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.

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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. *commodity*
2. *scarce resources*
3. *competing uses*
4. *switch to*
5. *fuel-efficient aircraft*
6. *abundant oil*
7. *car-pools*

A. A product that is in limited supply.
B. A group of people who take turns driving each other to work.
C. An airplane that uses less fuel per distance traveled.
D. A commonly used product.
E. Resources used for different, opposing purposes.
F. To change from one option to another.
G. Oil available in large quantities

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