**2.4.**

**КОНТРОЛЬНАЯ РАБОТА № 1**

***Text 1: What is economics?***

**1. Read the text (Прочитайте текст):**

1. Human beings have lots of wants. Usually we want love, social recognition, material necessities and comforts of life. Our desire to improve our material well-being is the concern of economics. More specifically, economics is the study of the behavior of human beings in producing, distributing and consuming material goods and services.

To produce anything, we need resources, or factors of production - land, labor, and capital (buildings and machinery). Factors of production are used to produce final goods and mechanism which satisfies our material wants. This is done through the organizational mechanism which we call the economic system or economy. But we cannot produce everything in the quantities we desire. The quantity of the available resources is limited or scarce. Scarcity is a basic fact of economic life. So, economics is concerned with the efficient use of scarce resources in the production of goods and services to satisfy material want; the economy means a system for the management, use and control of the money, goods and other resources of a country, community or household.

2. Understanding how various economies work is the basic purpose of studying economics. We want to know how an economy is organized, how it behaves, and how successfully it achieves its basic objectives. What do the economists do? They formulate economic principles which are useful in setting policies designed to solve economic problems. The economists gather facts which are relevant to a particular problem or specific segment of the economy. This task is sometimes called descriptive or empirical economics. Principles and theories - the result of economic analysis - bring order and meaning to a number of facts by tying these facts together, putting them in correct relationship to one another, and generalizing upon them. Economic principles are particularly valuable in formulating economic policy designed to solve problems and control undesirable events.

3. Economists are likely to move from theory to facts in studying economic behavior as they are to move from facts to theory. Started more formally, economists use both deductive and inductive methods. Induction means deriving principles from facts. Deduction involves stating a hypothesis and then gathering facts to determine whether the hypothesis is valid. The deductive method goes from the general to the particular, from theory to facts.

4. Some economic principles are concern with macroeconomics, while the others are connected with microeconomics. Macroeconomics is the branch of economics that focuses on the behavior of an entire economy - the "big picture". In macroeconomics we worry about such national goals as full employment, control of inflation, and economic growth, without worrying about the well-being or behavior of specific individuals or groups. The essential concern of macroeconomics is to understand and improve the performance of the economy as a whole.

Microeconomics is the branch of economics that is concerned with the details of this "big picture". It focuses on the individuals, firms and government agencies that comprise the larger economy. Here we concentrate upon such things as the output or the price of a specific product, the number of workers employed by a single firm and so forth. Microeconomics also studies how government activities such as regulations and taxes affect individual markets. Besides microeconomics tries to understand what factors affect the prices, wages and earnings.

5. Four major economic goals are widely accepted in many societies.

**Full employment.** Suitable jobs should be available for all who are willing and able to work.

**Price stability.** Sizable upswings or downswings in the general price level, that is, inflation and deflation, should be avoided.

**Economic growth.** The production of more and better goods and services, or, more simply stated, a higher standard of living, is desired.

**An equitable distribution of income.** No group of citizens should face stark poverty while other citizens enjoy extreme luxury.

In each case, the goal itself is formulated through the political process. The economist's job is to help design policies that will allocate the economy's resources in ways that best achieve these goals.

**2. Discuss the answers to the questions (orally)**

**(Обсудите ответы на следующие вопросы):**

1. What is the basic purpose of studying economics?

2. What are the factors of production?

3. What is an economic system?

4. What is the task of economic theory?

5. What do the economics do at the level of empirical economics?

6. What methods do economists employ?

7. Explain the interrelation between economics facts, theory and policy.

8. What does macroeconomics focus on?

9. What is the concern of microeconomics?

10. How many economic goals are described in the text? Name them.

Все последующие задания выполняются письменно

**3. Find an appropriate heading for each paragraph of the text**

**(Найдите для каждого абзаца подходящий заголовок):**

A. the main concern of economics;

B. the branches of economics;

C. major economic goals;

D. the tasks of empirical economics and economic theory;

E. methods used by economists.

**4. Match the Russian equivalents of the following words and word combination with the English (Соедините английское выражение с его русским эквивалентом):**

|  |  |
| --- | --- |
| 1. applied economics | a. удовлетворять материальные потребности |
| 2. productivity of labour | b. чрезвычайная роскошь |
| 3. to generalize upon fact | c. обобщать факты |
| 4. an equitable distribution of income | d. разрешить конфликт |
| 5. derivation of principles | e. справедливое распределение дохода |
| 6. to satisfy materials wants | f. прикладная экономика |
| 7. to reconcile the conflict | g. выведение принципов |
| 8. extreme luxury | h. производительность труда |

**5. Find in the text English equivalent of the following Russian words**

**(Найдите в тексте английские эквиваленты следующих выражений):**

1. высокий уровень жизни

2. потребление товаров и услуг

3. общественное признание

4. полная занятость

5. редкие ресурсы

6. экономические цели

7. проверка гипотез с помощью фактов

8. контролировать нежелательные процессы

**6. Find the definition of the following terms**

**(Соедините термин с его определением):**

|  |  |
| --- | --- |
| 1. factors of production | a. The branch of economics that studies aggregate economic behavior, the economy as a whole. |
| 2. economics | b. Resources used to produce goods and services such as land, labor, and capital. |
| 3. microeconomics | c. An idea which is suggested as a possible way of explaining facts, providing an argument. |
| 4. macroeconomics | d. A social science studying economy. |
| 5. induction | e. A process of reasoning using known facts to produce general rules or principles. |
| 6. deduction | f. The branch of economics that studies individual behavior in the economy, the components of the larger economy. |
| 7.hypothesis | g. A process of reasoning using general rules or principles to form a judgement about a particular fact or situation. |
| 8. descriptive or empirical economics | h. General principle and knowledge as opposed to practical methods or skills. |
| 9. economic theory | i. The task of gathering economic facts which are relevant to a particular problem of the economy and testing hypotheses against facts to validate theories. |
| 10. economy | j. A social mechanism that covers the management, use and control of various resources. |

**7. Choose the answer from the alternatives**

**(Выберите один верный вариант ответа):**

1. Economics may best be defined as:

a. the interaction between macro and micro considerations.

b. the study of the behavior of people and institution in the production, distribution, and consumption of scarce goods.

c. the empirical testing of value judgements through the use of induction and deduction.

2. Economic theories:

a. are useless because they are not based upon laboratory experimentation.

b. which are true for individual economic units are never true for the economy as a whole.

c. are generalizations based upon a careful observation of facts.

3. It may be said that the inductive method:

a. cannot be applied in economic analysis.

b. moves from facts to generalizations or theory.

c. begins with the hypotheses which are tested against real-world facts.

4. The deductive method:

a. begins with the hypotheses which are then tested against facts.

b. begins with facts and moves to generalizations or theory.

c. applies to the physical sciences, but not to social sciences.

5. Microeconomics is concern with:

a. detailed examination of specific economic units which comprise the economic system.

b. total levels of income, employment, and output.

c. an overall view of the operation of the economic system.

6. Macroeconomics approaches the study of economics in terms of;

a. the entire economy.

b. governmental units.

c. individual firms.

**8. Match the words which are very close in their meaning**

**(Найдите слова, сходные по значению):**

|  |  |
| --- | --- |
| 1. to affect | a. to influence |
| 2. entire | b. necessary |
| 3. essential | c. to achieve |
| 4. purpose | d. to  study |
| 5. to gain | e. whole |
| 6. to examine | f. goal |
| 7. stark | g. particular |
| 8. major | h. main |
| 9. specific | i. stability |
| 10. steadiness | j. absolute |

**9. Match the words having the opposite meaning**

**(Найдите слова с противоположным значением):**

|  |  |
| --- | --- |
| 1. luxury | a. unfair |
| 2. high | b. plentiful |
| 3. wrong | c. output |
| 4. particular | d. correct |
| 5. upswing | e. poverty |
| 6. input | f. general |
| 7. limited | g. downswing |
| 8. spiritual | h. abundance |
| 9. equitable | i. material |
| 10. scarcity | j. low |

**10. Fill in the blanks using the words from the box**

**(Заполните пропуски словами из рамки):**

|  |
| --- |
| facts, laws, principles, economic theories, individual, microeconomics, macroeconomics, entire economy, resource, economic goals |

Economics is a social science studying economy. Like the natural science and other social sciences, economics tries to develop 1) … or 2) … by building models. The predictions of the models form the basis of 3) …. Then the predictions of the models are compared with the 4) … of the real world.

Economics as a science consists of two disciplines that is of 5) … and 6) … the study of economics focuses on the board question of 7) … allocation. Macroeconomics is concerned with allocating the resources of an 8) … to achieve 9) … (e.g. full employment). Microeconomics focuses on behavior and goals of 10) … producers or markets.

**11. Grammar revision. Numerals.**

**Write the following numbers in words**

**(Запишите числительные словами):**

1. 15

2. 50

3. 100

4. 75000

5. 1700

6. 2000000

7. 1000

8. 30

9. 750000

10. 48

**Примечание:** в составе числительных перед десятками (а если их нет, то перед единицами) ставится союз **and**.

Числительные **hundred, thousand, million** не употребляются во множественном числе. Во множественном числе могут употребляться только соответствующие существительные. Например: hundreds of thousands of people.

**12. Word - building. Use the appropriate form of the word in the sentences below (Используйте однокоренные слова в следующих предложениях):**

a) economy, b) economics, c) economic, d) economical, e) economize, f) economist, g) economically, h) uneconomic.

1. Backward farming methods made grain production ….

2. To … means to use money or fuel very carefully.

3. The study of the way goods and services are produced and sold the way money is managed is referred to as ….

4. Politically and … the country is going through enormous changes.

5. … geography is one of the obligatory subjects at our University.

6. An expert in economics, especially one who advises government, department, business or organization is called an ….

7. It would be more … to switch the machine off at night.

8. Do you know three of the fastest-growing … in the Asia-Pacific region?