



THE ECONOMY



Scan to review worksheet

Expemo code:
1EG5-B1LB-36E

1

Economic indicators

Match the economic indicators on the left with their definitions on the right and complete the text about the state of the Indian economy in 2014.

- | | |
|---------------------------------|--|
| 1. Gross Domestic Product (GDP) | a. the amount that banks charge on the money that they lend |
| 2. unemployment rate | b. the percentage of employable people who are without jobs |
| 3. inflation rate | c. the rate at which prices are rising |
| 4. budget deficit | d. the value of all the goods/services produced in a country |
| 5. interest rates | e. when the amount that a government spends is more than the amount it collects in taxes |



India's economy is the tenth largest economy in the world in terms of _____¹, which was \$1.87 trillion in 2013. It is also one of the fastest growing economies in the world. However, recently a sharp drop in investment has caused the government to reduce its economic growth projections. Investors have been discouraged for a number of reasons, including India's high _____² of nearly 10 percent. In response, India's central bank decided to increase _____³ in order to encourage people to save money and therefore stop prices from increasing further. Another concern is India's high _____⁴ - currently around 5 percent of GDP - caused by excessive spending.

Despite its fast economic growth, India still has a lot of problems, including huge social and economic inequality and a high _____⁵ - around 8.5 percent of the adult population are out of work.



Match the words below to form phrases from the text.

- | | |
|------------------------|---------------|
| 1. a sharp | drop |
| 2. discourage | inequality |
| 3. encourage people | investors |
| 4. excessive | spending |
| 5. social and economic | to save money |
| 6. out of | work |

2

Economic trends

Match the trends with the pictures below:

a decline in exports

a growth in consumer spending

an increase in prices

a decline in the number of investors

an economic boom

a rise in exports

a fall in unemployment

an economic downturn



1. _____



2. _____



3. _____



4. _____



5. _____



6. _____



7. _____



8. _____

3

Cause and effect

Now match the economic causes and effects below.

There is/has been/was ...

1. a decline in exports
2. an increase in prices
3. a growth in consumer spending
4. a rise in exports
5. a decline in the number of investors
6. a fall in unemployment
7. an economic downturn
8. an economic boom

as a result of/due to/because of ...

- a. a decrease in interest rates
- b. a massive increase in consumer spending
- c. an economic upturn
- d. a reduction in supply
- e. a stock market crash
- f. a stronger currency
- g. a weaker currency
- h. political instability



Describe recent changes in your country's economy.

4 The global financial crisis

Match the terms on the left to definitions on the right:

- | | |
|--------------------------|---|
| 1. fall into a recession | a. a situation in which property prices rise rapidly until they collapse |
| 2. a credit crunch | b. a sudden reduction in the availability of money or credit from banks |
| 3. a subprime mortgage | c. a type of mortgage (money borrowed from a bank to buy a house) which is intended for borrowers with low credit ratings |
| 4. offer a bailout | d. to enter a period of economic decline |
| 5. a housing bubble | e. to give money to help a failing business in order to prevent negative economic effects |

Describe what happened to the global economy in 2008-2011. Use any of the words/phrases above.

5 Talking point

Answer any of the following questions.

1. What things in your country might discourage investors?
2. Is there social and economic inequality in your country?
3. Describe the positive aspects of your country's economy.
4. Describe the negative aspects of your country's economy.