



UNIT 3



FURTHER PRACTICE

3.3.1. Match up the words and definitions below.

<i>balance of payments</i>	<i>consumption</i>	<i>demand</i>
<i>downturn</i>	<i>expectations</i>	<i>supply</i>
<i>business cycle</i>	<i>gross domestic product (GDP)</i>	<i>save</i>

1. a decline in economic activity
2. an increase in economic activity
3. beliefs about what will happen in the future
4. purchasing and using goods and services
5. the difference between the funds a country receives and those it pays for all international transactions
6. the total market value of all the goods and services produced in a country during a given period
7. the willingness and ability of consumers to purchase goods and services
8. the willingness and ability of businesses to offer goods or services for sale
9. to put money aside to spend in the future
10. the fluctuation in economic activity that an economy experiences over a period of time



3.3.2. Match up the words below into pairs with similar meanings.

decrease	depression	upturn	expand	expenditure	grow
spending	output	production	recovery	reduce	slump

1. decrease
2. depression
3. expenditure
4. expand
5. production
6. recovery



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3.3.4. Fill in the summary below with the suitable words from the text.

All market economies have periods when ¹ _____ - spending on goods and services – rises. Consumers buy more, companies invest more, and production, income, profits and employment increase. These periods are always followed by periods when spending and investment fall, and unemployment rises. This is the ² _____.

A period during which economic activity increases and the economy is expanding is an ³ _____ or upswing. If it lasts a long time, it is called a ⁴ _____. The highest point of the business cycle is a ⁵ _____, which is followed by a ⁶ _____, during which the amount of economic activity decreases. If the economy keeps contracting for more than 6 months, the downswing is called a ⁷ _____. A serious, long-lasting recession (often lasting for a year or two) is called ⁸ _____ or a slump. The lowest point of the business cycle is a ⁹ _____, which is followed by a ¹⁰ _____, when economic activity increases again, and a new cycle begins.

Note: A downturn is also called *a downswing or a period of contraction*; a recovery is also called *an upturn, an upswing or a period of expansion*.



3.3.3. Match up the words below into pairs with opposite meanings.

boom	contract	demand	depression	endogenous	trough
expand	exogenous	peak	save	spend	supply

1. boom

2. contract

3. demand

4. endogenous

5. trough

6. save