

Three economic issues.

Task 1: Vocabulary Practice

1. The main problem in economics is how to _____ between competing uses.
2. The _____ of resources is a key issue in every economy.
3. OPEC increased its _____ significantly during the oil crisis.
4. Companies tried to develop _____ to petroleum-based products to reduce costs.
5. The rise in oil prices affected _____ in industrialized Western nations.
6. A _____ in one part of the economy can _____ throughout the entire system.

Task 2: Identify Verb Tenses

Example:

- *Economics is the study* (Present Simple)
1. *Economics **is** the study* of how people choose to allocate scarce resources.
 2. The main problem in economics **is** the question of allocating scarce resources.
 3. Oil **was** an important commodity in modern economies.
 4. Oil and its derivatives **provide** fuel for heating, transport, and machinery.
 5. Economic activity **was organized** on the assumption of cheap and abundant oil.
 6. In the 1970s, the price of oil **increased** six-fold.
 7. Companies **will try** to reduce their use of oil-based products.

8. Households **switch** to gas-fired central heating and **buy** smaller cars.
9. OPEC revenues from oil sales **increased** from \$35 billion to nearly \$300 billion in 1980.
10. The world economy **was producing** more for OPEC and less for Germany and Japan.

Task 3: Choose the correct answer for each question:

1. What happens when oil prices increase six-fold?
 - A) People reduce their use of oil-intensive products.
 - B) Companies increase the production of oil-based products.
 - C) OPEC countries stop exporting oil.
2. Which of the following best describes the role of OPEC during the oil crisis?
 - A) It decreased the buying power of industrialized Western nations.
 - B) It lowered oil prices to help oil-importing countries.
 - C) It provided fuel-efficient aircraft to consumers.

Task 4: Match the terms from the Vocabulary Notes with their definitions:

- | | |
|-----------------------------------|---|
| 1. <i>commodity</i> | A. A product that is in limited supply. |
| 2. <i>scarce resources</i> | B. A group of people who take turns driving each other to work. |
| 3. <i>competing uses</i> | C. An airplane that uses less fuel per distance traveled. |
| 4. <i>switch to</i> | D. A commonly used product. |
| 5. <i>fuel-efficient aircraft</i> | E. Resources used for different, opposing purposes. |
| 6. <i>abundant oil</i> | F. To change from one option to another. |
| 7. <i>car-pools</i> | G. Oil available in large quantities |