

Task 1: Fill each of the numbered blanks in the following passage. Use only one word from the box in each space.

principle	the	at	anything	what
both	training	how	for	issues

Economics is.... (1) study of how individuals and nations make choices about how to use scarce resources to fill their needs and wants. A resource is(2) that people can use to make or obtain.....(3) they need or want. You may be asking yourself....(4) this point how economics will help you, a student. Also, you may be wondering how scarce resource is a problem...(5) a nation like the United States that has such abundant resources.

It may surprise you to know that many of the decisions you will face as a citizen deal with(6) the United States should use its resources. Learning economic(7) can help you make decision about candidates for political office, political and social....(8), and the goals the United States should set for itself, such as how to spend government revenues. Many people are familiar with the benefits of government programs such as job....(9) and medicare, but how many people are aware of the costs of these programs? Economics can help you to understand....(10) costs and benefits. Therefore, help you to make better decisions.

Task 2. Say if the following sentences are true (T) or false (F)

1. Decisions regarding the resource use are made by the government.
2. All societies have the same fundamental economic issues.
3. In all societies, the government decides what products and services to produce.

4. In a market economy, buyers are the major decision makers of what to produce.
5. The manufacturer will have to improve the quality and modify the product to match buyer tastes.
6. The manufacturer understanding clearly what buyers want will compete effectively against other manufacturers.
7. Governments have no help in making “what” decisions.
8. The decisions of how to produce are made by the Government.
9. Automatic teller machines, phone banking and Net banking are things that banking institutions use to decrease the banks’ production costs.
10. People’s income will decide the portion of production people consume.
11. A top cricket player will always earn far more income than a professor.
12. The “for whom” decision can be dependent upon skills shortages.