow and lining shareholders’ pockets, the argument is also self-serving. It is not clear investors would be so magnanimous were prices to plunge.

Indeed, it is a fair bet that Glencore is more committed to coal than its shareholders are. Whereas many people concerned about climate change see the energy transition as a one-way street from coal power, possibly via natural gas, towards zerocarbon sources of electricity, the firm is bracingly pragmatic. It views coal as a “vital transition fuel”, especially in Asia, where China and India account for two-thirds of global coal consumption.

Pitstop

10. Glencore is right to be a realist. However much the world worries about coal, many developing countries will favour cheap energy over the clean sort if forced to choose. Glencore says it would spin out coal if shareholders demanded it. But it clearly prefers not to. Only concerted government action to tax carbon emissions and redesign energy systems will kill off king coal.

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. commodity	a. proceeding in a straight course or manner; not deviating; direct; honest; frank
2. preeminent	b. promise or agreement to do smth in future
3. substitute	c. to look with difficulty or as if searching for smth; smb/smth that is at a level equal to smb/smth else
4. peer	d. undifferentiated goods characterized by a low profit margin
5. withdraw	e. exceeding others in quality or rank; of outstanding excellence; extremely notable and important
6. straightforward	f. to fail to hit; to feel the absence of someone or smth, sometimes with regret
7. miss	h. to use in place of smth else, with the same function; to serve as a replacement
8. quadruple	i. being four times as long, as big or as many of smth
9. commitment	j. to pull smth back, aside, or away; to take back
10. magnanimous	k. noble and generous in spirit

Task 2. Compose antonymous pairs of the words from tables *A* and *B*.

A

miraculous	above	continue	increase	big	eliminate	abandon
changing	export	subsidiary	fruition	expand	cheap	forced

B

constant	below	contract/shrink	non-implementation	main/primary	plain		
expensive	include	import	obtained naturally	assume	cease	tiny	drop

Task 3. Answer the questions.

1. Why are 'miraculous powers' ascribed to this fuel? 2. The consumption of coal dropped in 2021, didn't it? 3. What is *Blue Capital*, a tiny activists' fund, trying to do? 4. What did Rio Tinto do in 2018? 5. Why was *Bravus Mining & Resources* about to export coal from a mine in Australia only in December? 6. In private hands fossil fuel assets are likely to be less responsibly managed, aren't they? 7. Why does Glencore seem pragmatic?

Task 4. Complete the following sentences.

1. The fuel source which powered the Industrial Revolution....
2. The October 2021 witnessed....
3. In the past 12 months Glencore....
4. A tiny fund, Bluebell Capital, has been....
5. On December the 27-th it was announced....
6. In 2020 the world's biggest fund manager, Black Rock,
7. Unlike many people who are concerned about the climate change, Glencore....

Task 5. Choose the right answer.

1. to *consign* coal power to history...
a) confide b) pass on c) embarrass d) spin
2. ...the mineral in *the ascendancy*...
a) having little significance b) reaching maximum
c) acquiring great importance d) ceasing to be used
3. diagnosis is *straightforward*...
a) unclear b) honest c) unidentifiable d) indefinite
4. a *rocky* start
a) successful b) grimy c) difficult d) uneven
5. thermal coal
a) used in coal-fired electrical power plant b) used to heat dwellings
c) used as gas substitute d) used to raise temperature

6. they have a point
 a) made it a rule
 c) made a decision
 b) use it as a starting point
 d) showed the point of their departure
7. a fair bet
 a) a fair play principle
 c) a winning prize
 b) degree of certainty
 d) dubious conclusion
8. concerted government action
 a) contrary government decision
 c) disordered actions of the government
 b) combined government actions
 d) coordinated government steps
9. to fall on deaf ears
 a) to be ignored
 c) to be attentively listened to
 b) to be fulfilled word to word
 d) to be understood in the right way

Task 6. Paraphrase § 6 in writing.

Unit 6

Text 1.

Measuring Unemployment

1. In November 2005, General Motors Corporation announced that it would close or scale back about a dozen plants and lay off about 30,000 workers. The impact of a decision like that on the towns where the factories are located can be extensive. Because the unemployed cannot buy as many goods and services as they did when they had a paycheck, other area businesses might decrease output, and they might even lay off some of their own workers. If businesses across the country decide to stop hiring or to cut back, the decreased production might reduce gross domestic product (GDP), the leading measure of a country's economic health. Economists use unemployment figures to judge the performance of the economy. The measure they use most is the *unemployment rate*, the percentage of the labor force that is jobless and actively looking for work.

2. **The Unemployment Rate.** The civilian labor force, as you learned in Chapter 9, is made up of people over the age of 16 who are employed or actively looking and available for work. It does not include people in the military or those in schools, prisons, or other institutions. To determine the unemployment rate, the U.S. Bureau of Labor Statistics (BLS) surveys the labor force in 60,000 households each month. Workers over the age of 16 who are not working but are able to work and who have looked for work sometime during the previous four weeks are considered unemployed. The BLS then divides the number of unemployed persons by the total number of workers in the civilian labor force to arrive at the unemployment rate. While very useful, the unemployment rate does not account for discouraged workers who have stopped looking for work. Nor does it count the underemployed, those who work part-time when they want full-time employment or those who work at a job below their skill level. These include recently laid-off workers who may be in a temporary, lower-paying job.

3. Full Employment. Despite its name, full employment does not mean a zero unemployment rate. Instead, it means a level of unemployment in which none of the unemployment is caused by decreased economic activity. Even in a healthy economy there is always some level of unemployment. Sometimes people become unemployed when they relocate or when they leave one job to try to find another job that suits them better. Sometimes the available jobs do not match up with the skills of the available workers. In other words, some amount of unemployment is inevitable. Economists generally agree that an unemployment rate of four to six percent indicates full employment in the United States. In other countries, with different labor markets and economic policies, full employment may occur at higher or lower rates of unemployment.

4. Economists pay attention not only to the unemployment statistics, but also to the reasons for unemployment. Economists recognize four types of unemployment:

- **Frictional unemployment**, temporary unemployment experienced by people changing jobs
- **Seasonal unemployment**, unemployment linked to seasonal work
- **Structural unemployment**, a situation where jobs exist but workers looking for work do not have the necessary skills for these jobs
- **Cyclical unemployment**, unemployment caused by a part of the business cycle with decreased economic activity

5. **TYPE 1 Frictional Unemployment.** Frictional unemployment refers to the temporary unemployment of workers moving from one job to another. The frictionally unemployed might include a parent who has spent time at home raising children and decides to move back into the work force; a magazine designer who leaves his job to seek work as a designer at a book publisher; or a recent college graduate who is looking for her first full-time job. Frictional unemployment is a reflection of workers' freedom to find the work best suited for them at the highest possible wage. Economists consider frictional unemployment normal and not a threat to economic stability.

6. **TYPE 2 Seasonal Unemployment.** Demand for some jobs changes dramatically from season to season, resulting in seasonal unemployment. Demand for construction workers, for example, typically falls in the winter months when construction activities are more difficult. Tourism peaks at certain times of the year, and different regions have different tourist seasons. Migrant farm workers, who move from one area to another following the growing schedules of the crops, are hard hit by seasonal unemployment. The winter months are especially slow, resulting in economic hardship for many migrant families.

7. **TYPE 3 Structural Unemployment.** Structural unemployment results when the available jobs do not match up well with the skills and experience of the available workers. A dynamic economy will often create structural unemployment as businesses become more efficient and require fewer workers to create the same amount of output. There are a number of possible triggers for structural unemployment. New technology can replace human workers or require workers to retrain. New industries requiring specialized education can leave less well-educated

workers out of work. A change in consumer demand — from compact discs to computer music files, for example — can shift the type of workers needed. Offshore outsourcing, when jobs once held by Americans are staffed overseas, is another cause of structural unemployment.

8. TYPE 4 Cyclical Unemployment. Cyclical unemployment results when the economy hits a low point in the business cycle and employers decide to lay off workers. Workers who lose their jobs during a recession can have trouble finding new jobs because the economy as a whole is scaling back, and the demand for labor declines. When the economy picks up again, many workers are again able to find jobs. The duration of unemployment in these four types ranges widely, but the average duration of unemployment is relatively short. More than a third of the unemployed are out of work for five weeks or less.

The Impact of Unemployment

9. Although some unemployment is unavoidable, excessive or persistent unemployment hurts the economy in several ways. It reduces efficiency; it hurts the least economically secure; and it damages workers' self-confidence.

Efficiency. Unemployment is inefficient. It wastes human resources, one of the key factors of economic growth.

Inequality. Unemployment does not follow equal opportunity rules. In an economic slowdown, those with the least experience lose their jobs first — usually minorities and the young (see the graphs below). Also, with fewer jobs available, people on the lower rungs of the employment ladder have less opportunity to advance.

Discouraged Workers. People who are unemployed — or underemployed — for long periods of time may begin to lose faith in their abilities to get a job that suits their skills. Potentially productive workers may give up their search for work. If they are underemployed, they may not be motivated to do their best work.

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. performance	a. the full number of hours worked in a day or week
2. labour force	b. carrying into execution
3. discourage	c. to be placed in order; to be ranked
4. lay off	d. to be equal; to correspond to
5. suit (v)	e. to make a reduction in the amount, extent, etc. of smth
6. match up	f. the collective group of people who are available for employment
7. full-time	g. to reach a highest degree or maximum
8. peak (v)	h. to make proper or suitable; to adapt or fit
9. scale back	i. to extinguish the courage of; to dishearten
10. range (v)	j. to dismiss workers from employment

Task 2. Decide if the following statements are True (T) or False (F)

1. The impact of the closure of plants or factories in towns can be extensive.

2. If companies across the country stop hiring or cut back, this may lead to reduction of GDP.
3. People at the age of 16 and more, employed or actively looking and available for work, constitute civilian labour force.
4. The unemployment rate takes into account discouraged workers who stopped looking for work.
5. Full employment means a zero unemployment rate.
6. The reasons for unemployment are also paid attention to by economists.
7. Frictional unemployment refers to the temporary unemployment of workers who
 - move from one job to another.
8. Seasonal unemployment is dramatically affected by job seasonal demand.
9. New technology, new industries, change in consumer demand are some of the triggers for structural unemployment.
10. Though some unemployment is unavoidable, excessive or persistent unemployment severely hurts the economy.

Task 3. Compose synonymous pairs of words from tables *A* and *B*.

A

extensive	decrease	previous	temporary	be caused	relocate	wage
hardship	available	trigger	shift	offshore	require	pick up

B

demand	swap	difficulty	deadline	earnings	activate	ephemeral	grasp
located in another country	accessible	be set off	foregoing	spacious	shift		

Task 4. Answer the following questions.

1. What is the impact of closing down companies so extensive?
2. What do the unemployment figures help economists to evaluate?
3. What does the U.S. Bureau of Labour Statistics do to determine the unemployment rate?
4. Is there always some level of unemployment even in healthy economy?
5. What is understood under the term 'frictional unemployment'?
6. When does cyclical unemployment occur?
7. What are the impacts of unemployment?

Task 5. Word families: fill in the empty blocks in the table.

<i>Verb</i>	<i>Noun</i>	<i>Adjective</i>	<i>Adverb</i>
	courage		
graduate			
	recession		
		efficient	
		discouraging	

Task 6. Make a written summary of paragraphs 1 – 4.

Text 2.

Lords of the Metaverse

1. You have to hand it to Mark Zuckerberg. When the founder of Facebook announced in October that he was changing the name of the social-media network's parent company to Meta Platforms in order to help create an alternative digital reality known as the metaverse, he was mercilessly mocked. To some, he was generating a smokescreen to distract attention from a political furore. To others, he was merely the latest middle-aged tech billionaire to chase a childhood fantasy, much as Amazon's Jeff Bezos and Tesla's Elon Musk were doing with space rockets.

2. And yet his timing was impeccable. Since October searches on Google for "metaverse" have soared. Wall Street is fanning the hype. According to Bernstein, a broker, the term cropped up 449 times in third-quarter earnings calls, up from 100 in the second quarter. It says markets with potential annual revenue of at least \$2 trn could be disrupted by the metaverse. Jefferies, a bank, says that though the phenomenon may be more than a decade away, it has the potential to disrupt "almost everything in human life".

3. Other tech giants like Microsoft have set out plans to head for the metaverse. But it is big firms still under the control of their founders that may become the most ardent evangelists. Mr Zuckerberg, with a net worth close to \$125 bn and almost total control of a company valued at \$908 bn, is the most prominent. Others include Jensen Huang of Nvidia, a maker of graphics processors worth \$722 bn, and Pony Ma of Tencent, the Chinese tech giant worth \$550 bn, whose gaming in vestment portfolio includes a 40% stake in Epic Games, owner of "Fortnite", one of the world's most popular games. Epic's founder, Tim Sweeney, is himself a force to be reckoned with. He recently told Bloomberg that the metaverse was a multitrillion-dollar opportunity, and that companies like his were in a race to get to a billion users in order to set the metaverse's standards for the future.

It is shaping up to become a billionaire battle similar to the Bezos-Musk space race. Instead of rocket science, it will be fought with reality-bending headsets, blockchains, cryptocurrencies and mind-frazzling amounts of computing power.

4. Precisely what these plutocrats mean by the metaverse is as yet unclear. Will it be an all-consuming futuristic world of virtual reality, avatars, ocean-side mansions and other online razzmatazz that will make the real world a dull place by comparison? Or will it simply be a richer, more immersive version of what already exists today: a way to socialise, work, shop and play online even as life in the everyday world carries on as normal? It is even less clear whether tomorrow's internet users will be seduced by the dreams of entitled tech billionaires.

5. A look at the ambitions of Meta, Nvidia, Epic and Tencent give a sense of the scope of the undertaking. Each has their niches. Mr Zuckerberg has earmarked \$10 bn this year mostly to develop the virtual-and augmented-reality headsets and glasses that he hopes will provide a dominant access point to the metaverse, much as Apple's iPhone does with the mobile internet. Nvidia is focused on what it calls the omniverse, a technology based on its chips that brings engineers, designers and other creative types together virtually to make things – mostly, for now, in industrial settings. Epic has been creating virtual worlds for years, including "Fortnite". In the

metaverse, its killer app may be Unreal Engine, a platform that gives its own and other developers the ability to make lifelike 3D experiences, including games, films, architectural models and industrial designs. Tencent has China to crack. Mr Ma is probably wise to play it carefully, given the Communist Party’s techlash. But his firm’s popular WeChat super-app, including WeChat Pay, is already a 2D version of what the metaverse could become in 3D.

6. Behind their futuristic ambitions lie some common experiences. First, the mobile internet is reaching the end of an era. In America and Europe, politicians are threatening tighter rules against monopolies and privacy abuses, especially with respect to Facebook and Google. In China, the tech industry is reeling from the government onslaught. Not for nothing are some first-generation tech entrepreneurs in America and China calling it quits. Those who remain standing need a compelling new story to tell.

7. Next, they operate in constrained worlds. Apple is a particular bugbear for Mr Zuckerberg and Mr Sweeney. The iPhone-maker is using the privacy settings in its IOS operating system to control the extent to which Facebook can sell digital adverts. Epic is engaged in an antitrust battle with Apple over the fees its App Store imposes on game developers, which has so far been fairly unsuccessful. That is why both men vow so vehemently to promote interoperability – i.e., no closed systems – as well as common standards. They, too, want to be architects of the operating systems of the future.

8. They won’t have the field to themselves. Apple, though so far quiet about the metaverse, is no doubt preparing an offensive. Telecoms firms want a sniff, having invested heavily in ultra-fast, low-latency 5G spectrum. Rapidly growing platforms like Roblox, offering a build-your-own games model that attracts 200 m users a month, have already captured young hearts. There are nay-sayers, too, notably proponents of more distributed technologies that are known as Web3, who argue that blockchains and crypto currencies are the next big thing – though as Ben Thompson, a tech pundit, points out, these may find much better use cases in the metaverse than in the real world.

Moonshots

9. There is a lot to play for. As Mr Thompson says: “Elon Musk wants to go to the Moon. Mark Zuckerberg wants to create entirely new moons in digital space.” But just as space is a race, so is the metaverse. Messrs Zuckerberg, Huang, Sweeney, Ma et al may promise a future for the internet that is more open, immersive and engaging than the mobile one that exists today. But each wants to get there first, so that they can set the rules to their advantage.

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. hand	a. to settle accounts/claims with; to take into account; to deal with
2. timing	b. to beguile or lure someone away from duty, accepted principles, or proper conduct; to lead astray

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|-----------------------|---|
| 3. disrupt | c. to give, pass or transmit with the hand, literally or figuratively |
| 4. ardent | d. in a precise manner; exactly |
| 5. close (to) | e. to interrupt or impede |
| 6. be reckoned (with) | f. to specify or set aside for a particular purpose; to allocate |
| 7. precisely | h. full of ardour; fervent; passionate |
| 8. socialize | i. approximately; nearly, almost |
| 9. seduce | j. interact with others; to instruct smb, usually subconsciously, in the etiquette of a society |
| 10. earmark | k. the time when smth happens |

Task 2. Compose antonymous pairs of the words from tables *A* and *B*.

A

create	merciless	everything	prominent	include	real	dominant	wise
careful	constrained	vehement	capture	advantage	proponent		

B

artificial	impassive	release	destroy	nothing	inconspicuous	foolish	drawback
unrestricted	leave out	opponent	negligent	dependent	compassionate		

Task 3. Answer the questions.

- Why did Mr Zuckerberg decide to change the name of the social-media networks parent company?
- Why was this the right time for such a decision?
- What other tech giants have set out plans to head for the metaverse?
- Is it clear what oligarchs mean by the metaverse?
- What kind of niches do Microsoft, Nvidia, Epic and Tencent have?
- What is the current state of things in the area of the Internet?
- Can the metaverse be compared to a race? Why?

Task 4. Complete the following sentences.

- In October the founder of the Facebook made public...
- Not only Microsoft but other ...
- A sense of scope in creating the metaverse may...
- Their futuristic ambitions...
- All these firms...
- The nay-sayers argue that the next big thing...
- It may be concluded that the metaverse...

Task 5. Choose the right answer.

- ...was generating a smoke screen...

a) was fanning smoke from the room	b) was trying to conceal
c) was trying to fill the room with smoke	d) was dissipate smoke-like screen
- ...is fanning the hype...

a) to use hype as a fan	b) to stir promoting smth
c) to cool down the interior	d) to ventilate the room

3. ...plans to head for the metaverse...
 - a) to find head of metaverse
 - b) to move in the direction of building the metaverse
 - c) to renounce any plans for the metaverse
 - d) the metaverse is no longer planned

4. ...its killer application may be the Unreal Engine...
 - a) the Unreal Engine may be so good and innovative
 - b) the application may kill the Unreal Engine
 - c) the application may be a failure
 - d) the Unreal Engine may no longer be used as an application

5. ...the tech industry is reeling from the government onslaught...
 - a) uses the benefits of government management
 - b) enjoys government pressure
 - c) tries to avoid government influence
 - d) tries to embrace the government onslaught

6. ...a particular *bugbear* for Mr Zuckerberg and Mr Sweeney...
 - a) contractor
 - b) subsidiary
 - c) rival
 - d) branch

7. ...have already captured young hearts...
 - a) won the sympathy of the young
 - b) was trying to enroll young people
 - c) took the side of the young
 - d) united the youngsters

8. ...a lot to play for...
 - a) a lot of games for the young
 - b) much to treat seriously
 - c) to be involved
 - d) to compete in a game

Task 6. Paraphrase the part of the text entitled 'Moonshots' in writing.

Unit 7

Text 1. What Is Inflation and How Is It Measured?

1. In 2006, militants attacked many of Nigeria's oil installations, demanding that more of the country's oil wealth be shared with the Nigerian people. Before the attacks, Nigeria produced about 2.5 million barrels of oil a day, and the country was the fifth largest source of oil imported by the United States. On news of the attacks, the price of oil rose by almost 20 percent. Some economists predicted that if oil stayed at those price levels, manufacturers might raise the prices of their products to compensate for higher fuel costs. They suggested that the high oil prices might ultimately lead to inflation, a sustained rise in the level of prices generally or a sustained fall in the purchasing power of money. Economists have several instruments for measuring inflation.

2. **Consumer Price Index.** One tool for gauging inflation is the consumer price index (CPI), a measure of changes in the prices of goods and services commonly purchased by consumers. Creating the index requires many different steps, but the following describes the basic process. The U.S. government surveys

thousands of people across the country to find out what goods and services they buy on a regular basis. The government then creates a “market basket” of about 400 different goods and services purchased by a typical household. The basket is adjusted to account for how much of a household’s budget goes to purchase each type of item. For example, families tend to spend more on food than on lawn care, so the market basket is balanced to reflect this. Each month, government workers research the current prices of the items in the market basket. What consumers spend to fill the basket can then be compared to prices in the reference base, which reflects the level of prices in the three years 1982 to 1984. Those numbers are given the value of 100.

3. **Producer Price Index.** The CPI shows the level of inflation experienced by consumers, but producers also experience inflation. The tool that gauges that kind of inflation is the producer price index (PPI), a measure of changes in wholesale prices. The PPI is constructed in roughly the same way as the CPI, but it reflects the prices producers receive for their goods rather than the prices consumers pay. The difference between consumer prices and producer prices lies in all the additional fees consumers pay, such as sales taxes or shipping charges. Like the CPI, the PPI is tied to a reference base of producer prices. More than 10,000 PPIs for individual products and groups of products are available. The indices are grouped either by stage of production (finished goods, intermediate goods, and raw materials, for example) or by industry. Index changes from period to period are calculated in the same general way as the CPI. Because producers tend to encounter inflation before consumers, PPI tends to lead CPI as an indicator of inflation. Economists use CPI and PPI to calculate the inflation rate, the rate of change in prices over a set period of time.

4. **Types of Inflation.** The different types of inflation are defined according to the degree or level of the inflation rate. Rates below 1 percent are negligible, and those between 1 and 3 percent are moderate. If a moderate rate continues over a period of time, the result is creeping inflation. A rapid increase in price level is known as galloping inflation. If galloping inflation gets out of hand, the result is hyperinflation — a rapid, uncontrolled rate of inflation in excess of 50 percent per month. One of the most dramatic episodes of hyperinflation happened in Germany in 1922 and 1923. At the height of the crisis, prices rose at a rate of about 322 percent per month. Deflation, a decrease in the general price level, happens more rarely. The Great Depression of the 1930s in the United States was marked by deflation.

What Causes Inflation?

5. Economists generally distinguish between two kinds of inflation, each with a different cause. When the inflationary forces are on the demand side of the economy, the result is demand-pull inflation, a situation where total demand is rising faster than the production of goods and services. When the forces that lead to inflation originate on the supply side of the economy, the result is cost-push inflation, a situation where increases in production costs push up prices.

6. **Demand-Pull Inflation.** In demand-pull inflation, total demand rises faster than the production of goods and services, creating a scarcity that then drives up prices. Suppose, for example, that consumers gain confidence in the economy and decide they want to buy more durable goods — new refrigerators, stoves, second

cars, and so on. It takes producers some time to recognize this rise in demand and to gear up for higher production. During this lag period, consumer demand pushes up prices on the currently available goods. The U.S. government creates and controls money through the Federal Reserve Bank. If the government creates too much money during the lag period before an increase in production makes more goods available, there will be too much money chasing too few goods, and prices will rise. The creation of excess money is the main reason for demand-pull inflation.

7. **Cost-Push Inflation.** In cost-push inflation, prices are pushed upward by rising production costs. When production costs increase, producers make less of a profit. If consumer demand is strong, producers may raise their prices in order to maintain their profits. A general trend of rising prices leads to inflation. Cost-push inflation is often the result of supply shocks — sharp increases in prices of raw materials or energy. For example, in 1973 and 1974, many members of the Organization of Petroleum Exporting Countries (OPEC) limited the amount of oil they sold to the United States and other Western countries. The resulting rapid rise in the price of oil led to cost-push inflation. Wages are a large part of the production costs for many goods, so rising wages can lead to cost-push inflation. A wage-price spiral is a cycle in which increased wages lead to higher production costs, which in turn result in higher prices, which then lead to demands for higher wages.

What Is the Impact of Inflation?

8. Since the 1960s, the impact of inflation on the United States economy has been significant. Inflation has raised interest rates, limited the growth of the stock market, forced agricultural bankruptcies, and slowed production. It has also had a huge impact on politics. More than half of those who voted for Ronald Reagan in 1980 said that his promise to stop the long-running inflation of the 1970s was the decisive factor. Inflation is a major challenge to economic stability. For the economy as a whole and for individual consumers, inflation has an especially strong impact on the purchasing power of the dollar and on interest rates.

EFFECT 1 Decreasing Value of the Dollar.

9. With inflation, today's dollar buys less than last year's. The consumer price index shows that the real value of a dollar has declined steadily. The rising index represents the declining value of the dollar. Consider how this declining value affects people who are on a fixed income. Suppose, for example, that your cousin started college with a savings of \$10,000 to see him through. He planned to spend \$2,500 a year on carefully budgeted expenses. However, because of inflation, each of those dollars bought less each year. To pay for exactly the same things he bought in his freshman year for \$2,500, by the time he was a senior he needed \$2,750. Inflation had pushed prices up by 10 percent over the four-year period. Senior citizens living on a fixed retirement income — as well as anyone else with a fixed income — are especially vulnerable to the decreasing value of the dollar through inflation.

10. Conversely, inflation can help borrowers. With inflation, those who borrow at a fixed rate of interest can repay their debts with dollars that are worth less, making their repayments smaller than they would have been without inflation.

Suppose someone borrows \$100 at 5 percent interest, promising to pay the lender \$105 after a year. If inflation rises at 5 percent, the \$105 the borrower pays the lender will have the same purchasing power as the \$100 of the original loan. The borrower essentially paid no real interest on the money he borrowed.

EFFECT 2 Increasing Interest Rates.

11. As prices increase, interest rates also tend to increase. Lenders raise their interest rates to ensure they earn money on their loans despite inflation. Higher interest rates mean that borrowing money becomes more expensive. For example, a \$10,000 loan at 10 percent interest to be repaid over the course of five years would have a monthly payment of \$212.47. At 5 percent interest, the monthly payment would be only \$188.71. At the end of five years, you would have paid over \$1,425 more for the loan at the higher rate. When interest rates are high, businesses are less likely to borrow to expand or to make capital improvements. Consumers are less likely to make purchases of high-priced items that they would need to finance. People carrying debt on credit cards have to make higher monthly payments as their rates rise.

EFFECT 3 Decreasing Real Returns on Savings.

13. Inflation also has a significant effect on savings. People who save at a fixed interest rate get a lower rate of return on their savings. While the interest paid on savings tends to increase during inflationary times, the difference between the rate of return and the rate of inflation still leaves them at a disadvantage. For example, if someone puts \$100 in a savings account that pays 5 percent interest per year, they will have \$105 at the end of a year. But if the rate of inflation for the year was 10 percent, that \$105 will buy only about what \$95 bought when they deposited their money. Although they have more dollars, that money will buy less. Inflation, then, can discourage savings, leading more people to make purchases today rather than saving for tomorrow. Inflation is the most commonly used economic term in the popular media, far outpacing the distant second, unemployment. Inflation worries many people, especially those who remember the volatile 1970s. Much of the worry centers on a person's individual standard of living: Will my wages keep up with rising prices? Will my savings see me through retirement? Fear of inflation has contributed to the shift away from the traditional American belief in saving over consumption.

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. militant	a. to acquire possession of; to have or receive advantage or profit
2. gauge	b. to go faster than; to exceed the pace of
3. wholesale	c. a legally declared or recognized condition of insolvency of a person or organization
4. fee	d. transportation of goods
5. shipping	e. fighting or disposed to fight
6. originate	f. to rise or jut out

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| 7. gain | g. to come into existence; to have origin or beginning |
| 8. gear up | h. the state of being retired; an act of retiring |
| 9. excess | i. of or relating to sale in large quantities |
| 10. bankruptcy | j. the price paid for obtaining, or price received for providing money or goods in a credit transaction |
| 11. vulnerable | k. to prepare for an activity |
| 12. interest | l. more or most likely to be exposed to the chance of being attacked or harmed, either physically or emotionally |
| 13. retirement | m. to measure or determine with a gauge |
| 14. outpace | n. more than is normal, necessary or specified |
| 15. push up | o. a monetary payment charged for professional services |

Task 2. Decide if the following statements are True (T) or False (F)

1. After the militant attack on oil installations in Nigeria the oil price fell by nearly 20 %.
2. Some economists made a prediction that rise in oil price would lead to inflation.
3. The consumer price index is one of the tools to gauge inflation.
4. The basic steps in creating consumer price index include creating a market basket with the amount spent on it by a typical household, which is then compared to the reference base prices.
5. To create the CPI, the U.S. government surveys many different steps.
6. The CPI reflects the level of inflation which consumers experience.
7. CPI and PPI are used for calculating the inflation rate.
8. Each of the two kinds of inflation has a different cause.
9. The inflationary forces on the side of demand lead to deflation.
10. In demand- pull inflation, total demand creates a scarcity which then pushes up prices.

Task 3. Compose synonymous pairs of words from tables *A* and *B*.

A

gear up	excess	significant	improvement	outpace	push up
drive up	maintain	distinguish	see through	ensure	save

B

important	influence	jut out	differentiate	rescue
betterment	go faster than	back up	see out	impel or urge

Task 4. Answer the following questions.

1. What happened to the oil price after the militant attack on oil installations?
2. What kind of prediction did some economists make as to the rise in the oil price?
3. What tool is used for gauging inflation?
4. What is the 'market basket' from the government's point of view?
5. What does the Producer price index reflect?
6. How are different types of inflation defined?
7. What are the causes of inflation?

Task 5. Word families: fill in the empty blocks in the table.

<i>Verb</i>	<i>Noun</i>	<i>Adjective</i>	<i>Adverb</i>
		decisive	
		significant	
			carefully
		popular	
			likely

Task 6. Make a written summary of the text.

Text 2. Cloud v Ether

As wireless networks become virtual, two huge industries collide

1. Smartphones able to take advantage of zippy fifth generation (5G) mobile telephony have graced American pockets since 2019. Samsung launched its first 5G-enabled device in April that year. Apple followed suit in late 2020 with its long-awaited 5G iPhone. Until now, however, actual 5G coverage in America has been limited. Only one of the country's three biggest carriers, T-mobile, has offered broad 5G connectivity. AT & T and Verizon, its two bigger rivals, had to delay their large-scale rollouts in December after the Federal Aviation Administration aired concerns that their 5G radio spectrum interferes with avionics on some ageing aircraft. On January 3rd both firms, which insist that the technology is safe (and can be turned off around airports, just in case), said they would again postpone switching on their 5G networks by two weeks.

2. Yet it is the imminent arrival of another player in the 5G contest that is the talk of the industry. In the next few months Dish Networks, a company best known for its satellite television service, is expected to launch America's fourth big carrier. The firm's promise to inject more competition into a concentrated and ossified sector was what helped persuade regulators to approve a merger between Tmobile and Sprint, a smaller incumbent, in 2020.

3. More important, Dish's network is to be the first in America that would live almost entirely in a computing cloud. Except for antennas and cables, it is mostly a cluster of code that runs on Amazon Web Services (AWS), the ecommerce giant's cloud-computing arm. As such, the rollout is a test of the extent to which computing clouds will "eat" the telecoms industry, as software has eaten everything from taxis to Tinseltown. If the launch is a success and other carriers follow suit, it could reconfigure not just America's wireless industry but the global mobiletelecoms market with annual revenues of around \$ 1 trn, according to Dell'Oro Group, a research firm. And it would entangle telecoms intimately with the cloud business, whose revenues could be half as large this year and are growing at double digits.

Dish best served cold

4. Dish's network is the culmination of a process that started in the early 1980s. Back then antitrust regulators allowed AT & T, the world's largest network

operator, and IBM, its biggest computer firm, to enter each others' markets. AT & T started selling personal computers and IBM bought ROLM, which sold telecoms equipment. Pundits predicted an epic battle between the two giants – and a rapid convergence of the telecoms and computer industries into one.

5. Neither the battle nor the convergence materialised. Forty years ago the two markets proved too distinct and the technology was not up to snuff. Now things look different. Computing clouds such as AWS and Microsoft's Azure are maturing fast, and finally becoming able to deal with the demanding task of powering a mobile network. The latest iteration of mobile technology, 5G, was conceived from the start not as a collection of switches and other hardware, but as a set of services that can be turned into software, or "virtualised". And the telecoms industry is becoming less proprietary, embracing "open radio access network" (O-RAN) standards that make it possible to virtualise ever more functions previously performed by hardware. As a result, networks can turn into platforms for software addons, just as mobiles turned into smartphones which could run apps.

6. All this will be on full display in Dish's network. Instead of bulky base stations used in conventional mobile networks, its technology is housed in slender boxes attached to antenna posts. These are connected directly to the AWS cloud, which hosts the virtual part of the network, including all of Dish's other software (for example that used to manage subscribers and billing). The only thing Dish is buying from established makers of telecoms gear is software, says Marc Ruanne, its chief network officer (who used to work for one such vendor, Finland's Nokia).

7. As a result, Dish's network will be cheaper to set up and to run. It will also be fully automated, down to the virtual "labs" where new services are tested. This should allow the company quickly to spin up special-purpose networks, for instance connecting equipment in mine shafts, or enabling drones to talk to each other and their controllers. Dish also wants to use artificial intelligence to optimize the use of radio spectrum, including by training algorithms which are able to adapt parts of the network to specific conditions such as a storm or a mass concert.

8. Although Dish is pushing this "cloudification" furthest, other carriers around the world are not far behind. In June AT & T, still America's largest mobile operator, sold the technology that powers the core of its 5G network to Microsoft, which will run it for AT & T on its Azure cloud. Reliance Jio, India's technology titan, has ambitious plans to build a cloud-based 5G network.

9. These developments are also bringing the big cloud providers into the telecoms world. Last year Microsoft bought Affirmed Networks and Metaswitch, the main software suppliers for the core of AT & T's 5G network. They now form a new business unit called "Azure for Operators". Google has a similar effort and recently forged a partnership with Telenor, a Norwegian telecoms company. In November AWS announced a new offering that lets customers quickly set up private 5G networks on their premises.

10. Newcomers are also elbowing their way into the business. Rakuten, a Japanese online giant, has already built a Dishlike network at home. Rather than outsourcing its cloud operation to big tech, Rakuten has built its own, and launched a subsidiary, called Rakuten Symphony, to offer the system to other operators. It is

helping 1 & 1, a German webhosting company, to build a network. “We don’t want to be a Telco cloud, but enable operators to make their own,” explains Tareq Amin, who heads Rakuten Symphony.

11. Existing mobile networks will not be replaced overnight. Rakuten’s faced delays and Dish’s was originally scheduled for launch late last year. Some technical barriers remain. Despite being seen as a welcome alternative to gear from Huawei, a controversial Chinese giant, especially in Europe, gear-based on O-RAN specifications is not mature. Its European adopters have therefore yet to install it in the most vital parts of their networks. “It’s in an extended beta test,” sums up Dean Buble of Disruptive Analysis, a consultancy.

12. Another question is whether the cloud can completely gobble up telecoms networks, notes Sthpane Tral of LightCounting, another consultancy. Controlling a 5 G base station is hugely complex and involves keeping tabs on hundreds of parameters. The more flexible a carrier wants to be, the more complicated things get. At least for some time, the necessary control software may need to run on specialized gear near the antenna rather than on generalist servers in faraway data centres.

13. Then there are the political and financial barriers. European governments fret that America’s spooks will have even more access to their country’s networks if these run in American clouds (Europe has none of its own and is understandably even warier of Chinese ones). Carriers, in Europe and elsewhere, fear losing business to the tech giants like Amazon, Google or Microsoft, which have already skimmed most of the value generated by 4G mobile technology. “If all this is not financially interesting for [telecoms firms], they will try something else,” says Michael Trabbia, chief technology officer of Orange, a French mobile operator.

14. However this plays out, the telecoms business will look very different a few years from now. The contest for control of the telecoms cloud, and particularly its “edge” (tech speak for what remains of the base station) will only heat up. Whoever is in charge of these digital gates will have the fastest access to consumers and their data, the main currency in a world of new wireless services, from self-driving cars to virtual-reality metaverses.

15. The cloud businesses have the technological edge for now, and will try to eat as much of wireless networks as possible. The operators have relationships with customers, know how to manage networks and own the radio spectrum. Eventually, cloud providers and network operators will probably come to some kind of agreement. In the new world of mobile telecoms, neither can do without the other.

Task 1. Match the words in column **A** with their definitions in column **B**.

<i>A</i>	<i>B</i>
1. carrier	a. the act of moving toward union or uniformity; a meeting place
2. rival	b. encoded computer instructions, usually modifiable
3. interfere	c. a competitor with the same goal as another or striving to obtain the same thing; someone/smith with similar claims of quality or distinction as another

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| 4. postpone | d. to successfully convince someone to agree, to accept or do smth |
| 5. persuade | e. a person or object that carries someone or smth else |
| 6. convergence | f. at an earlier time |
| 7. hardware | h. to delay or put off an event, appointment, etc. |
| 8. previously | i. auxiliary or supplemented; secondary or subordinate; a company owned by a parent company or a holding company |
| 9. software | j. to get involved or involve oneself, causing disturbance |
| 10. subsidiary | k. the part of a computer that is fixed and cannot be altered without replacement or physical modification |

Task 2. Compose antonymous pairs of the words from tables **A** and **B**.

A

broad	turn off	arrival	giant	distinct	bulky	cheaper
allow	artificial	bring into	recently	private	mobile	flexible

B

forbid	rigid	narrow	bring out	switch on	stationary	long time ago
dwarf	natural	departure	public	more expensive	miniscule	vague

Task 3. Answer the questions.

1. When did the Apple launch its 5 G iPhone? 2. What is Dish Networks expected to do in the coming months? 3. Dish's network will almost entirely exist in a computing cloud, won't? 4. How expensive will Dish's network be compared to its rivals? 5. How does Rakuten behave in the market? 6. Are there any barriers to cloud technologies? 7. How will telecoms business look in future?

Task 4. Complete the following sentences.

1. Samsung and Apple launched... .
2. The network developed by Dish company... .
3. Back in the 1980s, AT & T and IBM... .
4. A new business unit called "Azure for Operations"... .
5. Rakuten, a newcomer in the business,
6. There is an apprehension that existing telecoms networks... .
7. Political and financial barriers... .

Task 5. Choose the right answer.

1. ...zippy fifth generation...

a) quick and energetic	b) timely and efficient
c) matter-of-fact and urgent	d) unclear but innovative
2. ...its two biggest rivals...

a) two influential like-minded persons	b) two knowledgeable employees
c) two most important competitors	d) two most significant rewards

3. ...interferes with avionics
 - a) stimulates the development of aircraft instruments
 - b) gives stimuli for introducing modernized equipment
 - c) prevents normal functioning of aviation technology
 - d) encourages new research in aircraft construction

4. ...arrival of another player
 - a) substitution of a team member
 - b) emergence of another significant participant
 - c) introduction of a new player
 - d) evaluation of the most valuable player

5. ...would live entirely in a computing cloud
 - a) would be created in a mobile format
 - b) would reject using a cloud technology
 - c) would solely be based on a local network
 - d) would exist based on a cloud technology

6. ...would entangle telecoms
 - a) would communicate using in digital format
 - b) would more closely unite trade companies
 - c) would induce telecommunication enterprises to upgrade their equipment
 - d) would involve telecoms in a more tough rivalry

7. ...*bulky* base stations
 - a) tiny
 - b) unwieldy
 - c) medium-sized
 - d) cutting-edge

8. ...elbowing their way into the business
 - a) pushing their way into the business applying effort
 - b) being refused access into the business
 - c) overriding all attempts to squeeze their way into the business
 - d) obstructing their way into the business in a gentle way

Task 6. Paraphrase § 13 in writing.

Unit 8

Text 1. Government Revenue

1. Governments provide certain public goods that generally are not provided by the market, such as street lighting, highways, law enforcement, and the court system. Government also provides aid for people in need. Where does the money come from to pay for such goods and services? The most important source is taxes. A *tax* is a mandatory payment to a local, state, or national government. *Revenue* is government income from taxes and nontax sources. Nontax sources include borrowing and lotteries. The rights of government to tax are set down in the U.S. Constitution and in state constitutions.

2. **Principles of Taxation.** When Chelsea started her 20-hour-per-week job at the local library, she expected to receive \$120 in her weekly paycheck. However, she

was surprised to see that some money was deducted from her pay for various taxes. She wondered why she had to pay these taxes. Economists use certain principles and criteria to evaluate whether or not taxes should be paid and who should pay them. These principles most often are based on the benefits taxpayers receive from taxes and their ability to pay.

3. **Benefits-Received Principle.** The benefits-received principle of taxation holds that people who benefit directly from public goods should pay for them in proportion to the amount of benefits received. One example of this principle is the financing of road construction and maintenance through taxes on gasoline. However, it is difficult for governments to assess exactly how much different taxpayers benefit from services like national defense, national parks, local police and fire protection, and public education.

4. **Ability-to-Pay Principle.** The ability-to-pay principle of taxation holds that people should be taxed on their ability to pay, no matter the level of benefits they receive. According to this principle, people with higher incomes will pay more than people with lower incomes. The level of benefits received is not a consideration. Yet, income alone might not completely determine someone's ability to pay taxes. Other questions also arise. For example, should everyone pay the same percentage of income, which still results in wealthier people paying more in taxes, or should those with higher incomes pay a higher percentage of their income in taxes?

5. **Criteria for Taxation.** Tax systems attempt to meet three criteria: equity, simplicity, and efficiency. However, the criteria are sometimes in conflict, and a given tax may not meet all of the criteria equally well.

Equity. The equity, or fairness, of a tax is established by how uniformly the tax is applied. Equity requires that people in similar situations pay a similar amount of taxes. For example, everyone who buys gasoline pays the same tax, or all people with the same level of income pay the same amount in taxes. In addition, some believe that equity requires that people with higher incomes pay more than people with lower incomes.

Simplicity. The simplicity of a tax is determined by how easy it is for the taxpayer to understand and how easy it is for the government to collect. In addition, there should be no confusion about the time the tax is due and the amount to be paid. The sales tax, which you'll read about on the next page, meets the criterion of simplicity. A set percentage of the price of a taxed item is collected every time that item is purchased.

Efficiency. The efficiency of a tax can be judged by how well the tax achieves the goal of raising revenue for the government with the least cost in terms of administration. From the taxpayers' viewpoint, tax efficiency can be judged by the amount of effort and expense it takes to pay the tax. Of all the types of taxes levied, the individual income tax — which you'll learn more about on the next page — best meets the criterion of efficiency.

Tax Bases and Structures

6. Government imposes taxes on various forms of income and wealth in order to raise the revenue to provide public goods and various other services. Each type of

wealth subject to taxes is called a tax base. The four most common tax bases are individual income, corporate income, sales, and property.

Tax Bases

7. **Individual income tax** is a tax based on an individual's income from all sources: wages, interest, dividends, and tips. All taxes are ultimately paid from income, but using income as a tax base means that the amount of tax is directly linked to a person's earnings. For most individuals, income is earned mainly from work in the form of wages or tips. It may also come from savings and investment in the form of interest and dividends. Corporations pay income tax too.

Corporate income tax is a tax based on a corporation's profits.

Sales tax is a tax based on the value of designated goods or services at the time of sale. Generally, sales taxes are imposed on a wide range of goods and services. The tax usually is a percentage of the posted price of the good or service and is included in the final price that the buyer pays. The seller then passes the tax revenue collected from customers on to the government that has imposed the tax.

Property tax is a tax based on the value of an individual's or business's assets, generally real estate. Homeowners and business owners pay property taxes based on the value of their buildings and the land on which the buildings stand. Property tax is generally included in the rents charged by property owners to individuals or businesses that rent the property, whether it is an apartment, an office, a factory, or a retail store. Property tax may also be imposed on other assets such as automobiles. You may have heard references to a particular government's tax base growing or shrinking. Such statements refer to the amount of wealth that is available to be taxed. If overall personal income rises, the individual income tax base grows. If there are fewer homes or businesses in a certain locality or if their value declines, the property tax base shrinks because there is less wealth for the government to tax.

Tax Structures

8. The way in which taxes are imposed on the different tax bases gives rise to three different tax structures. These tax structures are distinguished from one another based on the percentage of income that a particular tax takes. A **proportional tax** takes the same percentage of income from all taxpayers regardless of income level. A **progressive tax** places a higher percentage rate of taxation on high-income earners than on low-income earners. A **regressive tax** takes a larger percentage of income from people with low incomes than from people with high incomes.

9. **Proportional Tax** A proportional tax is sometimes called a flat tax, because the rate of tax is the same for all taxpayers. For example, all taxpayers in a given country or state might be charged a flat 15 percent tax on their income, no matter how much their income is. An individual who earns \$20,000 would pay \$3,000 in taxes, and an individual who earns \$50,000 would pay \$7,500 in taxes. In the United States, some state and local governments have proportional taxes on individual income. For example, the state of Michigan has a flat income tax rate of 3.9 percent, while the state of Massachusetts has a 5.3 percent rate. Similarly, the city of Bowling Green, Ohio, collects a flat rate of 1.92 percent on its residents' incomes.

10. **Progressive Tax** As you saw above, even with a proportional tax, the amount of tax increases as income increases. A progressive tax is one in which the tax rate also increases as a person's income increases. In other words, under a progressive tax structure, a high-income person not only pays more in the amount of taxes but also pays a higher percentage of income in taxes. A progressive tax is most closely linked to the ability-to-pay principle. In the United States, the federal income tax is a progressive tax, because the tax rate increases as income increases. Many states, including California, Kansas, New York, and South Carolina, also have progressive income taxes.

11. **Regressive Tax** With a regressive tax, the percentage of income paid in taxes decreases as income increases. Some taxes are regressive because they are applied to sales, not income. For example, although a sales-tax rate is applied equally to all items subject to the tax, the tax as a percentage of income is regressive. This is because low-income earners tend to spend a higher proportion of income than do high-income earners. Suppose that a state charges 5 percent sales tax on certain goods sold in the state. If the Jones family earns \$20,000 and spends \$15,000 on taxable goods, they pay \$750 in sales taxes (5 percent of \$15,000), or 3.75 percent of their income. If the Smith family earns \$50,000 and spends \$25,000 on taxable goods, they pay \$1,250 in sales tax (5 percent of \$25,000), or 2.5 percent of their income. For similar reasons, property taxes on homes are also considered regressive. Low-income home-owners usually spend a higher percentage of their income on housing than do high-income homeowners. Therefore, property taxes take a higher percentage of their income. In addition, poorer communities often charge a higher tax rate, because the property has a lower value and therefore the property tax base is smaller. Even those who do not own homes are subject to the regressive property tax, because property taxes are generally passed on to renters.

Who Pays the Tax?

12. The impact of a tax can also be measured by who actually pays it. The **incidence of a tax** is the final burden of that tax. In other words, it is the impact of the tax on a taxpayer. For example, taxes imposed on businesses may get passed on to the consumer in the form of higher prices or rents. To understand this, you need to apply the concepts of supply and demand.

Effect of Elasticity on Taxes.

13. Suppose that the government imposes a \$1 tax on a product. Demand elasticity influences the incidence of this tax. If a product has elastic demand, the seller pays more of the tax, because the seller faces decreased quantity demanded if prices rise. If the product has inelastic demand, the consumer pays more of the tax in the form of higher prices. The seller recognizes that quantity demanded will go down only slightly for goods or services that have inelastic demand, because they are less price-sensitive.

Task 1. Match the words in column *A* with their definitions in column *B*.

- | <i>A</i> | <i>B</i> |
|--------------------|---|
| 1. law enforcement | a. money received on payday as payment for work performed |
| 2. lottery | b. ownership especially in terms of net monetary value of some business |
| 3. paycheck | c. a group sharing a common understanding, often the same language, law, manners, and/or traditions |
| 4. evaluate | d. the task of ensuring obedience to law |
| 5. amount | e. to draw conclusions from examining |
| 6. maintenance | f. a lack of clarity or order |
| 7. equity | g. a scheme for distribution of prizes by lot or chance |
| 8. confusion | h. to mark out and make known |
| 9. community | i. actions performed to keep some machine or system functioning |
| 10. designate | j. the total, aggregate or sum; a quantity or volume |

Task 2. Decide if the following statements are True (T) or False (F)

1. Certain public goods that are not supplied by the market are provided by governments.
2. Certain principles and criteria are used to determine if someone should pay taxes.
3. It is not easy for governments to decide how much different taxpayers benefit from services.
4. People should be taxed on their ability to pay, irrespective of the level of benefits they receive.
5. Any tax system strives to correspond to the criteria of equity, simplicity and efficiency.
6. Government imposes taxes having in mind four most common tax bases.
7. The difference in tax structure is accounted for by the percentage of income from all taxpayers regardless of their income level.
8. Many states in the U.S. have progressive income tax.
9. Regressive property tax is paid by those who do not own homes.
10. It may happen that taxes which are imposed on business may be passed on to a consumers making them pay a higher price or rent.

Task 3. Compose synonymous pairs of words from tables *A* and *B*.

A

mandatory	various	wonder	determine	question	collect	judge
wealth	shrink	earn	subject	pass on	incidence	elastic

B

affluence	stance	gain	appraise	ponder	compulsory	diminish
several	bring down	inquiry	define	accumulate	dimension	adaptable

Task 4. Answer the following questions.

1. Certain public goods that are not provided by the market, aren't they? 2. What are the principles of taxation? 3. What is the essence of 'benefits-received principle'? 4. What does the 'ability-to-pay' principle mean? 5. What are the taxation criteria? 6. What are the four most common tax bases? 7. What constitutes the essence of the three different tax structures? 8. Does the regressive tax apply to both sales and incomes? 9. How can the impact of a tax be measured? 10. How does elasticity affect taxes?

Task 5. Word families: fill in the empty blocks in the table.

<i>Verb</i>	<i>Noun</i>	<i>Adjective</i>	<i>Adverb</i>
deduct			
	confusion		
	locality		
		negligible	
		high	

Task 6. Make a written summary of the text entitled "Regressive Tax" in writing.

Text 2.

Plastic Policemen

Financial firms are becoming reluctant regulators of the internet

1. Who should police the internet? For some time now the question has tied companies, regulators and campaigners in knots. Social networks spend billions moderating content posted on their platforms, but are still criticized either for not removing enough toxic material or for stifling free speech. They are not the only ones to grapple with the problem. Banks and creditcard companies too are finding themselves playing a bigger role in what is said and done in the public square – to their, and their customers', discomfort.

2. The boundary of censorship is now being extended further, into the pornography business. From October 15th adult websites worldwide will have to verify the age and identity of anyone featured in a picture or video, as well as the ID of the person uploading it. They will need to operate a fast complaints process, and must review all content before publication. These rules are being imposed not by regulators but by Mastercard, a creditcard giant.

3. Websites can choose not to work with Mastercard. But, as the company handles about 30% of all card payments made outside China, to do so would be costly. Visa, which manages 60% of payments, is also taking a firmer line on adult sites. The trend goes beyond porn. In the shadier corners of the web, and in areas where the law is unclear or out of date, financial firms are acting as de-facto regulators.

4. Since the turn of the century, "payments have become a tool of domestic and international policy," says Aaron Klein of the Brookings Institution, a think tank.

After the 9/11 attacks of 2001 America introduced new anti-money-laundering rules and more targeted sanctions. Financial firms must block payments to the people on a list that today runs to 1,604 pages.

5. Governments also began to tap banks for help at home. A craze for online poker prompted America's Unlawful Internet Gambling Enforcement Act of 2006, which handed responsibility for blocking transactions not to the internet service providers that allowed access to poker sites, but to the companies that enabled the payments. As most American states legalised the cannabis industry in some form, its growth was nipped in the bud by federal laws that dissuade banks from dealing with marijuana moguls.

6. Handing enforcement duties to companies relieves the taxpayer of some of the cost. It is not unusual for big banks, such as HSBC or JPMorgan Chase, to employ more than 20,000 specialists in risk and compliance. In 2017 Accenture, a consultancy, reckoned that tech firms employed around 100,000 content moderators.

7. The effect is also to relieve politicians of making tough decisions. "Policymaking involves... achieving societal consensus on difficult issues. That has become harder in America," says Mr. Klein. When banks decline to deal with a customer because of "reputational risk", it sometimes means "a bank regulator [has been] whispering to them, 'We don't like your being in this business'," says Greg Baer of the Bank Policy Institute, an industry body in America.

8. Activists have also been applying pressure, causing firms to drop unpopular clients. In January, following outcry over a riot at the US Capitol, Deutsche Bank and Signature Bank ended their dealings with Donald Trump, then the president, whom Signature called on to resign. Mr Trump has presumably found other banks willing to work with him. But in some industries, enough banks have turned up their noses that it can be a problem. In August OnlyFans, a site known for its adult content, said it would no longer allow explicit material owing to pressure from partners including BNY Mellon, Metro Bank and JPMorgan (none of which commented). In the end the ban was reversed, after outraged pro-porn activists turned out to be even noisier than the antis.

9. Visa and Mastercard's near-duopoly makes the firms prime targets for protesters. In 2019 SumOfUs, a leftwing pressure group, tabled a proposal at Mastercard's annual meeting meant to stop payments to far-right groups. (The proposal was defeated.) Thirty-four women are suing Visa along with the owners of Pornhub, an adult site which they say hosted unconsenting footage of them. Illegalporn sites "care a lot more about their finances than they do about the law", says Laila Mickelwait, whose Justice Defence Fund helps sexabuse victims litigate. And, she adds, when financial firms change their policies it applies globally. Last year Visa and Mastercard cut off Pornhub over its hosting of potentially unlawful material.

10. Payment companies face a philosophical dilemma. "On one hand they try to be very open, accepting, willing to facilitate payments for whomever. They're not taking any sort of political or moral stance," says Lisa Ellis of Moffett Nathanson, a research firm. "But on the other hand, they also feel like they have a very strong responsibility in making sure that they're not aiding and abetting any sort of crime."

11. Visa and Mastercard both say that, as global companies, their guiding principle is local legality. But things are not always black and white. In 2017, after a far-right march in Charlottesville, Virginia, Mastercard shut down the use of its cards on websites that had made “specific threats or incite[d] violence”, but kept dealing with others labelled hate-groups. “Our standard is whether a merchant’s activity is lawful, even when we disagree with what they say or do,” the company said at the time.

12. In grey areas they have reason to err on the side of caution. Payment networks’ risk of liability tends to be low, since they operate at one remove from the merchants. But being named in a sex-trafficking complaint does not look good. In working with a borderline adult site, for instance, there’s “not a lot of upside and a lot of downside”, says Ms Ellis. And in legally tricky areas it can be cheaper to issue a blanket ban than pick through every difficult case.

13. In policy areas where the law has yet to catch up, financial firms can end up writing regulations themselves. Some cases are innocuous: in 2019 Mastercard introduced rules for companies offering free trials, requiring that they alert customers before payments begin. But other policies involve real trade-offs between values like free speech and safety. Mastercard’s requirement that adult sites screen content before publication ought to help stamp out illegal material, but will probably mean less of the legal sort too. The company suggests that it will cut off sites that use artificial intelligence to “nudify” clothed images, something which in most countries is not against the law. An executive at another firm wonders if such rules ought instead to be made by governments. “Where it’s grey, who would you rather make the decisions?” he asks.

14. For as long as legislation lags behind, financial institutions will be left in a difficult position: accused either of being the “moral police”, as one executive puts it, or of enabling wrongdoing. As Richard Haythornthwaite, then Mastercard’s chairman, told the protesters at the firm’s annual meeting in 2019: “If it is lawful, then we need to respect that transaction. If it is something that is swimming against the tide of society, it’s for the society to rise up and change the law.”

Task 1. Match the words in column *A* with their definitions in column *B*.

<i>A</i>	<i>B</i>
1. verify	a. to seize smth and hold it firmly
2. impose	b. an activity characterized by balance between winning and losing that is governed by by a mixture of skill and chance, usually with money wagered on the outcome
3. grapple	c. to make a mistake
4. stifle	d. to substantiate or prove the truth of smth
5. feature	e. to interrupt or cut off; to repress, keep in or hold back; to smother or suffocate
6. think tank	f. to go to law; to carry on a lawsuit
7. gambling	g. to establish or apply by authority; to compel to behave in a certain way
8. litigate	h. to extinguish by stamping; to get rid of totally

9. err i. a group of people who collectively perform research and develop reports and recommendations on topics relating to strategic planning or public policy and which is usually funded by corporate, government, or special interests
10. stamp out j. to ascribe the greatest importance to smth within a certain context

Task 2. Compose antonymous pairs of the words from tables **A** and **B**.

A

reluctant	upload	costly	beyond	dissuade	tough	difficult	decline
drop	known	allow	explicit	disagree	innocuous	safety	

B

increase	forbid	persuade	download	harmful	willing	easy	implicit
lift	consent	cheap	jeopardy	close to	unfamiliar	weak	

Task 3. Answer the questions.

1. Whose concern is it now to police the Internet? 2. What will adult websites have to do from October 15? 3. Who imposed such obligations? 4. Whose responsibility is it now to block transactions according to Unlawful Internet Gambling Enforcement Act of 2006? 5. Causing firms to drop unpopular clients is one of the pressures that activists exert, isn't it? 6. What is the dilemma which payment companies face? 7. How do financial firms try to resolve the issues where the law has yet to catch up?

Task 4. Complete the following sentences.

- The issue of policing the Internet... .
- The question of censorship has now acquired... .
- Credit-card companies Mastercard, Visa... .
- Handing enforcement duties was not limited to companies only but also affected.. .
- As a result of activists' pressure, several banks... .
- Being global companies, Visa and Mastercard... .
- In areas where the law has yet to catch up, financial companies make effort... .

Task 5. Choose the right answer.

- ...has tied companies in knots...
 - united their efforts
 - found themselves in a difficult situation
 - companies signed agreement
 - companies strived to organize subsidiaries
- ...banks have turned up their noses...
 - faced unexpected development
 - showed their disapproval
 - were forced to take unprecedented steps
 - were moving cautiously

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