

English for economists



Гайнанова Д.Р.

Хафизова А.А.

МИНИСТЕРСТВО ОБРАЗОВАНИЯ И НАУКИ РОССИЙСКОЙ ФЕДЕРАЦИИ
КАЗАНСКИЙ ГОСУДАРСТВЕННЫЙ АРХИТЕКТУРНО-СТРОИТЕЛЬНЫЙ
УНИВЕРСИТЕТ

Д.Р. Гайнанова, А.А. Хафизова

ENGLISH FOR ECONOMISTS

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Составители: Гайнанова Д.Р., Хафизова А.А.

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Основная цель учебного пособия – развитие и совершенствование навыков устной коммуникации и письменной речи в рамках предложенной тематики.

Рецензенты

Доктор экономических наук, доцент кафедры экономики и предпринимательства в строительстве института экономики и управления в строительстве КГАСУ
Г.М. Харисова

Кандидат педагогических наук, доцент кафедры иностранных языков в сфере экономики, бизнеса и финансов института управления, экономики и финансов КФУ
Л.А. Валеева

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Предисловие

Данное учебное пособие предназначено для студентов экономического профиля технических вузов. Структура пособия определяется профессиональными аспектами деятельности специалиста в области экономики и бизнеса и представлена следующими темами: Economics. General Information, Factors of Production, Demand and Supply, Real Estate, Urban Economics, Marketing, Management, Cadastre.

Все разделы учебного пособия имеют единую структуру и включают следующие блоки: Before you start (введение), Reading (тексты по специальности), Language (формально-тренировочные упражнения), Speaking (коммуникативно-содержательные упражнения), Writing (задания, направленные на формирование навыков письменной речи), Vocabulary (базовая лексика каждого раздела).

Базовые тексты представлены аутентичными описательными текстами, которые тематически связаны друг с другом и касаются различных сторон темы или расширяют ее. При подборе текстов авторы исходили из методической концепции неразрывности процесса познания и развития навыков работы с текстовым материалом и навыков устной и письменной речи, а также опирались на принцип реализации междисциплинарных связей, когда студенты параллельно получают базовые экономические знания в лекционных курсах по экономическим дисциплинам.

Текстовый материал, предтекстовые и послетекстовые задания направлены на совершенствование речевых навыков студентов неязыковых специальностей путем обучения восприятию и осмыслению прочитанного текста, активизации словарного запаса и речевых структур в процессе репродукции информативного содержания текста.

Все задания построены на активной лексике раздела, часть заданий построена на связных текстах небольшого объема, которые являются дополнительным источником информации по теме раздела. Помимо языковых заданий, даются задания на развитие навыков устной речи. Задания, предлагаемые в блоке Speaking, носят творческий характер и направлены на формирование коммуникативных навыков в условно-заданных речевых ситуациях, а также творческого мышления и умения формулировать собственное мнение.

Целью заданий блока Writing является формирование навыков академического письма. В приложении (Appendix) представлены аутентичные тексты, дающие дополнительную информацию по темам основных разделов. Тексты данного раздела могут быть использованы как для формирования навыков различных видов чтения, так и для развития речевых навыков.

Unit 1. Economics.

General information

Text 1A

1. Before you start.



- What is economics?
- Why is economics important?
- Why can we call economics “a social science”?
- Can you name the main economic problems that modern society

faces nowadays? How can the knowledge of economics help solve them?

2. Read the words and learn them by heart. Make up your own sentences with them.



1. **Economics** – экономика, народное хозяйство
2. **Economy** – хозяйство, экономика, экономия, бережливость
3. **Economic** – экономический, хозяйственный
4. **To examine** – исследовать, изучать, экзаменовать
5. **Alternative** – альтернатива, выбор
6. **Available** – доступный, имеющийся в наличии
7. **To involve** – включать, вовлекать
8. **A scientific approach** – научный подход
9. **Investigation** – исследование, расследование
10. **Choice** – выбор
11. **Scarcity** – недостаток, дефицит
12. **Cost** – цена, стоимость, затраты
13. **To cost (cost, cost)** – стоить, обходиться
14. **To select** – отбирать, выбирать
15. **Opportunity cost** – «цена выбора», альтернативная стоимость, стоимость упущенной возможности

16. **Resource** – ресурсы, средства
17. **To produce** – производить, создавать
18. **Production** – производство, изготовление
19. **Housing** – жилищные условия, жилищное строительство, обеспечение жильем
20. **Practically** – практически, фактически
21. **To require** – нуждаться (в чем-либо), требовать (что-либо)
22. **To confront** – сталкиваться, противостоять
23. **Issue** – выпуск, издание; вопрос
24. **To give up smth.** – сдаться, отказаться (от чего-либо)
25. **To cut back on smth.** – сокращать (расходы, потребление чего-либо)
26. **To preserve** – сохранять, хранить
27. **A wilderness area** – нетронутая местность, дикая местность
28. **Good** – товар, благо, польза
29. **Service** – услуга
30. **To determine** – определять, устанавливать
31. **To employ** – нанимать, предоставлять работу
32. **Skilled** – умелый, искусный, квалифицированный
33. **Recycled** – переработанный, использованный повторно
34. **Raw materials** – запасы сырья и материалов, сырьё
35. **Representative** – представитель
36. **To complain** – жаловаться
37. **Consumption** – потребление, расход
38. **To allocate** – назначать, распределять



3. Read the text 1A, translate it and compare your ideas in ex.1 with the facts.

Defining Economics

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.

Scarcity, Choice, and Cost

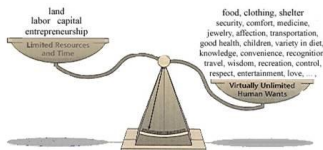
All choices mean that one alternative is selected over another. Selecting among alternatives involves three ideas central to economics: scarcity, choice, and opportunity cost.

Scarcity

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

SCARCITY



<http://budirich.files.wordpress.com/2011>

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.

Scarcity and the Fundamental Economic Questions

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

1. **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.

2. **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?

3. **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.

So, every economy must determine what should be produced, how it should be produced, and for whom it should be produced.

(Source: <http://www.saylor.org>)

4. Say if the sentences concerning Text 1A are true or false.



1. Economics is an exact science that deals with numbers and shapes.
2. Economics does not involve people and their behaviour.
3. Economics uses a scientific approach in its investigation of choices.
4. We have so much land, so many factories, so much oil, so many people, – so our resources are unlimited.
5. No matter whether we like it or not, we must make choices.
6. The first question that economy must answer is “Where can we get money for production?”
7. Every society must decide what it will produce with its scarce resources.
8. It is not important for a producer to know who will get his products and services.
9. A decision to have one person or group receive a good or service usually means it will not be available to someone else.



5. Answer the following questions.

1. Why can economics be called a science?
2. What ideas does selecting among alternatives involve?
3. How do you understand the idea of scarcity?
4. What are the three fundamental economic questions?
5. Why should we always make choices?
6. Can we say “yes” to everything? Why?
7. Explain the idea of how should goods and services be produced.
8. How do you understand the idea of “for whom should goods and services be produced”?

6. Give English equivalents of the following words and word combinations from Text 1A.



Общественная наука, научный подход, дефицит, вариант (выбор из двух возможностей), жилищные условия, практически, неограниченный, нравится нам или нет, комплекс вопросов; Что производить!? Как производить и для кого производить!? сокращение других услуг, здравоохранение.

7. Using vocabulary in ex.2 match the words with their definitions.

Word	Definition
1. economics	a. the process of growing or making food, goods or materials, especially large quantities.
2. choice	b. a business whose work involves doing smth. for customers but not producing goods.
3. scarcity	c. things that are produced to be sold.
4. production	d. the study of how a society organizes its money, trade and industry.
5. goods	e. shortage of smth. and difficulty to obtain
6. service	f. to make smb. do or have smth., especially because it is necessary according to a particular law or set of rules.
7. resource	g. an act of choosing between two or more possibilities.
8. to require	h. to give smb. a job to do for payment.
9. to employ	i. the act of using energy, food or materials.
10. consumption	j. a supply of smth. that a country, an organization or a person has and can use, especially to increase their wealth.



Speaking

8. Discuss with the group the following topics:

- How do geographical, cultural, ethnic peculiarities influence a country's economy: what to produce, how to produce, and for whom?
- Find various definitions and quotations about economics and discuss them with the group (use internet for additional information).
- For additional information read the text “**Scarcity**” in **Appendix I** and discuss it.

Text 1B



1. Before you start.

- What do you think opportunity cost is?
- What influences you when you have to make choices?

2. Read the words and learn them by heart. Make up your own sentences with them.



1. **Opportunity cost** – «цена выбора», альтернативные издержки, издержки неиспользованных возможностей;
2. **To forgo** – отказываться от чего-либо, воздержаться от;
3. **Value** – ценность, важность, полезность
4. **To value** – оценивать, расценивать
5. **Valuable** – ценный, полезный, дорогой
6. **To spend (spent, spent)** – тратить, расходовать, проводить (время)
7. **To expect** – ожидать, ждать, рассчитывать
8. **Purchase** – покупка, приобретение
9. **To purchase** – покупать, приобретать
10. **Price** – цена, ценность
11. **Fee** – плата за услуги, гонорар, вознаграждение
12. **Tuition** – обучение, сумма приобретенных знаний
13. **Endeavour** – область деятельности
14. **To sacrifice** – жертвовать, приносить жертву, терять

3. Read the text 1B, translate it and compare your ideas in ex.1 with the facts.



Opportunity Cost

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.



<http://superprofs.com/blog/wp-content/up>

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.

(Source: <http://www.saylor.org>)

4. Say if the sentences concerning Text 1B are true or false.



1. Opportunity cost is the value of the worst alternative forgone in making any choice.
2. 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.
3. The concept of opportunity cost is the same as the purchase price of an item.
4. A good is scarce if the choice of one alternative requires that another be given up.
5. The absence of alternative uses forces us to make choices.

5. Answer the following questions.

1. What is the most important concept in all of economics according to economists?
2. What is the opportunity cost?
3. How can we measure the opportunity cost?

4. What economic notion must not the opportunity cost be confused with?
5. What value does university education include?
6. What concepts are at the heart of economics?

6. Give English equivalents of the following words and word combinations from Text 1B.

Цена наилучшей альтернативы, оставшаяся часть урока, потратить свое время, не следует путать, отказаться от выгоды, вечер в кино, самое ценное, стоимость утраченной возможности, покупная цена, в надежде на большие заработки, взвесить возможность, деньги, требуемые для визита к врачу.

7. Using vocabulary in ex.2 match the words with their definitions.

Word	Definition
1. value	a. the act or process of buying smth.
2. to spend	b. an amount of money that you pay for professional advice or services.
3. purchase	c. to think or believe that smth. will happen or that smb. will do smth.
4. price	d. how much smth. is worth in money or other goods for which it can be exchanged.
5. fee	e. an advantage that smth. gives you.
6. to expect	f. the amount of money that you have to pay for smth.
7. cost	g. a thing that you can choose to do or have out of two or more possibilities.
8. alternative	h. the amount of money that you need in order to buy, make or do smth.
9. benefit	i. to give money to pay for goods, services, etc.



8. Discuss with the group the following topics:

Opportunity cost

To understand the opportunity costs of your options it is recommended to list the choices and identify their advantages and disadvantages. Read the following paragraph and answer the questions to explain how you might choose to use your scarce time and money.

It's Sunday morning and you're going to meet your friends and spend time joyfully together. Then you get two phone calls that make you stop and think. Firstly, a friend calls you to invite to

an-all day music festival where your favourite band will play. With transport expenses, tickets to the show, and lunch, you figure you'll spend \$50, which will put a dent in the money you're saving for your dream trip. Second, your close relative calls offering you the opportunity to help paint their apartment. He will pay you \$75 for the day of work. What will you do? Explain your decision.

- a) List your choices (a. _____ b. _____ c. _____).
- b) Describe the advantages and disadvantages of each choice.

Text 1C



1. Before you start.

- What is the difference between microeconomics and macroeconomics?
- What are their goals?

2. Read the words and learn them by heart. Make up your own sentences with them.

1. **To divide** – делить, разделять
2. **Realm** – область, сфера
3. **Distinction** – различие, разграничение
4. **To consume** – потреблять, расходовать
5. **Consumer** – потребитель, покупатель, клиент
6. **Impact** – влияние, воздействие, эффект
7. **Market** – рынок, базар
8. **Aggregate** – совокупный, сгруппированный
9. **Real estate** – недвижимость, недвижимое имущество
10. **To end up** – прекратиться, закончить
11. **Discount** – скидка, дисконт
12. **To regard** – рассматривать, считать
13. **The rate of inflation** – уровень инфляции, темп инфляции
14. **To increase** – увеличиваться, повышать
15. **To decrease** – уменьшаться, сокращать
16. **Output** – продукция, выпуск
17. **Employment** – занятость, служба
18. **Unemployment** – безработица, незанятость

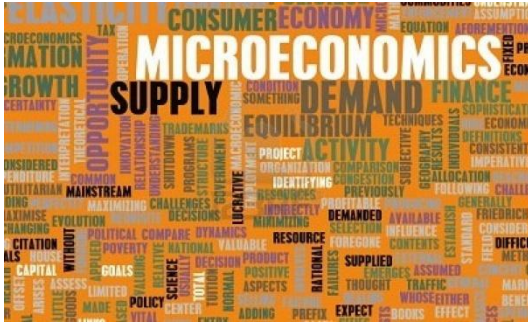




3. Read the text 1C, translate it and compare your ideas in ex.1 with the facts.

Microeconomics and Macroeconomics

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.



<http://en.doccity.com/wordpress/wp-conte>

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.

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.

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.

We have now examined the two branches of economic way of thinking: microeconomics and macroeconomics.



http://s2.hubimg.com/u/4825411_f260.jpg

(Source: Principles of Microeconomics <http://www.saylor.org>)

4. Say if the sentences concerning Text 1C are true or false.

1. There exist three broad realms of the field of economics: micro-, middle- and macroeconomics.
2. Macroeconomics studies economy as a whole.
3. Microeconomics studies the economic behaviour of individual firms.
4. Economics is concerned with production, distribution, and consumption of goods and services.
5. The question of how the threat of global warming affects real estate prices in coastal areas is the problem of macroeconomics.
6. The study of the rate of inflation refers to microeconomic sphere.
7. The total levels of employment and unemployment in the economy are a topic of macroeconomics.



5. Answer the following questions.

1. What is the field of economics typically divided into?
2. What does microeconomics focus on?
3. What individual decision-making units in the economy do you know?
4. What does macroeconomics focus on?
5. What questions are generally regarded as microeconomic? Why?
6. What problems are regarded as macroeconomic? Why?
7. What do both microeconomics and macroeconomics give attention to? What are the peculiarities of this attention?

6. Give English equivalents of the following words and word combinations from Text 1C.

Сфера экономики, две широкие области, хозяйственная единица с правом принятия решений, отдельные рынки, влияния выбора, потребители, экономическая активность, общий или совокупный уровень, влиять на цены на недвижимость, отказаться, пожилые люди, получать скидки, система общественного транспорта, уровень инфляции, рост и падение экономической активности, уровень безработицы, общая стоимость всех товаров и услуг, средний уровень цен, рынок труда, самоцель, весь выпуск продукции, совокупные экономические показатели.

7. Using vocabulary in ex.2 match the words with their definitions.

Word	Definition
1. to consume	a. easy to sell; attractive to customers and employers.
2. market	b. to become or make smth. become smaller in size, number, etc.
3. to increase	c. the fact of a number of people not having a job.
4. to decrease	d. a person who buys goods or uses services.
5. unemployment	e. an amount of money that is taken off the usual cost of smth.
6. consumer	f. an open area or building where people meet to buy and sell goods.
7. marketable	g. to eat or drink smth.
8. discount	h. to become or to make smth. greater in amount, number, value, etc.



Speaking

8. Discuss with the group the following topics:

1. Explain the key-terms of micro- and macroeconomics.
2. Study the following economic terms: labor economics, international economics, agricultural economics, public finance, applied welfare economics. Explain them to your groupmates (use internet for additional information).

information).



FINAL TASKS

1. Fill in the gaps using the words below:

Fee, increased, decreased, price, value, purchase, consumption, spent, consume, require, resources, expected, economics, services, goods, production

1. She studied politics and _____ at Cambridge.
2. This car model went out of _____ in 2000.
3. The cargo delivered _____ in time.
4. The supply of water, gas, and electricity are _____

essential _____. 5. Natural _____ in this region are quite diverse and rich. 6. She was advised to reduce her chocolate _____. 7. Little babies _____ a lot of love and attention. 8. Every year private property increases in _____. 9. He _____ a great amount of money on a new car. 10. Keep your receipt as proof of _____. 11. Children over seven must pay full _____ for the ticket. 12. House prices are _____ to rise sharply. 13. In winter people _____ large amounts of heat and electricity. 14. The rate of inflation has _____ by 6% since the beginning of the year. 15. The number of new students _____ from 180 to 150 this year. 16. Does the bank charge a _____ for setting up the account?

2. Translate the following sentences using the vocabulary of Unit 1.

1. Я выполняю работу как можно экономнее. 2. Производство новых вертолетов начнется в этом году. 3. В нашем районе открылся новый магазин с низкими ценами. 4. Товары в этом магазине довольно дорогие; не каждый может позволить себе купить их. 5. Стоимость украденных товаров составила 3 млн. рублей. 6. Наша компания оказывает финансовые и юридические услуги. 7. Сервис в этом отеле оставляет желать лучшего. 8. Мы договорились объединить наши ресурсы (to pool one's resources). 9. У компании нет свободных средств, чтобы поменять компьютеры. 10. Потребление тепла и электричества возрастает в холодное время года. 11. Потребуется, чтобы все абитуриенты сдали вступительный тест. 12. Победитель получит приз стоимостью \$10 000. 13. Я потратил все свои деньги. 14. Они приобрели землю под строительство коттеджа за 1 млн. рублей. 15. Цены на молочные продукты снова возрастут. 16. Мы ожидаем рост цен на продукты питания (a rise in food prices) этой осенью. 17. Люди не ожидали, что темпы инфляции будут такими высокими.



3. Speaking. Make a presentation on the following topics:

- A historical outline of economics as a science.
- Outstanding economists and their theories.



Unit 2.

Factors of Production

Text 2A



1. Before you start.

- Define the three factors of production – labor, capital, and natural resources.
- Explain the role of technology and entrepreneurs in the utilization of the economy's factors of production.

2. Read the words and learn them by heart. Make up your own sentences with them.

1. **To concern** – иметь отношение к, беспокоиться
2. **Satisfaction** – удовлетворение, удовольствие
3. **To satisfy** – удовлетворять, отвечать (требованиям, стандартам)
4. **To derive** – получать, извлекать, происходить
5. **To pursue** – следовать, заниматься (чем-либо)
6. **Utility** – польза, общественная полезность
7. **Labor** – работа, труд
8. **Capital** – капитал, состояние
9. **Natural resources** – природные ресурсы
10. **To pool one's resources** – объединять свои ресурсы
11. **Effort** – усилие, попытка
12. **To apply** – применять, употреблять, обращаться с просьбой, просить (о чем-либо)
13. **Application** – практическое применение, употребление
14. **Core** – суть, сущность, сердцевина, ядро
15. **To enforce** – усиливать, настаивать на
16. **To gain skills** – приобретать навыки
17. **To acquire** – приобретать, получать, овладевать (каким-либо навыком)



18. **Cleaver** – кухонный топорик
19. **Hook** – крючок, крюк
20. **Grinder** – дробилка, кофейная мельница
21. **To butcher** – забивать, резать, разделывать мясную тушу или рыбу
22. **Screwdriver** – отвёртка, шуруповёрт
23. **Wrench** – дёргание, выкручивание
24. **Score** – счёт
25. **Assets** – активы баланса, имущество, капитал
26. **Stocks** – акции, акционерный капитал
27. **Bonds** – облигации



3. Read the text 2A, translate it and compare your ideas in ex.1 with the facts.

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.

Economic Factors of Production		
Labour (Human Capital)	Natural Resources (Natural Capital)	Capital (Real Capital)
Education Training Paid Labour Managerial and Entrepreneurial Tasks	Real Estate Raw Materials Energy Carriers Energy Locational Factors (Taxation, Legal Requirements and Standards)	Buildings, Roads Industrial Plants Machinery Tools Processes Patents

<https://zerdzeitler.files.wordpress.com>

The three basic building blocks of labor, 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.

Labour

Labor 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.



<http://venturepilot.co.uk/images/honour>

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.

Capital

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.



<http://siliconangle.com/files/2011/12/ca>

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:

1. The resource must have been produced.
2. 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.

Natural Resources

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.

(Source: Principles of Microeconomic; <http://www.saylor.org>)

4. Say if the sentences concerning Text 2A are true or false.

1. The value that people derive from the goods and services they consume and the activities they pursue is called worthlessness.
2. Factors of production serve the interests of people.
3. The factors of production in an economy are money, goods and real estate.
4. Office buildings, machinery, and tools can be called capital.
5. People who do not work are not considered part of the labor available to the economy.
6. The skills a worker has as a result of education, training, or experience that can be used in production are called human capital.
7. The first capital were the tools shaped from stones that people used in butchering animals.
8. Buildings are not considered to be capital, as they do not take part in producing goods and services.
9. Capital may include physical goods and intellectual discoveries.
10. We do not need any special knowledge and understanding of how to use the things we find in nature before they become resources.



5. Answer the following questions.

1. What are the choices concerning what goods and services to produce?
2. What do an economy's factors of production serve?
3. What are the three factors of production?
4. Describe labour as a factor of production?
5. Define two forms of labor.
6. Give examples of human capital.
7. How can the amount of labor available to an economy be increased?
8. What was the first capital used in producing other goods?
9. Single out the examples of capital?
10. What criteria any resource must satisfy to become capital?
11. Why money is not considered capital?
12. What does financial capital include?
13. Name two essential characteristics of natural resources.

6. Give English equivalents of the following words and word combinations from Text 2A.

Производство товаров и услуг, создают полезность, служат интересам людей, может быть применен, человеческие усилия, составлять сердцевину, основные составляющие, затраты человеческого труда (трудоемкость), следить на соблюдением законов, человеческий эквивалент, значительно больше, приобретать навыки, придавать форму, по всей видимости (очевидно), забой скота, транспортное оборудование, вспомогательные средства, музыка к симфонии, приобретать капитал, бумажные активы, требования уплаты, вносить изменения.

7. Speaking. Explain whether each of the following is labor, capital, or a natural resource. Explain your thoughts.



Speaking

1. An unemployed factory worker.
2. A college professor.
3. The library building on your campus.
4. Yellowstone National Park.
5. An untapped deposit of natural gas.
6. The White House.
7. The local power plant.

8. Using vocabulary in ex.2 match the words with their definitions.

Word	Definition
1. resource	a. things that you can get, buy or find; or a person who is free to see and talk to people.
2. labour	b. interested in smth.
3. capital	c. the knowledge and skill that you have gained through doing smth. for a period of time.
4. available	d. the practical use of smth., especially a theory, discovery, etc.
5. concerned	e. a supply of smth. that a country, an organization or a person has and can use, especially to increase their wealth.
6. application	f. a large amount of money that is invested or is used to start a business.
7. experience	g. the ability to do smth. well.
8. skill	h. work, especially physical work.

Text 2B

1. Before you start.



- What natural resources do you know?
- Natural resources are means of existence; without them, a man cannot live and he searches them in nature. Express your ideas on this thought.
- How do you understand the fact that natural resources are distributed irregularly on earth? Speak about diverse resource availability.

2. Read the words and learn them by heart. Make up your own sentences with them.



1. **To manufacture** – производить, изготавливать, перерабатывать
2. **Nuisance** – досада, неприятность, помеха, неудобство
3. **To ooze up** – сочиться, медленно вытекать
4. **To be dismayed** – прийти в полное смятение
5. **To be delighted** – быть довольным, быть очарованным

6. **To refine** – очищать, рафинировать, улучшать, облагораживать
7. **To include** – содержать, включать, иметь в своем составе
8. **To implement** – выполнять, осуществлять, привести в исполнение, внедрить
9. **Implementation** – осуществление, внедрение, реализация, воплощение
10. **To expand** – расширять, развивать, распространять
11. **Entrepreneur** – предприниматель, владелец предприятия
12. **Allocation** – размещение, распределение, отчисление
13. **To affect smth.** – влиять, действовать на что-либо



3. Read the text 2B, translate it and compare your ideas in ex.1 with the facts.

Oil as a Natural Resource



<http://beyondbordersdotorg.files.wordpress>

Let's 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



Natural Resources

<http://www.mil.state.vt.us/images/natura>

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.

(Source: *Principles of Microeconomics*; <http://www.saylor.org>)

4. Say if the sentences concerning Text 2B are true or false.



1. Oil can be used to produce goods and services.
2. 250 years ago oil was a great delight.
3. Pennsylvania farmers found oil in the seventeenth century.
4. Farmers were very happy to find oil.
5. People knew at once how to use oil.
6. In the mid-nineteenth century, a method was found for refining oil into kerosene.
7. Oil is now used only in production of fuel.
8. If wilderness provides a service, then it is thus a natural resource.

5. Answer the following questions.

1. What attitude was to oil at first?
2. Who found oil in the eighteenth century?
3. Where is oil used nowadays?
4. How and why did oil become a natural resource?
5. When does a wilderness area become a natural resource?
6. The natural resources available to us can be expanded in three ways, can't they? Describe these three ways.
7. What has increased the world's supply of oil making it important natural resource.

6. Give English equivalents of the following words and word combinations from Text 2B.

Неприятность, просачиваться сквозь землю, метод по переработке нефти, производить энергию, лекарства, внедрить способ, извлекать пользу, местность, нетронутая деятельностью человека, могут быть расширены, открытие новых природных ресурсов, месторождения руды, компьютерная микросхема, извлекать природные ресурсы, мировые запасы нефти.

7. Using vocabulary in ex.2 match the words with their definitions.

Word	Definition
1. to manufacture	a. to become greater in size, number or importance.
2. entrepreneur	b. to make smth. that has been officially decided start to happen or be used.
3. to expand	c. to make goods in large quantities, using machinery.
4. to implement	d. a thick liquid that is found in rock underground.
5. dismayed	e. a person who makes money by starting or running businesses, especially when this involves taking financial risks.
6. oil	f. a worried, sad feeling after you have received an unpleasant surprise.

8. Discuss with the group the following topics:



- What natural resources are used in materials production for construction industry?
- Enumerate the most economical construction materials.
- How do state authorities try to solve the problem of scarcity of natural resources in different countries?

Text 2C



1. Before you start.

- How does the development of technology affect our lives?
- List your own examples when new technological decisions were useful for the society and vice versa, (i.e. our society could easily do without them).



2. Read the words and learn them by heart. Make up your own sentences with them.

1. **Crucial** – решающий, ключевой
2. **To put smth. to work** – применить в деле, заставить работать

3. Market economy – рыночная экономика, рыночное хозяйство

4. **Individual** – частное лицо, субъект, физическое лицо
5. **To earn** – зарабатывать, получать доход
6. **To earn profit** – приносить прибыли, давать прибыль
7. **Profitable** – доходный, рентабельный
8. **To respond** – отвечать, соответствовать
9. **Incentive** – стимул, побуждение
10. **To guide one's choice** – направлять свой выбор



3. Read the text 2C, translate it and compare your ideas in ex.1 with the facts.

Technology and the Entrepreneur



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,

<http://successfulstartup101.com/wp-content> operating within the 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 book 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.

So key takeaways of factors of production are the following:

- Factors of production are the resources the economy has available to produce goods and services.

- Labor is the human effort that can be applied to the production of goods and services. Labor's contribution to an economy's output of goods and services can be increased either by increasing the quantity of labor or by increasing human capital.

- Capital is a factor of production that has been produced for use in the production of other goods and services.

- Natural resources are those things found in nature that can be used for the production of goods and services.

- Two keys to the utilization of an economy's factors of production are technology and, in the case of a market economic system, the efforts of entrepreneurs.

(Source: Principles of Microeconomics; <http://www.saylor.org>)

4. Say if the sentences concerning Text 2C are true or false.



1. Goods and services are produced using the factors of growth.
2. The entrepreneur plays a key role in a market economy.
3. An entrepreneur is a person who sits in his office and drinks coffee all day long.
4. The way factors of production are used has not been changed throughout centuries.
5. Technology is the knowledge that can be applied to the production of goods and services.
6. Collaboration of technology and the entrepreneur plays a crucial role in putting factors of production to work.

5. Answer the following questions.

1. How are various goods and services produced?
2. What are two things that play a crucial role in putting factors of production to work?
3. Who is an entrepreneur? What does he aim at during his work?
4. Who plays the role of the entrepreneur in non-market economies?
5. How does the interplay of entrepreneurs and technology affect all our lives?
6. Do you agree with the idea that we can dispute whether all the changes have made our lives better. Give your reasons.

6. Complete the following table.

Verb	Noun	Adjective
manufacture		
	success	
expand		
implement		
		sustainable
	competition	
risk		
consume		
	strength	

7. Which of the following verbs are synonyms? Match these pairs and make your own sentences with them to show you understand their exact meaning. Work with the dictionary to study the exact meaning of the words.

Embrace, contain, incorporate, form, mold, build, set up, include, establish, constitute, compose, consist, construct, embody, comprise, compile.

8. Read and translate into Russian the following word-combinations. Pay attention to the way some words change their meaning depending on the word-combination they are used in.

a) fruit market, at the market, a street market, market stalls, market traders, share of the market, the property market, job market, the global market, domestic market, a growing market, a declining market, black market, on the open market, play the market, in the market for smth., market forces.

b) domestic affairs, domestic politics, domestic flights, domestic appliances, domestic chores, domestic violence, domestic service, domestic help, domestic animal, domestic market.

c) foreign affairs, foreign news, foreign policy, foreign trade, foreign trade, a foreign correspondent, foreign language, foreign market, foreign investments, foreign earnings.

d) a high rate, a low rate, a rising rate, the annual rate, birth rate, success rate, failure rate, advertising rate, insurance rate, postal rate, reduced rate, a fixed-rate mortgage, interest rate, exchange rate, unemployment rate, tax rate, at a rate of knots.



FINAL TASKS

1. Translate the following sentences using the vocabulary of Units 1 and 2.

Part I.

1. Цены на молочные продукты снова вырастут. 2. Мы ожидаем рост цен на продукты питания (a rise in food prices) этой осенью. 3. Люди не ожидали, что темпы инфляции будут такими высокими. 4. Цены на потребительские товары постоянно растут. 5. Потребители выбирают качественные товары по доступной цене. 6. По понедельникам рынок не работает. 7. На мировом рынке представлено огромное количество различных брендов. 8. Газ вырос в цене. 9. Население уменьшилось с 1,9 млн. до 1,3 млн. 10. Нам следует сократить потребление жирного и сладкого.

Part II.

1. 90-е годы 20 века были временем массовой безработицы. 2. В этом магазине предлагают 50% скидку на летнюю коллекцию (to offer a discount). 3. У нас нет свободных ресурсов, чтобы обновить техническое обеспечение лаборатории. 4. Из-за кризиса компания была вынуждена сократить трудовые издержки (costs). 5. Капитальные расходы (expenditures) в этом году составили 37 млн. рублей. 6. Нашей компании нужно изыскать все доступные ресурсы для запуска (start up) нового направления производства. 7. Их больше интересовало, как было одето общество, нежели речь докладчика. 8. Эта компания применяет новые технологии в производстве строительных деталей. 9. Из-за недостатка практического опыта его не взяли на престижную работу. 10. У вас есть опыт работы в сфере экономики?

2. Speaking. Make a presentation on the following topic:

- Choose any product you like and describe it, speak about technological process used in its production.

3. Find all the words and give their translation.

p	r	o	d	u	c	t	c	b	a
e	e	d	c	o	n	s	u	m	e
c	d	e	m	a	n	d	j	m	s
o	t	s	u	p	p	l	y	a	e
n	r	s	m	o	n	e	y	r	r
o	a	g	o	o	d	s	b	k	v
m	d	f	s	a	l	e	u	e	i
y	e	s	e	l	l	m	y	t	c
x	y	p	r	o	d	u	c	e	e
a	z	b	u	s	i	n	e	s	s

- | | | |
|----------|-----------|-----------|
| 1. _____ | 6. _____ | 11. _____ |
| 2. _____ | 7. _____ | 12. _____ |
| 3. _____ | 8. _____ | 13. _____ |
| 4. _____ | 9. _____ | 14. _____ |
| 5. _____ | 10. _____ | 15. _____ |

4. Fill in the gaps using the words below:

Resource, capital, application, unemployment, skills, available, manufacturing, experience, labour, discount.

1. Our government carries out special measures to help reduce _____. 2. Do you give any _____ on this car? 3. Time is our most valuable _____. You should use it deliberately. 4. Some employers use immigrants as cheap _____. 5. The starting _____ of the business was estimated as \$100,000. 6. The pop star was not _____ for taking photos, autographing and giving comments. 7. _____ of this cream will help you to reduce pain in your legs. 8. We all learn by _____. 9. We need people with practical _____. 10. Jobs in _____ are not very popular now.



Unit 3.

Demand and Supply

Text 3A



1. Before you start.

- How do you understand the term demand?
- What factors can influence demand?

2. Read the words and learn them by heart. Make up your own sentences with them.



1. **Demand** – спрос (на товары)

2. **Supply** – предложение, обеспечение

3. **Variables** – переменные факторы, переменные величины

4. **Determinant** – решающий фактор, детерминант, определитель

5. **Related goods and services** – соответствующие товары и услуги

6. **To vary** – меняться, изменяться, варьировать, колебаться

7. **Income** – доход, прибыль

8. **To tend** – иметь тенденцию, стремиться

9. **Demand curve** – кривая спроса

10. **Roast** – обжарка (о кофе)

11. **To range from smth. to smth.** – колебаться в пределах (от ... до ...)

12. **To plot on smth.** – наносить на (график), картировать

13. **Representation** – изображение, представление

14. **Preference** – предпочтение, преимущество

15. **Bagel** – баранка, бублик

16. **To induce** – побуждать, склонять, воздействовать (на кого-либо)

17. **Shift** – перемещение, изменение, сдвиг

18. **Schedule** – список, план, таблица



3. Read the text 3A, translate it and compare your ideas in ex.1 with the facts.

Demand

How many pizzas will people eat this year? How many doctor visits will people make? How many houses will people buy?

Each good or service has its own special characteristics that determine the quantity people are willing and able to consume. One is the price of the good or service itself. Other independent variables that are important determinants of demand include consumer preferences, prices of related goods and services, income, demographic characteristics such as population size, and buyer expectations. The number of pizzas people will purchase, for example, depends very much on whether they like pizza. It also depends on the prices for alternatives such as



hamburgers or spaghetti. The number of doctor visits is likely to vary with income – people with higher incomes are likely to see a doctor more often than people with lower incomes. The demands for pizza, for doctor visits, and for housing are certainly affected by the age distribution of the population and its size.

While different variables play different roles in influencing the demands for different goods and services, economists pay special attention to one: the price of the good or service. Given the values of all the other variables that affect demand, a higher price tends to reduce the quantity people demand, and a lower price tends to increase it. A medium pizza typically sells for \$5 to \$10. Suppose the price were \$30. Chances are, you would buy fewer pizzas at that price than you do now. Suppose pizzas typically sold for \$2 each. At that price, people would be likely to buy more pizzas than they do now.

We will discuss first how price affects the quantity demanded of a good or service and then how other variables affect demand.

Price and the Demand Curve. The quantity demanded of a good or service is the quantity buyers are willing and able to buy at a particular price during a particular period, all other things unchanged.

A demand schedule is a table that shows the quantities of a good or service demanded at different prices during a particular period, all other things unchanged. To introduce the concept

of a demand schedule, let us consider the demand for coffee in the United States. We will ignore differences among types of coffee beans and roasts, and speak simply of coffee. The table in Figure 3.1 "A Demand Schedule and a Demand Curve" shows quantities of coffee that will be demanded each month at prices ranging from \$9 to \$4 per pound; the table is a demand schedule. We see that the higher the price, the lower the quantity demanded.

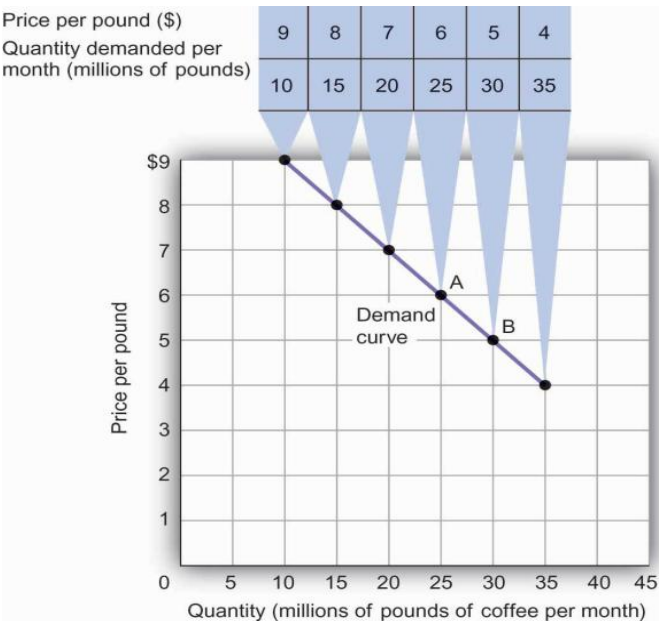


Figure 3.1 A Demand Schedule and a Demand Curve

The table is a demand schedule; it shows quantities of coffee demanded per month in the United States at particular prices, all other things unchanged. These data are then plotted on the demand curve. At point A on the curve, 25 million pounds of coffee per month are demanded at a price of \$6 per pound. At point B, 30 million pounds of coffee per month are demanded at a price of \$5 per pound.

The information given in a demand schedule can be presented with a demand curve, which is a graphical representation of a demand schedule. A demand curve thus shows the relationship between the price and quantity demanded of a good or service during a particular period, all other things unchanged (such as income or population).

Changes in Demand. Of course, price alone does not determine the quantity of a good or service that people consume. Coffee consumption, for example, will be affected by such variables as income and population. Preferences also play a role. We also expect other prices to affect coffee consumption. People often eat doughnuts or bagels with their coffee, so a reduction in the price of doughnuts or bagels might induce people to drink more coffee. An alternative to coffee is tea, so a reduction in the price of tea might result in the consumption of more tea and less coffee. Thus, a change in any one of the variables held constant in constructing a demand schedule will change the quantities demanded at each price. The result will be a *shift* in the entire demand curve rather than a movement along the demand curve. A *shift* in a demand curve is called a change in demand.

Just as demand can increase, it can decrease. In the case of coffee, demand might fall as a result of events such as a reduction in population, a reduction in the price of tea, or a change in preferences. For example, a definitive finding that the caffeine in coffee contributes to heart disease, which is currently being debated in the scientific community, could change preferences and reduce the demand for coffee.

Demand Shifters. Different goods and services may have different demand shifters, the demand shifters are likely to include (1) consumer preferences, (2) the prices of related goods and services, (3) income, (4) demographic characteristics, and (5) buyer expectations.

(Source: Principles of Microeconomics; <http://www.saylor.org>)

4. Say if the sentences concerning Text 3A are true or false.



1. The price of the good or service itself determine the quantity people are willing and able to consume.
2. Other variables that determine the demand are season of the year, our mood and physical condition.
3. People with higher incomes are likely to purchase goods and services more often than people with lower incomes.
4. A lower price tends to reduce the quantity people demand, and a higher price tends to increase it.
5. A demand curve shows the relationship between the price and quantity demanded of a good or service.
6. Prices of other goods and services do not affect demand and consumption of the particular product.

5. Answer the following questions.

1. What characteristics determine the quantity people are willing and able to consume?
2. Which of them is the most important one?
3. How does price affect the quantity demanded of a good or service?
4. How do you understand the notion “the quantity demanded of a good or service”?
5. What do a demand schedule and a demand curve show?
6. What can cause changes in demand? What variables affect consumption of goods and services?
7. Speak about alternative products.

8. Different goods and services may have different demand shifters; what are they?

6. Study, translate into Russian the following economic terms and match them with their definitions.

Word	Definition
1. peak	a. a period when there is little economic activity and many people are poor or without jobs.
2. boom	b. a difficult time for the economy of a country, when there is less trade and industrial activity than usual and more people are unemployed.
3. expansion	c. a situation in which smth. improves or increases over a period of time.
4. depression	d. a fall in the amount of business that is done; a time when the economy becomes weaker.
5. recession	e. a period of time when the level of smth. is low, especially a time when a business or the economy is not growing.
6. downturn	f. the point when smb. or smth. is best, most successful, strongest, etc.
7. upturn	g. an act of increasing or making smth. increase in size, amount or importance.
8. trough	h. a sudden increase in trade and economic activity; a period of wealth and success.

7. Give English equivalents of the following words and word combinations from Text 3A.

Особые характеристики, предпочтения покупателя, соответствующие товары и услуги, демографические параметры, показатели, цены на альтернативные товары, варьироваться в зависимости от дохода, возрастной состав, экономисты обращают особое внимание, принимая во внимание ценность других переменных, обычно продается, шкала спроса, кривая спроса, потребление кофе, может побудить людей пить больше кофе, понижение чая в цене, сдвиг кривой спроса, изменение спроса, сокращение численности населения.

8. Discuss with the group the following topic and solve the problem:

All other things unchanged, what happens to the demand curve for car rentals if there is (a) an increase in the price of fuel, (b) a decrease in family income, or (c) an increase in the price of car rentals? In answering this problem, draw and carefully label a set of axes. On the horizontal axis of your graph, show the quantity of car rentals. It is necessary to specify the time period to which your quantity pertains (e.g., “per period,” “per week,” or “per year”). On the vertical axis show the price per car rental. Since you do not have specific data on prices and quantities demanded, make a “free-hand” drawing of the curve or curves you are asked to examine. Focus on the general shape and position of the curve(s) before and after events occur. Draw new curve(s) to show what happens in each of the circumstances given. The curves could shift to the left or to the right, or stay where they are.

Text 3B

1. Before you start.



- How do you understand the term supply?
- What factors can influence supply?

2. Read the words and learn them by heart. Make up your own

sentences with them.

1. **Production cost** – стоимость производства, производственные затраты
2. **Returns** – прибыльность
3. **Expectation** – ожидание, надежда, вероятность
4. **Refer to** – ссылаться на, относиться к
5. **Profit** – польза, выгода, прибыль, доход
6. **To earn profit** – приносить прибыль, давать прибыль
7. **To make profit** – извлекать прибыль, получать прибыль
8. **Exception** – исключение, несоответствие
9. **Reduction** – снижение, понижение, уменьшение
10. **Upward sloping** – наклонённый вверх
11. **Movement** – движение, перемещение





3. Read the text 3B, translate it and compare your ideas in ex.1 with the facts.

Supply

What determines the quantity of a good or service sellers are willing to offer for sale? Price is one factor; *ceteris paribus*, a higher price is likely to induce sellers to offer a greater quantity of a good or service. Production cost is another determinant of supply. Variables that affect production cost include the prices of factors used to produce the good or service, returns from alternative activities, technology, the expectations of sellers, and natural events such as weather changes. Still another factor affecting the quantity of a good that will be offered for sale is the number of sellers – the greater the number of sellers of a particular good or service, the greater will be the quantity offered at any price per time period.



<http://www.greekshares.com/uploads/image>

Price and the Supply Curve

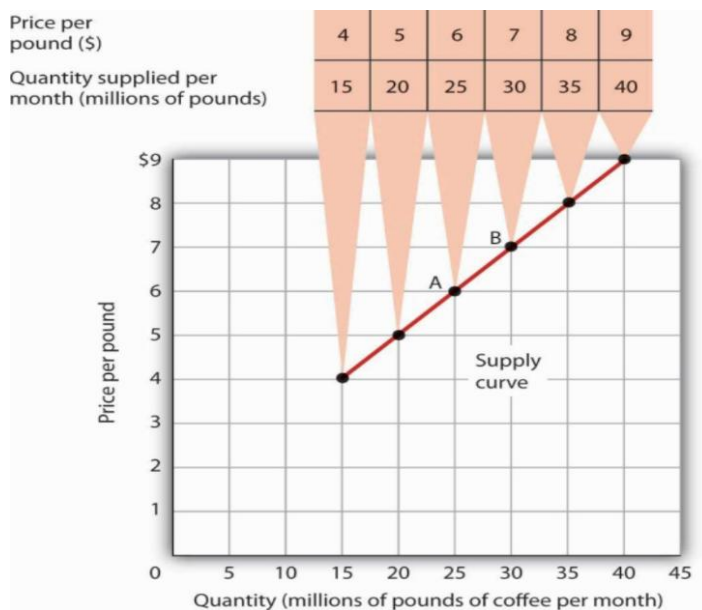
The quantity supplied of a good or service is the quantity sellers are willing to sell at a particular price during a particular period, all other things unchanged. *Ceteris paribus*, the receipt of a higher price increases profits and induces sellers to increase the quantity they supply.

In general, when there are many sellers of a good, an increase in price results in an increase in quantity supplied, and this relationship is often referred to as the law of supply. Though there are a number of exceptions to this relationship. There are cases in which a higher price will not induce an increase in quantity supplied. Goods that cannot be produced, such as additional land on the corner of Park Avenue and 56th Street in Manhattan, are fixed in supply – a higher price cannot induce an increase in the quantity supplied. There are even cases, in which a higher price induces a reduction in the quantity supplied.

Generally speaking, however, when there are many sellers of a good, an increase in price results in a greater quantity supplied. The relationship between price and quantity supplied is suggested in a supply schedule, a table that shows quantities supplied at different prices during a particular period, all other things unchanged. Figure 3.2 "A Supply Schedule and a Supply Curve" gives a supply schedule for the quantities of coffee that will be supplied per month at various prices, *ceteris paribus*. At a price of \$4 per pound, for example, producers are willing to

supply 15 million pounds of coffee per month. A higher price, say \$6 per pound, induces sellers to supply a greater quantity – 25 million pounds of coffee per month.

Figure 3.2 A Supply Schedule and a Supply Curve



The supply schedule shows the quantity of coffee that will be supplied in the United States each month at particular prices, all other things unchanged. The same information is given graphically in the supply curve. The values given here suggest a positive relationship between price and quantity supplied.

A supply curve is a graphical representation of a supply schedule. It shows the relationship between price and quantity supplied during a particular period, all other things unchanged. Because the relationship between price and quantity supplied is generally positive, supply curves are generally upward sloping. The supply curve for coffee in Figure 3.2 "A Supply Schedule and a Supply Curve" shows graphically the values given in the supply schedule.

A change in price causes a movement *along* the supply curve; such a movement is called a change in quantity supplied. As is the case with a change in quantity demanded, a change in quantity supplied does not shift the supply curve. By definition, it is a movement along the supply curve. For example, if the price rises from \$6 per pound to \$7 per pound, the quantity supplied rises from 25 million pounds per month to 30 million pounds per month. That's a movement from point A to point B along the supply curve in Figure 3.2 "A Supply Schedule and a Supply Curve".

(Source: Principles of Microeconomics; <http://www.saylor.org>)

4. Say if the sentences concerning Text 3B are true or false.

1. A higher price induces sellers to offer a lesser quantity of goods and services.
2. Price and production cost are the main determinants (factors) that influence supply.
3. The higher the price, the more will be the sellers on the market.
4. Sometimes a higher price may induce a reduction in the quantity supplied.

5. A supply schedule shows quantities supplied at one prices during various periods of time.
6. A supply curve shows the relationships between price and quantity of buyers willing to buy a good or service.

5. Answer the following questions.

1. What is the Latin term for “a higher price”?
2. What are the key-factors that determine the quantity of a good or service sellers are willing to offer for sale?
3. What variables affect production cost?
4. How does a number of sellers affect the quantity of a good that will be offered for sale?
5. Define the quantity supplied of a good or service.
6. How does a higher price affect market and sellers?
7. What is the law of supply?
8. Does an increase in price always result in an increase in quantity supplied?
9. What do a supply schedule and supply curve show?



6. Read the sentence pairs. Choose where the words best fit in the blanks.

1. Economic / economical
The government’s _____ policy helped to increase the annual GDP. It is usually _____ to buy washing powder in large quantities.
2. Save / economize
Some people try to _____ on heating, tap water and light as these facilities are rather expensive. Jane seldom visited cafes because she was _____ for a new car.
3. Wage / pay / salary
My mother is a doctor, and her sister is a teacher, – unfortunately, their _____ is not very high. This guy works in a concrete producing factory and each week he gets his _____ . Her job is hard work, but the _____ is good.

4. Profitable / successful

The play was very _____ on Broadway.

He runs a highly _____ business.

7. Study, translate into Russian the following economic terms and match them with their definitions.

Word	Definition
1. debt	a. the money that you make in business or by selling things, especially after paying the costs involved.
2. demand	b. a product or service that is brought into one country from another.
3. supply	c. the money that a person, a region, a country, etc. earns from work, from investing money, from business, etc.
4. profit	d. the selling and transporting of goods to another country.
5. equilibrium	e. a sum of money that somebody owes.
6. income	f. an amount of smth. that is provided or available to be used.
7. import	g. a state of balance, especially between opposing forces or influences.
8. export	h. the desire or need of customers for goods or services which they want to buy or use.



Speaking

8. Read and find Russian equivalents to the following English proverbs and sayings. Express your thoughts on these topics and explain the meaning of them.

- All covet, all lose.
- To angle with a silver hook.
- An ass loaded with gold climbs to the top of the castle.
- A bargain is a bargain.
- Better be born lucky than rich.
- Better be envied than pitied.

Text 3C



1. Before you start.

- What factors can cause changes in supply?
- What goods and services are in demand in your region?

2. Read the words and learn them by heart. Make up your own sentences with them.

1. **To assume** – принимать (характер, форму), предполагать, допускать
2. **Fertilizer** – удобрение, минеральное удобрение
3. **Previous** – предыдущий, прежний
4. **Yield** – урожай, плоды, урожайность
5. **Supply curve** – кривая предложения



3. Read the text 3C, translate it and compare your ideas in ex.1 with the facts.

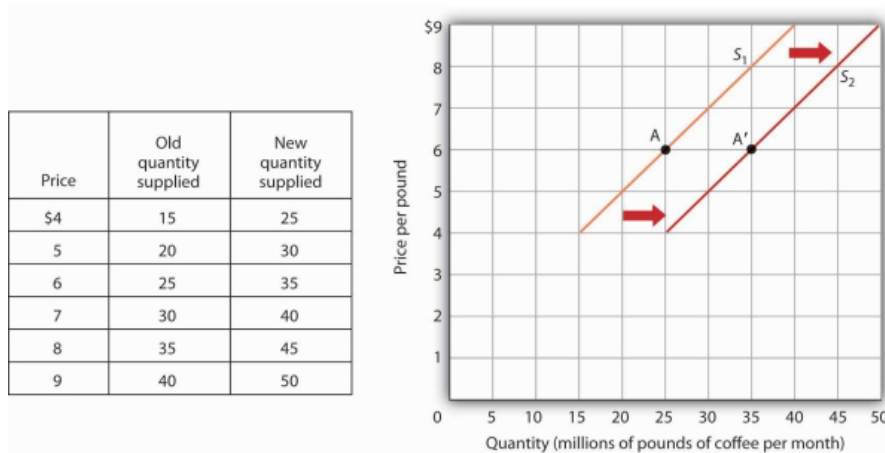
Changes in Supply

When we draw a supply curve, we assume that other variables that affect the willingness of sellers to supply a good or service are unchanged. It follows that a change in any of those variables will cause a change in supply, which is a shift in the supply curve. A change that increases the quantity of a good or service supplied at each price shifts the supply curve to the right. Suppose, for example, that the price of fertilizer falls. That will reduce the cost of producing coffee and thus increase the quantity of coffee producers will offer for sale at each price. The supply schedule in Figure 3.3 "An Increase in Supply" shows an increase in the quantity of coffee supplied at each price. We show that increase graphically as a shift in the supply curve from S_1 to S_2 . We see that the quantity supplied at each price increases by 10 million pounds of coffee per month. At point A on the original supply curve S_1 , for example, 25 million pounds of coffee per month are supplied at a price of \$6 per pound. After the increase in supply, 35 million pounds per month are supplied at the same price (point A' on curve S_2).



http://4.bp.blogspot.com/_46FEuqPrBwM/S

Figure 3.3 An Increase in Supply

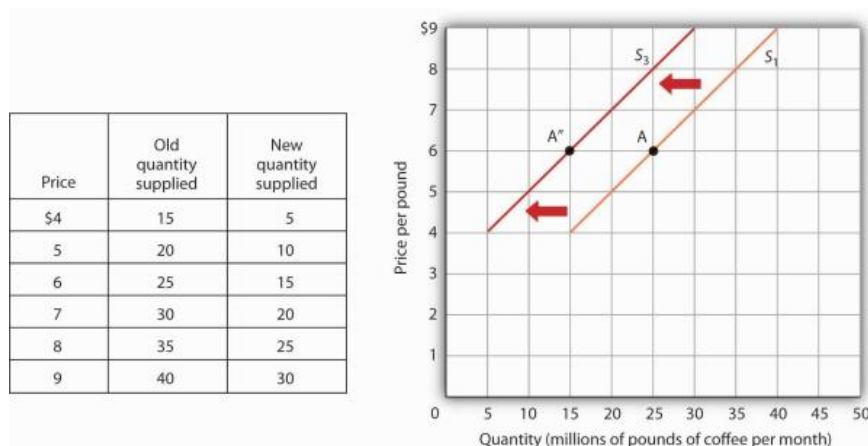


If there is a change in supply that increases the quantity supplied at each price, as is the case in the supply schedule here, the supply curve shifts to the right. At a price of \$6 per pound, for example,

the quantity supplied rises from the previous level of 25 million pounds per month on supply curve S_1 (point A) to 35 million pounds per month on supply curve S_2 (point A').

An event that reduces the quantity supplied at each price shifts the supply curve to the left. An increase in production costs and excessive rain that reduces the yields from coffee plants are examples of events that might reduce supply. Figure 3.4 "A Reduction in Supply" shows a reduction in the supply of coffee. We see in the supply schedule that the quantity of coffee supplied falls by 10 million pounds of coffee per month at each price. The supply curve thus shifts from S_1 to S_3 .

Figure 3.4 A Reduction in Supply



A change in supply that reduces the quantity supplied at each price shifts the supply curve to the left. At a price of \$6 per pound, for example, the original quantity supplied was 25 million pounds of coffee per

month (point A). With a new supply curve S_3 , the quantity supplied at that price falls to 15 million pounds of coffee per month (point A'').

A variable that can change the quantity of a good or service supplied at each price is called a *supply shifter*. Supply shifters include (1) prices of factors of production, (2) returns from alternative activities, (3) technology, (4) seller expectations, (5) natural events, and (6) the

number of sellers. When these other variables change, the all-other-things-unchanged conditions behind the original supply curve no longer hold.

(Source: *Principles of Microeconomics*; <http://www.saylor.org>)

4. Say if the sentences concerning Text 3C are true or false.

1. A change that increases the quantity of a good or service supplied at each price shifts the supply curve to the left.
2. If the price of fertilizer falls, that will increase the quantity of coffee supplied.
3. An increase in production costs and excessive rain might reduce supply of coffee.
4. A change in supply that reduces the quantity supplied at each price shifts the supply curve to the right.
5. A variable that can change the quantity of a good or service supplied at each price is called a demand shifter.



5. Answer the following questions.

1. How does the increase in the quantity of a good or service influence the supply curve?
2. How can the fall in the price of fertilizer influence the supply of coffee?
3. Using figure 3.3 “An Increase in Supply”, explain the shift of the supply curve.
4. What natural and unnatural reasons can reduce supply?
5. What is a supply shifter?
6. What do supply shifters include?

6. Read and translate into Russian the following word-combinations. Pay attention to the way some words change their meaning depending on the word-combination they are used in.

a) Active demand, aggregate demand, alternate demand, anticipated demand, competitive demand, considerable demand, consumer demand, consumer’s demand, decreasing (declining, diminishing) demand, expected demand, heavy demand, product demand;

b) aggregate supply, assured supplies, ample supplies, competitive supply, composite supply, contractual supplies, critical supplies, currency supply, deficient supply, direct supplies, excess supply, factory supplies, food supply, guaranteed supplies, large supplies, low supply, market supply, to offer supply, to arrange for a supply;

c) Bear market, bull market, bid market, black market, bootleg market, buyers' market, commodity market, competitive market, dead (dull) market, effective market, enduring market, expanding market, fund market, goods market, home (inland) market, housing market, job (labour) market, mass market, primary mortgage market, property market, real estate market, retail market, wholesale market, sophisticated market, steady market, world market;

d) at the market, in the market, on the market, to black the market, to bring on (to) the market, to branch out into a new market, to come into the market, to congest a market, to conquer a market, to meet with a ready market, to play the market.

7. Read the sentence pairs. Choose where the words best fit in the blanks.

1. Actual / current / present
Due to the difficult economic situation in the country, the factory cannot continue its _____ level of production.
The president always demands _____ figures to make up optimal decision.
He has been working for 5 years already in his _____ job.
2. Bill / invoice
This month we have got a huge electricity _____ .
Our partners sent us the _____ for \$250.
3. Expensive / overpriced
This restaurant is too _____ for me, let's go to another one.
Some designer clothes are ridiculously _____ .
4. Money / cash
How would you like to pay: in _____ or by a credit card?
How much _____ is there in my account?



8. Read and find Russian equivalents to the following English proverbs and sayings about money. Express your thoughts on these topics and explain the meaning of them.

Money begets money. Money has no smell.
 Money is a good servant but a bad master. Money often unmakes the men who make it.
 Money spent on the brain is never spent in vain. Money is the root of evil as often as the root of it (H. Filding).



FINAL TASKS

1. Fill in the gaps using the words below:

Implementation, tax, income, profit, demand, supplies, entrepreneur, shifts, previous, expands.

1. Our vocabulary _____ through reading. 2. _____ is a businessman who has his own company and tries to gain profit from his activities. 3. _____ of new technologies helped to optimize manufacturing. 4. Peak _____ for chocolate and sweets usually takes place during New Year's Eve and the 8th of March. 5. Tourism is a major source of _____ for this country. 6. The action of the story _____ from London to Paris. 7. After the company has paid all costs and tax it gets net _____. 8. No _____ experience is necessary for this job. 9. People pay _____ to the state according to their income. 10. _____ of food are almost exhausted.

2. Translate the following sentences into English.

1. Производство автомобилей снизилось на 20% по сравнению с прошлым годом. 2. Предприниматели, также как и госслужащие, должны платить налоги. 3. Компания расширила свой бизнес, открыв три новых магазина в соседних районах. 4. Внедрение новых компьютерных программ упростило работу бухгалтеров. 5. Новая модель I-phone очень популярна и пользуется спросом. 6. Спрогнозировать спрос на некоторые товары достаточно сложно. 7. Из-за недостаточного (low) снабжения газа, люди зимой могут остаться без тепла. 8. Большие торговые центры получают хороший доход от продажи товаров и услуг. 9. Он попытался свалить вину на своих коллег. 10. Компания получила хорошую прибыль от сделки.

3. Fill in the gaps with necessary prepositions.

1. All the year she was saving up _____ a summer trip to Brazil. 2. Don't economize _____ your health, it's the most valuable thing you have. 3. Annual increase _____ prices was not unexpected. 4. Decrease _____ population has become an urgent problem _____ this country. 5. This shop offers a wide range _____ products. 6. Income tax _____ individuals should be paid by everyone and _____ time. 7. Ford company succeeded _____ conveyor car production. 8. Some merchants buy fruit _____ gross and then sell it _____ retail. 9. A ban _____ the export _____ some goods can ruin a country's economy. 10. Imports _____ salmon has decreased this year. 11. Demand and supply should be _____ equilibrium. 12. These goods are packed _____ export.

4. Think of the situations where you can use the following idioms.

To be head over ears in debt, to be in low water, to play one's cards well, all for nothing, to burn one's fingers, to burst like a bubble, to come down in the world, to come back to earth, to put smth. to good account, to be as rich as Croesus, to remove the scales from smb.'s eyes, to rest on one's oars, a million to one, money for jam, monkey business, money from home, to move heaven and earth.



5.1. Speaking. Discuss with your groupmates, how demand and supply for various goods and services can vary and change according to different situations:

- Geographical location;
- Change of the season;
- Various holidays;
- Political situation;
- Economic situation.

Suggest your own criteria that can influence demand and supply.

5.2. Make a presentation. Describe some peculiarities of demand and supply for various goods and services in different countries.

Unit 4.

Real Estate

Text 4A

1. Before you start.



- How do you understand the term real estate?
- What objects can be referred to real estate?

2. Read the words and learn them by heart. Make up your own sentences with them.

1. **Real estate** – недвижимость, недвижимое имущество
2. **Property** – собственность, имущество
3. **Immovable** – недвижимый
4. **To vest** – переходить во владение, вкладывать капитал
5. **Housing** – жилищные условия, обеспеченность жильем
6. **Residential** – жилой, населённый
7. **Dwelling** – жилище, жильё, жилой дом
8. **Housing tenure** – владение квартирой
9. **Owner** – собственник, владелец
10. **Occupancy** – владение, размещение, аренда
11. **Tenancy** – владение на правах аренды, арендование, наём помещения
12. **Condominium** – совладение, кооперативный жилой дом
13. **To Parcel** – делить имущество, разделить на части, дробить
14. **Public housing** – социальное жильё, общественное жильё, государственное жильё
15. **Squatting** – самовольное занятие земельного участка, самозахват
16. **Cohousing** – совместное проживание (*проектировка нескольких домов или квартир таким образом, чтобы они имели общее пространство для каких-л. совместных действий, напр., общую кухню, столовую, детскую и т. п.*)
17. **Household** – хозяйство, домохозяйство



18. **Entity** – целостный объект, сущность

19. **To lease out** – передать в аренду, сдать в аренду

20. **Attached / multi-unit dwellings** – многоквартирные дома

21. **Intervening space** – промежуточное пространство

22. **Semi-detached house** – сблокированный двухквартирный дом, особняк из двух квартир, имеющих общую стену

23. **Detached** – индивидуальный жилой дом, дом на одну семью



3. **Read the text 4A, translate it and compare your ideas in ex.1 with the facts.**

Real estate

Real estate is property consisting of land and the buildings on it, along with its natural resources such as crops, minerals, or water; immovable property of this nature; an interest vested in this; also an item of real property; more generally, it is buildings or housing in general.



<http://www.red-river-nm.com/custimages/R>

Residential real estate. The legal arrangement for the right to occupy a dwelling in some countries is known as the housing tenure. Types of housing tenure include owner occupancy, tenancy, housing cooperative, condominiums (individually parceled properties in a single building), public housing, squatting, and cohousing. The occupants of a residence constitute a household.

Residences can be classified by, if, and how they are connected to neighboring residences and land. Different types of housing tenure can be used for the same physical type. For example, connected residents might be owned by a single entity and leased out, or owned separately with an agreement covering the relationship between units and common areas and concerns.

Major categories in North America and Europe

Attached / multi-unit dwellings



<https://encrypted-tbn0.gstatic.com>

Apartment – an individual unit in a multi-unit building. The boundaries of the apartment are generally defined by a perimeter of locked or lockable doors. It can often be seen in multi-storied apartment buildings.



<https://encrypted-tbn2.gstatic.com>

Multi-family house – often seen in multi-storied detached buildings, where each floor is a separate apartment or unit.



<http://www.freeimageslive.co.uk/files>

Terraced house (a. k. a. *townhouse* or *rowhouse*) – a number of single or multi-unit buildings in a continuous row with shared walls and no intervening space.



<http://t0.gstatic.com/images?q=tbn>

Condominium – building or complex, similar to apartments, owned by individuals. Common grounds and common areas within the complex are owned and shared jointly. There are *townhouse* or *rowhouse* style condominiums as well.



<http://www.chaseo.ca/wp-content/uploads>

Cooperative (a. k. a. co-op) – a type of multiple ownership in which the residents of a multi-unit housing complex own shares in the cooperative corporation that owns the property, giving each resident the right to occupy a specific apartment or unit.

Semi-detached dwellings (in UK, a “semi” is by definition two units with a party wall).



<http://www.thehouseplanshop.com/userfile>

Duplex – two units with one shared wall. (In UK, a duplex is an apartment of more than one storey).

Single-family detached home;

Portable dwellings:



<http://www.dixiegeorgejones.com/images/t>

Mobile homes – potentially a full-time residence which can be movable on wheels.



<http://upload.wikimedia.org/wikipedia/co>

Houseboats – a floating home.



<http://sichuan-quake-relief.org/wp-conte>

Tents – usually very temporary, with roof and walls consisting only of fabric-like material.

(Source: http://en.wikipedia.org/wiki/Real_estate)

4. Answer the following questions.

1. What property can be called real estate?
2. Explain what the housing tenure is?
3. How can residences be classified?
4. How might connected residents be owned?
5. What are the major categories of dwellings in North America and Europe?
6. Characterize portable dwellings?
7. What is a duplex and a studio?



5. Say if the sentences concerning Text 4A are true or false.

1. Real estate is property consisting only of the building.
2. Real estate has movable character.
3. The occupants of a residence constitute a team.
4. Connected residents might be owned only by a single entity.
5. The size of an apartment or house is described in hectares.
6. The garage and other non-living spaces are not included in the area of “living space”.

6. Study, translate into Russian the following economic terms and match them with their definitions.

Word	Definition
1. price	a. a house, especially a large or impressive one.
2. household	b. a thing or things, land and buildings that are owned by smb.
3. residence	c. a set of rooms for living in, usually on one floor of a building.
4. to lease	d. a person who lives in a particular place or who has their home there.
5. apartment	e. all the people living together in a house.
6. cooperative	f. a building divided into two separate homes; a flat or an apartment with rooms on two floors.
7. resident	g. a house, a flat or an apartment, etc. where a person lives.
8. property	h. the amount of money that you have to pay for an item or service.
9. dwelling	i. involving doing smth. together or working together with others towards a shared aim.
10. duplex	j. to use or let smb. use smth., especially property or equipment, in exchange for rent or a regular payment.

7. Give English equivalents of the following words and word combinations from Text 4A.

Природные ресурсы, недвижимое имущество, право владения (имущественное право), договор (правоотношение), владение жильем, размещение собственника, аренда, жилищный кооператив, совместное владение собственностью (ТСЖ), незаконное вселение в дом (самозахват земли), домохозяйство, единый хозяйствующий субъект, комбинированное жилье, отдельно стоящее здание (особняк), промежуточное пространство, городской многоквартирный индивидуальный дом, жилая площадь.



8. Make up a dialogue on the following situation.

You are searching for a new housing to buy or to rent. One of you is the property owner, the other is the client. Discuss your preferences and conditions under which the dwelling can be leased out or sold.

Text 4B



1. Before you start.

- What is a property right?
- What rights may the owner of an apartment have?

2. Read the words and learn them by heart. Make up your own sentences with them.

1. **Subset of land** – разновидность земель
2. **Ownership** – собственность, владение, долевое участие
3. **Plaintiff** – истец, взыскатель
4. **To resort** – прибегать (к чему-либо), обращаться (за помощью)
5. **To retain title to** – сохранять право собственности на
6. **To be taxed** – облагаться налогом
7. **Jurisdictions** – сфера полномочий, юрисдикция, компетентность
8. **Claim** – требование
9. **Crest of ridge** – геол. гребень гряды
10. **Cairn** – груда камней
11. **Surveyor's post** – геодезический пост
12. **Tenant** – житель, наниматель, арендатор
13. **Allodial title** – владение имуществом по безусловному праву собственности
14. **Equitable interests** – права на недвижимость, основывающиеся на праве справедливости
15. **Tangible fixed capital** – материальные активы, материальные основные фонды
16. **Extractive industries** – отрасли добывающей промышленности
17. **To encompass** – выполнить, осуществить; окружать, обносить (забором)
18. **Amenity value** – эстетическая ценность



3. Read the text 4B, translate it and compare your ideas in ex.1 with the facts.

Real Property

Part I.

In English common law, **real property**, **real estate**, **realty**, or **immovable property** is any subset of land that has been legally defined and the improvements to it have been made by human efforts: buildings, machinery, wells, dams, ponds, mines, canals, roads, etc.

Historical background. The word "real" ultimately derives from Latin *res* ("thing") and was used in Middle English to mean "relating to things, especially real property".

In common law, real property was property that could be protected by some form of real action, in contrast to personal property, where a plaintiff would have to resort to another form of action.

The law now broadly distinguishes between real property (land and anything affixed to it) and personal property (everything else, e.g., clothing, furniture, money).

Identification of real property. To be of any value a claim to any property must be accompanied by a verifiable and legal property description. Such a description usually makes use of natural or manmade boundaries such as seacoasts, rivers, streams, the crests of ridges, lakeshores, highways, roads, and railroad tracks, and/or purpose-built markers such as cairns, surveyor's posts, fences, official government surveying marks, and so forth.

Estates and ownership interests defined. The law recognizes different sorts of interests, called estates, in real property. The type of estate is generally determined by the language of the deed, lease, bill of sale, will, land grant, etc., through which the estate was acquired. A party enjoying an estate is called a "tenant."

Bundle of Rights: Real property is unique due to the fact that there are multiple "rights" associated with each piece of property. For example, most U.S. jurisdictions recognize the following rights: right to sell, right to lease, right to acquire minerals/gas/oil/etc. within the land, right to use, right to possess, right to develop, etc. These multiple rights are important because the owner of the real property can generally do what he/she chooses with each right. For example, the owner could choose to keep all the rights but lease the right to dig for oil to an oil company. Or the owner could choose to keep all the rights but lease the property to a tenant. In other words, the owner can elect to keep and/or lease and/or sell the rights to his/her land.

Jurisdictional peculiarities. In the law of almost every country, the state is the ultimate owner of all land under its jurisdiction, because it is the sovereign, or supreme lawmaking



<http://nontraditionalcouples.com/wp-cont>

authority. Physical and corporate persons do not have allodial title;¹ they do not own land but only enjoy estates in the land, also known as "equitable interests."

(Source: http://en.wikipedia.org/wiki/Real_property)

4. Say if the sentences concerning Text 4B are true or false.

1. Immovable property is any subset of land that has a house on it.
2. Purpose-built markers include seacoasts, rivers, streams, etc.
3. The word "real" derives from Esperanto.
4. There is only one right, i.e. "right to own", associated with each piece of property.
5. The state is the ultimate owner of all land under its jurisdiction.
6. Land belongs to personal property.



5. Answer the following questions.

1. What synonyms to the word "real property" do you know?
2. What is the historical background of real property?
3. What are the two main types of property?
4. What manmade boundaries do you know?
5. How is a party enjoying an estate called?
6. Why is real property unique?
7. What rights of property are recognized? Why are they important?
8. Why is the state the ultimate owner of all land under its jurisdiction?



6. Read and translate into Russian the following word-combinations. Pay attention to the way some words change their meaning depending on the word-combination they are used in.

a) abandoned property, attached property, alien property, business property, city property, common property, corporate property, damaged property, federal property, fixed property, individual property, industrial property, insured property, mortgaged property, municipal property, state property, residential property, separate property;

¹ **Allodial title:** Real property that is independent of any superior landlord. Allodium is "Land held absolutely in one's own right, and not of any lord or superior; land not subject to feudal duties or burdens. An estate held by absolute ownership, without recognizing any superior to whom any duty is due on account thereof."

b) property in goods, property in land, property in municipal ownership, property of the firm, property of state, property under arrest;

c) to acquire real property, to administer property, to alienate property, to bequeath property, to enjoy property, to inherit property, to insure property, to make a property over, to mortgage property, to obtain property, to possess property, to sell property at a gain, to surrender property, to use property.

7. Read the sentence pairs. Choose where the words best fit in the blanks.

1. Product / merchandise
This hypermarket offers a wide selection of _____. The company launched a new _____ and gained success.
2. Price / cost / value
A new computer system has been installed at a _____ of \$50 000. This car is very expensive. I can't afford it at that _____ . This apartment now has a market _____ of 5 million rubles.
3. Rent / hire
They _____ out rooms in their house to tourists. Now in Kazan you can _____ bikes for a day to explore the city.
4. Tax / customs / excise
All car owners pay road _____ in our country. The government has implemented new _____ on low-alcohol drinks. When you bring goods from other countries you must pay _____ .



8. Read and find Russian equivalents to the following English proverbs and sayings. Express your thoughts on these topics and explain the meaning of them.

- All that glitters is not gold.
- A bank is a place where they lend you an umbrella in fair weather and ask for it back when it begins to rain (R. Frost).
- Fortune favours the brave.
- Better an egg today than a hen tomorrow.
- Catch the bear before you sell his skin.
- A cat in gloves catches no mice.
- The beggar may sing before the thief.
- Time is money.

Text 4C



1. Before you start.

- How do you understand the term real estate appraisal?
- What procedures are taken to carry out the appraisal of real estate?

2. Read the words and learn them by heart. Make up your own sentences with them.

1. **Appraisal** – оценка стоимости (имущества), оценка
2. **Transaction** – сделка, дело
3. **Corporate stocks** – акции, выпущенные корпорациями; коммунальные облигации
4. **To trade** – торговать, обмениваться, продавать
5. **Appraiser** – оценщик, эксперт
6. **Mortgage loan** – ипотечный кредит, заем под залог недвижимости
7. **License** – разрешение, права
8. **Income-producing** – приносящий доход
9. **Raw land** – целина, невозделанный земельный участок
10. **Asset** – имущество, актив баланса
11. **Liability** – обязательство, обязанность
12. **Arm's length transaction** – коммерческая операция (между независимыми участниками)
13. **Prudently** – взвешенно, аккуратно, разумно
14. **Compulsion** – принуждение, понуждение
15. **Value-in-use** – ценность от использования, экономическая выгода
16. **Net present value (NPV)** – чистая текущая стоимость
17. **Orderly liquidation** – организованная ликвидация
18. **Exposure period** – срок, время экспозиции (период, в течение которого имущество предлагается к покупке)
19. **Comparable** – сопоставимый, аналогичный
20. **Securities analysis** – анализ ценных бумаг
21. **Bond pricing** – курс облигаций, биржевой курс





3. Read the text 4C, translate it and compare your ideas in ex.1 with the facts.

Real Estate Appraisal

Real estate appraisal, property valuation or land valuation is the process of valuing real property (usually market value). Real estate transactions require appraisals because they occur infrequently and every property is unique (especially their location, a key factor in valuation), unlike corporate stocks, which are traded daily and are identical. Appraiser reports form the basis for mortgage loans, settling estates and divorces, taxation, and so on. Sometimes the report is used by both parties to set the sale price of a property.

Most, but not all, countries require appraisers to be licensed or certified. Appraisers are often known as "property valuers" or "land valuers"; in British English they are "valuation surveyors". If the



appraiser's opinion is based on market value, then it must also <http://www.zoloche-club.com/wp-content/u> be based on the highest and best use of the real property. For mortgage valuations of improved U.S. residential properties, appraisals are generally reported on a standardized form like the Uniform Residential Appraisal Report. Appraisals of more complex properties (e.g., income-producing, raw land) usually include a narrative appraisal report.

Types of value. There are several types and definitions of value sought by a real estate appraisal. Some of the most common are:



<http://arborinvestmentplanner.com/wordpr>

- **Market value** – the price at which an asset would trade in a competitive Walrasian auction setting. Market value is usually interchangeable with open market value or fair value.

International Valuation Standards (IVS) define:

Market value – the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

- **Value-in-use, or use value** – the net present value (NPV) of a cash flow that an asset generates for a specific owner under a specific use. Value-in-use is the value to one particular user, and may be above or below the market value of a property.
- **Investment value** – is the value to one particular investor, and may or may not be higher than the market value of a property. Differences between the *investment value* of an asset and its *market value* provide the motivation for buyers or sellers to enter the marketplace. International Valuation Standards (IVS) define:

Investment value – the value of an asset to the owner or a prospective owner for individual investment or operational objectives.

- **Insurable value** – is the value of real property covered by an insurance policy. Generally it does not include the site value.
- **Liquidation value** – may be analyzed as either a **forced liquidation** or an **orderly liquidation** and is a commonly sought standard of value in bankruptcy proceedings. It assumes a seller who is compelled to sell after an exposure period which is less than the market-normal time-frame.

(Source: http://en.wikipedia.org/wiki/Real_estate_appraisal)

4. Answer the following questions.

1. What other synonyms of the term real estate appraisal do you know?



2. How are appraisers called?

3. What types of value do you know?

4. Define the market value.

5. How do you understand the investment value?

5. Read the text and answer the questions.

Three approaches to value.

There are three traditional groups of methodologies for determining value. These are usually referred to as the "three approaches to value", which are generally independent of each other:

- The cost approach (the buyer will not pay more for a property than it would cost to build an equivalent).



<http://www.smithfieldwainwright.com/medi>

- The sales comparison approach (comparing a property's characteristics with those of comparable properties that have recently sold in similar transactions).
- The income approach (similar to the methods used for financial valuation, securities analysis or bond pricing).

However, the recent trend of the business tends to be toward the use of a scientific methodology of appraisal which relies on the foundation of quantitative-data, risk, and geographical based approaches.

An appraiser can generally choose from three approaches to determine value. The appraiser has to think about the "scope of work", the type of value, the property itself, and the quality and quantity of data available for each approach. For instance, appraisals of properties that are typically purchased by investors (e.g., skyscrapers, office buildings) may give greater weight to the Income Approach. Buyers interested in purchasing single family residential property would rather compare price, in this case the Sales Comparison Approach (market analysis approach) would be more applicable. The Cost Approach to value is most useful in determining insurable value, and cost to construct a new structure or building.

(Source: http://en.wikipedia.org/wiki/Real_estate_appraisal)

5.1. Answer the following questions.

1. What are the three approaches to value?
2. What is the recent trend in the methodology of appraisal?
3. How does the choice of this or that approach depend on the building type?

6. Say if the sentences concerning Texts from Ex. 3 and Ex. 5 are true or false.

1. Most countries do not require appraisers to be licensed or certified.
2. Liquidation value is a commonly sought standard of value in bankruptcy proceedings.
3. The three approaches to value are dependent on each other.
4. The cost approach compares a property's characteristics with those of comparable properties that have recently sold in similar transactions.
5. Income approach is used when building skyscrapers and office-buildings.
6. The sales comparison approach is also called the market analysis approach.



6. Study, translate into Russian the following terms and match them with their definitions.

Word	Definition
1. appraisal	a. to give smb. official permission to do, own, or use smth.
2. transaction	b. a sum of money that is paid as bail.
3. mortgage	c. a thing of value, especially property, that a person or company owns, which can be used or sold to pay debts.
4. to license	d. a deal, a piece of business that is done between people, especially an act of buying or selling.
5. income	e. the activity of buying and selling or of exchanging goods or services between people or countries.
6. assets	f. any of the units of equal value into which a company is divided and sold to raise money. People who own this securities receive part of the company's profit.
7. liabilities	g. a judgement of the value, performance or nature of somebody or something.
8. bond	h. the amount of money that a person or company owes.
9. share (in smth.)	i. a legal agreement by which a bank or similar organization lends you money to buy a house, etc., and you pay the money back over a particular number of years.
10. trade	j. the money that a person, a region, a country, etc. earns from work, from investing money, from business, etc.

7. Match the following words with their synonyms.

1. transaction	
2. to transcend	
3. to transfer (the property)	
4. to transform	
5. to postpone	
6. money	
7. limit	
8. income	
9. business	
10. tradesman	

Trade

Cash

Deal

Earnings

To exceed

To put off

To convert

To sign over

Restriction

Shopkeeper



1. Fill in the gaps using the words below:

**Mortgage,
apartments,
properties,
residence,
dwelling,
residents,
semi-detached,
leases, tenants,
households**

1. This _____ is vacant, you can rent or buy it.
2. He has almost paid off a _____ and now he can buy a new car.
3. _____ houses are very popular in Great Britain.
4. They evicted their _____ for non-payment for rent.
5. Most _____ now own at least one car.
6. The official _____ of the British Prime Minister is Downing Street.
7. The company _____ equipment necessary for production process.
8. You can visit the whole castle except for private _____.
9. There were confrontations between local _____ and the police.
10. There are few empty _____ in the area.

2. Translate the following sentences into English.

1. Цены на жилье (house prices) постоянно растут.
2. Они арендуют землю у местного фермера.
3. Помещения этого здания сдаются в аренду жильцам.
4. Мне нравится эта квартира, но она очень дорогая.
5. Жители этого дома тщательно следят за чистотой и порядком в подъездах.
6. Это здание является собственностью государства.
7. Они приобрели имущество (to obtain property) по доступной цене.
8. Проект застройки нового микрорайона (a new development) будет включать в себя 25 жилых домов и некоторое количество офисов.
9. Мы хотели бы остановиться в двухуровневом номере.
10. Ежемесячно он платит ипотечный кредит (mortgage loan) в размере 30 тысяч рублей.
11. Ремонт был сделан предыдущим жильцом (арендатором).

3. Fill in the gaps with necessary prepositions.

1. Don't worry! Try to speak _____ the director about the increase _____ your salary. 2. We have fallen _____ rice, please, go and buy some. 3. He has about \$1000 _____ his account. 4. They succeeded _____ their business _____ the beginning _____ the 20th century. 5. His new pair _____ shoes cost a lot _____ money. 6. How much money do you have _____ you? 7. How would you like to pay the bill: _____ cash or _____ the credit card? 8. A company sent an invoice _____ \$500 _____ a customer. 9. The meal was very delicious, let's ask _____ the bill. 10. During crisis time it is usually rather difficult to get _____ money _____ the bank. 11. The bill _____ the purchase was very expensive.

5. Find all the words and give their translation.

D	W	E	L	L	I	N	G	M	G
P	T	E	N	A	N	T	E	O	I
R	L	E	A	S	E	L	S	R	H
O	L	E	N	D	R	A	T	T	G
P	F	X	P	Q	E	N	A	G	F
E	L	O	R	R	N	D	T	A	E
R	A	W	I	S	T	U	E	G	D
T	T	N	C	C	O	S	T	E	C
Y	V	W	E	H	O	U	S	E	B
A	P	P	R	A	I	S	E	R	A

- | | | |
|----------|-----------|-----------|
| 1. _____ | 6. _____ | 11. _____ |
| 2. _____ | 7. _____ | 12. _____ |
| 3. _____ | 8. _____ | 13. _____ |
| 4. _____ | 9. _____ | 14. _____ |
| 5. _____ | 10. _____ | 15. _____ |

4. Think of the situations where you can use the following idioms.

To find a new lease of life, a hot-house plant, one's hour has come, a house divided against itself, a house of cards, the house of god, a private eye, to take the bull by the horns, to press one's luck, bad penny, to cost a pretty penny, not to care a twopence, to cut somebody off with a shilling, long shillings, a pound in the purse is worth two in the book.



Speaking

6. Speaking. Make a presentation on the following topic:

6.1. Compare the prices of various types of dwellings in different countries.

Analyze real estate market in your country and abroad (your city and other cities of Russia). Rank the countries according to the real estate price level.

For additional information search the Internet resources (e.g. www.nyhabitat.com).

6.2. Fill in the table. Find the price level of the given below real estate types.

Real Estate Type	Kazan	Moscow	Novosibirsk	Your town/ city
One-room flat				
Two-room flat				
Tree-room flat				
Cottage				
Commercial real estate				



Unit 5.

Urban Economics

Text 5A



1. Before you start.

- How do you understand the term urban economics?
- What scope of problems does urban economics study?

2. Read the words and learn them by heart. Make up your own sentences with them.

1. **Urban** – городской
2. **Urban economics** – экономика городов
3. **To seek** – искать; разузнавать
4. **Pattern** – образец, пример, схема
5. **To vary** – меняться, изменяться, расходиться
6. **To affect** – влиять
7. **Accessibility** – доступность, досягаемость
8. **Commodity** – продукт, товар, предмет потребления
9. **In conjunction with** – в соответствии с, в комплексе с
10. **Efficiency** – эффективность, действенность
11. **Rural** – сельский, деревенский
12. **Welfare** – благосостояние, благополучие, достаток
13. **Interdependency** – взаимосвязь, зависимость друг от друга
14. **Disparity** – несоответствие, неравенство



3. Read the text 5A, translate it and compare your ideas in ex.1 with the facts.

Urban economics

Urban economics is broadly the economic study of urban areas; it involves using the tools of economics to analyze urban issues such as crime, education, public

transit, housing, and local government finance. More narrowly, it is a branch of microeconomics that studies urban spatial structure and the location of households and firms.



Urban economics is divided into six related themes: market forces in the development of cities, land use within cities, urban transportation, urban problems and public policy, <http://www.urbanecomomics.org/meetings/i> housing and public policy, and local government expenditures and taxes.

Market forces in the development of cities. Market forces in the development of cities relates to how the location decision of firms and households causes the development of cities. The nature and behavior of markets depends somewhat on their locations therefore market performance partly depends on geography. If a firm locates in a geographically isolated region, their market performance will be different than a firm located in a concentrated region. The location decisions of both firms and households create cities that differ in size and economic structure. When industries cluster, like in the Silicon Valley in California, they create urban areas with dominant firms and distinct economies.

Land use. Looking at land use within metropolitan areas, the urban economist seeks to analyze the spatial organization of activities within cities. In attempts to explain observed patterns of land use, the urban economist examines the intra-city location choices of firms and households. Considering the spatial organization of activities within cities, urban economics addresses questions in terms of what determines the price of land and why those prices vary across space, the economic forces that caused the spread of employment from the central core of cities outward, identifying land-use controls, such as zoning, and interpreting how such controls affect the urban economy.

Transportation and economics. Urban transportation is a theme of urban economics because it affects land-use patterns as transportation affects the relative accessibility of different sites.

Housing and public policy. Housing and public policy relate to urban economics as housing is a unique type of commodity. Because housing is immobile, when a household chooses a dwelling, it is also choosing a location. Urban economists analyze the location choices of households in conjunction with the market effects of housing policies.

Government expenditures and taxes. The final theme of local government expenditures and taxes relates to urban economics as it analyzes the efficiency of the fragmented local governments presiding in metropolitan areas.

Besides urban economics there can be distinguished so called **rural economics**, which is the study of rural economies, including: farm and non-farm industry; economic growth, development, and change; size and spatial distribution of production and household units and interregional trade; land use; housing and non-housing as to supply and demand; migration and (de)population; finance; government policies as to development, investment, regulation, and transportation; general-equilibrium and welfare analysis, for example, system interdependencies and rural-urban income disparities.

(Source: http://en.wikipedia.org/wiki/Urban_economics)

4. Say if the sentences concerning Text 5A are true or false.

1. Urban economics is broadly the economic study of rural areas.
2. Urban economics involves economic tools to analyze crime, education, housing, etc.
3. Urban economics is a branch of macroeconomics.
4. Urban economics is divided into three related themes.
5. Geographical location of the firm does not influence its market performance.
6. The urban economist seeks to analyze the spatial organization of activities within the cities.
7. Transport does not affect accessibility of different sites.
8. Housing is a unique type of commodity, but it is mobile and that's why location is unimportant.



5. Answer the following questions.

1. What is urban economics in its broad sense?
2. What is a narrower definition of urban economics?
3. What do modern cities represent?
4. How many related themes is urban economics divided into? What are they?
5. How does the geographical location influence the nature and behaviour of the markets?
6. What is the scope of work of the urban economist?
7. What is the role of transportation in the development of the cities?
8. What does rural economics study?

6. Give Russian equivalents of the following words and word combinations from Text 5A.

Urban areas, tools of economics, urban issues, public transit, local government, urban spatial structure, expenditures and taxes, market forces, market performance, intra-city location, metropolitan area, economic growth, spatial distribution of production.

7. Sort out the following verbs and idioms denoting a degree of success in business under three headings:

Success	Survival	Failure

Flourish, fail, go bust, thrive, be a success, reach a break-even point, boom, be head over ears in debt, lose count of millions, roll in money, make a considerable profit, succeed, be a failure, breakeven, keep one's head above water, get a business off the ground, prosper, keep/stay afloat, sink, be a flop, survive.



Speaking

8. Read and find Russian equivalents to the following English proverbs and sayings. Express your thoughts on these topics and explain the meaning of them.

- Better give a shilling than lend a half-crown.
- Better go to bed supperless than rise in debt.
- Bind the sack before it be full.
- The busiest man finds the most leisure.
- Business before pleasure.
- The busy have no time for tears.
- By doing nothing we learn to do ill.
- Creditors have better memories than debtors.

Text 5B

1. Before you start.



- Can you name any cities with highly-developed economies?
- What countries can be called developing?

2. Read the words and learn them by heart. Make up your own sentences with them.



1. **To generate** – образовывать, генерировать, вырабатывать

2. **Wealth** – богатство, изобилие

3. **To decline** – опускаться, понижаться

4. **To complicate** – осложнять(ся)

5. **To circumscribe** – ограничивать

6. **Determinant** – определитель, решающий фактор

7. **To determine** – определять, устанавливать, обуславливать

8. **To preordinate** – предопределять

9. **To shape** – формировать, придавать форму

10. **Access** – доступ, подход, возможность

11. **To alter** – изменять, переделывать

12. **To solidify** – укрепляться, отвердевать

13. **To emerge** – появляться, показываться

14. **Imprint** – след, отпечаток

15. **Tough** – жесткий, плотный, упругий, сильный



3. Read the text 5B, translate it and compare your ideas in ex.1 with the facts.

Five Principles of Urban Economics

Why do some cities grow faster than others? Why do some generate more wealth? Why do some decline? No simple answers exist, and much remains open to speculation. More than 50 years of research allows to state certain principles about the economies of cities.

Cities are first and foremost *places* – agglomerations of people – rather than economic and political units. That fact complicates the study of urban economies. Also, cities' power to make economic policy is limited. (City-states like Singapore are an exception.) The policies that most significantly affect urban economies usually come from higher levels of government. This doesn't mean that local policies don't matter, but it does mean that their ability to affect broad economic and geographic trends is sharply circumscribed. Finally, that cities aren't economic and political units in the way countries or even states are means that they face particularly fierce competition for mobile resources, especially for talent and brains. After all, it's much easier to move your residence or your business to a nearby city than to move it to another country or

another state. This reality is of fundamental importance in the knowledge economy, whose primary scarce resources are brains, skills, and entrepreneurial spirit.

Those roots are the subject of the first principle of urban economics: **cities' size and location are key determinants of wealth**. For example, in every European nation, the biggest city a century ago remains the biggest one today. The advantages of size and location are the outcome of decades, even centuries, of investments in infrastructure and in institutions.

The first principle of urban economics doesn't mean that every city's fate is preordained. And that brings us to the second: **when cities do experience dramatic changes in their growth paths, the reason is almost always outside events or technological change**. European postwar borders are an example of the way political conditions can shape growth. After the Iron Curtain was drawn in 1947, cities in West Germany had access to the growing European Economic Community, while cities in East Germany didn't.

New transportation technology or infrastructure is an especially powerful agent of change, since it can alter a city's location advantage, turning a good location into a bad one or vice versa. The emblematic example is the construction of the Erie Canal in the 1840s, which gave New York City access to western markets and solidified its position as America's biggest city.

Also related to transportation is the third principle: **accessible, well-connected cities exhibit higher growth**. The city that succeeds in positioning itself as the meeting place and market center for a wider region has won a tremendously important battle, since transportation and travel hubs have historically emerged as dominant finance and business centers, attracting talent, money, and brains.

The fourth principle of urban economics is that **every industry leaves its imprint on a city – and it isn't always a good one**. In North America and Europe these days, the best illustration of this principle is that cities with a legacy of heavy industry and large assembly plants generally exhibit slower growth. The first cities to industrialize, not long ago models of economic progress, are often among the most troubled today. Many have found it tough to move to the knowledge economy.

The fifth principle of urban economics: **though much remains unexplained, good and bad policies do matter**. Local business and political culture surely plays a part in a city's growth.

(Source: http://www.city-journal.org/2013/23_1_urban-economics.html)

4. Answer the following questions.

1. Give your own reasons and ideas on the questions put in the beginning of the text.
2. What fact about the cities complicates the study of urban economies?
3. How many principles about the economies of cities can you point out?
4. How do size and location determine the cities' wealth? Give your own examples.
5. Why is new transportation technology or infrastructure an especially powerful agent of change?
6. Why is it said that the city succeeding in positioning itself as the meeting place and market center for a wider region has won a tremendously important battle ?
7. How do you understand «the knowledge economy»?

5. Say if the sentences concerning Text 5B are true or false.



1. Cities are more economic and political units than agglomerations of people.
2. Cities' power to make economic policy is unlimited.
3. Economy's primary scarce resources are brains, skills, and entrepreneurial spirit.
4. Cities' size and location don't influence their wealth.
5. Technological change can also shift cities' growth paths.
6. Transportation and travel hubs have historically emerged as dominant finance and business centres.
7. Industry does not influence a city's growth.
8. Local business and political culture unlikely plays a part in a city's growth.

6. Give English equivalents of the following words and word combinations from Text 5B.

Производить материальные блага, скопление людей, экономическое и политическое образование, местная политика, сталкиваться с жесткой конкуренцией, мобильные ресурсы, инновационная экономика (экономика знаний), ограниченные ресурсы, предпринимательская жилка (предприимчивость), траектория экономического роста, внешние события, железный занавес, наоборот, узловой аэропорт, сборочное производство.

7. Form word partnerships and use them in the sentences of your own.

pursue	an opportunity
meet	money
recognize	a budget
make	attention
set	a risk
own	a dream
grant	the needs
attract	a company
earn	priorities
cut	a loan
establish	goals
assume	a profit



8. Speaking. Discuss the following questions with your groupmates.

- How is urban economics realized in your city or town?
- What do local government and city authorities do to provide a better living?

Text 5C



1. Before you start.

- How do you understand the term “green” in relation to economics?
- What does green economy study?
- Explain the term eco-friendly.

2. Read the words and learn them by heart. Make up your own sentences with them.

1. **To improve** – улучшать
2. **Well-being** – благополучие, состояние
3. **To reduce** – сокращать, уменьшать
4. **To expose to** – подвергать воздействию, подвергать
5. **Efficiency** – эффективность, действенность
6. **To enhance** – усиливать, увеличивать; усугублять
7. **To decline** – уменьшаться, идти на убыль, спадать
8. **Slowdown** – спад, снижение темпов
9. **Implication** – вовлечение, применение



- 10. **Solution** – решение
- 11. **Wastage** – отходы производства, отбросы
- 12. **Excess** – избыток, излишек
- 13. **Contribution** – вклад, взнос, сотрудничество
- 14. **Sustainable** – экологичный, рациональный
- 15. **Decent** – приличный, скромный
- 16. **To mitigate** – уменьшить, смягчить
- 17. **To spell out** – разъяснять, уточнять
- 18. **Assets** – имущество, капитал, активы баланса
- 19. **Cradle-to-cradle** – принцип регенеративного дизайна
- 20. **Utility** – практичность, полезность
- 21. **Exposure** – представление, выявление
- 22. **Fluctuation** – колебание, неустойчивость, текучесть



3. Read the text 5C, translate it and compare your ideas in ex.1 with the facts.

Green Urban Economy

A green economy improves human well-being and reduces inequalities over the long term, while not exposing future generations to significant environmental risks and ecological scarcities. Cities and urban areas offer unique opportunities to realize a green economy. Due to the geographical concentration of people, infrastructure, knowledge, economic activity and resources, cities are able to achieve 'more with less' – or, in other words, to turn density and urban systems into eco-efficiency. Cities and a green urban economy can realize opportunities to enhance human well-being and local natural resources, while reducing future costs, ecological scarcities and environmental risks.



<http://www.spur.org/sites/default/files/>

A green economy takes into account the wider concerns over rising energy costs, energy security, environmental risks, limited natural resources, declining ecosystem services and fears over economic slowdown and uncertainty. It also considers the impacts of investments in

infrastructures and wider consumption and production cycles on the sustainability of natural resources and ecological services. Economic activities and their environmental implications need to be rethought, reshaped and remodeled to take into account future costs.

In its simplest expression, a green economy can be thought of as one which is low carbon, resource efficient and socially inclusive.

Eco-efficiency. Ecoefficiency means using fewer resources to produce more goods and services while at the same time reducing society's negative effects on the environment. Cities must become models of eco-efficiency by innovating solutions to wastage, excess and inefficiency.

Green economy principles. A green economy needs to be understood as a new way of looking at the contribution of economic activities to sustainable development and not as the replacement of sustainable development. A green economy needs to recognize the true value of ecosystems and natural resources, and the economic benefits of long-term ecologically and socially sound economic activities. A green economy can contribute to decent jobs and improving social conditions through job security, reasonable career prospects, and worker rights, while mitigating pollution and health effects, resource degradation and exploitative, harmful work conditions. Reducing poverty goes hand-in-hand with sustainable resource management.

Cities' opportunities to green the urban economy.

Doing more with less.

The global debate on a green economy can be spelled out locally. Due to the concentration of people, knowledge,



infrastructures, resources and economic activities cities offer https://stateofgreen.com/img/upload/img_ unique opportunities to do more with less and to be highly eco-efficient. Cities can benefit and realize opportunities from green economies by enhancing their environmental assets, and by improving their environmental, social and economic conditions. Not only national leaders, but also local leaders can reduce carbon emissions and pollution, enhance ecological services, and minimize environmental risks.

Green urban economy. A viable green urban economy needs to be based on cradle-to-cradle material cycles, more eco-efficient systems, and the creation of decent jobs. The economic models and analysis for decision making processes need to integrate environmental and social costs, while governance and management need support and enable green economic conditions.

Progressive urban areas and cities can benefit from being "green leaders" by attracting green economic activities to their cities. Employers and employees can directly benefit from the creation of new or the transformation of old jobs to decent green jobs.

Green cities. Urban form and density, land-use, integrated design strategies, technologies, and the construction of buildings, as well as urban utilities of energy, water, and waste systems can be improved to reduce resource and energy consumption. Social opportunities arise as cities start to benefit from cleaner urban environments and improved living conditions, lower exposure to resource scarcities, fewer price fluctuations and costs from energy wastage and more accessible public transportation.

(Source: Green Urban Economy // local2012.iclei.org)

4. Say if the sentences concerning Text 5C are true or false.

1. A green economy improves green vegetation in cities and towns.
2. A green economy takes into account energy costs, energy security and environmental risks.
3. Eco-efficiency means using more resources to provide more goods and services.
4. A green economy is understood as a new way of looking at the contribution of economic activities to sustainable development.
5. Creation of new green jobs can hardly bring benefit to employers and employees.

5. Answer the following questions.

1. What is a green economy?
2. How can cities achieve 'more with less'?
3. What does a green economy take into account?
4. What is a green economy in its simplest expression?
5. What does eco-efficiency mean?
6. How can cities become models of eco-efficiency?
7. What does a green economy need to recognize?
8. How can you define «a green city»?



6. Give English equivalents of the following words and word combinations from Text 5C.

Благосостояние населения, сократить неравенство, значительные экологические риски, экономическая активность, добиваться большего с меньшими затратами, сократить

экологические риски, увеличивающиеся энергозатраты, ограниченные природные ресурсы, принимать во внимание будущие расходы, социально ориентированный, негативное влияние общества на окружающую среду, устойчивое развитие, социально устойчивый, вредные условия труда, сокращение бедности, сокращать выбросы углерода.

7. Complete the following table.

Verb	Noun	Adjective
qualify		
	promotion	
		employable
	determination	
apply		
		authorized
base		
	competitor competition	
recruit		
		required



8. Speaking.

- What do you personally do to reduce human's harmful effect on the environment? Discuss it in pairs.





FINAL TASKS

1. Fill in the gaps using the words below:

1. Most people prefer to live in _____ areas. 2. _____ way of life means living in the countryside and having your own house. 3. We are concerned about our children's _____. 4. Your opinion will not _____ my decision. 5. The remote desert area is _____ only by helicopter. 6. _____ of stress in your life can lead to problems with health. 7. During the crisis, oil prices _____ between \$20 and \$40 a barrel. 8. The number of tourists to the resort _____ by 10% last year. 9. Prices for the apartments _____ according to the type of room you require. 10. Countries in modern world are greatly _____.

Affect, fluctuated,
urban, welfare, declined,
excess, vary, accessible,
interdependent, rural

2. Translate the following sentences into English.

1. Городская жизнь очень интересная и динамичная. 2. Выполните упражнение по данному образцу. 3. Ее эмоциональное состояние оставляет желать лучшего (leaves much to be desired). 4. После окончания университета мы будем искать работу. 5. Мне нужно приличное место для жилья. 6. Тебе следует улучшить твой английский. 7. Компания сообщила о небольшом спаде в своих прибылях. 8. Он внес огромный вклад в успех этого проекта. 9. Как эти изменения (changes) повлияют на нас? 10. Благодаря современным методам строительства количество рабочих было сокращено с 40 до 25 человек.

3. Fill in the gaps with necessary prepositions.

1. You should pay for the goods _____ 20 days. 2. If you concentrate _____ the problem, you will find the solution. 3. She asked the bank _____ the financial support but they refused. 4. We are working _____ increasing our profit. 5. He has enormous influence _____ her. 6. We can't rely _____ his information because it's not checked out. 7. You can refer _____ the sources of Internet to write your report. 8. I don't want you to interfere _____ my business. 9. This company has a significant control _____ the market. 10. What price do you charge _____ this car?

4. Match the following words with their synonyms.

1. to flourish	a. spot
2. welfare	b. to vary
3. dull	c. to refuse
4. dot	d. donation
5. to declare	e. boring
6. to fluctuate	f. to thrive
7. to decline	g. close
8. contribution	h. crafty
9. near	i. to state
10. cunning	j. well-being

5. Match the following words with their antonyms.

<p>modern; false; misbehave; to increase; outside; inaccessible; weak; deep; opposite; visible</p>	1. accessible	
	2. to decrease	
	3. contrary	
	4. invisible	
	5. ancient	
	6. behave	
	7. shallow	
	8. true	
	9. within	
	10. strong	



6. Speaking. Make a presentation on the following topic.

Describe your city or town from the point of view of the urban economist.

Speak about the following issues:

- 1) City's size and location;
- 2) Main industries;
- 3) Transport accessibility;
- 4) Presence of the business (large and small);
- 5) Housing policy;
- 6) Local policy.

Give figures and explanations. Compare your city with other cities (both Russian and foreign).

Unit 6.

Principles of marketing

Text 6A



1. Before you start.

- What is the marketing mix?
- What is the personal value equation?

2. Read the words and learn them by heart. Make up your own sentences with them.

1. **Creating** – создание
2. **Communicating** – коммуникация, взаимодействие
3. **Delivering** – доставка
4. **Exchanging** – обмен
5. **Domain** – сфера, область, территория, домен
6. **Value** – ценность
7. **Collaborating** – сотрудничество
8. **Offering** – предложение
9. **Supplier** – поставщик
10. **Customer** – потребитель
11. **Trading** – торговля, коммерция
12. **To purchase** – покупать, приобретать
13. **Benefit** – выгода, польза
14. **Profitable** – прибыльный, доходный
15. **Hassle** – трудность, суматоха, морока



3. Read the text 6A, translate it and compare your ideas in ex.1 with the facts.

Defining Marketing



Marketing is the activity of presenting, advertising and selling a company's products in the best possible way. There are four activities, or components, of marketing:

Creating	The process of collaborating with suppliers and customers to create offerings that have value.
Communicating	Broadly, describing those offerings, as well as learning from customers.
Delivering	Getting those offerings to the consumer in a way that optimizes value.
Exchanging	Trading value for those offerings.

The traditional way of viewing the components of marketing is via the four Ps:

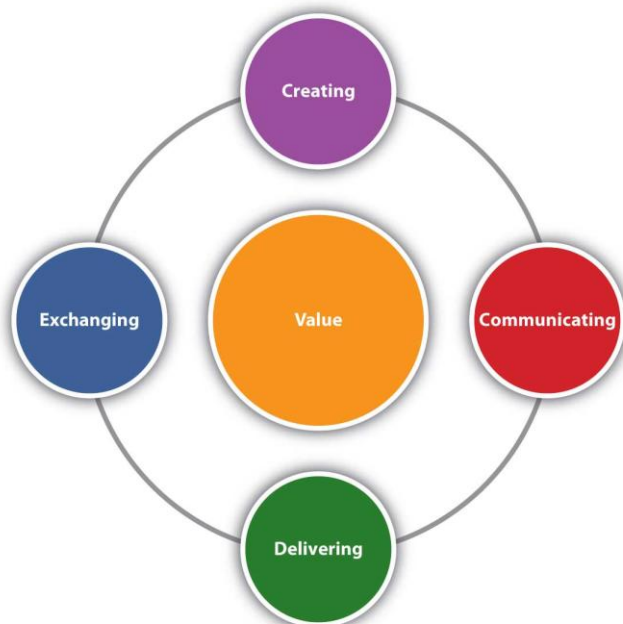


(Source:<http://2012books.lardbucket.org>)

1. **Product.** Goods and services (creating offerings).
2. **Promotion.** Communication.
3. **Place.** Getting the product to a point at which the customer can purchase it (delivering).
4. **Price.** The monetary amount charged for the product (exchange).

Introduced in the early 1950s, the four Ps were called the marketing mix, meaning that a marketing plan is a mix of these four components.

However, in recent years service marketing has widened the domains to be considered, contributing to the 7P's of marketing in total. The other 3P's of service marketing are: process, physical environment and people.



(Source:<http://www.web-books.com>)

consumers. By profitable, we mean that the consumer's personal value equation is positive.

Value is at the center of everything marketing does. What does value mean?

When we use the term **value**, we mean the benefits buyers receive that meet their needs. In other words, value is what the customer gets by purchasing and consuming a company's offering. So, although the offering is created by the company, the value is determined by the customer.

Furthermore, our goal as marketers is to create a profitable exchange for

The **personal value equation** is

$$\text{value} = \text{benefits received} - [\text{price} + \text{hassle}]$$

Hassle is the time and effort the consumer puts into the shopping process. Value varies for each consumer.

(Source: *Principles of Marketing*; <http://www.saylor.org>)

4. Fill in the missing words in this description of the marketing mix.

The traditional marketing mix was described in terms of four Ps:

1. **P r o d u c t**, the goods or services
2. **P _ _ _ _**, the cost of product
3. **P _ _ _ _**, often called distribution
4. **P _ _ _ _ _ _ _**, which aims to make people aware of the product.

In recent years other considerations have been added, giving a mix of normally seven Ps. The additional three, sometimes referred to as service Ps are:

5. **P _ _ _ _ _**, or everyone involved from producer to consumer
6. **P _ _ _ _ _ e _ _ _ _ _**, or anything that shows the existence of the company, e.g. its buildings, vehicles, website, stationery, staff uniforms, badges.
7. **P _ _ _ _ _**, which is the interaction between everyone involved.

5. Answer the following questions.



1. How can you define “marketing”?
2. What components does marketing include?
3. What is a “marketing mix”?
4. What is at the center of everything marketing does?
5. What does value mean?
6. What is the personal value equation?



Speaking

6. Speaking

What other types of marketing do you know? Find information in the internet and prepare a report.

7. Fill each gap in the sentences below with the correct word from the box.

customers needs time developing ~~product~~ promote distribute place want price
product profit producing promote service

Marketing is concerned with getting the right (1) product to the right (2) _____ at the right (3) _____. Marketing is about meeting consumer (4) _____ at a (5) _____. Marketing makes it easier for (6) _____ to do business with you. Marketing aims to find out what people (7) _____; then (8) _____ and (9) _____ a (10) _____ or (11) _____ that will satisfy those wants; and then determining the best way to (12) _____ (13) _____ and (14) _____ the product or service.

8. Using vocabulary in ex.2 match the words with their definitions.

1.	Product	a	Trading value for offerings
2.	Creating	b	The monetary amount charged for the product (exchange)
3.	Exchanging	c	Broadly, describing those offerings, as well as learning from customers
4.	Delivering	d	Communication.
5.	Price	e	Goods and services (creating offerings)
6.	Communicating	f	Time and effort the consumer puts into the shopping process
7.	Place	g	Benefits buyers receive that meet their needs
8.	Promotion	h	Getting those offerings to the consumer in a way that optimizes value
9.	Value	i	Getting the product to a point at which the customer can purchase it (delivering)
10.	Hassle	j	The process of collaborating with suppliers and customers to create offerings that have value

9. Find 11 common words connected with marketing in the word square. Four of them are vertical, six are horizontal, and one is diagonal.

R	Q	A	I	J	K	L	M	P	L	A	N
C	U	S	T	O	M	E	R	S	P	O	Q
A	A	S	M	A	R	K	E	T	I	N	G
H	L	D	L	F	G	H	J	T	S	T	O
O	I	E	E	F	W	R	U	U	C	V	O
J	T	M	A	G	Y	B	B	C	E	A	D
L	Y	A	T	H	I	R	U	B	D	U	S
N	Q	N	P	R	O	D	U	C	T	Q	P
O	S	D	T	T	R	V	G	H	J	W	R
O	M	S	E	R	V	I	C	E	S	X	E
D	I	K	I	R	E	S	E	A	R	C	H
D	X	X	A	P	Q	U	A	N	A	F	H

1. _____ 5. _____ 9. _____
 2. _____ 6. _____ 10. _____
 3. _____ 7. _____ 11. _____
 4. _____ 8. _____

Text 6B

1. Before you start.

- What kind of needs do you have?
- Do wants always satisfy needs?
- What are the main concepts of marketing?



2. Read the words and learn them by heart. Make up your own sentences with them.

1. **Needs** – потребности, нужды
2. **Core concept** – основное понятие
3. **To denote** – обозначать

4. **Deprivation** – потеря, утрата, лишение
5. **Self expression** – самовыражение
6. **Wants** – потребности
7. **Demand** – спрос
8. **Purchasing power** – покупательная способность
9. **Willingness** – готовность
10. **Tangible** – материальный
11. **Intangible** – нематериальный
12. **Exchange** – обмен
13. **Profit** – выгода
14. **Appropriate** – соответствующий



3. Read the text 6B, translate it and compare your ideas in ex.1 with the facts.



Basic Concepts Underlying Marketing.

NEEDS

The core concept of marketing is to understand or feel the “human needs” that denotes the state of felt deprivation. Therefore being the marketers you need not go for inventing these needs. Rather you should try to understand it. The need for food, clothing, shelter and safety are the basic physical needs and the needs of belongingness and affection are the social needs. The individual needs include the need for knowledge and self expression.



<http://interactioninstitute.org/wp-conte>

WANTS

Human wants are desires for specific satisfaction of deeper needs that means the needs become wants when they are directed to specific object that might satisfy the need. Human needs may be few, but their wants are numerous. These wants are continually shaped and re-shaped by social forces and institutions such as families, colleagues, neighbours etc. Marketers can influence the wants and suggest and inform the consumers about certain products and persuade them to purchase these by stressing the benefits of such products.



<http://thumbs.dreamstime.com/z/my-wants>

DEMANDS

People may have almost unlimited wants. But resources are limited in compare to the wants they have. Therefore they have to choose the products that are likely to provide the most value and satisfaction for their money. When backed by purchasing power, wants become demand. Thus, demands are basically wants for specific products that are linked /associated with the ability and willingness to pay for these products.



<http://www.noupe.com/wp-content>

PRODUCTS

To satisfy the wants and needs of people the company must offer their products in the market. That means people purchase the products to satisfy their needs and wants. Specifically, a



<http://www.thepartneringgroup.com/wp-con>

product can be defined as an object, service, activity, person, place, organization or idea. You can note here that the tangible items are known as product while the intangible items are known as service.

EXCHANGE

We have already got that marketing takes place only when people decide to satisfy needs and wants through exchange. So in the process of marketing there is exchange value between the two party's i.e buyer and seller. The value for buyer is to obtain the desired object to satisfy its needs and wants while the value for the seller is generally the profit or the money. Kotler (1984) states that for exchange to take place, it must satisfy five conditions, namely:

1. There are at least two parties.
2. Each party has something that might be of value to the other party.

3. Each party is capable of communication and delivery.

4. Each party is free to accept or reject the offer.

5. Each party believes it is appropriate or desirable to deal with the other party.



<http://images.clipartpanda.com/exchange>

(Source:http://www.kkhsou.in/main/EVidya2/electronics/basic_marketing.html)

4. Answer the following questions.

1. What are needs?
2. What types of needs do you know? What do they include?
3. How can you define wants?

4. When do wants become demands?
5. What are demands?
6. How can a product be defined?
7. What is exchange?
8. What is the value for a buyer?
9. What is the value for a seller?
10. What conditions must be satisfied for exchange to take place?



5. Using vocabulary in ex.2 match the words with their definitions.

1.	demands	a	the need for knowledge and self expression.
2.	intangible item	b	an object, service, activity, person, place, organization or idea
3.	exchange	c	the state of felt deprivation
4.	the basic physical needs	d	wants for specific products that are linked with the ability and willingness to pay for these products.
5.	the individual needs	e	product
6.	wants	f	the needs of belongingness and affection
7.	needs	g	service
8.	product	h	interchange value between the two parties
9.	tangible item	i	the need for food, clothing, shelter and safety
10.	the social needs	j	desires for specific satisfaction of deeper needs

7. Speaking.



Make up a dialogue. One of you wants to make a trip around the world, but he doesn't have enough sources. The other one suggests alternative decisions.

Text 6C

1. Before you start.



- What is consumer behavior?
- Why do companies study it?
- What stages do people go through in the buying process?

2. Read the words and learn them by heart. Make up your own sentences with them.

1. Consumer behaviour – потребительское поведение

2. To dispose – устранить, отделяться от, избавиться

3. Need recognition – признание необходимости

4. To strive for – добиваться, бороться, стремиться добиться

5. Evaluation – оценка

6. Compartment – отдел, отсек

7. Purchase – покупка

8. Postpurchase dissonance – недовольство от покупки

9. Buyer's remorse – синдром раскаяния покупателя



3. Read the text 6C, translate it and compare your ideas in ex.1 with the facts.

Consumer Behavior: How People Make Buying Decisions?

Why do you buy the things? How did you decide to go to the university you're attending? Where do you like to shop and when? Do your friends shop at the same places or different places?

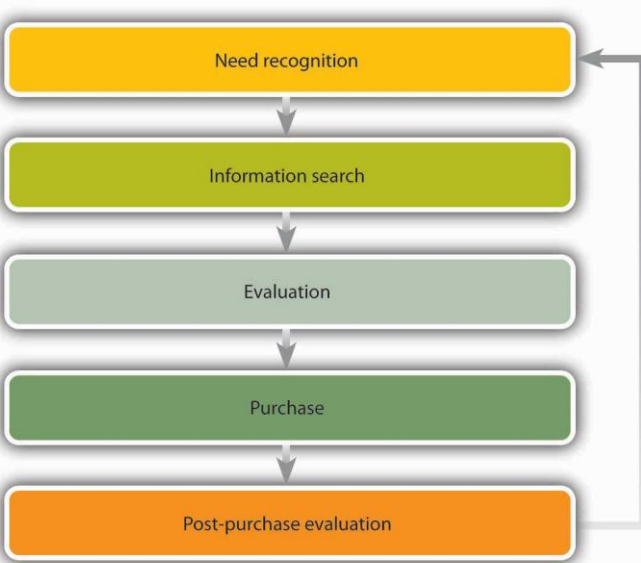
Marketing professionals want to know the answers to these questions. They know that once they do have those answers, they will have a much better chance of creating and

communicating about products that you and people like you will want to buy. That's what the study of consumer behavior is all about.

Consumer behavior considers the many reasons why – personal, situational, psychological, and social – people shop for products, buy and use them, and then dispose of them.

Stage 1. Need Recognition

Perhaps you're planning to backpack around the country after you graduate, but you don't have a particularly good backpack. Marketers often try to stimulate consumers into realizing they have a need for a product. For example, previews at movie theaters. How many times have you have heard about a movie and had no interest in it – until you saw the preview?



(Source: <http://z2solutions.com>)

Afterward, you felt like had to see it.

Stage 2. Information search

Maybe you have owned several backpacks and know what you like and don't like about them. Or, there might be a particular brand that you've purchased in the past that you liked and want to purchase in the future. This is a great position for the company that owns the brand to be in – something firms strive for. Why? Because it often means you will limit your search and simply buy their brand again.

If what you already know about backpacks doesn't provide you with enough information, you'll probably continue to gather information from various sources. Frequently people ask friends, family, and neighbors about their experiences with products.

Internet shopping sites such as Amazon.com have become a common source of information about products. Amazon.com also offers product reviews written by consumers. People prefer "independent" sources such as this when they are looking for product information. However, they also often consult nonneutral sources of information, such advertisements, brochures, company Web sites, and salespeople.

Stage 3. Evaluation

Obviously, there are hundreds of different backpacks available to choose from. It's not possible for you to examine all of them. Consequently, you develop what's called evaluative criteria to help you narrow down your choices.

Evaluative criteria are certain characteristics that are important to you such as the price of the backpack, the size, the number of compartments, and color. Some of these characteristics are more important than others.

Marketing professionals want to convince you that the evaluative criteria you are considering reflect the strengths of their products.

Stage 4. Purchase

Stage 4 is the point at which you decide what backpack to purchase. However, in addition to the backpack, you are probably also making other decisions at this stage, including where and how to purchase the backpack and on what terms. Maybe the backpack was cheaper at one store than another, but the salesperson there was rude. Or maybe you decide to order online because you're too busy to go to the mall. Other decisions, particularly those related to big ticket items, are made at this point.



<http://cdn.makeuseof.com/wp-content>

Stage 5. Postpurchase Evaluation

At this point in the process you decide whether the backpack you purchased is everything it was cracked up to be. Hopefully it is. If it's not, you're likely to suffer what's called **postpurchase dissonance**. You might call it *buyer's remorse*. You want to feel good

about your purchase, but you don't. You begin to wonder whether you should have waited to get a better price, purchased something else, or gathered more information first. Consumers commonly feel this way, which is a problem for sellers. If you don't feel good about what you've purchased from them, you might return the item and never purchase anything from them again. Or, worse yet, you might tell everyone you know how bad the product was.



<http://www.kaminarieducation.net/intercl>

(Source: *Principles of Marketing* <http://www.saylor.org>)

4. Answer the following questions.

1. What is a consumer behavior?
2. What is the first stage in buying the product? Describe it.
3. What is “information search”?
4. How do you understand “evaluation”?
5. What is the fourth stage?
6. How can you define “postpurchase evaluation”?



5. Fill each gap in the text below with a word or phrase from the box. The items in bold are headings.

Assets, credit availability, discounts, discretionary income, economic growth, employment, ~~general economic situation~~, loss growth, outgoings, price, purchasing power

1. general economic situation

When the national economy is doing well, when people feel that their _____ is safe, they spend more. In times of a slow down in _____, if interest rates or taxation rates increase, then buyer confidence goes down.

2. _____

People spend according to what is left after meeting their regular costs on rent, mortgage, bills, tax, borrowings and other _____. What is left is called _____.

3. _____

Banks and other lenders are sometimes particularly happy to lend, for example to anyone in work, or with _____ such as property. Credit card spending goes up and many people borrow money to buy goods.

4. _____

This is perhaps obvious. High prices may limit spending, but not always. Sometimes high prices indicate high quality and this increases the desirability of the product. Price may also be less important if the need is great. But, in contrast, low prices may increase buying, especially where _____ are on offer. Sometimes items are offered at a low price as a _____. This means products are sold at below cost price. The shop thinks that consumers will buy these low priced goods, but also other high profit items.

6. Fill each gap in the sentences below with a preposition from the box. The prepositions may be used more than once.

at in into of on to with for about

1. People who are concerned about society are typically interested _____ marketing ethics.
2. Niche marketing is frequently concerned _____ aiming particular products _____ specific socio-economic groups.
3. Brands loyalty is based _____ the development _____ routine purchasing of low-involvement goods.
4. The success of shops attached _____ petrol stations depends _____ impulse purchasing. You can see motorists who suddenly decide to buy a music cassette, confectionery or a magazine.
5. Research _____ buyer behaviour shows that when consumers make routine purchases _____ regularly used consumer products, they are not personally involved _____ the products.
6. Routine purchasing contrasts _____ the purchase of consumer durables, such as furniture, kitchen appliances or a car. Here there is a greater degree _____ personal involvement.
7. Clients have increasingly high expectations _____ the providers of professional services in a range of fields, including health, education and the law.
8. Special government appointed committees are responsible _____ ensuring that consumers get good service and adequate protection. Sometimes called consumer watchdogs, they respond _____ reports of malpractice.



Speaking

7. Speaking.

Describe the buying patterns women exhibit versus men.

Are You a Good Consumer?

1. Before you buy something, do you shop around in different places?	5. When you buy a gadget, do you read through the guarantee and conditions?
a. always	a. always
b. sometimes	b. sometimes
c. never	c. never
2. Are you easily taken in by adverts and the appearances of products?	6. If you have a problem with a product, do you take it back to the shop as soon as possible with the receipt, guarantee and packaging?
a. always	a. always
b. sometimes	b. sometimes
c. never	c. never
3. When you buy something, do you ever throw away the receipt?	7. When you take something back, do you go up to a shop assistant and start off by explaining the problem politely?
a. always	a. always
b. sometimes	b. sometimes
c. never	c. never
4. Before you buy clothes, do you try them on first?	8. Have you ever rung up your local consumer protection organisation to help you out with a problem?
a. always	a. yes
b. sometimes	b. no
c. never	c. never

8. Answer the questions above and discuss your results in the group.



1A. Fill in the missing words in the table.

Verb	Agent	General noun
market	marketer	
distribute		
		competition
		advertising advertisement
	supplier	
	sponsor	
consume		
produce		
	analyst	
	researcher	
import		

1B. Complete the sentences below with words from the word table.

1. Marketers m_____ p_____ to customers.
2. Advertisers a_____ to c_____.
3. Market analysts a_____ the performance of s_____ and the behaviour of c_____.
4. The opposite of export is _____.
5. The opposite of demand is _____.
6. C_____ is good for consumers.
7. S_____ is a form of a_____.

2. Complete the following sentences with a preposition from the box, where necessary. You need some of the prepositions more than once. Some of the sentences do not need an extra word.

after in on out to with

1. I head _____ the marketing department at Power Enterprises.
2. I report directly _____ Mr. Power himself.
3. I look _____ a department of about 30 people.
4. I deal _____ all the major aspects of the company's marketing strategy.
5. I liaise _____ the other members of management committee.
6. I listen carefully _____ what our customers say.
7. I handle _____ one or two of the major accounts myself.
8. I'm working _____ a very important account at the moment.
9. I also monitor _____ the general situation in the market place.
10. We carry _____ market surveys regularly.
11. We test _____ new products on groups of consumers.
12. I am also involved _____ one or two of Mr. Power's takeover projects.

Business verbs

For each of the verbs below, three of the four words or expressions fit. In each case circle the one that does not fit.

1. DO	a) business c) a job	b) a profit d) a deal
2. MAKE	a) money c) a loss	b) business d) a decision
3. TAKE	a) a long time c) appropriate measures	b) a decision d) a deadline
4. HAVE	a) progress c) shares in a company	b) something to eat d) a meeting
5. MEET	a) a deadline expectations c) an appointment	b) customer's d) a target

6. LAUNCH	a) a product c) a campaign	b) a ship d) a team
7. CUT	a) costs c) a decision	b) jobs d) a price
8. CARRY OUT	a) a meeting c) research survey	b) duties d) a market
9. ACHIEVE	a) progress c) a job	b) a breakthrough d) little
10. REACH	a) a decision c) an agreement	b) a strategy d) a target

3. Translate the following sentences into English.

1. Его целью было взимать больше налогов (to tax) с богатых людей. 2. Победитель получит приз стоимостью 1000 \$. 3. Ценность недвижимости постоянно возрастает. 4. Ферма поставяет яблоки изготовителям соков и нектаров. 5. Мистер Харрисон был постоянным клиентом клуба «Золотой лев». 6. В этот период процветали различные типы маркетинга, розничной торговли и производственных кооперативов. 7. В этом районе довольно много торговых точек, и вы можете купить все, что захотите. 8. Потребности общества постоянно увеличиваются. 9. В зимнее время увеличивается спрос на лыжи и коньки. 10. К материальным активам компании относятся здания, сооружения, оборудование компании. 11. Хочешь мой телевизор в обмен на этот фотоаппарат? 12. Сохраняйте чек (receipt) как доказательство покупки.

4. Think of the situations where you can use the following idioms.

Any man's money, be made of money, coin money, count one's blessings, count the cost, for my money, give smb. a new lease of life, as good as gold, have got money to burn, a stroke of bad luck.



Unit 7.

Introduction to principles of management

Text 7A



1. Before you start.

- Who is a manager?
- What types of managers do you know?

2. Read the words and learn them by heart. Make up your own sentences with them.

1. **Top-level manager** – менеджер высшего звена
2. **Middle-level manager** – менеджер среднего звена
3. **First-level manager** – менеджеры первого (низового) звена
4. **Hierarchy of authority** – иерархия власти
5. **Board of directors** – совет директоров
6. **Non-executive director** – независимый директор
7. **Executive director** – исполнительный директор
8. **Vice-president** – вице-президент
9. **CEO (Chief Executive Officer)** – главный исполнительный директор, генеральный директор
10. **Overseeing** – надзор за
11. **Strategic plan** – стратегический план
12. **Company policies** – политика компании
13. **Outside resources** – внешние ресурсы
14. **Accountable** – ответственный
15. **Shareholder** – акционер
16. **General public** – широкая общественность
17. **General manager** – главный управляющий, главный менеджер



- 18. **Branch manager** – руководитель филиалов
- 19. **Department manager** – руководитель отдела
- 20. **In conformance** – в соответствии
- 21. **To provide guidance** – обеспечить руководство
- 22. **To bridge** – преодолеть
- 23. **To design and implement** – разработать и реализовать
- 24. **To define and monitor** – определить и контролировать
- 25. **To diagnose and resolve problems** – диагностировать и решать проблемы
- 26. **To implement** – реализовать
- 27. **Supervisor** – контролер, наблюдатель
- 28. **Foreman** – бригадир
- 29. **Assigning** – назначение
- 30. **Basic supervision** – основной надзор



3. Read the text 7A, translate it and compare your ideas in ex.1 with the facts.

Who are Managers? Levels and Types of Managers.

An individual who is in charge of a certain group of tasks, or a certain subset of a company. A manager often has a staff of people who report to him or her.

Most organizations have three management levels: top-level, middle-level, and first-level managers. These managers are classified in a hierarchy of authority, and perform different tasks. In many organizations, the number of managers in every level resembles a pyramid.

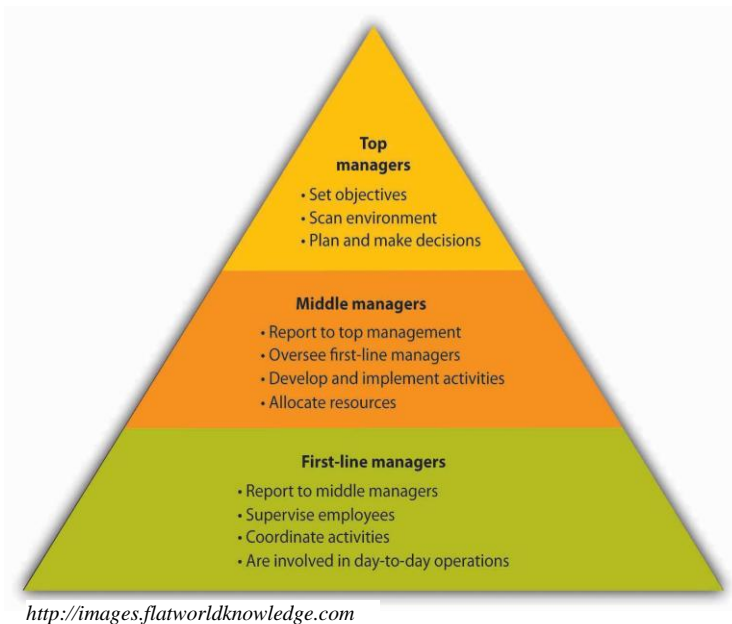
Top-level managers

The top consists of the board of directors (including non-executive directors and executive directors), president, vice-president, CEOs and other members of the C-level executives. They are responsible for controlling and overseeing the entire organization. They set a tone at the top and develop strategic plans, company policies, and make decisions on the direction of the business. In



<https://meirctc.files.wordpress.com/2012>

addition, top-level managers play a significant role in the mobilization of outside resources and are accountable to the shareholders and general public.



Middle-level managers consist of general managers, branch managers and department managers. They are accountable to the top management for their department's function. They devote more time to organizational and directional functions. Their roles can be emphasized as executing organizational plans in conformance with the company's policies and the objectives of the top management,

they define and discuss information and policies from top management to lower management, and most importantly they inspire and provide guidance to lower level managers towards better performance.

Efficiency of the middle level is vital in any organization, since they bridge the gap between top level and bottom level staffs.

Their functions include:

- Design and implement effective group and inter-group work and information systems.
- Define and monitor group-level performance indicators.
- Diagnose and resolve problems within and among work groups.
- Design and implement reward systems that support cooperative behavior. They also make decision and share ideas with top managers.

First-level managers consist of supervisors, section leaders, foremen, etc. They focus on controlling and directing. They usually have the responsibility of assigning employees tasks, guiding and supervising employees on day-to-day activities, ensuring quality and quantity production, making recommendations, suggestions, and up channeling employee problems, etc. First-level managers are role models for employees that provide:

- Basic supervision
- Motivation

- Career planning
- Performance feedback

We tend to think about managers based on their position in an organization. This tells us a bit about their role and the nature of their responsibilities.

(Source: <http://en.wikipedia.org>; <http://www.businessdictionary.com>)

4. Say if the sentences concerning Text 7A are true or false.

1. Most organizations have four management levels.
2. Top-level managers are responsible for controlling and overseeing the entire organization
3. Middle-level managers consist of general managers, branch managers and department managers.
4. Middle-level managers devote more time to organizational and controlling functions.
5. First-level managers consist of the board of directors, president, vice-president and other members of the C-level executives.



5. Answer the following questions.

1. Why do organizations need managers?
2. How can you define the term “manager”?
3. What are some different types of managers and how do they differ?
4. Who is responsible for controlling and overseeing the entire organization?
5. What members do top-level managers consist of?
6. What are the functions of middle-level managers?
7. Who focuses on controlling and directing?
8. What are the responsibilities of first-level managers?


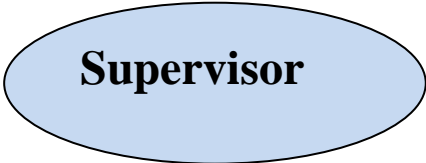
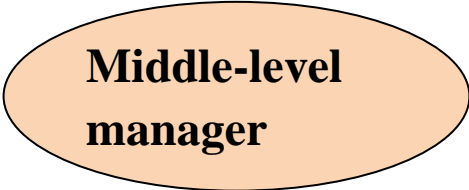





6. Give English equivalents of the following words and word combinations from Text 7A.

Менеджер высшего звена, вице-президент, независимый директор, внешние ресурсы, руководитель филиалов, ответственный, иерархия власти, совет директоров,

надзор за, главный менеджер, акционер, политика компании, разработать и реализовать, назначение, руководитель отдела, преодолеть, в соответствии, стратегический план, основной надзор, менеджер среднего звена, широкая общественность, определить и контролировать, менеджеры первого (низового) звена, исполнительный директор, диагностировать и решать проблемы.

7. Match the words with their definitions.

 <p>Manager</p>	 <p>Supervisor</p>	 <p>Middle-level manager</p>
 <p>The board of directors</p>	 <p>Top-level manager</p>	 <p>First-level manager</p>
<p>devotes more time to organizational and directional functions</p>	<p>an individual who is in charge of a certain group of tasks, or a certain subset of a company</p>	
<p>focuses on controlling and directing</p>	<p>responsible for controlling and overseeing the entire organization</p>	
<p>includes non-executive directors and executive directors</p>	<p>has the responsibility of assigning employees tasks, guiding, making recommendations, suggestions, etc.</p>	

8. Discuss with the group the following topics:



1. Describe the functions of the managers on each level.
2. Make up a dialogue. One of you is an employee; the other is a top-level manager. Explain the peculiarities of the future job.

Text 7B



1. Before you start.

- What are the main duties of a manager?
- What are the functions of managers?

2. Read the words and learn them by heart. Make up your

own sentences with them.

1. **Execution** – исполнение, выполнение

2. **Planning** – планирование

3. **Organizing** – организация

4. **Leading** – управление, ведение, лидерство

5. **Controlling** – контроль, контролирование

6. **Objective** – цель

7. **Competitor** – конкурент

8. **To forecast** – прогнозировать

9. **To evaluate** – оценивать

10. **Strengths and weaknesses of the organization** – сильные и слабые стороны

организации

11. **To assume** – предполагать

12. **To allocate** – размещать

13. **Accomplishment** – достижение, выполнение

14. **Organization chart** – структура организации

15. **To departmentalize** – делиться на отделы

16. **Subordinate** – подчиненный

17. **Persuasively** – убедительно

18. **Revenue** – выручка

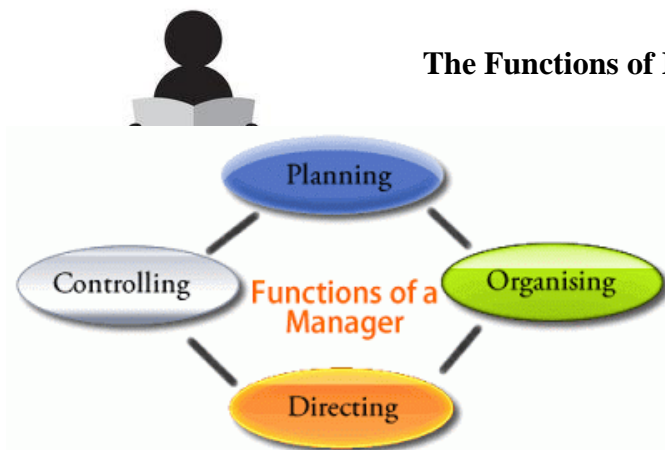
19. **A budget audit** – аудит бюджетных средств

20. **Performance audit** – аудит выполнения

21. **Verification** – проверка



3. Read the text 7B, translate it and compare your ideas in ex.1 with the facts.



The Functions of Managers

Managers are responsible for the processes of getting activities completed efficiently with and through other people and setting and achieving the firm's goals through the execution of four basic management functions: planning, organizing, leading, and controlling.

Planning

Planning is the function of management that involves setting objectives and determining a course of action for achieving those objectives. Planning requires that managers be good decision makers. Planning is a process consisting of several steps. The process begins with environmental scanning simply means that planners must apply critical approach to economic conditions, competitors, and customers. Planners must then attempt to forecast future conditions. These forecasts form the basis for planning.

Planners must establish objectives, which are statements of what needs to be achieved and when. Planners must then identify alternative courses of action for achieving objectives. After evaluating the various alternatives, planners must make decisions about the best courses of action for achieving objectives. They must then formulate necessary steps and ensure effective implementation of plans. Finally, planners must constantly evaluate the success of their plans and take corrective action when necessary.

Organizing

Organizing is the function of management that involves developing an organizational structure and allocating human resources to ensure the accomplishment of objectives. The structure of the organization is the framework within which effort is coordinated. The structure is usually represented by an organization chart, which provides a graphic representation of the chain of command within an organization.

Leading

Leading involves the social and informal sources of influence that you use to inspire action taken by others. If



<http://www.leadershipwithsass.com/wp-con>

managers are effective leaders, their subordinates will be enthusiastic about exerting effort to attain organizational objectives.

Managers must first understand their subordinates' personalities, values, attitudes, and emotions.

Studies of motivation and motivation theory provide important information about the ways in which workers can be energized to put forth productive effort;

Studies of communication provide direction as to how managers can effectively and persuasively communicate;

Studies of leadership and leadership style provide information regarding questions, such as, "What makes a manager a good leader?" and "In what situations are certain leadership styles most appropriate and effective?"

Controlling

Controlling involves ensuring that performance does not deviate from standards. Controlling consists of three steps, which include



<http://www.amhoff.de/fileadmin>

- establishing performance standards,
- comparing actual performance against standards, and
- taking corrective action when necessary.

Effective controlling requires the existence of plans, since planning provides the necessary performance standards or objectives. Controlling also requires a clear understanding of where responsibility for deviations from standards lies. Two traditional control techniques are *budget* and *performance audits*. An audit involves an examination and verification of records and supporting documents. A budget audit provides information about where the organization is with respect to what was planned or budgeted for, whereas a performance audit might try to determine whether the figures reported are a reflection of actual performance.

The management functions of planning, organizing, leading, and controlling are widely considered to be the best means of describing the manager's job, as well as the best way to classify accumulated knowledge about the study of management.

(Source: *Principles of Management* <http://www.saylor.org>)

4. Answer the following questions.

1. What functions of management do you know?
2. What is planning?
3. What steps does planning consist of?

4. What is organizing?
5. What is leading?
6. What behavioural studies do you know?
7. What is controlling?
8. What steps does controlling consist of?
9. What are traditional control techniques?
10. What do they provide?



5. Read about different types of plan and planning and give a short outline.

There are many different types of plans and planning.

Strategic planning involves analyzing competitive opportunities and threats, as well as the strengths and weaknesses of the organization, and then determining how to position the organization to compete effectively in their environment. Strategic planning has a long time frame, often three years or more. An organization's top management most often conducts strategic planning.

Tactical planning is intermediate-range (one to three years) planning that is designed to develop relatively concrete and specific means to implement the strategic plan. Middle-level managers often engage in tactical planning.

Operational planning generally assumes the existence of organization-wide or subunit goals and objectives and specifies ways to achieve them. Operational planning is short-range (less than a year) planning.

6. Discuss with the group the following topics:

1. What qualities should a good manager possess?
2. Make up a portrait of an effective manager, real or imaginary.



8. Find the equivalents.

Проводить; конкурировать; тактическое планирование; оперативное планирование; цели и задачи в масштабах всей организации или субъединиц; лица, принимающие решения; достигать; клиент, покупатель; постановка и достижение целей фирмы; сканирование окружающей среды; эффективная реализация планов; стратегическое планирование; отклоняться; накапливать; соответствующий; указывать; выдвигать; личность подчиненного; краткосрочный.

1	Setting and achieving the firm's goals –
2	Decision makers –
3	Environmental scanning –
4	Customer –
5	Effective implementation of plans –
6	Strategic planning –
7	To compete –
8	To conduct –
9	Tactical planning –
10	Operational planning –
11	Organization-wide or subunit goals and objectives –
12	To specify –
13	Short-range –
14	To attain –
15	Subordinate's personality –
16	To put forth –
17	Appropriate –
18	To deviate –
19	To accumulate –

8. There are four main roles of managers: **planning, organizing, leading and controlling** in this table. There is a list of management functions under the table. The task is to write each function under the correct role.

Management functions.

~~taking on new staff~~, communicating with staff, comparing results with targets, deciding strategy, empowering staff to take decisions, identifying change, identifying needs, managing resources, monitoring quality standards, motivation, putting systems in place, setting objectives, team-building supervision, time management.

Planning	Organizing
taking on new staff	
Leading	Controlling

Text 7C

1. Before you start.

- What types of companies do you know?
- How can a company be organized?



2. Read the words and learn them by heart. Make up your own sentences with them.

1. **Organizational structure** – организационная структура
2. **Centralization** – централизация
3. **Formalization** – формализация
4. **Hierarchical levels** – иерархические уровни
5. **Centralized companies** – централизованные компании
6. **Decentralized companies** – децентрализованные компании
7. **Handbook** – руководство
8. **Ambiguity** – двусмысленность
10. **Frontline employee** – рядовой сотрудник
11. **Monitor employee** – старший, ведущий сотрудник, контролер
12. **Generalist** – эрудит, универсал
13. **To be in charge** – быть ответственным
14. **Anticipating** – предвидение
15. **Agile** – проворный
16. **Mental abilities** – умственные способности



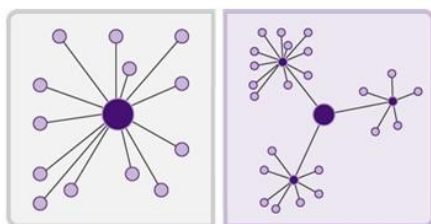
3. Read the text 7C, translate it and compare your ideas in ex.1 with the facts.

Organizational Structure

Organizational structure refers to how individual and team work within an organization are coordinated. To achieve organizational goals and objectives, individual work needs to be coordinated and managed. Organizations can function within a number of different structures, each possessing distinct advantages and disadvantages.

We will review four aspects of structure: centralization, formalization, hierarchical levels, and departmentalization. We view these four elements as the building blocks, or elements, making up a company's structure.

CENTRALISATION AND DECENTRALISATION



<https://www.kbresearch.com>

Centralization

Centralization is the degree to which decision-making authority is concentrated at higher levels in an organization. In centralized companies, many important

decisions are made at higher levels of the hierarchy, whereas in decentralized companies, decisions are made and problems are solved at lower levels by employees who are closer to the problem in question.

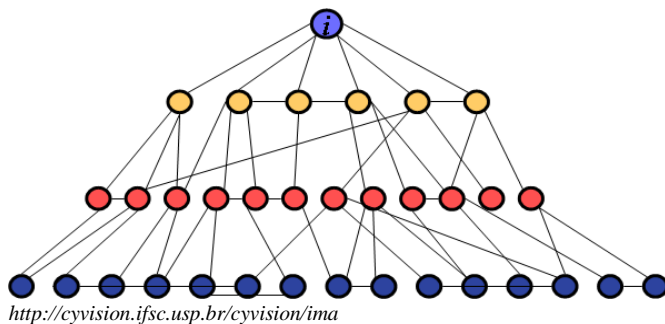
Formalization

Formalized structures are those in which there are many written rules and regulations. These structures control employee behavior using written rules, so that employees have little autonomy to make their own decisions. An advantage of formalization is that it makes employee behavior more predictable. Whenever a problem at work arises, employees know to turn to a handbook or a procedure guideline.



<http://medicine.yale.edu/cmi/glides/Imag>

Hierarchical Levels



<http://cyvision.ifsc.usp.br/cyvision/ima>

Another important element of a company's structure is the number of levels it has in its hierarchy. Keeping the size of the organization constant, tall structures have several layers of management between frontline employees and the top level, while flat structures consist of only a few layers. In tall structures, the number of employees reporting to each manager tends to be smaller, resulting in greater opportunities for managers to supervise and monitor employee activities. In contrast, flat structures involve a larger number of employees reporting to each manager. In such a structure, managers will be relatively unable to provide close supervision, leading to greater levels of freedom of action for each employee.

Research indicates that flat organizations provide greater need satisfaction for employees and greater levels of self-actualization.

Departmentalization

Organizational structures differ in terms of departmentalization, which is broadly categorized as either functional or divisional.

Organizations using functional structures group jobs based on similarity in functions. Such structures may have departments such as marketing, manufacturing, finance, accounting, human resources, and information technology. In these structures, each person serves a specialized role and handles large volumes of transactions.

In organizations using divisional structures, departments represent the unique products, services, customers, or geographic locations the company is serving. Thus each unique product or service the company is producing will have its own department. Within each department, functions such as marketing, manufacturing, and other roles are replicated. In these structures, employees act like generalists as opposed to specialists. Instead of performing specialized tasks, employees will be in charge of performing many different tasks in the service of the product.



http://o.quizlet.com/i/ha_cEzPS10qoEAzdS

(Source: Principles of Management <http://www.saylor.org>)

4. Answer the following questions.

1. What are four aspects of structure?
2. What is centralization?
3. How do centralized and decentralized companies differ?
4. How can you define “formalization”?
5. What is an advantage of formalization?
6. What are hierarchical levels in tall structures?
7. What are hierarchical levels in flat structures?
8. What is departmentalization?
9. What types of departmentalization do you know?



10. Define the functions of departments in organizations using functional and divisional structures.

5. Give English equivalents of the following words and word combinations from Text 7C.

Структура организации, определенные преимущества и недостатки, руководитель, принимающий решения, на высших уровнях, формализованные организации, поведение работника, письменные правила, несколько уровней управления, передовые сотрудники, контролировать и отслеживать действия сотрудников, линейная организационная структура, тщательное наблюдение (или

строгий надзор), самореализованность, функциональные структуры выполняют большой объем операций.

6. Using vocabulary in ex.2 match the words with their appropriate meanings.

1	Centralization	a	departments represent the unique products, services, customers, or geographic locations the company is serving
2	Tall structures	b	involve a larger number of employees reporting to each manager
3	Functional structures	c	decisions are made and problems are solved at lower levels by employees
4	Centralized companies	d	there are many written rules and regulations
5	Flat structures	e	the degree to which decision-making authority is concentrated at higher levels in an organization
6	Decentralized companies	f	many important decisions are made at higher levels of the hierarchy
7	Divisional structures	g	group jobs based on similarity in functions
8	Formalized companies	h	the number of employees reporting to each manager tends to be smaller, resulting in greater opportunities for managers to supervise and monitor employee activities

7. Discuss with the group the following topics:



Make up a presentation about a well-known company. Pay attention to its structure and type of management.



1. Read the short presentation of the management team of this British company. Then write the correct letters (a-n) in the right places in the organization chart.

At the top of the company, the Chairman of the Board [a] is responsible to the shareholders and the day-to-day running is the responsibility of the Chief Executive Officer (CEO) [b], who also has a seat on the Board.

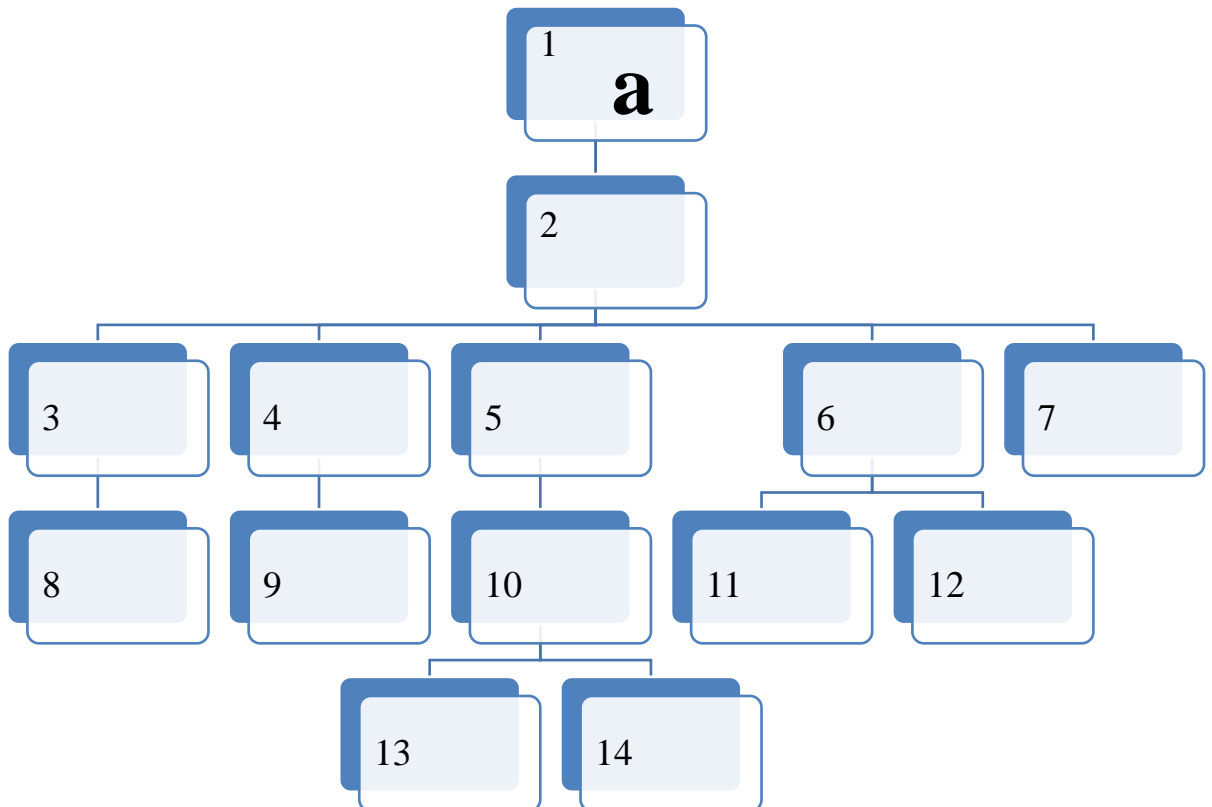
Five directors form the senior management committee of the company. Going from left to right on the organization chart, we start with the Director of Finance [c], who runs his division with his Deputy [d].

Then we have the Director of Operations [e], who is responsible for production and logistics. The Factory Manager [f] answers directly to him.

Next we have the Director of Marketing [g], who is responsible for sales so the National Sales Manager [h] reports to him on the activities of the whole sales team, which is divided into two regions, north and south, each managed by a regional sales manager [i, j].

The Director of Human Resources [k] has a Training and Development Manager [l] and a Compensation and Benefits Manager [m], who look after the day-to-day running of her department.

Finally, the Director of Research and Development [n] runs a small but important division of the company. She too reports directly to the CEO.



2. There is a list of management theories over the last five hundred years. In each pair decide which statement is true.

1. Machiavelli *The Prince* (1513)

- a) You have to be cleverer than your opponent, sometimes using force or trickery.
- b) You have to kill your opponents.

2. Marx and Engels *The Communist Manifesto* (1848)

- a) The Communist Party will dominate the world.
- b) The working class will rise up and take power from the bourgeoisie, creating a utopia of equality and brotherhood.

3. Taylorism (1911)

- a) A 'scientific' approach to management based on measuring time, performance and output and relating these to wages and salaries.
- b) A system of management based on friendly co-operation between managers and workers.

4. Hawthorne studies (1924-1932)

- a) Studies showing that factories produce more if workers are put under increased pressure.
- b) Studies showing the relationships between management and workers are very important in getting the best performance.

5. Elton Mayo (1930s)

- a) The idea that social needs and relationships are very important factors in the workplace.
- b) The belief that workers should be able to control the work environment.

6. Maslow's Hierarchy of Needs (1942)

- a) The idea that people have needs which motivate their performance. Once a need is met, it is no longer motivating.
- b) The idea that workers and managers have the same needs and have to co-operate.

7. Systems approach (1950s and 60s)

- a) Belief that organizations consist of many parts and management has to help each part to work both individually and as part of the whole organization.
- b) Belief that a company is a single organization. Managing the single organization from the top brings success.

8. Contingency theory (1980s and after)

- a) Idea that organizations are all similar and have the same objective – profit.
- b) Management must study every situation and design the best response.

3. Think of the situations where you can use the following idioms.

As bad as luck would have it, black money, cost a pretty penny, count one's chickens before they are hatched, cut-throat competition, get one's money's worth, give smb. credit (for smth.), have a heart of gold, have no business, a stroke of good fortune.



4. Speaking.

Preparing a Business Plan

The business plan is an important document with two essential functions. It aims to convince possible investors and other stakeholders of the potential of a new business. It also works as a guide for the company in its first year

or two of operation.

The business plan normally starts with a title page and outline of the new business. It includes the name, logo and mission statement of the activity. There are normally three main parts to the business plan.

First, **the Marketing Plan**. This includes a description of the products and services, an analysis of the market, a survey of the competition and a basic outline of promotion and selling strategies.

The next part is **the Financial Plan**, which includes details of start-up costs, a profit and loss forecast for the first year or two (or maybe three) and then a calculation of the break-even point. This is to show when business expects to begin making a profit.

Then there is usually a **People and Action Plan**. This explains who is involved, and states their roles and responsibilities, their experience and abilities. The Action Plan explains what will happen in the important first year of the business, i.e. during the start-up phase.

Finally, the business plan has some information on the location, perhaps with photographs and architect's drawings. At the end there are **the Appendices**, containing any additional information and detailed information or support material.

(Source: Professional English. Management)

5. Translate the following sentences using the vocabulary of Units 7.

1. Награждение сотрудников также является ключевой частью обязанностей менеджера по продажам. 2. Он застройщик, акционер и директор ряда компаний. 3. Процесс планирования управления рисками начинается с постановки целей и создания политики управления рисками. 4. Это механизм, посредством которого общество стремится к достижению политических целей. 5. Так как люди планируют свое будущее, полезно провести SWOT-анализ – сильные стороны, слабые стороны, возможности и угрозы. 6. Компания увеличила объемы производства, чтобы максимизировать доходы организации. 7. Хороший менеджер должен обладать многими качествами, среди которых профессионализм и ответственность играют важную роль. 8. В этой стране недавно прошла централизация политической власти. 9. Маркетинговый план играет важную роль в успешной работе компании. 10. Он работает в отделе продаж уже 3 года.

Unit 8.

Cadastral

Text 8A



1. Before you start.

1. What do we need land for?
2. Make a list of all types of activities that we can apply land for.

2. Read the words and learn them by heart. Make up your own sentences with them.

1. **cadastre** – кадастр
2. **metes-and-bounds** – границы, пределы
3. **ownership** – собственность, владение, право собственности
4. **tenure** – владение, собственность, имущество
5. **the precise location** – точное местоположение
6. **parcels of land** – участок земли, надел земли
7. **conjunction** – соединение, объединение, стык
8. **title register** – реестр титулов
9. **disputes** – разногласия, споры
10. **lawsuit** – судебный процесс, иск
11. **Bureau of Land Management** – Бюро по управлению государственными и общественными землями, Государственный комитет по земельным участкам
12. **poll tax** – подушный налог, избирательный налог
13. **taxation** – налогообложение, взимание налога
14. **parish** – приход, уезд, округ
15. **riding** – *зд.* райдинг (название округа в графстве Йоркшир, Великобритания)
16. **hundred** – *зд.* округ (часть графства в Англии)
17. **lot** – *зд.* участок (земли), надел
18. **valuation** – оценка, определение стоимости



19. **forerunner** – предшественник, предвестник

20. **to assess** – оценивать, оценивать имущество для обложения налогом,



3. Read the text 8A, translate it and compare your ideas in ex.1 with the facts.

Cadastré

A **cadastre** (also spelled **cadaster**), using a **cadastral survey** or **cadastral map**, is a comprehensive register of the real estate or real property's metes-and-bounds of a country.

A cadastre commonly includes details of the ownership, the tenure, the precise location, some include GPS coordinates, the dimensions and area, the cultivations if rural, and the value of individual parcels of land. Cadastres are used by many nations around the world, some in conjunction with other records, such as a title register.



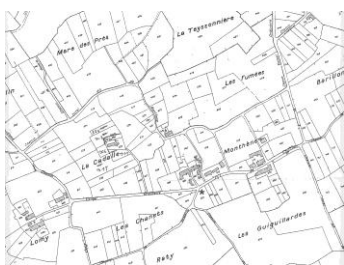
<http://orbitgis.com/sites/default/files/>

In most countries, legal systems have developed around the original administrative systems and use the cadastre to define the dimensions and location of land parcels described in legal documentation. The cadastre is a fundamental source of data in disputes and lawsuits between landowners.

In the United States, Cadastral Survey within the Bureau of Land Management (BLM) maintains records of all public lands. Such surveys often require detailed investigation of the history of land use, legal accounts, and other documents.

Etymology

The word *cadastre* came into English through French from Late Latin *capitastrum*, a register of the poll tax, and the Greek *κατάστιχον* *katastikhon*, a list or register, from *κατὰ στίχον* *kata stikhon* – literally, "down the line", in the sense of "line by line" along the directions and distances between the corners mentioned and marked by monuments in the metes and bounds.



<http://cmapspublic.ihmc.us/rid=1J6J36CCS>

The word forms the adjective *cadastral*, used in public administration, primarily for ownership and taxation purposes.

The terminology for cadastral divisions may include counties, parishes, ridings, hundreds, sections, lots, blocks and city blocks.

Cadastral surveys

Cadastral surveys document the boundaries of land ownership, by the production of documents, diagrams, sketches, plans (plats in USA), charts, and maps. They were originally used to ensure reliable facts for land valuation and taxation. An example from early England is the Domesday Book in 1086. Napoleon established a comprehensive cadastral system for France that is regarded as the forerunner of most modern versions.

Cadastral survey information is often a base element in Geographic/Land Information systems used to assess and manage land and built infrastructure. Such systems are also employed on a variety of other tasks, for example, to track long-term changes over time for geological or ecological studies, where land tenure is a significant part of the scenario.

Cadastral map

A *cadastral map* is a map that shows the boundaries and ownership of land parcels. Some cadastral maps show additional details, such as survey district names, unique identifying numbers for parcels, certificate of title numbers, positions of existing structures, section or lot numbers and their respective areas, adjoining and adjacent street names, selected boundary dimensions and references to prior maps.

(Source: <http://en.wikipedia.org>)

4. Say if the sentences concerning Text 8A are true or false.



1. A cadastre is evaluation of real estate.
2. Legal systems use the cadastre to define the dimensions and location of land parcels described in legal documentation.
3. The word “cadastre” came into English from Dutch.
4. Cadastral surveys document the boundaries of land ownership.
5. A cadastral system established by Henry III for England is regarded as the forerunner of most modern versions.
6. A cadastral map is a map that shows the boundaries and ownership of land parcels.

5. Answer the following questions.

1. What is a cadastre?
2. What does cadastre include?
3. What can you tell about the etymology of the word “cadaster”?

4. What does the terminology for cadastral divisions include?
5. What do cadastral survey document?
6. How is cadastral survey information used?
7. What is a cadastral map?



6. Give English equivalents of the following words and word combinations from Text 8A.

Кадастровая съемка, всесторонняя (полная) регистрация, границы частной собственности, точное местоположение, стоимость отдельных участков земли, регистрация права собственности, административные системы, основной источник данных, подушный налог (избирательный налог), округа, административная единица или избирательный округ, границы владения землей, надежные (достоверные) факты, оценка и налогообложение земли, предшественник.



7. Discuss with the group the following topics:

Describe a piece of land you know well according to the plan:

- 1) location;
- 2) area (sq.m.)
- 3) streets or lands surrounding environment;
- 4) purpose of the area

Text 8B

1. Before you start.



- Where do you live?
- Do you live in a house or apartment?
- Is it big?
- Does it have a garage or a garden?

2. Read the words and learn them by heart. Make up your own sentences with them.



1. immovable – неподвижный, недвижимый

2. permanent – постоянный, неизменный

3. Jeremiah – Пророк Иеремия

4. sealed deed – запечатанный документ

5. to facilitate – содействовать, способность

6. impetus – импульс, стимул, мотив

7. registration of deeds – отдел земельной регистрации, регистрация прав на недвижимость

8. registration of title – регистрация прав, оформление прав, оформление права на имущество

9. double selling – двойные продажи

10. claim – иск, требование, претензия

11. database – база данных

12. fiscal cadastre – фискальный кадастр

13. legal cadastre – юридический кадастр



3. Read the text 8A, translate it and compare your ideas in ex.1 with the facts.

Land Registration System: History and Definitions

Two unique characteristics of land distinguish it from other types of property. First, land is immovable, so it cannot be physically transferred from one person to another. Second, land is permanent; it cannot be increased, decreased, or destroyed as can all other forms of wealth. Land's permanence makes it peculiarly capable of lasting record.

Land tenure and title featured prominently in early agricultural economies. Contracts entered into as early as the third millennium B.C. demonstrated that people needed tenure security in the land they cleared. The Bible tells of an early land transaction in the book of Jeremiah. In 587 B.C. Jeremiah bought his cousin Hanameels's field in a purchase of land that involved a sealed deed prepared in accordance with legal requirements. Official records of land ownership date even further to 3000 B.C., where in ancient Egypt rulers kept a Royal Registry to record land ownership for taxation purposes. Much later in Europe, land records

were gathered for purposes of taxation. Napoleon I's establishment of a "cadastre" in France encouraged the development of similar systems throughout the continent. Although early efforts to establish comprehensive land records systems in Europe were mainly for purposes of public taxation, there were also private needs for land records to facilitate effective land transfers. It was the need for land records that eventually provided the impetus for land registration systems. "Land registration system" is defined as any public system of records concerning legal rights to land. Two categories of land registration systems exist: registration of deeds and registration of title. Registration of deeds developed first. This system, called "land recordation" in the United States, involves registering or recording of documents affecting interests in land. It developed hundreds of years ago in several European countries to prevent double selling of land. With registration or recordation of the deeds at a government office, the priority of claims could be established in the event of double selling. The second system is registration of title. This system was first introduced in Australia, in 1858, by Sir Robert Torrens. Torrens believed that a land register should show the actual state of ownership, rather than just provide evidence of ownership. Under this system, the government guaranteed all rights shown in the land register. Shortly after Torrens introduced the concept of title registration in Australia, a similar system developed in England.

One important term, at times closely linked to land registration, is "cadastre." A cadastre is a systematically organized database of property data within a certain jurisdiction. This information is based on a comprehensive survey of a property's boundaries. Related to the term cadastre are the terms "cadastral survey," which is a survey of boundaries of land parcels, and "cadastral map," which is a map indicating the boundaries of land parcels. Although cadastres were originally established for land taxation purposes, in many countries they later were used for land registration purposes. When a cadastre is used for land tax purposes, it is a "fiscal cadastre"; when it is used for land registration purposes, it is a "legal cadastre."

(Source: auilr.org/pdf/13/13-3-2.pdf)

4. Answer the following questions.

1. What characteristics do distinguish land from other types of property?
2. Tell about the history of land.
3. How can you define "Land registration system"?



4. What categories of land registration system do exist?
5. What does land recordation involve?
6. What can you tell about registration of title?
7. Give the definitions of “cadastre”, “cadastral survey”, “cadastral map”.

5. The Legislative Environment.

Companies and organizations operate in a legal environment. Below are ten areas of legislation. Match each legislative area (1-10) with the correct definition (a-j).

Legislative area		What is it about?	
1.	Environmental legislation	a	Minimum standards in quality, service and rights of customers.
2.	Social legislation	b	Restrictions of use, movement and sale of items that present serious risk.
3.	Consumer protection	c	Protection of air, water, land.
4.	Dangerous goods security legislation	d	Issues concerning state such as defense interests, nuclear resources, etc.
5.	Tariffs, duties and taxes	e	Employment law, hours of work, holidays, insurance, etc.
6.	Official secrets, state security legislation	f	Restrictions on ways of promoting goods and services.
7.	Sale of goods legislation	g	Compulsory levies applied by government.
8.	Company law	h	Rights for all groups in society to be treated fairly.
9.	Advertising standards	i	The quality of goods and services and the accuracy of any claims made for products and services offered for sale.
10.	Equal opportunities law	j	Obligations to publish accounts, names of directors, etc.

6. Discuss with the group the following topics:



Make up a dialogue. One of you is a customer, who wants to make a land registration. The other is a land registrar.

7. Talk about property and land prices in your country. Are property and land prices high? In what cities and regions is property expensive/cheap? In what parts of your town/region is property and land expensive/cheap?

USEFULL LANGUAGE

I live in a house / an apartment.

It's ... kilometers from

The house/apartment is quite/very big/large/small. It's ... square meters. It's old/modern. It's quite/very nice. It has ... bedrooms. It has a big/small garden.

Is property and land expensive in your country?

In ... prices are quite/very high, but in



1. Match the following words with their synonyms.

1. autonomous	a. disaster
2. authority	b. foolish
3. misfortune	c. journey
4. silent	d. to giggle
5. silly	e. independent
6. rude	f. courteous
7. rubbish	g. disrespectful
8. trip	h. quiet
9. to titter	i. nonsense
10. polite	j. specialist

2. Think of the situations where you can use the following idioms.

- As luck would have it,
- blue chips, count for nothing,
- count sheep,
- the devil's own job,
- give smb. a good run for his money,
- go about one's business,
- have a good run for one's money,
- have one's money worth.

3. Match the following words with their antonyms.

1. profit	a. to refuse
2. rich	b. borrower
3. to accept	c. narrow
4. to succeed	d. weakness
5. lender	e. loss
6. strength	f. cheap
7. broad	g. to fail
8. to build	h. to ruin
9. expensive	i. poor

4. Translate the following sentences using the vocabulary of Unit 8.

1. В новой компании необходимо было обучить персонал и подготовить кадастровую карту. 2. Право владения землей часто становится предметом споров и конфликтов. 3. Собственность на землю, в отличие от движимого имущества, является предметом особых правил. 4. Большие базы данных означают большое программное обеспечение и большие компьютерные системы; они стоят миллионы, чтобы их развивать и поддерживать. 5. Экспертиза и оценка недвижимости требует профессиональных знаний. 6. Если рассмотреть Землю из космоса в безоблачный день, то можно увидеть края земли, морей и ледников. 7. Какова рыночная стоимость этого участка земли? 8. Постоянный рост цен вызывает недовольство в обществе.



5. Project.

You are going to build a house for its future selling. Write and defend your business strategy. Describe location, competitors, material used in construction, financial resources, types of payment, land peculiarities, etc.

Appendix

Text 1

Scarcity

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.

Consider a parcel of land. The parcel presents us with several alternative uses. We could build a house on it. We could put a gas station on it. We could create a small park on it. We could leave the land undeveloped in order to be able to make a decision later as to how it should be used.

Suppose we have decided the land should be used for housing. Should it be a large and expensive house or several modest ones? Suppose it is to be a large and expensive house. Who should live in the house? If the Lees live in it, the Nguyens cannot. There are alternative uses of the land both in the sense of the type of use and also in the sense of who gets to use it. The fact that land is scarce means that society must make choices concerning its use.

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.

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.

(Source: Principles of Microeconomics; <http://www.saylor.org>)

Text 2

Crazy for Coffee

Starbucks Coffee Company revolutionized the coffee-drinking habits of millions of Americans. Starbucks, whose bright green-and-white logo is almost as familiar as the golden arches of McDonald's, began in Seattle in 1971. Fifteen years later it had grown into a chain of four stores in the Seattle area. Then in 1987 Howard Schultz, a former Starbucks employee, who had become enamored with the culture of Italian coffee bars during a trip to Italy, bought the company from its founders for \$3.8 million. In 2008, Americans were willingly paying \$3 or more for a cappuccino or a latté, and Starbucks had grown to become an international chain, with over 16,000 stores around the world.

The change in American consumers' taste for coffee and the profits raked in by Starbucks lured other companies to get into the game. Retailers such as Seattle's Best Coffee and Gloria Jean's Coffees entered the market, and today there are thousands of coffee bars, carts, drive-throughs, and kiosks in downtowns, malls, and airports all around the country. Even McDonald's began selling specialty coffees.

But over the last decade the price of coffee beans has been quite volatile. Just as consumers were growing accustomed to their cappuccinos and lattés, in 1997, the price of coffee beans shot up. Excessive rain and labor strikes in coffee-growing areas of South America had reduced the supply of coffee, leading to a rise in its price. In the early 2000s, Vietnam flooded the market with coffee, and the price of coffee beans plummeted. More recently, weather conditions in various coffee-growing countries reduced supply, and the price of coffee beans went back up.

Markets, the institutions that bring together buyers and sellers, are always responding to events, such as bad harvests and changing consumer tastes that affect the prices and quantities of particular goods. The demand for some goods increases, while the demand for

others decreases. The supply of some goods rises, while the supply of others falls. As such events unfold, prices adjust to keep markets in balance.

(Source: Principles of Microeconomics; <http://www.saylor.org>)

Text 3

Demand Shifters

Although different goods and services will have different demand shifters, the demand shifters are likely to include (1) consumer preferences, (2) the prices of related goods and services, (3) income, (4) demographic characteristics, and (5) buyer expectations. Next we look at each of these.

Preferences

Changes in preferences of buyers can have important consequences for demand. We have already seen how Starbucks supposedly increased the demand for coffee. Another example is reduced demand for cigarettes caused by concern about the effect of smoking on health. A change in preferences that makes one good or service more popular will shift the demand curve to the right. A change that makes it less popular will shift the demand curve to the left.

Prices of Related Goods and Services

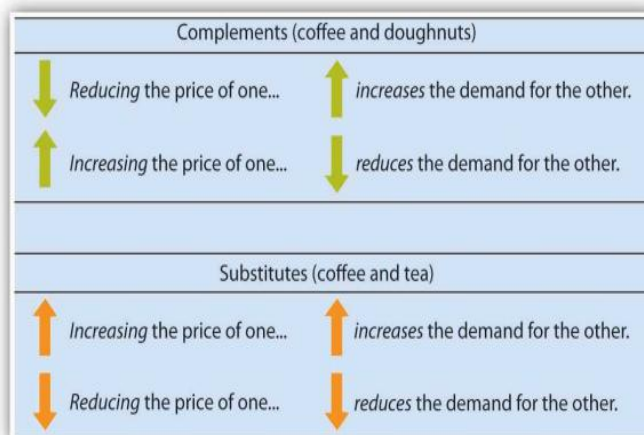
Suppose the price of doughnuts were to fall. Many people who drink coffee enjoy dunking doughnuts in their coffee; the lower price of doughnuts might therefore increase the demand for coffee, shifting the demand curve for coffee to the right. A lower price for tea, however, would be likely to reduce coffee demand, shifting the demand curve for coffee to the left.

In general, if a reduction in the price of one good increases the demand for another, the two goods are called **complements**. If a reduction in the price of one good reduces the demand for another, the two goods are called **substitutes**. These definitions hold in reverse as well: two goods are complements if an increase in the price of one reduces the demand for the other, and they are substitutes if an increase in the price of one increases the demand for the other. Doughnuts and coffee are complements; tea and coffee are substitutes.

Complementary goods are goods used in conjunction with one another. Tennis rackets and tennis balls, eggs and bacon, and stationery and postage stamps are complementary goods. Substitute goods are goods used instead of one another. iPods, for example, are likely

to be substitutes for CD players. Breakfast cereal is a substitute for eggs. A file attachment to an e-mail is a substitute for both a fax machine and postage stamps.

Figure 3.1



Income

As incomes rise, people increase their consumption of many goods and services, and as incomes fall, their consumption of these goods and services falls. For example, an increase in income is likely to raise the demand for gasoline, ski trips, new cars, and jewelry. There are, however, goods and services for which consumption falls as income rises—and rises as income falls. As incomes rise, for example, people tend to consume more fresh fruit but less canned fruit.

A good for which demand increases when income increases is called a normal good. A good for which demand decreases when income increases is called an inferior good. An increase in income shifts the demand curve for fresh fruit (a normal good) to the right; it shifts the demand curve for canned fruit (an inferior good) to the left.

Demographic Characteristics

The number of buyers affects the total quantity of a good or service that will be bought; in general, the greater the population, the greater the demand. Other demographic characteristics can affect demand as well. As the share of the population over age 65 increases, the demand for medical services, ocean cruises, and motor homes increases. The birth rate in the United States fell sharply between 1955 and 1975 but has gradually increased since then. That increase has raised the demand for such things as infant supplies, elementary school teachers, soccer coaches, in-line skates, and college education. Demand can thus shift as a result of changes in both the number and characteristics of buyers.

Buyer Expectations

The consumption of goods that can be easily stored, or whose consumption can be postponed, is strongly affected by buyer expectations. The expectation of newer TV technologies, such as high-definition TV, could slow down sales of regular TVs. If people expect gasoline prices to rise tomorrow, they will fill up their tanks today to try to beat the price increase. The same will be true for goods such as automobiles and washing machines: an expectation of higher prices in the future will lead to more purchases today. If the price of a good is expected to fall, however, people are likely to reduce their purchases today and await tomorrow's lower prices. The expectation that computer prices will fall, for example, can reduce current demand.

(Source: Principles of Microeconomics; <http://www.saylor.org>)

Text 4

Supply Shifters

Let us look at each of the supply shifters.

Prices of Factors of Production

A change in the price of labor or some other factor of production will change the cost of producing any given quantity of the good or service. This change in the cost of production will change the quantity that suppliers are willing to offer at any price. An increase in factor prices should decrease the quantity suppliers will offer at any price, shifting the supply curve to the left. A reduction in factor prices increases the quantity suppliers will offer at any price, shifting the supply curve to the right.

Suppose coffee growers must pay a higher wage to the workers they hire to harvest coffee or must pay more for fertilizer. Such increases in production cost will cause them to produce a smaller quantity at each price, shifting the supply curve for coffee to the left. A reduction in any of these costs increases supply, shifting the supply curve to the right.

Returns from Alternative Activities

To produce one good or service means forgoing the production of another. The concept of opportunity cost in economics suggests that the value of the activity forgone is the opportunity cost of the activity chosen; this cost should affect supply. For example, one opportunity cost of producing eggs is not selling chickens. An increase in the price people are willing to pay for fresh chicken would make it more profitable to sell chickens and would thus

increase the opportunity cost of producing eggs. It would shift the supply curve for eggs to the left, reflecting a decrease in supply.

Technology

A change in technology alters the combinations of inputs or the types of inputs required in the production process. An improvement in technology usually means that fewer and/or less costly inputs are needed. If the cost of production is lower, the profits available at a given price will increase, and producers will produce more. With more produced at every price, the supply curve will shift to the right, meaning an increase in supply.

Impressive technological changes have occurred in the computer industry in recent years. Computers are much smaller and are far more powerful than they were only a few years ago—and they are much cheaper to produce. The result has been a huge increase in the supply of computers, shifting the supply curve to the right.

While we usually think of technology as enhancing production, declines in production due to problems in technology are also possible. Outlawing the use of certain equipment without pollution-control devices has increased the cost of production for many goods and services, thereby reducing profits available at any price and shifting these supply curves to the left.

Seller Expectations

All supply curves are based in part on seller expectations about future market conditions. Many decisions about production and selling are typically made long before a product is ready for sale. Those decisions necessarily depend on expectations. Changes in seller expectations can have important effects on price and quantity.

Consider, for example, the owners of oil deposits. Oil pumped out of the ground and used today will be unavailable in the future. If a change in the international political climate leads many owners to expect that oil prices will rise in the future, they may decide to leave their oil in the ground, planning to sell it later when the price is higher. Thus, there will be a decrease in supply; the supply curve for oil will shift to the left.

Natural Events

Storms, insect infestations, and drought affect agricultural production and thus the supply of agricultural goods. If something destroys a substantial part of an agricultural crop, the supply curve will shift to the left. The terrible cyclone that killed more than 50,000 people in Myanmar in 2008 also destroyed some of the country's prime rice growing land. That

shifted the supply curve for rice to the left. If there is an unusually good harvest, the supply curve will shift to the right.

The Number of Sellers

The supply curve for an industry, such as coffee, includes all the sellers in the industry. A change in the number of sellers in an industry changes the quantity available at each price and thus changes supply. An increase in the number of sellers supplying a good or service shifts the supply curve to the right; a reduction in the number of sellers shifts the supply curve to the left.

The market for cellular phone service has been affected by an increase in the number of firms offering the service. Over the past decade, new cellular phone companies emerged, shifting the supply curve for cellular phone service to the right.

(Source: Principles of Microeconomics; <http://www.saylor.org>)

Text 5

Case in Point: The Monks of St. Benedict's Get Out of the Egg Business

It was cookies that lured the monks of St. Benedict's out of the egg business, and now private retreat sponsorship is luring them away from cookies.

St. Benedict's is a Benedictine monastery, nestled on a ranch high in the Colorado Rockies, about 20 miles down the road from Aspen. The monastery's 15 monks operate the ranch to support themselves and to provide help for poor people in the area. They lease out about 3,500 acres of their land to cattle and sheep grazers, produce cookies, and sponsor private retreats. They used to produce eggs.

Attracted by potential profits and the peaceful nature of the work, the monks went into the egg business in 1967. They had 10,000 chickens producing their Monastery Eggs brand. For a while, business was good. Very good. Then, in the late 1970s, the price of chicken feed started to rise rapidly.

"When we started in the business, we were paying \$60 to \$80 a ton for feed—delivered," recalls the monastery's abbot, Father Joseph Boyle. "By the late 1970s, our cost had more than doubled. We were paying \$160 to \$200 a ton. That really hurt, because feed represents a large part of the cost of producing eggs."

The monks adjusted to the blow. "When grain prices were lower, we'd pull a hen off for a few weeks to molt, then return her to laying. After grain prices went up, it was 12 months of laying and into the soup pot," Father Joseph says.

Grain prices continued to rise in the 1980s and increased the costs of production for all egg producers. It caused the supply of eggs to fall. Demand fell at the same time, as Americans worried about the cholesterol in eggs. Times got tougher in the egg business.

“We were still making money in the financial sense,” Father Joseph says. “But we tried an experiment in 1985 producing cookies, and it was a success. We finally decided that devoting our time and energy to the cookies would pay off better than the egg business, so we quit the egg business in 1986.”

The mail-order cookie business was good to the monks. They sold 200,000 ounces of Monastery Cookies in 1987.

By 1998, however, they had limited their production of cookies, selling only locally and to gift shops. Since 2000, they have switched to “providing private retreats for individuals and groups—about 40 people per month,” according to Brother Charles.

The monks’ calculation of their opportunity costs revealed that they would earn a higher return through sponsorship of private retreats than in either cookies or eggs. This projection has proved correct.

And there is another advantage as well.

“The chickens didn’t stop laying eggs on Sunday,” Father Joseph chuckles. “When we shifted to cookies we could take Sundays off. We weren’t hemmed in the way we were with the chickens.” The move to providing retreats is even better in this regard. Since guests provide their own meals, most of the monastery’s effort goes into planning and scheduling, which frees up even more of their time for other worldly as well as spiritual pursuits.

(Source: Principles of Microeconomics; <http://www.saylor.org>)

Text 6

Jurisdictional peculiarities in Some Countries

Australia and New Zealand. In many countries the Torrens title system of real estate ownership is managed and guaranteed by the government and replaces cumbersome tracing of ownership. The Torrens title system operates on the principle of "title by registration" (i.e. the indefeasibility of a registered interest) rather than "registration of title." The system does away with the need for a chain of title (i.e. tracing title through a series of documents) and does away with the conveyancing costs of such searches. The State guarantees title and is usually supported by a compensation scheme for those who lose their title due to the State's operation. It has been in practice in all Australian states and in New Zealand since between

1858 and 1875, has more recently been extended to strata title, and has been adopted by many states, provinces and countries, and in modified form in 9 states of the USA.

England and Wales. In the United Kingdom, The Crown is held to be the ultimate owner of all real property in the realm. This fact is material when, for example, property has been disclaimed by its erstwhile owner, in which case the law of escheat applies. In some other jurisdictions (not including the United States), real property is held absolutely.

English law has retained the common law distinction between real property and personal property, whereas the civil law distinguishes between "movable" and "immovable" property. In English law, real property is not confined to the ownership of property and the buildings sited thereon – often referred to as "land." Real property also includes many legal relationships between individuals or owners of land that are purely conceptual. One such relationship is the easement, where the owner of one property has the right to pass over a neighboring property. Another is the various "incorporeal hereditaments," such as *profits-à-prendre*, where an individual may have the right to take crops from land that is part of another's estate.

English law retains a number of forms of property which are largely unknown in other common law jurisdictions such as the advowson, chancel repair liability and lordships of the manor. These are all classified as real property, as they would have been protected by real actions in the early common law.

USA. Each U.S. State except Louisiana has its own laws governing real property and the estates therein, grounded in the common law. In Arizona, real property is generally defined as land and the things permanently attached to the land. Things that are permanently attached to the land, which also can be referred to as *improvements*, include homes, garages, and buildings. Manufactured homes can obtain an affidavit of affixture.

(Source: http://en.wikipedia.org/wiki/Real_property)

Text 7

Economic aspects of real property. Land use, land valuation, and the determination of the incomes of landowners, are among the oldest questions in economic theory. Land is an essential input (factor of production) for agriculture, and agriculture is by far the most important economic activity in preindustrial societies. With the advent of industrialization, important new uses for land emerge, as sites for factories, warehouses, offices, and urban agglomerations. Also, the value of real property taking the form of man-made structures and

machinery increases relative to the value of land alone. The concept of real property eventually comes to encompass effectively all forms of tangible fixed capital. With the rise of extractive industries, real property comes to encompass natural capital. With the rise of tourism and leisure, real property comes to include scenic and other amenity values.

Starting in the 1960s, as part of the emerging field of law and economics, economists and legal scholars began to study the property rights enjoyed by tenants under the various estates, and the economic benefits and costs of the various estates. This resulted in a much improved understanding of the:

- ❖ Property rights enjoyed by tenants under the various estates. These include the right to:
 - Decide how a piece of real property is used;
 - Exclude others from enjoying the property;
 - Transfer (alienate) some or all of these rights to others on mutually agreeable terms;
- ❖ Nature and consequences of transaction costs when changing and transferring estates.

(Source: http://en.wikipedia.org/wiki/Real_property)

Text 8

Types Of Real Estate Properties

Real estate property comes in various types with each having its own distinctive structure. There are three major property types in the real estate business.

Vacant Land Property

Vacant land is popular with ranchers and cultivators. The extent of property is considerable and the price high.

Residential Properties

Residential property types include:

Single Family Residence Property

Single-family residences are single units, typically with a front and back yard, a driveway and an attached garage.

Duplex Property

A duplex is a structure designed for residential use and contains two living blocks sharing a common wall. Duplex properties may be listed residential or commercial, depending on the purposes they serve.

Condominiums Property

Condominiums, or condos, are apartments that are independently owned minus a yard and with common parking facilities and offer many amenities.

Town House Property

Classic townhouses are doubled storied row of homes, with common sidewalls. The living room is situated below with the bedrooms above and there is a little fenced in yard.

Manufactured Home Property

Manufactured homes are erected in a factory and set up on the dwelling site. They must conform to the federal construction regulations.

Patio Home

A patio home is a single story home with one joint sidewall and a patio towards the back facing the common area. Patio homes normally contain 2-4 homes in each structure and may have a backyard.

Loft Property

Lofts are usually found downtown and have high roofs, huge wide windows, metal staircase and cement floors, but no yard.

Commercial Properties

Commercial property can refer to vacant land developed for commercial use, or an already existing commercial structure(s).

Specifics about certain commercial property types:

Multi-Family Property

Multi-family property comprises of buildings meant for numerous family groups, leased on a permanent basis. They typically contain five or more living units with shared amenities, such as doorways, foyers, lifts, staircases and walkabouts.

Rooming House

Rooming house properties usually have no more than 20 furnished units with common bathroom and kitchen facilities given out on a temporary basis.

Mobile Home Parks Property

Mobile park homes are a blend of single and double spacious homes, sited in decent neighbourhoods and with at least three-fourth occupancy. Depending on the surroundings and facilities provided mobile home parks are given star ratings.

Retail Space

Retail space comprises of single construction taken by single or multiple tenants and exclusively meant for retail use such as sales and display of garments and electronics.

Office Buildings & Complexes

This type refers to a single structure intended for office use, or a set of offices in one structure or a group of buildings and are ideally located on the main road.

Mixed-Use Properties

Mixed-use properties are a blend of residential and commercial units such as a retail store and a multi-family home in the same structure.

Healthcare Properties

This property type includes hospitals and nursing homes, health care centers and assisted living facilities. A license is mandatory to run the facility.

Bed & Breakfast Properties

Bed and Breakfast inns are normally single buildings family units meant for temporary boarding.

Restaurant Property

Restaurants are built for the making and selling of food and drinks, and include canteens, pubs, and inns.

Hotel Properties

Hotel properties are constructions that provide a suite of facilities and services, typical of the hospitality industry. Hotels are classified as either Complete Service or Restricted Service. Hotels can also be affiliated to a national franchise chain.

Day Care Centers

Day Care centers provide childcare, disabled, and elderly care services; or are learning centers, such as kindergartens and nurseries. They have playrooms, rest rooms, and simple kitchen amenities.

Industrial Property

Industrial property types are designed for industrial commercial functions. They include:

Self-Storage Properties

These are mini-warehouses and comprise of tiny compartments that are rented for private storage.

Warehouse Properties

Warehouses are commercial buildings built for holding goods and consist of massive open inner sections.

Flex Space Properties

Flex space is a blend of industrial and office property. It is an arrangement that has a workplace and display area together with the industrial area.

Manufacturing Property

Manufacturing property is designed for producing goods for sale or lease like factories.

Cold Storage Property

Cold storage property is a specialized structure that makes available storage in a chilled or icy setting.

Automotive Property

Automotive structures are built specifically for the automobile industry and usually have a small office cubicle, car lifts, and overhead doors. They include repair units, used car hubs, and tyre fixing facilities. Detailed study of property types and their comparative values is crucial in deciding the best option to work with and the possible monetary benefits accruing from each.

(Source: <http://www.altiusdirectory.com>)

Text 9

Price versus value

There can be differences between what the property is really worth (market value) and what it cost to buy it (price). A price paid might not represent that property's market value. Sometimes, special considerations may have been present, such as a special relationship between the buyer and the seller where one party had control or significant influence over the other party. In other cases, the transaction may have been just one of several properties sold or traded between two parties. In such cases, the price paid for any particular piece is not its market "value" (with the idea usually being, though, that all the pieces and prices add up to market value of all the parts) but rather its market "price".

At other times, a buyer may willingly pay a premium price, above the generally accepted market value, if his subjective valuation of the property (its *investment value* for him) was higher than the market value. One specific example of this is an owner of a

neighboring property who, by combining his own property with the subject property, could obtain economies-of-scale. Similar situations sometimes happen in corporate finance. For example, this can occur when a merger or acquisition happens at a price which is higher than the value represented by the price of the underlying stock. The usual explanation for these types of mergers and acquisitions is that "the sum is greater than its parts", since full ownership of a company provides full control of it. This is something that purchasers will sometimes pay a high price for. This situation can happen in real estate purchases too.

But the most common reason for value differing from price is that either the buyer or the seller is uninformed as to what a property's market value is but nevertheless agrees on a contract at a certain price which is either too expensive or too cheap. This is unfortunate for one of the two parties. It is the obligation of a real property appraiser to estimate the true *market value* of a property and not its *market price*.

(Source: http://en.wikipedia.org/wiki/Real_estate_appraisal)

Text 10

The cost approach

The **cost approach** was once called the summation approach. The theory is that the value of a property can be estimated by summing the land value and the depreciated value of any improvements. The value of the improvements is often referred to by the abbreviation RCNLD (for "reproduction/replacement cost new less depreciation"). Reproduction refers to reproducing an exact replica; replacement cost refers to the cost of building a house or other improvement which has the same utility, but using modern design, workmanship and materials. In practice, appraisers almost always use replacement cost and then deduct a factor for any functional dis-utility associated with the age of the subject property. An exception to the general rule of using the replacement cost, is for some insurance value appraisals. In those cases, reproduction of the exact asset after a destructive event like a fire is the goal.

In most instances when the cost approach is involved, the overall methodology is a hybrid of the cost and sales comparison approaches (representing both the suppliers' costs and the prices that customers are seeking). For example, the replacement cost to construct a building can be determined by adding the labor, material, and other costs. On the other hand, land values and depreciation must be derived from an analysis of comparable sales data.

The cost approach is considered most reliable when used on newer structures, but the method tends to become less reliable for older properties. The cost approach is often the only reliable approach when dealing with special use properties (e.g., public assembly, marinas).

The sales comparison approach

The sales comparison approach is based primarily on the principle of substitution. This approach assumes a prudent (or rational) individual will pay no more for a property than it would cost to purchase a comparable substitute property. The approach recognizes that a typical buyer will compare asking prices and seek to purchase the property that meets his or her wants and needs for the lowest cost. In developing the sales comparison approach, the appraiser attempts to interpret and measure the actions of parties involved in the marketplace, including buyers, sellers, and investors.

Data collection methods and valuation process. Data is collected on recent sales of properties similar to the subject being valued, called "comparables". Only SOLD properties may be used in an appraisal and determination of a property's value, as they represent amounts actually paid or agreed upon for properties. Sources of comparable data include real estate publications, public records, buyers, sellers, real estate brokers and/or agents, appraisers, and so on. Important details of each comparable sale are described in the appraisal report. Since comparable sales are not identical to the subject property, adjustments may be made for date of sale, location, style, amenities, square footage, site size, etc. The main idea is to simulate the price that would have been paid if each comparable sale were identical to the subject property. If the comparable is superior to the subject in a factor or aspect, then a downward adjustment is needed for that factor. Likewise, if the comparable is inferior to the subject in an aspect, then an upward adjustment for that aspect is needed. The adjustment is somewhat subjective and relies on the appraiser's training and experience. From the analysis of the group of adjusted sales prices of the comparable sales, the appraiser selects an indicator of value that is representative of the subject property. It is possible for various appraisers to choose different indicator of value which ultimately will provide different property value.

Steps in the sales comparison approach

- Research the market to obtain information pertaining to sales, and pending sales that are similar to the subject property
- Investigate the market data to determine whether they are factually correct and accurate

- Determine relevant units of comparison (e.g., sales price per square foot), and develop a comparative analysis for each
- Compare the subject and comparable sales according to the elements of comparison and adjust as appropriate
- Reconcile the multiple value indications that result from the adjustment (upward or downward) of the comparable sales into a single value indication

(Source: http://en.wikipedia.org/wiki/Real_estate_appraisal)

Text 11

UK valuation methods

In the United Kingdom, valuation methodology has traditionally been classified into five methods:

1. Comparative method. Used for most types of property where there is good evidence of previous sales.

2. Investment method. Used for most commercial (and residential) property that is producing future cash flows through the letting of the property. If the current estimated rental value (ERV) and the passing income are known, as well as the market-determined equivalent yield, then the property value can be determined by means of a simple model. Note that this method is really a comparison method, since the main variables are determined in the market.

3. Residual method. Used for properties ripe for development or redevelopment or for bare land only.

4. Profit method. Used for trading properties where evidence of rates is slight, such as hotels, restaurants and old-age homes. A three-year average of operating income (derived from the profit and loss or income statement) is capitalized using an appropriate yield. Note that since the variables used are inherent to the property and are not market-derived, therefore unless appropriate adjustments are made, the resulting value will be value-in-use or investment value, not market value.

5. Cost method. Used for land and buildings of special character for which profit figures cannot be obtained or land and buildings for which there is no market because of their public service or heritage characteristics. Under the current RICS Valuation Standards, the following bases of value are recognized:

- Market value;
- Market rent;

- Worth (investment value); and
- Fair value.

(Source: http://en.wikipedia.org/wiki/Real_estate_appraisal)

Text 12

Role for local governments to green the local economy

Local governments as actors. Numerous economic activities fall under local governments' jurisdiction. Local governments' activities are not isolated from those of the private sector. Local governments take on managerial and economic roles, for example in the provision and operation of municipal utilities. Local governments can encourage, enable, motivate, measure and regulate the local economy to deliver better and greener returns. Together with other city actors they can engage, change and inform current debates.

Steering municipal investments and purchasing power to influence the market. Environmental and social criteria can be taken into account in investment and procurement decisions, for example when procuring municipal vehicles or investing in buildings. Investments into municipal services, such as energy, public transport, waste and water, can change the energy usage and waste production of a city. Such investments make utilities and services more efficient and environmentally sound. In such a process, clear signals are sent to the market in favour of sustainable goods and services.

Setting framework conditions for investments. Local governments can also use their regulatory powers for strategic urban development. A smart, connected and compact city can be enabled through building codes, land-use policies, and energy-efficiency standards. Strategic planning can support the growth of renewable energy and clean technologies, reduce energy loss and enhance the economic returns of public transportation systems.

Incentives and finance. Local governments can influence the private sector behavior through financial incentives and disincentives, such as environmental taxes, charges or reductions. Other mechanisms include land value or cost-recovery, attractive settlement conditions, Build-Operate-Transfer, purchasing pools, grants, loans and funds. Such special financial conditions can make more long-term investments in sustainable transportation or energy infrastructures more risk-proof and economically viable. Unsustainable industries and businesses can be more heavily monitored, taxed or have stricter licensing requirements.

Informing private behavior. Local governments already provide advice, information and services on activities in support of a green economy. These include the provision of green

recreational areas, promotion of eco-labeling schemes and information centers on renewable energies or sustainable ecosystems usage.

(Source: Green Urban Economy // local2012.iclei.org)

Text 13

Motivating Employees

Motivation is defined as “the intention of achieving a goal, leading to goal-directed behavior.” When we refer to someone as being motivated, we mean that the person is trying hard to accomplish a certain task. Motivation is clearly important for someone to perform well. However, motivation alone is not sufficient. Ability – having the skills and knowledge required to perform the job – is also important and is sometimes the key determinant of effectiveness. Finally, environmental factors – having the resources, information, and support one needs to perform well – are also critical to determine performance.

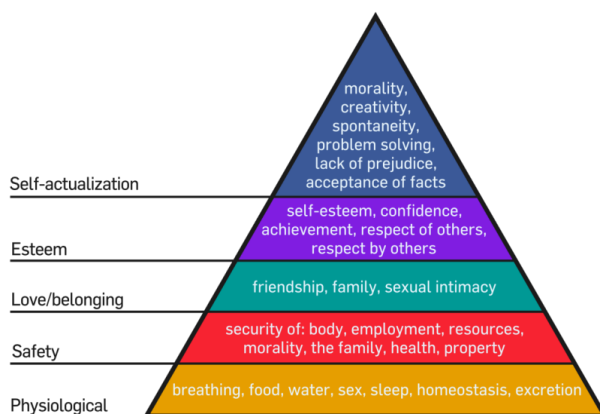
$$\text{Performance} = \text{Motivation} * \text{Ability} * \text{Environment}$$

According to this equation, motivation, ability, and environment are the major influences over employee performance.

There are four major theories in the need-based category: Maslow’s hierarchy of needs, ERG theory, Herzberg’s dual factor theory, and McClelland’s acquired needs theory.

Maslow’s Hierarchy of Needs

Abraham Maslow is among the most prominent psychologists of the 20th century and the hierarchy of needs, accompanied by the pyramid representing how human needs are ranked, is an image familiar to most business students and managers. Maslow’s theory is based on a simple premise: Human beings have needs that are hierarchically ranked. There are some needs that are basic to all human beings, and in their absence, nothing else matters. As



(Source: <http://upload.wikimedia.org>)

we satisfy these basic needs, we start looking to satisfy higher-order needs. Once a lower-level need is satisfied, it no longer serves as a motivator.

The most basic of Maslow’s needs are physiological needs. Physiological needs refer to the need for air, food, and water. Once physiological needs are satisfied,

people tend to become concerned about safety. Are they safe from danger, pain, or an uncertain future? One level up, social needs refer to the need to bond with other human beings, to be loved, and to form lasting attachments. In fact, having no attachments can negatively affect health and well-being. The satisfaction of social needs makes esteem needs more salient. Esteem needs refer to the desire to be respected by one's peers, feeling important, and being appreciated. Finally, at the highest level of the hierarchy, the need for self-actualization refers to "becoming all you are capable of becoming." This need manifests itself by acquiring new skills, taking on new challenges, and behaving in a way that will lead to the satisfaction of one's life goals.

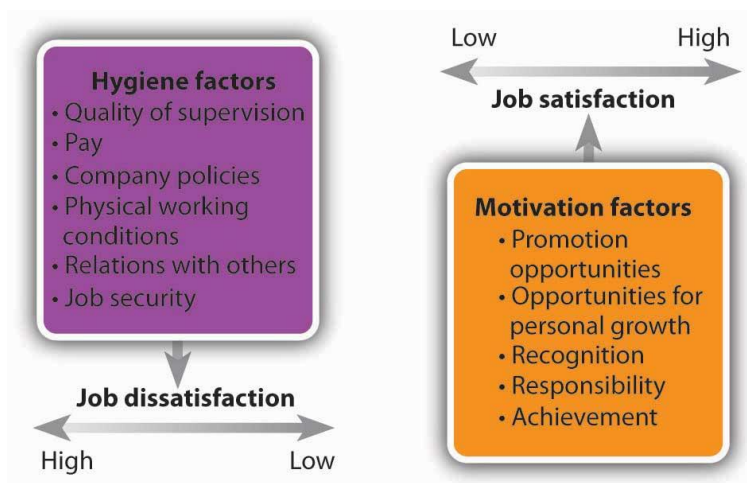
ERG Theory

ERG theory of Clayton Alderfer is a modification of Maslow's hierarchy of needs. Instead of the five needs that are hierarchically organized, Alderfer proposed that basic human needs may be grouped under three categories, namely, Existence, Relatedness, and Growth (see the following figure). Existence need corresponds to Maslow's physiological and safety needs, relatedness corresponds to social needs, and growth need refers to Maslow's esteem and self actualization.



(Source: <http://www.westbrookstevens.com>)

Two-Factor Theory



(Source: <http://images.flatworldknowledge>)

Frederick Herzberg approached the question of motivation in a different way. Herzberg labeled factors causing dissatisfaction of workers as "hygiene" factors because these factors were part of the context in which the job was performed, as opposed to the job itself. Hygiene

factors included company policies, supervision, working conditions, salary, safety, and security on the job.

In contrast, motivators are factors that are intrinsic to the job, such as achievement, recognition, interesting work, increased responsibilities, advancement, and growth opportunities. According to Herzberg's research, motivators are the conditions that truly encourage employees to try harder.

Acquired Needs Theory

Among the need-based approaches to motivation, Douglas McClelland's acquired needs theory is the one that has received the greatest amount of support. According to this theory, individuals acquire three types of needs as a result of their life experiences. These needs are need for achievement, need for affiliation, and need for power.



(Source: <http://agilevietnam.files.wordpress.com>)

All individuals possess a combination of these needs.

Those who have high need for achievement have a strong need to be successful. Individuals who have a high need for affiliation want to be liked and accepted by others. Finally, those with high need for power want to influence others and control their environment.

(Source: *Principles of Management*; <http://www.saylor.org>)

Text 14

History of Cadastre

Some of the earliest cadasters were ordered by Roman Emperors to recover state owned lands that had been appropriated by private individuals, and thereby recover income from such holdings. One such cadaster was done in 77 AD in Campania, a surviving stone marker of the survey reads "The Emperor Vespasian, in the eighth year of his tribunician power, so as to restore the state lands which the Emperor Augustus had given to the soldiers of Legion II Gallica, but which for some years had been occupied by private individuals, ordered a survey map to be set up with a record on each 'century' of the annual rental". In this way Vespasian was able to reimpose taxation formerly uncollected on these lands.

With the fall of Rome the use of cadastral maps effectively discontinued. Medieval practice used written descriptions of the extent of land rather than using more precise surveys. Only in the sixteenth and early seventeenth centuries did the use of cadastral maps resume, beginning in the Netherlands. With the emergence of capitalism in Renaissance Europe the

need for cadastral maps reemerged as a tool to determine and express control of land as a means of production. This took place first privately in land disputes and latter spread to governmental practice as a means of more precise tax assessment.

(Source: <http://en.wikipedia.org/wiki/Cadastre>)

Text 15

Land registration

Why land registration is important?

Land registration is important because:

- As populations gradually grew in most societies, land became an increasingly scarce resource and there are various types of rights to use the land developed. Hence registration is important to clarify ownership and minimize disputes.

- Land registration is also important for governments for collecting property taxes. Without knowing who owns the land and what that land is being used for, governments cannot levy property taxes.

An efficient land registration system (juridical cadastre) consists of two parts:

- The first part is a written record or register with information on each parcel, such as owner and the rights of the land, while the second part includes a detailed description of the parcel in the form of a map or survey measurements.

- The second part is normally cross-referenced with the first. When the records and descriptions are combined, then the land registration system provides considerable benefits.

Benefit of land registration

Some of the major benefits are listed below:

- **Security of ownership and tenure rights.** This is the most important impact. It reduces the amount of land disputes which currently is a major issue in developing countries. The security of ownership also stimulates land development.

- **More efficient land transfers.** The costs of delays for permits is a serious constraint in most developing countries, and an efficient registration system makes transfers easier, less expensive and more secure.

- **Security of credit.** The land title can be used as collateral for loans. This security has a positive impact on the productivity of the land since it enables the release of major financial resources for investment in the land.

- **Public control of land markets and intervention.** Policies such as land redistribution and control over foreign land ownership are difficult to implement without a functioning land registration system.
- **Support for the land taxation system.** The expenses for improving the cadastral system would, in actual fact, quickly be covered by increased property tax revenues.
- **Improved land use and management.** It can directly provide better information on land ownership and rights for physical planning as well as facilitate the development of other planning tools such as information banks covering land use, land values, population etc. It can also provide a tool to restrict certain land uses with a negative environmental impact

(Source: http://urban.wikia.com/wiki/Land_registration)

Text16

Value varies from customer to customer based on each customer's needs. The **marketing concept**, a philosophy underlying all that marketers do, requires that marketers seek to satisfy customer wants and needs. Firms operating with that philosophy are said to be **market oriented**. At the same time, market-oriented firms recognize that exchange must be profitable for the company to be successful. A marketing orientation is not an excuse to fail to make profit.

Firms don't always embrace the marketing concept and a market orientation. Beginning with the Industrial Revolution in the late 1800s, companies were **production oriented**. They believed that the best way to compete was through product innovation and by reducing production costs. In other words, companies thought that good products would sell themselves. Perhaps the best example of such a product was Henry Ford's Model A automobile, the first product of his production line innovation. Ford's production line made the automobile cheap and affordable for just about everyone. The **production era** lasted until the 1920s, when production-capacity growth began to outpace demand growth and new strategies were called for.

From the 1920s until after World War II, companies tended to be **selling oriented**, meaning they believed it was necessary to push their products by heavily emphasizing advertising and selling. Consumers during the Great Depression and World War II did not have as much money, so the competition for their available dollars was stiff. The result was this push approach during the **selling era**.

In the post–World War II environment, demand for goods increased as the economy soared. Some products, limited in supply during World War II, were now plentiful to the point of surplus. Consumers had many choices available to them, so companies had to find new ways to compete. During this time, the marketing concept was developed, and from about 1950 to 1990, businesses operated in the **marketing era**.

So what era would you say we're in now? Some call it the **value era**: a time when companies emphasize creating value for customers. Is that really different from the marketing era, in which the emphasis was on fulfilling the marketing concept? Maybe not. Others call today's business environment the **one-to-one era**, meaning that the way to compete is to build relationships with customers one at a time and seek to serve each customer's needs individually. Yet is that substantially different from the marketing concept?

Still others argue that this is the time of **service-dominant logic** and that we are in the **service-dominant logic era**. Service-dominant logic is an approach to business that recognizes that consumers want value no matter how it is delivered, whether it's via a product, a service, or a combination of the two. Although there is merit in this belief, there is also merit to the value approach and the one-to-one approach. As you will see throughout this book, all three are intertwined. Perhaps, then, the name for this era has yet to be devised.

Whatever era we're in now, most historians would agree that defining and labeling it is difficult. Value and one-to-one are both natural extensions of the marketing concept, so we may still be in the marketing era. To make matters more confusing, not all companies adopt the philosophy of the era. For example, in the 1800s Singer and National Cash Register adopted strategies rooted in sales, so they operated in the selling era forty years before it existed. Some companies are still in the selling era. Many consider automobile manufacturers to be in the trouble they are in because they work too hard to sell or push product and not hard enough on delivering value.

(Source: *Principles of Marketing*; <http://www.saylor.org>)

Text 17

Types of managers

There remains the need for different types of managers. **Top managers** are responsible for developing the organization's strategy and being a steward for its vision and mission. A second set of managers includes functional, team, and general managers. **Functional managers** are responsible for the efficiency and effectiveness of an area, such as accounting

or marketing. *Supervisory* or *team managers* are responsible for coordinating a subgroup of a particular function or a team composed of members from different parts of the organization. Sometimes you will hear distinctions made between line and staff managers.

A *line manager* leads a function that contributes directly to the products or services the organization creates. For example, a line manager (often called a *product*, or *service manager*) at Procter & Gamble (P&G) is responsible for the production, marketing, and profitability of the Tide detergent product line. A *staff manager*, in contrast, leads a function that creates indirect inputs. For example, finance and accounting are critical organizational functions but do not typically provide an input into the final product or service a customer buys, such as a box of Tide detergent. Instead, they serve a supporting role. A *project manager* has the responsibility for the planning, execution, and closing of any project. Project managers are often found in construction, architecture, consulting, computer networking, telecommunications, or software development.

A *general manager* is someone who is responsible for managing a clearly identifiable revenue-producing unit, such as a store, business unit, or product line. General managers typically must make decisions across different functions and have rewards tied to the performance of the entire unit (i.e., store, business unit, product line, etc.). General managers take direction from their top executives. They must first understand the executives' overall plan for the company. Then they set specific goals for their own departments to fit in with the plan. The general manager of production, for example, might have to increase certain product lines and phase out others. General managers must describe their goals clearly to their support staff. The supervisory managers see that the goals are met.

(Source: *Principles of Management* <http://www.saylor.org>)

Text 18

Advantages of a Land Registration System

Most experts would agree that some type of land registration system is a necessary element of a developed market economy. Land is a fundamental resource that is most effectively used and exchanged when the rights to land are registered. Designing a land registration system requires a comprehensive analysis of why land registration is necessary. Some general points of its advantages are discussed below.

1. Greater Tenure Security

Land registration provides a degree of certainty and security to the owner as well as to others having rights in land. Such secure rights are particularly important for agricultural land. Economists and others have long argued that increasing security of individual property rights in land stimulates private investment and agricultural development because the individual is more willing to make long-term improvements.

2. Greater Access to Credit

The registration of rights to land establishes those rights in the eyes of the law and provides documentary evidence necessary to prove land rights. The holder of the land rights thereby becomes "creditworthy" and can pledge his land rights as security for a loan.

3. Dealings in Land More Expeditious, Reliable, and Inexpensive

Without reliable land registers, land transactions may be expensive, time consuming, and ineffective. It is normally necessary to establish that the reputed owner actually has the legal right to alienate the property. A land registry makes it possible to use simpler, standard forms of conveyance.

4. Establishment of a Land Market

A land registration system can remove such obstacles as extreme procedural difficulties in transferring land, lack of land market information, unclear delimitation of individual and group rights, insecure ownership, etc. and stimulate a land market. A functioning land market permits economies to use land more appropriately, and generally facilitate the establishment of efficient and consistent land policies.

5. Improvement of Land Administration and Public Administration

Because land is an important resource for every country and community, land administration is a very important function. It is almost self-evident that to plan land development, one must know the basic facts concerning the land. Better land use is encouraged through planning regulations. Such improved land use can occur through direct action like zoning, protection of ecologically sensitive areas, public urban development, land consolidation, irrigation projects, etc.

6. Reduction in Land Litigation

A well-designed and efficiently operated land registration system can greatly reduce disputes and litigation over land, resulting in better social relationships, less work for overworked courts, and less expenses for the individual.

7. Improved Basis for a Land Tax

A good land registration system, based on maps and embodying the unique identification of each land unit, provides the information necessary for a successful tax system. An improved land taxation system provides several benefits, such as increasing revenues by making tax coverage complete, producing a fairer system because boundaries and land areas are more specifically identified, and providing information necessary to identify and punish tax evaders.

(Source: auilr.org/pdf/13/13-3-2.pdf)

Text 19

What Is Strategic Management?

Strategic management reflects what a firm is doing to achieve its mission and vision, as seen by its achievement of specific goals and objectives. A more formal definition tells us that the *strategic management process* “is the process by which a firm manages the formulation and implementation of its strategy.”

Planning and strategy formulation sometimes called *business planning*, or *strategic planning*, have much in common, since formulation helps determine what the firm should do. Strategy implementation tells managers how they should go about putting the desired strategy into action.

The concept of strategy is relevant to all types of organizations, from large, public companies like GE, to religious organizations, to political parties.

If vision and mission are the heart and soul of planning (in the P-O-L-C framework), then strategy, particularly strategy formulation, would be the brain. The following figure summarizes where strategy formulation (*strategizing*) and implementation fit in the planning and other components of P-O-L-C. We will focus primarily on the strategy formulation aspects of strategic management because implementation is essentially organizing, leading, and controlling P-O-L-C components.

Strategizing in P-O-L-C

Planning	Organizing	Leading	Controlling
1. Vision & Mission	1. Organization	1. Leadership	1. Systems/Processes
2. Strategizing	Design	2. Decision Making	2. Strategic Human
3. Goals &	2. Culture	3. Communications	Resources
Objectives	3. Social Networks	4. Groups/Teams	
		5. Motivation	

Strategy

Strategy Implementation

Formulation

You see that planning starts with vision and mission and concludes with setting goals and objectives. In-between is the critical role played by strategy. Specifically, a strategy captures and communicates how vision and mission will be achieved and which goals and objectives show that the organization is on the right path to achieving them.

At this point, even in terms of strategy formulation, there are two aspects of strategizing that you should recognize. The first, corporate strategy answers strategy questions related to “What business or businesses should we be in?” and “How does our business X help us compete in business Y, and vice versa?” In many ways, corporate strategy considers an organization to be a portfolio of businesses, resources, capabilities, or activities.

Whereas corporate strategy looks at an organization as a portfolio of things, business strategy focuses on how a given business needs to compete to be effective. Again, all organizations need strategies to survive and thrive.

(Source: Principles of Management <http://www.saylor.org>)

Text 20

Strategic Inputs / SWOT analysis.

At the most basic level, you will need to gather information and conduct analysis about the internal characteristics of the organization and the external market conditions. This means an internal appraisal and an external appraisal. On the internal side, you will want to gain a sense of the organization’s strengths and weaknesses; on the external side, you will want to develop some sense of the organization’s opportunities and threats. Together, these four inputs into strategizing are often called SWOT analysis which stands for strengths, weaknesses, opportunities, and threats (see the SWOT analysis figure). It does not matter if

you start this appraisal process internally or externally, but you will quickly see that the two need to mesh eventually.

At the very least, the strategy should leverage strengths to take advantage of opportunities and mitigate threats, while the downside consequences of weaknesses are minimized or managed.

SWOT was developed by Ken Andrews in the early 1970s. An assessment of strengths and weaknesses occurs as a part of organizational analysis; that is, it is an audit of

SWOT ANALYSIS



<https://en.wikipedia.org/wiki/F>

the company's internal workings, which are relatively easier to control than outside factors. Conversely, examining opportunities and threats is a part of environmental analysis—the company must look outside of the organization to determine opportunities and threats, over which it has lesser control.

Andrews's original conception of the strategy model that preceded the SWOT asked four basic questions about a company and its environment:

- (1) What can we do?
- (2) What do we want to do?
- (3) What might we do? and
- (4) What do others expect us to do?

Strengths and Weaknesses

A good starting point for strategizing is an assessment of what an organization does well and what it does less well. In general good strategies take advantage of *strengths* and minimize the disadvantages posed by any *weaknesses*. Michael Jordan, for instance, is an excellent all-around athlete; he excels in baseball and golf, but his athletic skills show best in basketball. As with Jordan, when you can identify certain strengths that set an organization well apart from actual and potential competitors, that strength is considered a source of competitive advantage. The hardest thing for an organization to do is to develop its competitive advantage into a sustainable competitive advantage where the organization's strengths cannot be easily duplicated or imitated by other firms, nor made redundant or less valuable by changes in the external environment.

Opportunities and Threats

On the basis of what you just learned about competitive advantage and sustainable competitive advantage, you can see why some understanding of the external environment is a critical input into strategy. *Opportunities* assess the external attractive factors that represent the reason for a business to exist and prosper. These are external to the business. What opportunities exist in its market, or in the environment, from which managers might hope the organization will benefit? *Threats* include factors beyond your control that could place the strategy, or the business, at risk. These are also external—managers typically have no control over them, but may benefit by having contingency plans to address them if they should occur.

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38.03.02 «Менеджмент», профиль «Производственный менеджмент»,
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Составители: Гайнанова Д.Р., Хафизова А.А.