

UNIT ONE

CONCEPTS IN ECONOMICS

OBJECTIVES: After studying this chapter, you should be able to:

- understand the concepts of supply and demand and competition
- comprehend how supply and demand determine price in competitive markets
- know what a small business is and name the fields in which small business are concentrated
- describe the people who start small businesses, how some succeed, and why many fail
- understand the contribution of small businesses to economy

MODULE I

LEAD-IN

1. What forms of competition do you know?
2. What determines the price of a product?
3. Give a definition of the **demand** for a particular product.
4. Define the **supply** of a particular product.

SUPPLY, DEMAND, PRICE AND COMPETITION

A free-market system implies competition among sellers of products and resources. Economists recognize four different degrees of competition, ranging from ideal competition to no competition at all. These are pure competition, monopolistic competition, oligopoly and monopoly.

Pure (or perfect) competition is the market situation in which there are many buyers and sellers of a product, and no single buyer or seller is powerful enough to affect the price of that product. Note that this definition includes several important ideas. First, we are discussing the market for a single product. Second, all sellers offer essentially the same product for sale; a buyer would be just as satisfied with seller A's wheat and with that offered by seller B or seller Z. Third, all buyers and sellers know everything there is to know about the market (including the prices that all sellers are asking for their wheat). And fourth, the market is not affected by the actions of any one buyer or seller. In pure competition, sellers and buyers must accept the going price. But who determines the price? Actually, everyone does. The price of each product is determined by the actions of all buyers and sellers together, through the forces of supply and demand. It is this interaction of buyers and sellers, working for their best interest, that Adam Smith referred to as the "invisible hand" of competition. Let us see how it operates.

The **supply** of a particular product is the quantity of the product that producers are willing to sell at each of various prices. Supply is thus a relationship between prices and the quantity offered by producers.

We expect the sellers to offer more of a product for sale at higher prices and to offer less of a product at lower prices.

The **demand** for a particular product is the quantity that buyers are willing to purchase at each of various prices. Demand is thus a relationship between prices and the quantities purchased by buyers. Buyers, too, are usually rational, so we would expect them – as a group – to buy more of a product when its price is low and to buy less of the product when its price is high. This is exactly what happens when the price of fresh strawberries rises dramatically. People buy other fruit or do without and reduce their purchase of strawberries. They begin to buy more fresh strawberries only when the prices drop.

Under pure competition, the market price of any product is the price at which the quantity demanded is exactly equal to the quantity supplied.

In theory and in the real market, prices are affected by anything that affects supply and demand. The demand for wheat, for example, might change if researchers discovered that it had very beneficial effects on users' health. Then more wheat would be demanded at every price. The supply of wheat might change if new technology permitted the production of greater quantities of wheat from the same surface. In that case, producers would be willing to supply more wheat at each price. Either of these changes would result in a new market price. Other changes that can affect competitive prices are shifts in buyer tastes, the development of new products that satisfy old needs and fluctuations in income due to inflation or recession.

Pure competition is only a theoretical concept. Some specific markets (such as auctions of farm products) may come close, but no real market totally exhibits perfect competition. Many real market, however, are examples of **monopolistic competition**. Monopolistic competition is a market situation in which there are many buyers along with relatively many sellers who differentiate their product from the products of competitors, by providing unique product features – an attention-getting brand name, unique packing or services such as free delivery or a “lifetime” warranty. Product differentiation is a fact of life for the producers of many consumer goods, from soaps to clothing, or to personal computers. By differentiating its product from all similar products, the producer obtains some limited control over the market price of its product.

An **oligopoly** is a market situation (or industry) in which there are few sellers. Generally, these sellers are quite large, and sizable investments are required to enter into their market. Examples of oligopolistic industries are the American automobile, industrial chemicals and oil refining industries.

Because there are few sellers in an oligopoly, each seller has considerable control over price. At the same time, the market actions of each seller can have a strong effect on competitors' sales. If one firm reduces its price, the other firms in the industry usually do the same to retain their market shares. This usually results in similar prices for similar products. In the absence of much price competition, product differentiation becomes the major competitive weapon.

A **monopoly** is a market (or industry) with only one seller. Because only one firm is the supplier of a product, it has complete control over price. However, no firm can set its price at some astronomical figure just because there is no competition; the firm would soon find that it had no sales revenue. Instead, a firm in a monopoly position must consider the demand for its utilities, such as we find in the electric power distribution. They are permitted to exist because the public interest is best served by their existence, but they operate under the scrutiny and control of various state and federal agencies.

VOCABULARY

auction n. = licitație	scrutiny = (aici) supraveghere; privire
sales revenue = venit obținut din vânzări/cifra de afaceri	shift = schimbare; modificare
public utilities = servicii utilitare	to operate = a funcționa
	to purchase = a achiziționa

COMPREHENSION I

Answer the following questions on the text:

1. Why is pure competition only a theoretical concept?
2. What are the implications of monopolistic competition on the various sellers?
3. How do the sellers behave in an oligopoly?
4. What did Adam Smith call the “invisible hand” of competition?
5. Why isn't it possible for the companies in a monopoly to set their prices at high levels?

PRACTICE

FOCUS ON LANGUAGE

2.1. Fill in the following text with a, the, or the zero article, where appropriate:

Riddell Inc., ...1... sporting goods company controls 65 percent of ...2... market for ...3... football helmets. One reason for ...4... size of its market share is that ...5... Riddell executives convinced ...6... officials of the National Football League to adopt ...7... use of their company's helmets for NFL players.

Kodak currently controls 80 percent of ...8... U.S. consumer film market and 50 percent of ...9... global consumer film market. When you consider that one share point of ...10... global market is equal to about \$40 million in revenues, then you begin to realize how successful ...11... competitor Kodak really is.

2.2. Choose the most suitable phrase

- a. She had to go. She's in a hurry/in hurry.
- b. I think I prefer the other play on the whole/on whole.
- c. Jack was in pain/in a pain after he twisted his wrist.
- d. Margaret recovered from the accident and is now out of danger/out of the danger.
- e. The teacher was under an impression/under the impression that I had not learned the lesson.
- f. Excuse me, but you are in the way/in a way.
- g. How many hours do you work, on average/on the average, every week?

2.3. Read the following sentences, where each article or the absence of the article is numbered.

Then place each number in the table according to the particular use of each article.

- a. Harris and Co (1) make car components (2). The (3) company has an (4) agent in New York.
- b. A (5) delay occurred when a (6) document was lost. The (7) delay almost resulted in the (8) customer cancelling the (9) order. An (10) internal enquiry found that a (11) computer error caused the (12) problem.

- c. Information (13) on the (14) history of Bucharest (15) can be found at the (16) Tourist Office.

Zero article Proper name	Indefinite article Countable, first mention	Definite article Second mention
Zero article Plural countable nouns General meaning	Definite article A specific meaning is clear	Zero article Uncountable, first mention

COMPREHENSION II

3.1. Answer the following questions on the text below:

- Why has it become a matter of survival for American firms to become more competitive?
- Which are the methods that companies can use in order to enhance productivity?
- What effects do these methods have on the employees in the respective companies?

Strengthening Competitiveness through Quality Improvement

Years ago, "Made in the U.S.A." meant high quality, unsurpassed technology, and the world's most efficient productivity. Now, foreign companies are vigorously challenging American firms. Over 70 percent of U.S. products compete with foreign goods, and this percentage will likely grow. Americans eagerly **purchase** German cars, Japanese electronic equipment, Russian vodka, and Italian fashion accessories.

In their **struggle** to be more competitive, U. S. companies have cut costs, improved efficiency, and have begun to market products and services more aggressively. Technological improvements, restructuring and salary freezing have turned many U.S. firms into leaner, meaner machines.

Many business analysts rank poor product quality as the greatest enemy of U.S. productivity and competitiveness. Improved quality, more than anything else, **enables** a corporation to reduce costs and **enhance** profits. A typical American factory invests 20 to 25 percent of its entire operating costs on discovering and then fixing mistakes. Almost one quarter of all factory workers must rework products that were not made correctly the first time. The cost of warranties and replacing defective **merchandise** is enormous. It has become a matter of survival for some U.S. companies: they must improve product quality or close the company doors.

3.2. Provide synonyms for the words underlined in the text above.

Purchase

Struggle

Enable

Enhance

Merchandise

3.3. Fill each blank with the correct word partnership from the list below. Use each partnership once only.

Put off unpleasant tasks

Delegate routine tasks

Unnecessary paperwork

Time-consuming way

Set a time limit

Member of staff

Have a meeting

Lose concentration

Separate folders

Set priorities

Skip over

Pick out

Here are ten key ways to improve efficiency:

Avoid ...1... Be ruthless. Are all those statistics and memos really necessary?

Essential paperwork should be organised into ...2... so that you and other ...3... can find what you want quickly.

...4... Decide which of your tasks are the most important and deal with them first.

Never ...5... It is best to deal with them as soon as possible or you will keep thinking about them and ...6...

Know when to stop. If you are too much of a perfectionist, you will concentrate on one task and not leave enough time to do the other.

...7... Don't try to do everything yourself. Make sure, however, that the subordinate is competent enough to carry out the task.

Cut meetings to a minimum. Ask yourself if a meeting is essential or if the issues could be dealt with in a less ...8...

If you must ...9..., restrict it to those whose presence is essential. Don't waste people's time.

At the beginning of a meeting ...10... and stick to it. This should concentrate everybody's mind and avoid unnecessary anecdotes.

Learn the art of speed-reading. ...11... the non-essential text and ...12... the message, the important facts.

Translate into English:

Productivitatea ridicat\ este legat\ [i de implicarea angaja]ilor. Muncitorii mai motiva]i realizez\ produse [i ofer\ servicii mai bune dec>t cei apatici. Managerii din Statele Unite au descoperit c\, dac\ lucr\torilor li se cere p\rearea, eficien]a cre[te.

Firmele din SUA care concureaz\ cu firme str\ine, lupt\ pentru supravie]uire. Exact la fel cum firmele americane `ncearc\ s\-[i `mbun\t\]easc\ produsele [i productivitatea [i s\ reduc\ costurile, to]i concuren]ii lor str\ini fac acela[i lucru. Cl\direa unor firme mai bune, mai puternice, este un proces continuu. Firmele americane nu se pot mul]umi cu realiz\riile lor din trecut. Ele vor trebui s\ lupte `n continuare pentru a-[i men]ine pozi]ia pe pia]a interna]ional\.

KEY**LEAD-IN**

1. The four types of competition are: pure competition, monopolistic competition, oligopoly and monopoly.
2. The price of each product is determined by the actions of all buyers and sellers together, through the forces of supply and demand.
3. The demand is a relationship between prices and the quantities purchased by buyers.
4. The supply is the relationship between prices and the quantities offered by producers.

FOCUS ON LANGUAGE

2.1. 1-a; 2-the; 3-zero; 4-the; 5-zero; 6-zero; 7-the; 8-the; 9-the; 10-the; 11-a.

2.2. a) in a hurry; b) on the whole; c) in pain; d) out of danger; e) under the impression; f) in the way; g) on the average.

2.3.

Zero article Proper name	Indefinite article Countable, first mention	Definite article Second mention
1, 15	4, 5, 6, 10, 11	3, 7, 12
Zero article Plural countable nouns General meaning	Definite article A specific meaning is clear	Zero article Uncountable, first mention
2	8, 9, 14, 16	13

3.3.1. 1. Unnecessary paperwork; 2. Separate folders; 3. Members of staff; 4. Set priorities; 5. Put off unpleasant tasks; 6. Lose concentration; 7. Delegate routine tasks; 8. Time-consuming way; 9. Have a meeting; 10. Set a time limit; 11. Skip over; 12. Pick out.

UNIT ONE

MODULE II

INTERNATIONAL BUSINESS CONCEPTS

LEAD-IN

- a. Can you name any of the crises you have heard of this year?
- b. Where in the world have most crises emerged?
- c. Discuss the connection between currency appreciation/depreciation and exports.

 **Read the title and make a list with what you expect to find in the article**

A Guide to World Crises

“The World in 1998” – a division of “The Economist” – asked **Jeffrey Sachs**, professor of International Trade at Harvard University, to assess the dangers lurking in emerging markets. Here is a summary of his answer.

More crises in the world’s rapidly growing emerging markets are likely in the future. Consider the past. There was the currency crash in Mexico in 1994, a bank run in Argentina in 1995, a banking and exchange-rate collapse in Bulgaria in 1996, a currency crisis in the Czech Republic in the first half of 1997 and a run on South-East Asian currency and stockmarkets in the second half of 1997. Some rules can be drawn from these recent hiccups that could be handy for the year ahead.

Emerging-market problems come in three variants:

- ◆ Fiscal crises, such as the state-sector bankruptcies which lay behind the debt crisis of the 1980s in developing countries;
- ◆ Exchange-rate crises, such as the collapse of overvalued exchange rates in Mexico in late 1994;
- ◆ Banking crises, such as the collapse of poorly supervised banks and quasi-banks in Bulgaria in 1996 and Thailand in 1996.

In recent years, banking and exchange-rate problems have caused greater havoc than fiscal problems. This was not true in the earlier debt crisis of the 1980s; Mexico (in 1994), Argentina (in 1995), the Czech Republic and Thailand (in 1997) were all to boast the fiscal policy was under control, so there was little sovereign default risk. International investors took note, and plied these countries with a vast flow of funds, both in absolute dollar terms and relative to the size of their rather small economies. The markets forgot a simple economic lesson: countries with healthy fiscal positions can succumb to overvalued currencies or weak banks.

So watch out for three inter-related phenomena to set the warning bells going in 1998. The first, most evidently, is overvalued real exchange rates. In South-East Asia, for example, the Thai baht, Malaysian ringgit and Philippine peso were all in effect pegged to the American dollar. As the dollar appreciated sharply compared with the yen and European currencies, and as the Chinese yuan was depreciated in 1994,

the South-East Asian countries inadvertently lost competitiveness. By 1996, South-East Asia's export growth had weakened considerably. In 1998 there is a risk of this happening in Latin America and Eastern Europe.

The second phenomenon is banking deregulation. Countries in South-East Asia, Central Europe and Latin America have privatised their banking sectors. Quite rightly, they have eliminated capital controls, removed interest-rate ceilings and, in many cases, opened the banking markets to competition from non-banking institutions. These steps, in principle, should raise efficiency and speed up economic integration into global markets. In practice, however, they also open the economy to various new risks, including banking fraud, excessive risk-taking by under-capitalised banks and bank insolvency.

The third phenomenon is closely related. Financial deregulation has increased the dollarisation of these national economies, especially their banking systems.

International institutions such as the Bank for International Settlements and the World Bank need to do much more to help the regulatory environment of the emerging markets. The consequences of that failure are clear.

The broadest lesson for 1998 is positive, however. The emerging economies are determined to stick to the path of global integration. No recent crisis has led a country to withdraw from international trade and finance. Global integration is still proceeding apace. There is no better news for the world's future wealth.

(The World in 1998)

VOCABULARY

bankruptcy = faliment	appreciation/depreciation = apreciere/depreciere (a unei monede)
emerging markets = noi pie e, pie e nou ap rute	banking fraud = fraud\ bancar\
currency crash = pr\bu[irea monedei	interest-rate ceiling = plafonul la care se fixeaz\ rata dob>nzii
bank run = retragere masiv\ a depunerilor dintr-o banc\ supraevaluat	bank insolvency = insolvabilitate bancar\ lender of last resort = `mprumut\tor de ultim\ instan]\
havoc = haos	deregulation = descentralizare, liberalizare a unui sector economic
sovereign default risk = risc de ar\ (incapacitatea guvernului de a-[i achita datoriile externe)	to mint = a bate moned\ to take off = a luat startul, a se declan[a to cut the cost = a reduce costul
pegged to the American dollar = determinate `n func ie de dolarul american	fee = onorariu, comision

COMPREHENSION I

1.1. Read the text and answer the following questions:

- Was the article about what you expected?
- Did you find the article easy to understand? Why (not)?
- List three ideas that you remember without referring back to the text. Do any of them coincide with your predictions?

PRACTICE I

2.1. Select and discuss all the contexts in which the following words appear:

Crises	Currency	Bank(s)/banking
e.g. fiscal crises	e.g. overvalued currencies	e.g. banking sector, weak banks

2.2. Match the concepts with the definition:

- | | |
|---------------------------|---|
| a. bank run | 1. Freeing an industry, an organization etc. from government control |
| b. sovereign default risk | 2. A function of the central bank of a country involving the rescue of weak banks |
| c. deregulation | 3. A situation in which a government fails to honour business obligations, loans because of an unstable national policy |
| d. lender of last resort | 4. A rush to make massive withdrawals of money |

2.3. Read the following fragments and decide in which fragment and where exactly you can insert the sentences numbered a-d:

1. The second phenomenon is banking deregulation. Countries in South-East Asia, Central Europe and Latin America have privatised their banking sectors. They have removed interest-rate ceilings and, in many cases, opened the banking markets to competition from non-banking institutions.
2. So watch out for three inter-related phenomena to set the warning bells going in 1998. In South-East Asia, for example, the Thai baht, Malaysian ringgit and Philippine peso were all in effect pegged to the American dollar. As the dollar appreciated sharply compared with the yen and European currencies, the Sout-East Asian countries inadvertently lost competitiveness.
3. International institutions such as the Bank for International Settlements and the World Bank need to do much more to help the regulatory environment of the emerging markets. The consequences of that failure are clear.
 - a. They have not done enough to promote proper banking laws, transparency of transaction or decent supervision;
 - b. And as the Chinese yuan was depreciated in 1994;
 - c. Quite rightly, they have eliminated capital controls;
 - d. The first, most evidently, is overvalued real exchange rates.

FOCUS ON LANGUAGE

PRACTICE II

3.1. Find the plural of these nouns which appear in the text:

crisis

phenomenon

Do you know other nouns with a similar way of forming the plural?

3.2. Discuss the change in meaning occuring in the plural form of the following two nouns:

security

liability

3.3. Identify the countable (C) and uncountable (U) nouns in the list below and write C or U according to each case:


- | | | | |
|-----------------|-----------------|----------------|-----------------|
| 1. regulation | 2. confidence | 3. weakness | 4. news |
| 5. transparency | 6. insolvency | 7. supervision | 8. deregulation |
| 9. depreciation | 10. liabilities | 11. money | 12. assets |

3.4. Make sentences using the prompts below:

MODEL: premises/build/1998
The premises were built in 1998.

1. Economics/be/interesting.
2. Where/be headquarters?
3. What/be/trouble/with equipment?
4. Funds/be/insufficient.
5. Your/advice/last week/be/good.
6. University/receive/funds/from/government.
7. United States/consist of/50 states.

COMPREHENSION II

 **Read the text below and comment on the frequency of using the various forms of money mentioned in the text.**

Money's electronic future

Money has taken many forms, from coins, first minted on the Aegean shore, then banknotes and cheques, and most recently plastic cards. This year our relationship with money will take another step forward. Electronic money will start to take off, providing the ultimate proof that a currency's form matters far less than its function.

Big companies have long done business with each other electronically and banks are already testing this idea across the world, from Sweden to South Africa, and America to Australia.

The revolution will be led by the smart or "stored value" card. Like a credit card in appearance, the smart card contains a microchip that stores digital tokens which can be exchanged for goods just like tangible cards.

The main reason banks are determined to make this idea work is that they smell profit in it: electronic-cash cards cut the cost of handling physical currency and they can earn a small fee from every transaction, whereas purchase with notes coins bring them nothing.

Translate into English:

- a. -n principiu, liberalizarea din domeniul bancar ar trebui s\ m\reasc\ eficien]a [i s\ accelereze integrarea economic\ pe pie]ele globale. Cu toate acestea, `n practic\, ea expune economia unor noi riscuri, precum frauda bancar\ [i insolabilitatea.
- b. -n ciuda crizelor cu care se confrunt\ anul acesta, noile pie]e sunt hot\ r\te s\ r\m>n\ pe drumul integr\rii globale. Crizele recente nu au determinat retragerea vreunei]\ri de pe scena finan]elor interna]ionale. Nici nu se poate o veste mai bun\ pentru bun\starea mondial\.

KEY**LEAD-IN QUESTIONS**

In case of domestic currency depreciation the manufacturing costs are higher and this brings about a loss in competitiveness in the export activities.

2.2. a. 4; b. 3; c. 1; d. 2;

2.3. a-3 (after *markets*); b-2 (after *currencies*); c-1 (after *sectors*); d-2 (after *1998*).

3.2. securities: titluri de valoare; liabilities: pasiv, creanțe.

3.3. regulation C	supervision U	confidence U	deregulation C
weakness C	depreciation C	news U	liabilities C
transparency U	money U	insolvency U	assets C

3.4.

1. Economics is interesting.
2. Where are the headquarters?
3. What is the trouble with the equipment?
4. The funds are insufficient.
5. Your advice last week was good.
6. The university receives funds from the government.
7. The United States consists of 50 states.

UNIT ONE

MODULE III

EUROPEAN ISSUES

LEAD-IN

1. What is the name of the current President of the European Union?
2. Which country currently holds the presidency of the Eu?
3. In which European city is the European Parliament?
4. In which European capital is the EBRD (European Bank for Reconstruction and Development) located?

The European Union

The **treaty of Rome** in 1957 established the European Economic Community (now referred to as the *European Union*). It arose from the success of the *European Coal and Steel Community* (ECSC) which sought to promote cooperation between Coal and Steel companies in Europe. This programme succeeded in reducing tariffs and quotas in the coal and steel markets between the participating countries.

Following the treaty of Rome, the EU became a reality on January 1, 1958. The founder members of the EU were France, West Germany, Italy and the Benelux countries (Belgium, the Netherlands and Luxembourg). It remained in this form until Britain, Ireland and Denmark joined in 1972. The Union was extended further by the admission of Greece in 1981 and then Spain and Portugal in 1986.

The objectives of the EU have changed over the years. Initially, the aims were to abolish all internal quotas and tariffs and to impose a common external tariff on countries outside the Union. These measures meant that as far as imports and exports went, the Union acted as one country.

Components of the European Union

The parallel of the Union acting as a single nation now extends beyond the preliminary objectives. It has its own executive, legislature, secretariat and judiciary.

The executive of the EU is made up of The Council of Ministers. This is composed of elected politicians from each of the member countries. Hence, when the Council of Ministers is considering finance matters, it will be made up of all of the Finance Ministers (in the UK, this is the Chancellor of the Exchequer). The Heads of States meet at the Council of Ministers when particularly important items are under consideration. The Presidency of the Council rotates between the twelve members of the Union every six months. Under this system, the head of state of the country which holds the presidency also assumes the title *President of the Council of Ministers of the European Union*. Hence, when the UK held the presidency in the first six months of 1993, Prime Minister Major also held the office of President of the Council of Ministers of the European Union. As in the case of domestic executive, the Council of Ministers is the highest authority in the EU. It must endorse and authorise EU policy and any applications for membership or significant change.

The secretariat or Administration is based in Brussels and is called the **European Commission**. Unlike

the Council of Ministers, the employees of the Commission are not elected – they are the European equivalent of civil servants. As well as administering the various arms of the European “state”, the Commission is also responsible for drafting and proposing legislation for the Council of Ministers to vote on and approve, amend or reject. The Commission is controlled by a President and a number of Commissioners. The larger countries send two Commissioners to Brussels and the smaller ones, just one.

The legislature is in Strasbourg, France and is called the **European Parliament**. This is composed of over 500 elected *Members of the European Parliament* (MEPs). Like in the UK, MEPs sit in the Parliament according to their political leanings rather than nationality. Because the EU is not a state as such, the Parliament does not assume the same degree of power that a national Parliament does. The number of MEPs from each member country depends upon its size. The UK, Germany, France and Italy each send over 80 MEPs to Strasbourg, whereas Luxembourg sends just 6. Because the parliament has little authority over the affairs of the EU (it does not control the finance budget or key policy areas), its role has been criticised. Critics say that it is expensive to run and superfluous to requirements as the EU stands in its present form. However, the longer term plans for the EU include closer links between the member countries and this will involve a more prominent role for Strasbourg.

The European **judiciary** is the **European Court of Justice**. It is presided over by 13 judges (at least one from each country) and an overall President, elected from among the judges.

VOCABULARY

to seek-sought-sought = a avea inten ia, a c\uta	to endorse the policy = a sprijini, a aproba politica
to abolish = a elimina	to draft (legislation) = a face un proiect de lege
Chancellor of the Exchequer (UK) = Ministrul de Finan e	to amend = a amenda
to hold the presidency = a de ine pre[edin ia	to reject = a respinge
to hold the office of = a de ine func ia de	to run = a conduce
domestic executive = guvernul intern (al unei ri)	to reshape = a remodela
	to lurk = a p>ndi
	to sink = a contopi (aici)

COMPREHENSION I

1.1. Answer the following questions:

1. What was the initial aim of the EEC?
2. Are members of the European Commission elected?
3. In what way is the number of MEPs from each member country decided?

PRACTICE I

2.1. Complete the table below with adequate information on each component of the EU:

Component	1.
Location	2.
Number of members (elected or no)	3.
Role	4.

2.2. Decide whether the following statements are true or false:

1. One of the first goals of the EU was to impose a common external tariff on countries which do not belong to the Union.
2. Ireland and Britain were among the founder members of the EU.
3. The head of state of the country holding the presidency automatically becomes President of the Council of Ministers of the European Union.
4. Each country sends one Commissioner to Brussels, where the Administration is based.
5. Criticisms regarding the European Parliament have focused on the way it handles problems of finance and key policy areas.

2.3. Put each of the following word or phrases in its correct place below. The text will help you.

rotates	authorise	elected
authority	abolish	as far as
domestic	assume	

Initially, the aims of the EU were to a) ... all internal quotas and tariffs. These measures meant that b) ... imports and exports went, the Union acted as one country.

The Council of Ministers is composed of c) ... politicians from each of the member countries. The Presidency of the Council d) ... between the twelve members of the Union every six months.

As in the case of the e) ... executive, the Council of Ministers is the highest f) ... in the EU. It must endorse and g) ... EU policy and any applications for membership.

Because the EU is not a state as such, the Parliament does not h) ... the same degree of power that a national Parliament does.

FOCUS ON LANGUAGE**PRACTICE II****3.1. In this exercise you have to join two nouns. Sometimes you have to use an apostrophe ('), with or without s. Sometimes you have to use ...of ...**

- a. the new dean/our faculty
- b. the ground floor/the building
- c. the economic policy/the government
- d. the name/the colleague I saw you with yesterday
- e. the result/the competition
- f. the development/the county
- g. the prices/the new products

3.2. Each of the sentences below contains a genitive using of. If it is grammatically correct to do so, change it to a construction with an apostrophe.

- a. The workforce of the company will be reduced.
- b. The meeting of the shareholders is scheduled to take place next month.
- c. The Chairman of the Board said that he had no comment to make.
- d. The results of the pharmaceutical group Hambro are outstanding.

- e. The decision of the Board to raise the dividend was against the advice of the auditor.

3.3. Join the two halves to form sentences and fill in the blanks with:

Anybody, nobody, sometimes, any, anyone

I ... give presentations	to say on this?
Does ... have anything	than ... would have wanted
If ... has any questions	coming to see you
I didn't have ... problems	let's move to the next item on the agenda
The meeting was longer	if I am invited to

3.4. Read the text below and fill in the blanks with the appropriate pronouns. Choose from the box:

All	some	anybody	their	itself	everybody	them
a few	they	our	most	myself	somebody	

Every day in Britain more than 24 million people go to work ...1... of these people work in offices, but most of them work in factories. Of course, there are ...2... who can afford not to work and, unfortunately, there are ...3... who can't find work. But why do people work? There are several reasons, but the simple answer is that they all need to earn an income. But for most of ...4..., this is not an end in ...5... With this money they can buy the goods and services that ...6... needs. At the same time, through work ...7... of them produce the goods and services needed by the population. In this way they are helping to ensure that a high standard of living is maintained for the community as a whole.

COMPREHENSION II

4.1. Read the text below and comment on the effects of the Euro.

The birth of the euro on January 1st is only the first of several events to reshape the landscape of the European Union. The designers of Europe's monetary union seem confident that no catastrophic surprises lurk among the legalities or the practicalities of the new system. If all goes according to plan, 11 of the EU's 15 countries will sink their national currencies into the euro on January 1st – but citizens in most of them will notice little change overnight. Notes and coins in national design, denominated in national currencies, will continue to circulate for at least three years. Countries will not introduce new "Euro" notes and coins generally until 2002.

Translate into English:

Parlamentul European este format din peste 500 de parlamentari ale [i] n func[ie] de orient[rile] lor politice. Deoarece Uniunea European\ nu are statut propriu-zis de stat, Parlamentul nu-[i] asum\ acela[i] grad de autoritate ca un parlament intern. Num\rul parlamentarilor din fiecare [ar]\ depinde de m\rimea [rii] respective: astfel, [ri] ca Fran[ia], Germania, Italia pot trimite chiar peste 80 de parlamentari, [n timp ce Luxemburgul are doar 6. Parlamentul [i] va m[ri] rolul pe viitor, pe msur\ ce se vor dezvolta leg\turi mai apropiate [ntre] [rile] membre.

KEY

2.2. a-T; b-T; c-T; d-F; e-T.

2.3. a. abolish; b. as far as; c. elected; d. rotates; e. domestic; f. authority; g. authorise; h. assume.

3.1.

- a. the new dean of our faculty (or: the faculty's new dean)
- b. the ground floor of the building
- c. the economic policy or the government (or: the government's economic policy)
- d. the name of the colleague I saw you with yesterday
- e. the result of the competition
- f. the development of the country
- g. the prices of the new products

3.2.

- a. The company's workforce will be reduced.
- b. The shareholders' meeting is scheduled to take place next month.
- c. The Chairman of the Board said that he had no comments to make.
- d. The pharmaceutical group Hambro's results are outstanding.
- e. The Board's decision to raise the dividends was against the advice of the auditor.

3.3.

- a. I sometimes give presentations if I am invited to.
- b. Does anybody have anything to say on this?
- c. If nobody has any questions, let's move to the next item on the agenda.
- d. I didn't have any problems coming to see you.
- e. The meeting was longer than anyone/anybody would have wanted.

3.4.

1. Some; 2. A few; 3. Some; 4. Them; 5. Itself; 6. Everybody; 7. Most.