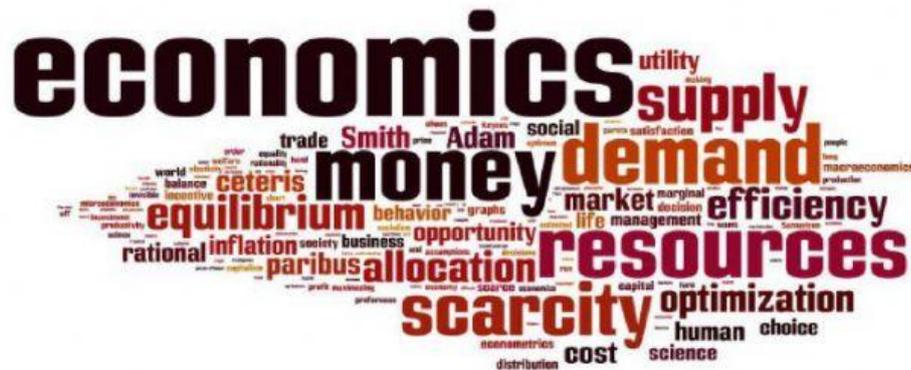


READING

Read the following passage and do the below exercise:



Economics is concerned with the well-being of all people, including those with jobs and those without jobs, as well as those with high incomes and those with low incomes. Economics acknowledges that production of useful goods and services can create problems of environmental pollution. It explores the question of how investing in education helps to develop workers' skills. It probes questions like how to tell when big businesses or big labor unions are operating in a way that benefits society as a whole and when they are operating in a way that benefits their owners or members at the expense of others. It looks at how government spending, taxes, and regulations affect decisions about production and consumption.

It should be clear by now that economics covers a lot of ground. That ground can be divided into two parts: Microeconomics focuses on the actions of individual agents within the economy, like households, workers, and businesses; Macroeconomics looks at the economy as a whole. It focuses on broad issues such as growth of production, the number of unemployed people, the inflationary increase in prices, government deficits, and levels of exports and imports. Microeconomics and macroeconomics are not separate subjects, but rather complementary perspectives on the overall subject of the economy.

To understand why both microeconomic and macroeconomic perspectives are useful, consider the problem of studying a biological ecosystem like a lake. One person

Microeconomics and macroeconomics are two different perspectives on the economy. The microeconomic perspective focuses on parts of the economy: individuals, firms, and industries. The macroeconomic perspective looks at the economy as a whole, focusing on goals like growth in the standard of living, unemployment, and inflation. Macroeconomics has two types of policies for pursuing these goals: monetary policy and fiscal policy.

Fill in each blank with ONE suitable word.

1. Economics is with the well-being of all people, including those with jobs and those without jobs, as well as those with high incomes and those with low incomes.
2. Microeconomics focuses on the actions of agents within the economy, like households, workers, and businesses
3. Macroeconomics looks at the economy as a whole. It focuses on broad issues such as growth of production, the number of unemployed people, the increase in prices, government deficits, and levels of exports and imports.
4. Microeconomics and macroeconomics are not separate subjects, but rather complementary on the overall subject of the economy.
5. Both microeconomics and macroeconomics study the same economy, but each has a different
6. Microeconomics and macroeconomics are two different perspectives on the
7. The microeconomic perspective focuses on parts of the economy: individuals,, and industries.
8. The macroeconomic perspective looks at the economy as a whole, focusing on goals like growth in the standard of living,, and inflation.