

# The economy

13

## VOCABULARY

asset	export	raw materials
bailout	free enterprise	regulate
capital	GDP (gross domestic	scarcity
central bank	product)	service
commodity	goods	speculate
consumer	human resources	stimulus
corporation	import	supply
currency	inflation	surplus
demand	monopoly	tariff
economic indicators	natural resources	trade
exchange rate	producer	unemployment

## PUZZLE

13-1

**Definition match-up: The economy** Match the following definitions with words from the vocabulary list.

1. Another word for company: \_\_\_\_\_
2. A country's money: \_\_\_\_\_
3. Extra of something: \_\_\_\_\_
4. Not enough of something: \_\_\_\_\_
5. The main bank of a country: \_\_\_\_\_
6. Control something through laws: \_\_\_\_\_
7. Something of economic value: \_\_\_\_\_
8. A market with only one seller: \_\_\_\_\_
9. A system in which private business can operate freely: \_\_\_\_\_
10. Money needed to start a business: \_\_\_\_\_
11. A person who buys goods or services: \_\_\_\_\_
12. A person who makes goods or services: \_\_\_\_\_
13. Government aid to a failing business: \_\_\_\_\_
14. How much of something exists: \_\_\_\_\_

15. How much of something is wanted: \_\_\_\_\_
16. How much foreign currency costs: \_\_\_\_\_
17. How much is produced in a country: \_\_\_\_\_
18. Things that tell us about the economy (like the inflation rate): \_\_\_\_\_

PUZZLE

13·2

**Labeling: Economic terms** *Attach the following economy-related labels to the lists of words.*

Economic downturns	Human resources	Market forces
Goods	International trade	Services

1. recession, depression, economic meltdown \_\_\_\_\_
2. supply, demand \_\_\_\_\_
3. transporting goods, teaching a class \_\_\_\_\_
4. televisions, bread \_\_\_\_\_
5. employees, labor, skilled workers \_\_\_\_\_
6. imports, exports \_\_\_\_\_

PUZZLE

13·3

**Matching: Economic collocations** *Match the following words with their collocations below.*

balance	free	per	supply
central	goods	raw	tariff
division	human	real	trade
exchange	market	stock	

- |                       |                     |
|-----------------------|---------------------|
| 1. _____ bank         | 6. _____ enterprise |
| 2. _____ estate       | 7. _____ and demand |
| 3. _____ capita       | 8. _____ resources  |
| 4. _____ and services | 9. _____ on imports |
| 5. _____ materials    | 10. _____ of trade  |

11. \_\_\_\_\_ of labor

14. \_\_\_\_\_ market

12. \_\_\_\_\_ forces

15. \_\_\_\_\_ war

13. \_\_\_\_\_ rate

PUZZLE

13·4

**Fill in the blanks: The economy** Complete the following paragraphs by filling in the blanks using the words provided.

### Goods and services

cut  
goods  
intangible  
market

owner  
service  
tangible  
teach

touch  
transported

A \_\_\_\_\_ is a place where goods and services are bought and sold. \_\_\_\_\_ are things that people buy and sell such as TVs, computers, cars, food, and books. They are physical things that you can actually hold or \_\_\_\_\_. If something can be held or touched we say that it is \_\_\_\_\_. Goods can be \_\_\_\_\_ from one place to another. When you pay for a good, you become the \_\_\_\_\_ of that good.

A \_\_\_\_\_, on the other hand, is something that you pay other people to do for you. For example, having someone \_\_\_\_\_ your hair or \_\_\_\_\_ you a class are examples of services. Services are said to be \_\_\_\_\_.

### Consumers and producers

bakery  
capital  
consumers

factories  
human  
producers

purchase  
raw

People who use goods and services are called \_\_\_\_\_. When you \_\_\_\_\_ a loaf of bread and eat it, you are a consumer. \_\_\_\_\_, on the other hand, are people who make goods and services to be consumed. If you work in a \_\_\_\_\_ and make a loaf of bread, then you are a producer. Many goods are produced in \_\_\_\_\_.

In order to produce goods or services, producers need three things as inputs. First they need \_\_\_\_\_ goods, which include the tools, buildings, and machinery they use to make things. Producers also need \_\_\_\_\_ materials to make their finished products. Finally, they need \_\_\_\_\_ resources to control the machinery and manage everything.

## Market forces

demand  
drop  
forces

monopoly  
rise  
scarcity

supply  
surplus

Supply and demand are market \_\_\_\_\_ that determine the price of goods and services. \_\_\_\_\_ is how much of a good or service is produced. \_\_\_\_\_ is how much of a good or service is wanted. If there is more supply than there is demand, we say there is a \_\_\_\_\_ of that good or service. In this case, the price of the good or service usually starts to \_\_\_\_\_. If demand for a good or service outstrips supply, we say there is a \_\_\_\_\_ of that good or service. In this case, the price usually starts to \_\_\_\_\_. When there is only one seller in a market, that seller has a \_\_\_\_\_ and can charge whatever price the seller wishes.

## International trade

balance  
exchange  
export

free  
import  
impose

tariffs  
trade

International trade is the \_\_\_\_\_ of goods and services between countries. When a good is bought from another country it is called an \_\_\_\_\_. When a good is sold to another country it is called an \_\_\_\_\_. The difference between the amount and value of imports and the value of exports is called the \_\_\_\_\_ of trade. Sometimes, governments \_\_\_\_\_ taxes on imports to protect their local industries. These taxes are called \_\_\_\_\_. If the other country feels these tariffs are unfair, it may impose tariffs as well, and then a \_\_\_\_\_ war begins. A \_\_\_\_\_ trade agreement is when two countries agree to remove all tariffs between the countries.

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