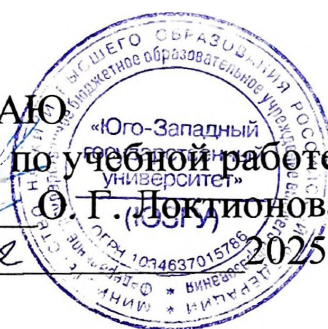


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## МИНОБРАЗОВАНИЯ РОССИИ

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Кафедра иностранных языков

УТВЕРЖДАЮ  
Проректор по учебной работе  
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### **BASIC CONCEPTS AND ESSENTIALS OF SOCIOLOGY AND ECONOMICS**

Методические указания  
для практических занятий по иностранному языку  
для обучающихся на факультете экономики и менеджмента  
по направлениям подготовки:  
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Методические указания «Basic Concepts and Essentials of Sociology and Economics» для практических занятий по иностранному языку для обучающихся на факультете экономики и менеджмента по направлениям подготовки: 38.03.01 Экономика, 38.03.02 Менеджмент, 38.03.03 Управление персоналом, 38.05.01 Экономическая безопасность, 39.03.01 Социология соответствуют федеральному государственному образовательному стандарту высшего образования.

Цель методических указаний – освоение базовой терминологии с целью формирования коммуникативных и языковых компетенций, позволяющих принимать участие в устном общении на английском языке в объеме, предусмотренном программой, а также подготовка будущих специалистов к международному профессиональному общению на английском языке по широкому профилю специальности.

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## **PART I. SOCIOLOGY**

### **Unit 1. Introduction to Sociology**

#### **1. Read the text define the key words and its main idea.**

Sociology is the systematic study of society and social interaction. In order to carry out their studies, sociologists identify cultural patterns and social forces and determine how they affect individuals and groups. They also develop ways to apply their findings to the real world. Sociology was developed as a way to study and try to understand the changes to society brought on by the Industrial Revolution in the 18th and 19th centuries. Some of the earliest sociologists thought that societies and individuals' roles in society could be studied using the same scientific methodologies that were used in the natural sciences, while others believed that it was impossible to predict human behavior scientifically, and still others debated the value of such predictions. Those perspectives continue to be represented within sociology today. Sociologists develop theories to explain social events, interactions, and patterns. A theory is a proposed explanation of those patterns. Theories have different scales. Macro-level theories, such as structural functionalism and conflict theory, attempt to explain how societies operate as a whole. Micro-level theories, such as symbolic interactionism, focus on interactions between individuals. Studying sociology is beneficial both for the individual and for society. By studying sociology people learn how to think critically about social issues and problems that confront our society. The study of sociology enriches students' lives and prepares them for careers in an increasingly diverse world. Society benefits because people with sociological training are better prepared to make informed decisions about social issues and take effective action to deal with them.

**2. Make a plan of the text putting the headings given as prompts in the correct order, and then decide how to divide it into paragraphs.**

The History of Sociology  
Why Study Sociology?  
What Is Sociology?  
Theoretical Perspectives

### 3. Can you give definitions of these key terms of Sociology in Russian?

**Antipositivism:** the view that social researchers should strive for subjectivity as they worked to represent social processes, cultural norms, and societal values.

**Conflict theory:** a theory that looks at society as a competition for limited resources.

**Dramaturgical analysis:** a technique sociologists use in which they view society through the metaphor of theatrical performance.

**Dynamic equilibrium:** a stable state in which all parts of a healthy society are working together properly.

**Dysfunctions:** social patterns that have undesirable consequences for the operation of society.

**Figuration:** the process of simultaneously analyzing the behaviour of an individual and the society that shapes that behavior.

**Functionalism:** a theoretical approach that sees society as a structure with interrelated parts designed to meet the biological and social needs of individuals that make up that society.

**Function:** the part a recurrent activity plays in the social life as a whole and the contribution it makes to structural continuity.

**Grand theories:** attempts to explain large-scale relationships and answer fundamental questions such as why societies form and why they change.

**Latent functions:** the unrecognized or unintended consequences of a social process.

**Macro-level:** a wide-scale view of the role of social structures within a society.

**Manifest functions:** sought consequences of a social process.

**Micro-level theories:** the study of specific relationships between individuals or small groups.

**Paradigms:** philosophical and theoretical frameworks used within a discipline to formulate theories, generalizations, and the experiments performed in support of them.

**Positivism:** the scientific study of social patterns.

**Qualitative sociology:** in-depth interviews, focus groups, and/or analysis of content sources as the source of its data.

**Quantitative sociology:** statistical methods such as surveys with large numbers of participants.

**Social facts:** the laws, morals, values, religious beliefs, customs, fashions, rituals, and all of the cultural rules that govern social life.

**Social solidarity:** the social ties that bind a group of people together such as kinship, shared location, and religion.

**Sociological imagination:** the ability to understand how your own past relates to that of other people, as well as to history in general and societal structures in particular.

**Sociology:** is the systematic study of society and social interaction

**Symbolic interactionism:** a theoretical perspective through which scholars examine the relationship of individuals within their society by studying their communication (language and symbols).

**Theory:** proposed explanation about social interactions or society

**4. Build at least 6 sentences with key terms in English, then translate your partner's sentences into Russian.**

**5. Read quickly one or more of the following paragraphs. Define the keywords and their main idea, and then translate the text you read into Russian in written form.**

### **Task 1**

The next step researchers undertake is to conduct background research through a literature review, which is a review of any existing similar or related studies. A visit to the library and a thorough online search will uncover existing research about the topic of study. This step helps researchers gain a broad understanding of work previously conducted on the topic at hand and enables them to position their own research to build on prior knowledge. Researchers – including student researchers – are responsible for correctly citing existing sources they use in a study or that inform their work. While it is fine to borrow previously published material (as long as it enhances a unique viewpoint), it must be referenced properly and never plagiarized.

To study hygiene and its value in a particular society, a researcher might sort through existing research and unearth studies about child-rearing, vanity, obsessive-compulsive behaviors, and cultural attitudes toward beauty. It's important to sift through this information and deter-

mine what is relevant. Using existing sources educates a researcher and helps refine and improve a study's design.

### **Task 2**

A hypothesis is an assumption about how two or more variables are related; it makes a conjectural statement about the relationship between those variables. In sociology, the hypothesis will often predict how one form of human behavior influences another. In research, independent variables are the cause of the change. The dependent variable is the effect, or thing that is changed.

For example, in a basic study, the researcher would establish one form of human behavior as the independent variable and observe the influence it has on a dependent variable. How does gender (the independent variable) affect rate of income (the dependent variable)? How does one's religion (the independent variable) affect family size (the dependent variable)? How is social class (the dependent variable) affected by level of education (the independent variable)?

### **Task 3**

Sociologists examine the world, see a problem or interesting pattern, and set out to study it. They use research methods to design a study – perhaps a detailed, systematic, scientific method for conducting research and obtaining data, or perhaps an ethnographic study utilizing an interpretive framework. Planning the research design is a key step in any sociological study.

When entering a particular social environment, a researcher must be careful. There are times to remain anonymous and times to be overt. There are times to conduct interviews and times to simply observe. Some participants need to be thoroughly informed; others should not know they are being observed. A researcher wouldn't stroll into a crime-ridden neighborhood at midnight, calling out, "Any gang members around?" And if a researcher walked into a coffee shop and told the employees they would be observed as part of a study on work efficiency, the self-conscious, intimidated baristas might not behave naturally.

In the 1920s, leaders of a Chicago factory called Hawthorne Works commissioned a study to determine whether or not lighting could increase or decrease worker productivity. Sociologists were brought in. Changes were made. Productivity increased. Results were published.

But when the study was over, productivity dropped again. Why did this happen? In 1953, Henry A. Landsberger analyzed the study results to answer this question. He realized that employee productivity increased because sociologists were paying attention to them. The sociologists' presence influenced the study results. Worker behaviors were altered not by the lighting but by the study itself. From this, sociologists learned the importance of carefully planning their roles as part of their research design (Franke and Kaul 1978).

Landsberger called the workers' response the Hawthorne effect – people changing their behavior because they know they are being watched as part of a study. The Hawthorne effect is unavoidable in some research. In many cases, sociologists have to make the purpose of the study known. Subjects must be aware that they are being observed, and a certain amount of artificiality may result (Sonnenfeld 1985).

Making sociologists' presence invisible is not always realistic for other reasons. That option is not available to a researcher studying prison behaviors, early education, or the Ku Klux Klan. Researchers can't just stroll into prisons, kindergarten classrooms, or Klan meetings and unobtrusively observe behaviors. In situations like these, other methods are needed. All studies shape the research design, while research design simultaneously shapes the study. Researchers choose methods that best suit their study topic and that fit with their overall approach to research.

In planning a study's design, sociologists generally choose from four widely used methods of social investigation: survey, field research, experiment, and secondary data analysis (or use of existing sources). Every research method comes with plusses and minuses, and the topic of study strongly influences which method or methods are put to use.

## **6. Study the following useful facts then test yourself.**

Sociology is the study of all aspects of human social behaviour and society. It encompasses the study of people in a society, their interactions with each other, and the social institutions that shape their behavior. By studying all of these elements, sociology aims to understand how society functions, the patterns and structures that exist within it, and how individuals and groups are influenced by social forces.

Planning the research design is a key step in any sociological study. Sociologists generally choose from widely used methods of so-

cial investigation. For example, a survey collects data from subjects who respond to a series of questions about behaviors and opinions, often in the form of a questionnaire or an interview. Field research refers to gathering primary data from a natural environment. A case study is an in-depth analysis of a single event, situation, or individual. To conduct a case study, a researcher examines existing sources like documents and archival records, conducts interviews, engages in direct observation and even participant observation, if possible. Observation would likely yield the most valid results for respondents in their natural setting because it involves directly observing and recording behavior in real-life situations without any manipulation or interference. This method allows researchers to gather data in a natural environment, which can provide a more accurate representation of how individuals behave and interact. By simply observing participants without any intervention, researchers can minimize the potential biases and artificiality that may occur in other research methods. Ethnography is the immersion of the researcher in the natural setting of an entire social community to observe and experience their everyday life and culture. The

When conducting research, it is important to suspend biases, prejudices, and assumptions because these can influence the process and outcomes of the research. Biases can lead to skewed data and inaccurate conclusions, while prejudices can introduce unfairness and discrimination. Assumptions can limit the scope of the research and prevent the exploration of alternative perspectives. Therefore, to ensure objectivity and reliability, researchers should strive to set aside their personal biases, prejudices, and assumptions when conducting their studies.

Since it's rarely possible to study an entire population of focus, researchers use samples when they seek to collect data and answer research questions. A sample is simply a subset of the population being studied; it represents the larger population and is used to draw inferences about that population. The term 'population' refers to the entire group of individuals that a researcher is interested in studying. In this case, the researcher wants to collect data from specific groups such as females in one region of the country or children under the age of 17. These groups are subsets of the larger population and are considered part of the population as a whole.

While researchers are expected to protect the respondent's mental/physical welfare, publish all findings, and state who funded the research, there is no requirement to provide monetary compensation to the respondents. So, "Monetarily compensate the respondents" is not an ethic from the American Sociological Association that all researchers must follow.

The Hawthorne effect refers to the phenomenon where individuals modify their behavior when they are aware that they are being observed. This effect suggests that people may act differently or improve their performance when they know they are being watched, which can lead to biased results in research or workplace settings. This concept has been extensively studied in various fields, including psychology and sociology, and has significant implications for understanding human behavior in social contexts.

Secondary data analysis is the research method that utilizes public records such as marriage and divorce certificates, police records, and birth and death certificates. This method involves analyzing existing data that has been collected by other researchers or organizations for a different purpose. It allows researchers to examine large amounts of data without having to collect it themselves.

Structural functionalism is a theory that believes society is made up of various interconnected parts, each of which serves a specific function in maintaining stability. This theory emphasizes the importance of social institutions and their roles in promoting social order and cohesion. It suggests that individuals and groups have specific roles and responsibilities that contribute to the overall functioning and equilibrium of society.

Conflict theory believes that people in society battle over scarce resources like money, power, and prestige. This theory suggests that social inequality and conflict are inherent in society, and that these conflicts arise from the unequal distribution of resources. Conflict theorists argue that these struggles for resources can lead to social change and the creation of social institutions that benefit those in power. This perspective emphasizes the role of power dynamics and competition in shaping social relationships and structures.

The scale is considered reliable if it consistently gives the same reading multiple times when you put on it the same thing. However, it is

not considered valid if the reading is actually not accurate or true for this thing.

### **Test 1**

1. Sociology is the study of:
  - a) People in a society
  - b) Interactions among people
  - c) Social institutions
  - d) All of the above
  
2. Which theory believes that people in society battle over scarce resources like money, power, and prestige?
  - a) Structural functionalism
  - b) Conflict
  - c) Symbolic interaction
  - d) Feminist
  
3. Which research method utilizes public records such as marriage and divorce certificates, police records, and birth and death certificates?
  - a) Survey research
  - b) Participant observation
  - c) Experiment
  - d) Secondary data analysis
  
4. A person who weighs 100 pounds steps onto a scale which indicates that they weigh 200 pounds. He/she gets off the scale, steps back on, and it still reads 200 pounds. That scale is considered:
  - a) Reliable but not valid
  - b) Valid but not reliable
  - c) Both reliable and valid
  - d) Neither reliable nor valid
  - e) Obviously broken
  
5. Which of the following is NOT an ethic from the American Sociological Association that all researchers must follow?
  - a) Monetarily compensate the respondents
  - b) Protect the respondent's mental/physical welfare
  - c) Publish all findings
  - d) State who funded the research

6. The Hawthorne effect explains how human behaviour is altered when being watched.

- a) True
- b) False

7. If a researcher wished to collect data from a group such as females in California or men over the age of 30, these groups would be known as:

- a) Sub-grouping
- b) Population
- c) Sample
- d) Random sample

8. When conducting research, all biases, prejudices, and assumptions must be suspended.

- a) True
- b) False

9. Which theory believes that society is made up of many building blocks that all play a part in maintaining stability?

- a) Structural functionalism
- b) Conflict
- c) Symbolic interaction
- d) Feminist

10. Which research method would be likely to yield the most valid results for respondents in their natural setting?

- a) Experiment
- b) Observation
- c) Survey research
- d) Data analysis

## **Unit 2. Sociological Research**

### **1. Read the text define the key words and its main idea.**

Using the scientific method, a researcher conducts a study in five phases: asking a question, researching existing sources, formulating a hypothesis, conducting a study, and drawing conclusions. The scientific method is useful in that it provides a clear method of organizing a study. Some sociologists conduct research through an interpretive framework

rather than employing the scientific method. Scientific sociological studies often observe relationships between variables. Researchers study how one variable changes another. Prior to conducting a study, researchers are careful to apply operational definitions to their terms and to establish dependent and independent variables. Sociological research is a fairly complex process. As you can see, a lot goes into even a simple research design. There are many steps and much to consider when collecting data on human behavior, as well as in interpreting and analyzing data in order to form conclusive results. Sociologists use scientific methods for good reason. The scientific method provides a system of organization that helps researchers plan and conduct the study while ensuring that data and results are reliable, valid, and objective. The many methods available to researchers – including experiments, surveys, field studies, and secondary data analysis—all come with advantages and disadvantages. The strength of a study can depend on the choice and implementation of the appropriate method of gathering research. Depending on the topic, a study might use a single method or a combination of methods. It is important to plan a research design before undertaking a study. The information gathered may in itself be surprising, and the study design should provide a solid framework in which to analyze predicted and unpredicted data. Sociologists and sociology students must take ethical responsibility for any study they conduct. They must first and foremost guarantee the safety of their participants. Whenever possible, they must ensure that participants have been fully informed before consenting to be part of a study. The ASA (American Sociological Association) maintains ethical guidelines that sociologists must take into account as they conduct research. The guidelines address conducting studies, properly using existing sources, accepting funding, and publishing results. Sociologists must try to maintain value neutrality. They must gather and analyze data objectively, setting aside their personal preferences, beliefs, and opinions. They must report findings accurately, even if they contradict personal convictions.

**2. Make a plan of the text putting the headings given as prompts in the correct order, and then decide how to divide it into paragraphs.**

Research Methods

## Ethical Concerns

### Approaches to Sociological Research

#### **3. Can you give definitions of these key terms of Sociology in Russian?**

**Case study:** in-depth analysis of a single event, situation, or individual.

**Code of ethics:** a set of guidelines that the American Sociological Association has established to foster ethical research and professionally responsible scholarship in sociology.

**Content analysis:** applying a systematic approach to record and value information gleaned from secondary data as it relates to the study at hand.

**Control group:** an experimental group that is not exposed to the independent variable.

**Correlation:** when a change in one variable coincides with a change in another variable, but does not necessarily indicate causation.

**Dependent variables:** changed by other variables.

**Empirical evidence:** evidence corroborated by direct experience and/or observation.

**Ethnography:** observing a complete social setting and all that it entails.

**Experiment:** the testing of a hypothesis under controlled conditions.

**Field research:** gathering data from a natural environment without doing a lab experiment or a survey.

**Hawthorne effect:** when study subjects behave in a certain manner due to their awareness of being observed by a researcher.

**Hypothesis:** an educated guess with predicted outcomes about the relationship between two or more variables.

**Independent variables:** cause changes in dependent variables.

**Interpretive framework:** a sociological research approach that seeks in-depth understanding of a topic or subject through observation or interaction; this approach is not based on hypothesis testing.

**Interview:** a one-on-one conversation between the researcher and the subject.

**Literature review:** a scholarly research step that entails identifying and studying all existing studies on a topic to create a basis for new research.

**Nonreactive research:** using secondary data, does not include direct contact with subjects and will not alter or influence people's behaviours.

**Operational definitions:** specific explanations of abstract concepts that a researcher plans to study.

**Participant observation:** when a researcher immerses herself in a group or social setting in order to make observations from an "insider" perspective.

**Population:** a defined group serving as the subject of a study.

**Primary data:** data that are collected directly from firsthand experience.

**Qualitative data:** comprise information that is subjective and often based on what is seen in a natural setting.

**Quantitative data:** represent research collected in numerical form that can be counted.

**Random sample:** a study's participants being randomly selected to serve as a representation of a larger population.

**Reliability:** a measure of a study's consistency that considers how likely results are to be replicated if a study is reproduced.

**Research design:** a detailed, systematic method for conducting research and obtaining data.

**Samples:** small, manageable number of subjects that represent the population.

**Scientific method:** an established scholarly research method that involves asking a question, researching existing sources, forming a hypothesis, designing and conducting a study, and drawing conclusions.

**Secondary data analysis:** using data collected by others but applying new interpretations.

**Surveys:** collect data from subjects who respond to a series of questions about behaviors and opinions, often in the form of a questionnaire.

**Validity:** the degree to which a sociological measure accurately reflects the topic of study.

**Value neutrality:** a practice of remaining impartial, without bias or judgment during the course of a study and in publishing results.

**4. Build at least 6 sentences with key terms in English, then translate your partner's sentences into Russian.**

**5. Read quickly one or more of the following paragraphs. Define the keywords and the main idea, and then translate the text you read into Russian in written form.**

### **Task 1**

An interview is a one-on-one conversation between the researcher and the subject, and is a way of conducting surveys on a topic. Interviews are similar to the short answer questions on surveys in that the researcher asks subjects a series of questions. However, participants are free to respond as they wish, without being limited by predetermined choices. In the back-and-forth conversation of an interview, a researcher can ask for clarification, spend more time on a subtopic, or ask additional questions. In an interview, a subject will ideally feel free to open up and answer questions that are often complex. There are no right or wrong answers. The subject might not even know how to answer the questions honestly.

Questions such as “How did society's view of alcohol consumption influence your decision whether or not to take your first sip of alcohol?” or “Did you feel that the divorce of your parents would put a social stigma on your family?” involve so many factors that the answers are difficult to categorize. A researcher needs to avoid steering or prompting the subject to respond in a specific way; otherwise, the results will prove to be unreliable. And, obviously, a sociological interview is not an interrogation. The researcher will benefit from gaining a subject's trust, from empathizing or commiserating with a subject, and from listening without judgment.

### **Task 2**

After selecting subjects, the researcher develops a specific plan to ask questions and record responses. It is important to inform subjects of the nature and purpose of the study up front. If they agree to participate, researchers thank subjects and offer them a chance to see the results of the study if they are interested. The researcher presents the subjects with

an instrument, a means of gathering the information. A common instrument is a questionnaire, in which subjects answer a series of questions. For some topics, the researcher might ask yes-or-no or multiple-choice questions, allowing subjects to choose possible responses to each question. This kind of quantitative data – research collected in numerical form that can be counted – are easy to tabulate. Just count up the number of “yes” and “no” responses or correct answers and chart them into percentages.

Questionnaires can also ask more complex questions with more complex answers – beyond “yes,” “no,” or the option next to a checkbox. In those cases, the answers are subjective, varying from person to person. How do plan to use your college education? Why do you follow Jimmy Buffett around the country and attend every concert? Those types of questions require short essay responses, and participants willing to take the time to write those answers will convey personal information about religious beliefs, political views, and morals. Some topics that reflect internal thought are impossible to observe directly and are difficult to discuss honestly in a public forum. People are more likely to share honest answers if they can respond to questions anonymously. This type of information is qualitative data – results that are subjective and often based on what is seen in a natural setting. Qualitative information is harder to organize and tabulate. The researcher will end up with a wide range of responses, some of which may be surprising. The benefit of written opinions, though, is the wealth of material that they provide.

### **Task 3**

As a research method, a survey collects data from subjects who respond to a series of questions about behaviors and opinions, often in the form of a questionnaire. The survey is one of the most widely used scientific research methods. The standard survey format allows individuals a level of anonymity in which they can express personal ideas.

At some point or another, everyone responds to some type of survey. The United States Census is an excellent example of a large-scale survey intended to gather sociological data. Customers fill out questionnaires at stores or promotional events, responding to questions such as “How did you hear about the event?” and “Were the staff helpful?” You’ve probably picked up the phone and heard a caller ask you to par-

ticipate in a political poll or similar type of survey. “Do you eat hot dogs? If yes, how many per month?”

Not all surveys would be considered sociological research. Marketing polls help companies refine marketing goals and strategies; they are generally not conducted as part of a scientific study, meaning they are not designed to test a hypothesis or to contribute knowledge to the field of sociology. The results are not published in a refereed scholarly journal, where design, methodology, results, and analyses are vetted. Often, polls on TV do not reflect a general population, but are merely answers from a specific show’s audience. Polls conducted by programs such as *American Idol* or *So You Think You Can Dance* represent the opinions of fans but are not particularly scientific. A good contrast to these are the Nielsen Ratings, which determine the popularity of television programming through scientific market research.

Sociologists conduct surveys under controlled conditions for specific purposes. Surveys gather different types of information from people. While surveys are not great at capturing the ways people really behave in social situations, they are a great method for discovering how people feel and think – or at least how they say they feel and think. Surveys can track preferences for presidential candidates or reported individual behaviors (such as sleeping, driving, or texting habits), or factual information such as employment status, income, and education levels.

A survey targets a specific population, people who are the focus of a study, such as college athletes, international students, or teenagers living with type 1 (juvenile-onset) diabetes. Most researchers choose to survey a small sector of the population, or a sample: that is, a manageable number of subjects who represent a larger population. The success of a study depends on how well a population is represented by the sample. In a random sample, every person in a population has the same chance of being chosen for the study. According to the laws of probability, random samples represent the population as a whole. For instance, a Gallup Poll, if conducted as a nationwide random sampling, should be able to provide an accurate estimate of public opinion whether it contacts 2,000 or 10,000 people.

## **6. Study the following useful facts then test yourself.**

The study of the larger world and our societies place in it suggests that the global perspective involves examining and understanding the broader context of the world and how societies fit into it. It implies that it involves studying the interactions, dynamics, and influences between different societies and the impact they have on individuals and communities.

Society refers to a group of people who interact with each other within a specific territory and share a common culture. This means that individuals within a society have social relationships and connections with one another, and they also have a set of shared beliefs, values, behaviors, and material objects that collectively shape their way of life. Society functions as an integrated whole, with social cohesion being the result of different parts of society working together. Additionally, society establishes culturally defined standards that serve as broad guidelines for social living, determining what is considered desirable, good, and beautiful.

An economic system is a framework and structure through which societies organize their resources, manufacturing tactics, distribution channels, and consumption patterns. There are various types of economic systems. Capitalism is an economic system where the primary goal is to generate profits for a small group of individuals, who then sell these profits to a larger population. In order to maximize profits, capitalism often involves keeping workers' wages low. This economic system is characterized by private ownership of production and a free market where supply and demand determine prices. Socialism, on the other hand, involves collective ownership and control of the means of production. The government plays a significant role in planning and regulating the economy. Mixed economic systems combine aspects of both capitalism and socialism.

Sociologists aim to uncover and question the assumptions and biases that exist in society, including those that are widely accepted but may be incorrect or misleading. By challenging these beliefs, sociological research helps to promote a more accurate understanding of social phenomena and encourages critical thinking among individuals. There are different research methods. For example, ethnography is a research method where sociologists immerse themselves in the lives of the peo-

ple, they study to gain a deep understanding of their culture and behavior. A survey is a method that is commonly used to gather information from a larger group of people. Surveys typically involve asking a set of questions to collect data on a specific topic or issue. Since surveys are designed to be distributed to a larger group, they are often used when detailed information is not necessary or feasible to obtain from each individual. Documentary research refers to the method of gathering information and data from various written sources such as government statistics, newspapers, journals, and other similar documents. This type of research involves analyzing and interpreting existing records and documents to gain insights and understanding about a particular subject or topic. It is a valuable research approach as it allows researchers to access a wide range of information that has already been collected and documented by others, providing a comprehensive understanding of the subject matter.

The social-conflict approach (Marx) is a theory that suggests that the organization of society and the changes within it can be explained by the conflicts that exist within social relations. This approach focuses on the stratifications based on class, ethnicity, gender, age, etc. and how these divisions lead to conflicts and inequalities in society. It highlights the belief that social change occurs through the struggle for power between different groups in society.

Social learning theory views identity as the outcome of individuals modeling themselves based on the expectations of others, rather than being a result of the unconscious. This theory suggests that individuals develop their sense of self by observing and imitating the behaviours, attitudes, and values of those around them. It emphasizes the role of social interactions and external influences in shaping one's identity.

Gender socialization refers to the process through which individuals learn and internalize the norms, values, and behaviors associated with their gender. It starts from a very young age, as soon as a child is born, and continues throughout their life. Children learn what is considered appropriate behavior, interests, and roles for their gender through various socializing agents such as family, peers, media, and education. This process plays a significant role in shaping individuals' understanding of themselves and their place in society based on their gender.

## Test 2

### 1. What is the Global Perspective?

- a) Views society as the product of the symbols, language, and everyday interactions between individuals
- b) Structured groups or contexts within which significant processes of socialization occur
- c) The study of the larger world and our societies place in it
- d) The systematic study of how human societies shape the lives of people who live in them

### 2. What is gender socialization?

- a) A method that is useful for gathering less detailed information from a larger group.
- b) Rewards and punishments that can be given by most members of a group
- c) Refers to the process of self-development through which we formulate a unique sense of ourselves and our relationship to the world around us
- d) The learning of gender roles begins at birth.

### 3. What is capitalism?

- a) Is the values, beliefs, behavior, and material objects that, together, form a people's way of life.
- b) Is the economic system that is directed at earning a profit for a few, selling the profits to many people, and keeping workers wages low in order to increase profits.
- c) Social cohesion (unity) results from the various parts of society functioning as parts of society functioning as an integrated whole.
- d) A theory that uses the concept of gender, class, and race to study and challenge power and inequality.

### 4. What is Society?

- a) Refers to people who interact in a defined territory and share a culture
- b) Is the values, beliefs, behavior, and material objects that, together, form a people's way of life
- c) Social cohesion (unity) results from the various parts of society functioning as parts of society functioning as an integrated whole.

d) Culturally defined standards by which people assess desirability, goodness, and beauty and that serve as broad guidelines for social living

5. What is Documentary research?

- a) Participant observation, in-depth interviewing
- b) Individual biography
- c) Government statistics, newspapers, journals etc.
- d) Comparing difference of a subject across social contexts.

6. What is the Social learning theory?

a) Identity is regarded as the result of modeling oneself in response to the expectations of others, not as a product of the unconscious

b) Refers to the process of self-development through which we formulate a unique sense of ourselves and our relationship to the world around us

c) Socially defined expectations that a person in a given social position will follow

d) A theory that uses the concept of gender, class, and race to study and challenge power and inequality

7. Is one of the purposes of sociological research to challenge commonly held beliefs which are often incorrect or false?

- a) True
- b) False

8. A method that is useful for gathering less detailed information from a larger group is a survey

- a) True
- b) False

9. What is the Social-conflict approach (Marx)?

a) Refers to the particular experience of African Americans where in which they are forced to see themselves their status as citizens who are never able to escape identification based on the color of their skin.

b) Is the ability to “think ourselves away” from the familiar routine in order to see things from a different, more sociological perspective.

c) Says the organization of society (stratifications based on class, ethnicity, gender, age, etc.) and the changes in society can be explained by the conflicts inherent to social relations.

d) Is a theory that focuses on the social structures that shape society as a whole. It sees society as a complex system whose parts work together to maintain stability and to promote solidarity.

**10.** Which research method involves direct interaction and observation of individuals or groups in their natural environment?

- a) Ethnography
- b) Survey
- c) Experiment
- d) Content Analysis

### **Unit 3. Culture**

#### **1. Read the text define the key words and its main idea.**

Though ‘society’ and ‘culture’ are often used interchangeably, they have different meanings. A society is a group of people sharing a community and culture. Culture generally describes the shared behaviours and beliefs of these people, and includes material and nonmaterial elements. Our experience of cultural difference is influenced by our ethnocentrism and xenocentrism. Sociologists try to practice cultural relativism. A culture consists of many elements, such as the values and beliefs of its society. Culture is also governed by norms, including laws, mores, and folkways. The symbols and language of a society are key to developing and conveying culture. Sociologists recognize high culture and popular culture within societies. Societies are also comprised of many subcultures – smaller groups that share an identity. Countercultures reject mainstream values and create their own cultural rules and norms. Through invention or discovery, cultures evolve via new ideas and new ways of thinking. In many modern cultures, the cornerstone of innovation is technology, the rapid growth of which can lead to cultural lag. Technology is also responsible for the spread of both material and non-material culture that contributes to globalization. There are three major theoretical approaches towards the interpretation of culture. A functionalist perspective acknowledges that there are many parts of culture that work together as a system to fulfill society’s needs. Functionalists view

culture as a reflection of society's values. Conflict theorists see culture as inherently unequal, based upon factors like gender, class, race, and age. An interactionist is primarily interested in culture as experienced in the daily interactions between individuals and the symbols that comprise a culture. Various cultural and sociological occurrences can be explained by these theories; however, there is no one "right" view through which to understand culture.

**2. Make a plan of the text putting the headings given as prompts in the correct order, and then decide how to divide it into paragraphs.**

Theoretical Perspectives on Culture

Elements of Culture

What Is Culture?

Pop Culture, Subculture, and Cultural Change

**3. Can you give definitions of these key terms of Sociology in Russian?**

**Beliefs:** tenets or convictions that people hold to be true.

**Countercultures:** groups that reject and oppose society's widely accepted cultural patterns.

**Cultural imperialism:** the deliberate imposition of one's own cultural values on another culture.

**Cultural relativism:** the practice of assessing a culture by its own standards, and not in comparison to another culture.

**Cultural universals:** patterns or traits that are globally common to all societies.

**Culture lag:** the gap of time between the introduction of material culture and nonmaterial culture's acceptance of it.

**Culture shock:** an experience of personal disorientation when confronted with an unfamiliar way of life.

**Culture:** shared beliefs, values, and practices.

**Diffusion:** the spread of material and nonmaterial culture from one culture to another.

**Discoveries:** things and ideas found from what already exists.

**Ethnocentrism:** to evaluate another culture according to the standards of one's own culture.

**Folkways:** direct appropriate behaviour in the day-to-day practices and expressions of a culture.

**Formal norms:** established, written rules.

**Globalization:** the integration of international trade and finance markets.

**High culture:** the cultural patterns of a society's elite.

**Ideal culture:** consists of the standards a society would like to embrace and live up to.

**Informal norms:** casual behaviours that are generally and widely conformed to.

**Innovations:** new objects or ideas introduced to culture for the first time.

**Inventions:** combinations of pieces of existing reality into new forms.

**Language:** a symbolic system of communication.

**Material culture:** the objects or belongings of a group of people.

**Mores:** the moral views and principles of a group.

**Nonmaterial culture:** the ideas, attitudes, and beliefs of a society.

**Norms:** the visible and invisible rules of conduct through which societies are structured.

**Popular culture:** mainstream, widespread patterns among a society's population.

**Real culture:** the way society really is based on what actually occurs and exists.

**Sapir-Whorf hypothesis:** people understand the world based on their form of language.

**Sanctions:** a way to authorize or formally disapprove of certain behaviours.

**Social control:** a way to encourage conformity to cultural norms.

**Society:** people who live in a definable community and who share a culture.

**Subcultures:** groups that share a specific identification, apart from a society's majority, even as the members exist within a larger society.

**Symbols:** gestures/objects that have meanings associated with them that are recognized by people who share a culture.

**Values:** a culture's standard for discerning what is good and just in society.

**Xenocentrism:** a belief that another culture is superior to one's own.

**4. Build at least 6 sentences with key terms in English, then translate your partner's sentences into Russian.**

**5. Read quickly one or more of the following paragraphs. Define the keywords and their main idea, and then translate the text you read into Russian in written form (There are ten tasks in this block).**

### **Task 1**

#### **Case Study**

Sometimes a researcher wants to study one specific person or event. A case study is an in-depth analysis of a single event, situation, or individual. To conduct a case study, a researcher examines existing sources like documents and archival records, conducts interviews, engages in direct observation, and even participant observation, if possible.

Researchers might use this method to study a single case of, for example, a foster child, drug lord, cancer patient, criminal, or rape victim. However, a major criticism of the case study as a method is that a developed study of a single case, while offering depth on a topic, does not provide enough evidence to form a generalized conclusion. In other words, it is difficult to make universal claims based on just one person, since one person does not verify a pattern. This is why most sociologists do not use case studies as a primary research method.

However, case studies are useful when the single case is unique. In these instances, a single case study can add tremendous knowledge to a certain discipline. For example, a feral child, also called "wild child," is one who grows up isolated from human beings. Feral children grow up without social contact and language, elements crucial to a "civilized" child's development. These children mimic the behaviors and movements of animals, and often invent their own language. There are only about one hundred cases of "feral children" in the world.

As you may imagine, a feral child is a subject of great interest to researchers. Feral children provide unique information about child development because they have grown up outside of the parameters of "normal" child development. And since there are very few feral chil-

dren, the case study is the most appropriate method for researchers to use in studying the subject. At age 3, a Ukrainian girl named Oxana Malaya suffered severe parental neglect. She lived in a shed with dogs, eating raw meat and scraps. Five years later, a neighbor called authorities and reported seeing a girl who ran on all fours, barking. Officials brought Oxana into society, where she was cared for and taught some human behaviors, but she never became fully socialized. She has been designated as unable to support herself and now lives in a mental institution (Grice 2011). Case studies like this offer a way for sociologists to collect data that may not be collectable by any other method.

## **Task 2**

### **Experiments**

You've probably tested personal social theories. "If I study at night and review in the morning, I'll improve my retention skills." Or, "If I stop drinking soda, I'll feel better." Cause and effect. If this, then that. When you test the theory, your results either prove or disprove your hypothesis.

One way researchers test social theories is by conducting an experiment, meaning they investigate relationships to test a hypothesis – a scientific approach.

There are two main types of experiments: lab-based experiments and natural or field experiments. In a lab setting, the research can be controlled so that perhaps more data can be recorded in a certain amount of time. In a natural or field-based experiment, the generation of data cannot be controlled but the information might be considered more accurate since it was collected without interference or intervention by the researcher.

As a research method, either type of sociological experiment is useful for testing if-then statements: if a particular thing happens, then another particular thing will result. To set up a lab-based experiment, sociologists create artificial situations that allow them to manipulate variables.

Classically, the sociologist selects a set of people with similar characteristics, such as age, class, race, or education. Those people are divided into two groups. One is the experimental group and the other is the control group. The experimental group is exposed to the independ-

ent variable(s) and the control group is not. To test the benefits of tutoring, for example, the sociologist might expose the experimental group of students to tutoring but not the control group. Then both groups would be tested for differences in performance to see if tutoring had an effect on the experimental group of students. As you can imagine, in a case like this, the researcher would not want to jeopardize the accomplishments of either group of students, so the setting would be somewhat artificial. The test would not be for a grade reflected on their permanent record, for example.

### **Task 3**

#### **Secondary Data Analysis**

While sociologists often engage in original research studies, they also contribute knowledge to the discipline through secondary data analysis. Secondary data don't result from firsthand research collected from primary sources, but are the already completed work of other researchers. Sociologists might study works written by historians, economists, teachers, or early sociologists. They might search through periodicals, newspapers, or magazines from any period in history.

Using available information not only saves time and money, but it can add depth to a study. Sociologists often interpret findings in a new way, a way that was not part of an author's original purpose or intention. To study how women were encouraged to act and behave in the 1960s, for example, a researcher might watch movies, television shows, and situation comedies from that period. Or to research changes in behavior and attitudes due to the emergence of television in the late 1950s and early 1960s, a sociologist would rely on new interpretations of secondary data. Decades from now, researchers will most likely conduct similar studies on the advent of mobile phones, the Internet, or Facebook.

Social scientists also learn by analyzing the research of a variety of agencies. Governmental departments and global groups, like the U.S. Bureau of Labor Statistics or the World Health Organization, publish studies with findings that are useful to sociologists. A public statistic like the foreclosure rate might be useful for studying the effects of the 2008 recession; a racial demographic profile might be compared with

data on education funding to examine the resources accessible by different groups.

One of the advantages of secondary data is that it is nonreactive (or unobtrusive) research, meaning that it does not include direct contact with subjects and will not alter or influence people's behaviors.

Unlike studies requiring direct contact with people, using previously published data doesn't require entering a population and the investment and risks inherent in that research process.

Using available data does have its challenges. Public records are not always easy to access. A researcher will need to do some legwork to track them down and gain access to records. To guide the search through a vast library of materials and avoid wasting time reading unrelated sources, sociologists employ content analysis, applying a systematic approach to record and value information gleaned from secondary data as they relate to the study at hand.

But, in some cases, there is no way to verify the accuracy of existing data. It is easy to count how many drunk drivers, for example, are pulled over by the police. But how many are not? While it's possible to discover the percentage of teenage students who drop out of high school, it might be more challenging to determine the number who return to school or get their GED later.

Another problem arises when data are unavailable in the exact form needed or do not include the precise angle the researcher seeks. For example, the average salaries paid to professors at a public school is public record. But the separate figures don't necessarily reveal how long it took each professor to reach the salary range, what their educational backgrounds are, or how long they've been teaching.

To write some of his books, sociologist Richard Sennett used secondary data to shed light on current trends. In *The Craftsman* (2008), he studied the human desire to perform quality work, from carpentry to computer programming. He studied the line between craftsmanship and skilled manual labor. He also studied changes in attitudes toward craftsmanship that occurred not only during and after the Industrial Revolution, but also in ancient times. Obviously, he could not have firsthand knowledge of periods of ancient history; he had to rely on secondary data for part of his study.

When conducting content analysis, it is important to consider the date of publication of an existing source and to take into account attitudes and common cultural ideals that may have influenced the research. For example, Robert S. Lynd and Helen Merrell Lynd gathered research for their book *Middletown: A Study in Modern American Culture* in the 1920s. Attitudes and cultural norms were vastly different then than they are now. Beliefs about gender roles, race, education, and work have changed significantly since then. At the time, the study's purpose was to reveal the truth about small American communities. Today, it is an illustration of 1920s attitudes and values.

### **6. Study the following useful facts then test yourself.**

Socialization refers to the lifelong social experience through which individuals learn and internalize the values, norms, beliefs, and behaviors of their society. It is a process that begins at birth and continues throughout a person's life, shaping their human potential and helping them understand and adapt to the expectations of society. Socialization is crucial in enabling individuals to become functioning members of their community, as it provides them with the necessary skills, knowledge, and social interactions to navigate and participate in society effectively.

Culture can be categorized into two main types: material culture and non-material culture. Material culture refers to the physical objects, artifacts, and tangible aspects of a culture, such as clothing, tools, and architecture. Non-material culture, on the other hand, includes the intangible aspects of a culture, such as beliefs, values, customs, and language. Both material and non-material culture play a crucial role in shaping and defining a society's way of life and identity. An ideal culture refers to the guidelines or principles that individuals or a society claim to accept. These guidelines may include values, norms, beliefs, and behaviors that are considered desirable and promote harmony and well-being within the culture. However, it is important to note that ideal culture may not always align with actual behavior patterns, as individuals may not always adhere to or practice the guidelines they claim to accept.

A cultural universal is an element, pattern, trait, or institution that is common to all known human cultures worldwide. One example of a

cultural universal is the family unit: every human society recognizes a family structure that regulates sexual reproduction and the care of children. Religion, prohibition against incest are found in various forms in almost every culture. Different cultures have different ways of communicating and sharing information, and not all cultures have adopted or developed media (television, radio, and internet) as a means of communication and information dissemination.

Social institutions are structures or organizations within society that perform essential functions and provide order. Common examples of social institutions include government, media, and organizations like education, family, religion, and healthcare. Social institutions can use different technologies as tools or sets of tools to facilitate their functions.

The process by which one generation passes culture to the next one is called cultural transmission. It involves the transfer of values, beliefs, behavior, and material objects that collectively shape a people's way of life. This process ensures that cultural knowledge and practices are preserved and handed down from one generation to another, allowing for the continuity and development of a society's cultural identity. Cultural transmission is essential for the maintenance and evolution of a particular culture over time.

### **Test 3**

**1.** Which one is not a Social institutions?

- a) Government
- b) Technology
- c) Media
- d) Organisation

**2.** What are the types of culture?

- a) Relationship-focused cultures
- b) Social Groups, Arts, and Government
- c) Organizational culture
- d) Material culture and Non-Material culture

**3.** What is Cultural transmission?

- a) Is the values, beliefs, behavior, and material objects that, together, form a people's way of life.

- b) The process by which one generation passes culture to the next.
- c) Is system of symbols that allows people to communicate with one another.
- d) Specific statements that people hold to be true or false.

**4.** The most important part of man's culture is

- a) the heritage of ideas
- b) knowledge
- c) beliefs
- d) all of these

**5.** Society is the network of

- a) social relationship
- b) political relationship
- c) economic relationship

**6.** An Ideal culture is?

- a) actual behavior patterns
- b) not guidelines which we claim to accept
- c) the guidelines we claim to accept
- d) not actual behavior patterns

**7.** Which is not a cultural universal?

- a) Religion
- b) Prohibition against incest
- c) Family
- d) Media

**8.** Material culture is always the product of

- a) ideas
- b) knowledge
- c) skill of mankind
- d) non-material culture

**9.** Lifelong social experience by which individuals develop their human potential, learn culture, and learn the expectations of society is

- a) society
- b) socialization
- c) sociology
- d) sanctions

- 10.** Norms regulate human behaviour through
- a) well-established standards
  - b) physical force
  - c) social force

## **PART 2. ECONOMICS**

### **Unit 4. What is Economics?**

#### **1. Read the text define the key words and its main idea.**

Economics is probably not what you think. It is not primarily about money or finance. It is not primarily about business. It is not mathematics. What is it then? It is both a subject area and a way of viewing the world. Economics is the study of how humans make decisions in the face of scarcity. These can be individual decisions, family decisions, business decisions or societal decisions. If you look around carefully, you will see that scarcity is a fact of life. Scarcity means that human wants for goods, services and resources exceed what is available. Resources, such as labor, tools, land, and raw materials are necessary to produce the goods and services we want but they exist in limited supply. Of course, the ultimate scarce resource is time- everyone, rich or poor, has just 24 expendable hours in the day to earn income to acquire goods and services, for leisure time, or for sleep. At any point in time, there is only a finite amount of resources available. Every society, at every level, must make choices about how to use its resources. Families must decide whether to spend their money on a new car or a fancy vacation. Towns must choose whether to put more of the budget into police and fire protection or into the school system. Nations must decide whether to devote more funds to national defense or to protecting the environment. In most cases, there just isn't enough money in the budget to do everything. How do we use our limited resources the best way possible, that is, to obtain the most goods and services we can? There are a couple of options. First, we could each produce everything we each consume. Alternatively, we could each produce some of what we want to consume, and "trade" for the rest of what we want. Let's explore these options. Why do we not each just produce all of the things we consume? Think back to pioneer days, when individuals knew how to do so much more than we do today, from building their homes, to growing their

crops, to hunting for food, to repairing their equipment. Most of us do not know how to do all – or any – of those things, but it is not because we could not learn. Rather, we do not have to. The reason why is something called the division and specialization of labor, a production innovation first put forth by Adam Smith. Every society, at every level, must make choices about how to use its resources. The division of labor allows individuals and firms to specialize and to produce more for several reasons: a) It allows the agents to focus on areas of advantage due to natural factors and skill levels; b) It encourages the agents to learn and invent; c) It allows agents to take advantage of economies of scale. Division and specialization of labor only work when individuals can purchase what they do not produce in markets. Learning about economics helps you understand the major problems facing the world today, prepares you to be a good citizen, and helps you become a well-rounded thinker. Microeconomics and macroeconomics are two different perspectives on the economy. The microeconomic perspective focuses on parts of the economy: individuals, firms, and industries. The macroeconomic perspective looks at the economy as a whole, focusing on goals like growth in the standard of living, unemployment, and inflation. Macroeconomics has two types of policies for pursuing these goals: monetary policy and fiscal policy. Economists analyze problems differently than do other disciplinary experts. The main tools economists use are economic theories or models. A theory is not an illustration of the answer to a problem. Rather, a theory is a We can organize societies as traditional, command, or market-oriented economies. Most societies are a mix. The last few decades have seen globalization evolve as a result of growth in commercial and financial networks that cross national borders, making businesses and workers from different economies increasingly interdependent tool for determining the answer.

**2. Make a plan of the text putting the headings given as prompts in the correct order, and then decide how to divide it into paragraphs.**

The Division of and Specialization of Labor  
 Macroeconomics  
 Economics, and Why Is It Important?  
 Microeconomics

Economics, and Why Is It Important?  
The Problem of Scarcity

**3. Can you give definitions of these key terms of Economics in Russian?**

**Command economy:** an economy where economic decisions are passed down from government authority and where the government owns the resources division of labor the way in which different workers divide required tasks to produce a good or service.

**Economics:** the study of how humans make choices under conditions of scarcity economies of scale when the average cost of producing each individual unit declines as total output increases exports products (goods and services) made domestically and sold abroad fiscal policy economic policies that involve government spending and taxes.

**Globalization:** the trend in which buying and selling in markets have increasingly crossed national borders goods and services market a market in which firms are sellers of what they produce and households are buyers.

**Gross domestic product (GDP):** measure of the size of total production in an economy imports products (goods and services) made abroad and then sold domestically.

**Labor market:** the market in which households sell their labor as workers to business firms or other employers.

**Macroeconomics:** the branch of economics that focuses on broad issues such as growth, unemployment, inflation, and trade balance.

**Market:** interaction between potential buyers and sellers; a combination of demand and supply.

**Market economy:** an economy where economic decisions are decentralized, private individuals own resources, and businesses supply goods and services based on demand.

**Microeconomics:** the branch of economics that focuses on actions of particular agents within the economy, like households, workers, and business firms.

**Model:** see theory.

**Monetary policy:** policy that involves altering the level of interest rates, the availability of credit in the economy, and the extent of borrowing.

**Private enterprise:** system where private individuals or groups of private individuals own and operate the means of production (resources and businesses).

**Scarcity:** when human wants for goods and services exceed the available supply.

**Specialization:** when workers or firms focus on particular tasks for which they are well-suited within the overall production process.

**Theory:** a representation of an object or situation that is simplified while including enough of the key features to help us understand the object or situation.

**Traditional economy:** typically, an agricultural economy where things are done the same as they have always been done.

**Underground economy:** a market where the buyers and sellers make transactions in violation of one or more government regulations.

**4. Build at least 6 sentences with key terms in English, then translate your partner's sentences into Russian**

**5. Read quickly one or more of the following paragraphs. Define the keywords and their main idea, and then translate the text you read into Russian in written form.**

### **Task 1**

There are two fundamental facts that provide the foundation for the field of economics:

- 1) Human (society's) material wants are unlimited.
- 2) Economic resources are limited (scarce).

The basic economic problem is about scarcity and choice since there are only limited amount of resources available to produce the unlimited amount of goods and services we desire. Thus, economics is the study of how human beings make choices to use scarce resources as they seek to satisfy their unlimited wants. Therefore, choice is at the heart of all decision-making. As an individual, family, and nation, we confront difficult choices about how to use limited resources to meet our needs and wants. Economists study how these choices are made in various settings; evaluate the outcomes in terms of criteria such as efficiency, equity, and stability; and search for alternative forms of economic organization that might produce higher living standards or a more desirable distribution of material well-being.

## Task 2

The field and scope of economics is expanding rapidly and has come to include a vast range of topics and issues. In the recent past, many new branches of the subject have developed, including development economics, industrial economics, transport economics, welfare economics, environmental economics, and so on. However, the core of modern economics is formed by its two major branches: microeconomics and macroeconomics. That means economics can be analyzed at micro and macro level.

**A.** Microeconomics is concerned with the economic behaviour of individual decision-making units such as households, firms, markets and industries. In other words, it deals with how households and firms make decisions and how they interact in specific markets.

**B.** Macroeconomics is a branch of economics that deals with the effects and consequences of the aggregate behaviour of all decision-making units in a certain economy. In other words, it is an aggregative economics that examines the interrelations among various aggregates, their determination and the causes of fluctuations in them. It looks at the economy as a whole and discusses about the economy-wide phenomena.

## Task 3

The fundamental economic problem that any human society faces is the problem of scarcity. Scarcity refers to the fact that all economic resources that a society needs to produce goods and services are finite or limited in supply. But their being limited should be expressed in relation to human wants. Thus, the term scarcity reflects the imbalance between our wants and the means to satisfy those wants.

**Free resources:** A resource is said to be free if the amount available to a society is greater than the amount people desire at zero price. *E.g. sunshine.*

**Scarce (economic) resources:** A resource is said to be scarce or economic resource when the amount available to a society is less than what people want to have at zero price. The following are examples of scarce resources:

➤ All types of human resources: manual, intellectual, skilled and specialized labor;

- Most natural resources like land (especially, fertile land), minerals, clean water, forests and wild - animals;
- All types of capital resources (like machines, intermediate goods, infrastructure); and
- All types of entrepreneurial resources.
- Economic resources are usually classified into four categories:
  - Labour: refers to the physical as well as mental efforts of human beings in the production and distribution of goods and services. The reward for labour is called wage.
  - Land: refers to the natural resources or all the free gifts of nature usable in the production of goods and services. The reward for the services of land is known as rent.
  - Capital: refers to all the manufactured inputs that can be used to produce other goods and services. Example: equipment, machinery, transport and communication facilities, etc. The reward for the services of capital is called interest.
  - Entrepreneurship: refers to a special type of human talent that helps to organize and manage other factors of production to produce goods and services and takes risk of making losses. The reward for entrepreneurship is called profit.

Entrepreneurs are individuals who:

- ✓ Organize factors of production to produce goods and services.
- ✓ Make basic business policy decisions.
- ✓ Introduce new inventions and technologies into business practice.
- ✓ Look for new business opportunities.
- ✓ Take risks of making losses.

*Note: Scarcity does not mean shortage. We have already said that a good is said to be scarce if the amount available is less than the amount people wish to have at zero price. But we say that there is shortage of goods and services when people are unable to get the amount they want at the prevailing or on-going price. Shortage is a specific and short-term problem but scarcity is a universal and everlasting problem.*

## **6. Study the following useful facts then test yourself.**

An efficient economy is one that utilizes its resources effectively and produces the maximum amount of goods and services. This means

that the available resources are used optimally to generate the highest possible output. By doing so, the economy can meet the demands of its population and ensure a high standard of living. Specialization helps to make the economy more efficient by allowing individuals and businesses to focus on producing goods or services in which they have a comparative advantage. When individuals specialize in a particular task or skill, they can become more proficient and productive, leading to increased output and overall economic growth. Additionally, specialization allows for economies of scale and the division of labor, which further enhances efficiency by reducing costs and improving productivity.

Scarcity is a fundamental economic problem of having seemingly unlimited human wants and needs in a world of limited resources. It leads to the fact that all goods and services are scarce because the resources required to produce them – such as labor, materials, and time – are limited. This limitation means that not all needs and wants can be satisfied, and choices must be made about their allocation.

Socialist economics comprises the economic theories, practices and norms of hypothetical and existing socialist economic systems. A socialist economic system is characterized by social ownership and operation of the means of production that may take the form of autonomous cooperatives or direct public ownership wherein production is carried out directly for use rather than for profit. In a centrally planned economy, the government has complete control over the decisions regarding production, distribution, and resource allocation. They determine what goods and services are produced, how they are produced, and who receives them. This type of economy is characterized by state ownership of industries and a lack of private property rights. The government sets the prices, wages, and quotas, and there is limited individual freedom and competition. Laissez-faire is a type of economic system in which transactions between private groups of people are free from any form of economic interventionism (such as subsidies or regulations). As a system of thought, laissez-faire rests on the following axioms: “the individual is the basic unit in society, i.e., the standard of measurement in social calculus; the individual has a natural right to freedom; and the physical order of nature is a harmonious and self-regulating system”.

The term ‘capital’ refers to resources that are created and utilized in the production of goods and services. It includes physical assets such

as machinery, equipment, and buildings, as well as financial assets like money and investments. Capital is essential for businesses to operate and expand their production capabilities. It is distinct from money spent by companies to produce goods, as capital encompasses a broader range of resources. The location of the company or none of the options provided are not accurate definitions of capital. Physical capital refers to the tangible assets that a business owns, such as buildings, equipment, and machinery. In this case, the store is a physical asset that the business has invested in to support its operations and generate revenue.

When businesses are struggling to gain consumer's business, it is referred to as competition. Competition occurs when multiple businesses are vying for the same customers and are trying to outperform each other in order to attract and retain consumers. In this scenario, businesses may employ various strategies such as offering competitive prices, improving product quality, or enhancing customer service to gain an edge over their rivals.

The term 'guns and butter' refers to the trade-off between military spending (guns) and spending on public services (butter). It represents the decision a country has to make regarding how it allocates its financial resources, either towards investing in its military or towards providing public services such as healthcare, education, and infrastructure. This concept highlights the competing priorities and limited resources that governments face when making budgetary decisions.

If there is a shortage of food due to a trucker's strike, it means that the food is not reaching its intended destination or market. The limited amount of food available cannot meet the demand of consumers, resulting in a shortage. The strike disrupts the transportation of food, causing a scarcity in the market and leading to a shortage.

#### **Test 4**

**1.** What does the term capital mean?

- a) Money that is spent by companies to produce goods.
- b) Resources that are made and used to make other good and services.
- c) The place where the company is located.
- d) None of these.

2. Which example of limited amounts of the following would lead to a shortage?

- a) Labor that is available because workers are employed at another business.
- b) Food that is available because no one wants to buy it.
- c) Both a & b.
- d) Food that is available because of a trucker's strike.

3. Which of the following would show an efficient economy?

- a) Resources are used to make the most goods and services possible.
- b) Uses the least costly amount of resources available.
- c) Has a small number of people who do not work.
- d) Has a large number of people who do not work.

4. What leads to the fact that all goods and services are scarce?

- a) Some goods and services have a higher cost than others.
- b) Needs and wants determine what is valuable.
- c) All resources are scarce.
- d) Some resources are scarce.

5. What does the term guns and butter mean?

- a) How the military is supported by the government
- b) Whether or not a country spends its money on public services or the military
- c) How the economy is run by food production and domestic spending
- d) None of these

6. Which of the statements below is a characteristic of a centrally planned economy?

- a) Government makes all economic decisions
- b) Each factory sets its own goals
- c) Each person gets to choose their own job
- d) None of these

7. What do we call it when businesses are struggling to gain consumer's business?

- a) Trade-off
- b) Incentive
- c) Competition

d) Burnout

**8.** If you built a brand-new store for your business what would that be an example of?

- a) Physical capital
- b) Technology
- c) Human capital
- d) None of these

**9.** What is a benefit of specialization for the economy?

- a) Gets rid of unemployment
- b) Leads to more competition
- c) Helps to make it more efficient
- d) Decreases competition

**10.** In what type of economy does the government make all of the decisions?

- a) Centrally planned
- b) Socialist
- c) Laissez faire
- d) None of these

### **Unit 5. Choice in a World of Scarcity**

#### **1. Read the text define the key words and its main idea.**

Economists see the real world as one of scarcity: that is, a world in which people's desires exceed what is possible. As a result, economic behavior involves tradeoffs in which individuals, firms, and society must forgo something that they desire to obtain things that they desire more. Individuals face the tradeoff of what quantities of goods and services to consume. The budget constraint, which is the frontier of the opportunity set, illustrates the range of available choices. The relative price of the choices determines the slope of the budget constraint. Choices beyond the budget constraint are not affordable. Opportunity cost measures cost by what we forgo in exchange. Sometimes we can measure opportunity cost in money, but it is often useful to consider time as well, or to measure it in terms of the actual resources that we must forfeit. Most economic decisions and tradeoffs are not all-or-nothing. Instead, they involve marginal analysis, which means they are

about decisions on the margin, involving a little more or a little less. The law of diminishing marginal utility points out that as a person receives more of something – whether it is a specific good or another resource – the additional marginal gains tend to become smaller. Because sunk costs occurred in the past and cannot be recovered, they should be disregarded in making current decisions. A production possibilities frontier defines the set of choices society faces for the combinations of goods and services it can produce given the resources and the technology that are available. The shape of the PPF is typically curved outward, rather than straight. Choices outside the PPF are unattainable and choices inside the PPF are wasteful. Over time, a growing economy will tend to shift the PPF outwards. The law of diminishing returns holds that as increments of additional resources are devoted to producing something, the marginal increase in output will become increasingly smaller. All choices along a production possibilities frontier display productive efficiency; that is, it is impossible to use society's resources to produce more of one good without decreasing production of the other good. The specific choice along a production possibilities frontier that reflects the mix of goods society prefers is the choice with allocative efficiency. The curvature of the PPF is likely to differ by country, which results in different countries having comparative advantage in different goods. Total production can increase if countries specialize in the goods in which they have comparative advantage and trade some of their production for the remaining goods. The economic way of thinking provides a useful approach to understanding human behavior. Economists make the careful distinction between positive statements, which describe the world as it is, and normative statements, which describe how the world should be. Even when economics analyzes the gains and losses from various events or policies, and thus draws normative conclusions about how the world should be, the analysis of economics is rooted in a positive analysis of how people, firms, and governments actually behave, not how they should behave.

**2. Make a plan of the text putting the headings given as prompts in the correct order, and then decide how to divide it into paragraphs.**

Confronting Objections to the Economic Approach  
 How Individuals Make Choices Based on Their Budget Constraint  
 The Production Possibilities Frontier and Social Choices

**3. Can you give definitions of these key terms of Economics in Russian?**

**Allocative efficiency:** when the mix of goods produced represents the mix that society most desires.

**Budget constraint:** all possible consumption combinations of goods that someone can afford, given the prices of goods, when all income is spent; the boundary of the opportunity set.

**Comparative advantage:** when a country can produce a good at a lower cost in terms of other goods; or, when a country has a lower opportunity cost of production.

**Invisible hand:** Adam Smith's concept that individuals' self-interested behavior can lead to positive social outcomes.

**Law of diminishing marginal utility:** as we consume more of a good or service, the utility we get from additional units of the good or service tends to become smaller than what we received from earlier units.

**Law of diminishing returns:** as we add additional increments of resources to producing a good or service, the marginal benefit from those additional increments will decline.

**Marginal analysis:** examination of decisions on the margin, meaning a little more or a little less from the status quo.

**Normative statement:** statement which describes how the world should be opportunity cost measures cost by what we give up/forfeit in exchange.

**Opportunity cost:** measures the value of the forgone alternative.

**Opportunity set:** all possible combinations of consumption that someone can afford given the prices of goods and the individual's income.

**Positive statement:** statement which describes the world as it is production possibilities frontier (PPF) a diagram that shows the produc-

tively efficient combinations of two products that an economy can produce given the resources it has available.

**Productive efficiency:** when it is impossible to produce more of one good (or service) without decreasing the quantity produced of another good (or service).

**Sunk costs:** costs that we make in the past that we cannot recover.

**Utility satisfaction:** usefulness, or value one obtains from consuming goods and services.

**4. Build at least 6 sentences with key terms in English, then translate your partner's sentences into Russian**

**5. Read quickly one or more of the following paragraphs. Define the keywords and their main idea, and then translate the text you read into Russian in written form.**

### **Task 1**

Capitalism is the oldest formal economic system in the world. It became widespread in the middle of the 19th century. In this economic system, all means of production are privately owned, and production takes place at the initiative of individual private entrepreneurs who work mainly for private profit. Government intervention in the economy is minimal. This system is also called free market economy or market system or laissez faire.

Features of Capitalistic Economy:

➤ The right to private property: The right to private property is a fundamental feature of a capitalist economy. As part of that principle, economic or productive factors such as land, factories, machinery, mines etc. are under private ownership.

➤ Freedom of choice by consumers: Consumers can buy the goods and services that suit their tastes and preferences. Producers produce goods in accordance with the wishes of the consumers. This is known as the principle of consumer sovereignty.

➤ Profit motive: Entrepreneurs, in their productive activity, are guided by the motive of profit-making.

➤ Competition: In a capitalist economy, competition exists among sellers or producers of similar goods to attract customers. Among buyers, there is competition to obtain goods. Among workers,

the competition is to get jobs. Among employers, it is to get workers and investment funds.

- Price mechanism: All basic economic problems are solved through the price mechanism.

- Minor role of government: The government does not interfere in day-to-day economic activities and confines itself to defense and maintenance of law and order.

- Self-interest: Each individual is guided by self-interest and motivated by the desire for economic gain.

- Inequalities of income: There is a wide economic gap between the rich and the poor.

- Existence of negative externalities: A negative externality is the harm, cost, or inconvenience suffered by a third party because of actions by others. In capitalistic economy, decision of firms may result in negative externalities against another firm or society in general.

Advantages of Capitalistic Economy:

- ✓ Flexibility or adaptability: It successfully adapts itself to changing environments.

- ✓ Decentralization of economic power: Market mechanisms work as a decentralizing force against the concentration of economic power.

- ✓ Increase in per-capita income and standard of living: Rapid growth in levels of production and income leads to higher per-capita income and standards of living.

- ✓ New types of consumer goods: Varieties of new consumer goods are developed and produced at large scale.

- ✓ Growth of entrepreneurship: Profit motive creates and supports new entrepreneurial skills and approaches.

- ✓ Optimum utilization of productive resources: Full utilization of productive resources is possible due to innovations and technological progress.

- ✓ High rate of capital formation: The right to private property helps in capital formation.

Disadvantages of Capitalistic Economy:

- ✓ Inequality of income: Capitalism promotes economic inequalities and creates social imbalance.

✓ Unbalanced economic activity: As there is no check on the economic system, the economy can develop in an unbalanced way in terms of different geographic regions and different sections of society.

✓ Exploitation of labour: In a capitalistic economy, exploitation of labour (for example by paying low wages) is common.

✓ Negative externalities: are problems in capitalistic economy where profit maximization is the main objective of firms. If economic makes sense for a firm to force others to pay the impacts of negative externalities such as pollution.

### **Task 3**

A mixed economy is an attempt to combine the advantages of both the capitalistic economy and the command economy. It incorporates some of the features of both and allows private and public sectors to co-exist.

#### **Main Features of Mixed Economy:**

➤ Co-existence of public and private sectors: Public and private sectors co-exist in this system. Their respective roles and aims are well-defined. Industries of national and strategic importance, such as heavy and basic industry, defense production, power generation, etc. are set up in the public sector, whereas consumer-goods industry and small-scale industry are developed through the private sector.

➤ Economic welfare: Economic welfare is the most important criterion of the success of a mixed economy. The public sector tries to remove regional imbalances, provides large employment opportunities and seeks economic welfare through its price policy. Government control over the private sector leads to economic welfare of society at large.

➤ Economic planning: The government uses instruments of economic planning to achieve coordinated rapid economic development, making use of both the private and the public sector.

➤ Price mechanism: The price mechanism operates for goods produced in the private sector, but not for essential commodities and goods produced in the public sector. Those prices are defined and regulated by the government.

➤ Economic equality: Private property is allowed, but rules exist to prevent concentration of wealth. Limits are fixed for owning land and

property. Progressive taxation, concessions and subsidies are implemented to achieve economic equality.

Advantages of Mixed Economy:

✓ Private property, profit motive and price mechanism: All the advantages of a capitalistic economy, such as the right to private property, motivation through the profit motive, and control of economic activity through the price mechanism, are available in a mixed economy. At the same time, government control ensures that they do not lead to exploitation.

✓ Adequate freedom: Mixed economies allow adequate freedom to different economic units such as consumers, employees, producers, and investors.

✓ Rapid and planned economic development: Planned economic growth takes place, resources are properly and efficiently utilized, and fast economic development takes place because the private and public sector complement each other.

✓ Social welfare and fewer economic inequalities: The government's restricted control over economic activities helps in achieving social welfare and economic equality.

Disadvantages of Mixed Economy:

✓ Ineffectiveness and inefficiency: A mixed economy might not actually have the usual advantages of either the public sector or the private sector. The public sector might be inefficient due to lack of incentive and responsibility, and the private sector might be made ineffective by government regulation and control.

✓ Economic fluctuations: If the private sector is not properly controlled by the government, economic fluctuations and unemployment can occur.

✓ Corruption and black markets: if government policies, rules and directives are not effectively implemented, the economy can be vulnerable to increased corruption and black-market activities.

## **6. Study the following useful facts then test yourself.**

Traditional economic system relies on habit, custom, or ritual to make decisions regarding the production and consumption of goods and services. In this system, economic activities are based on traditions and cultural norms that have been passed down through generations. The

production methods, distribution, and consumption patterns are determined by long-standing customs and rituals rather than individual choices or market forces. This system is often found in remote or isolated communities where modern economic systems have not yet been adopted.

In a planned economy, the allocation of resources can take into consideration the overall impact on society. This means that decisions regarding resource allocation are made with the goal of maximizing societal welfare and addressing social needs. In contrast, in a market economy, resource allocation is driven by individual choices and profit motives, which may not always align with the best interests of society as a whole. Therefore, the ability to consider the total effects on society is a unique characteristic of a planned economy.

A mixed economy is a system that combines elements of both a market economy and a planned economy. In a mixed economy, the government plays a role in regulating and controlling certain aspects of the economy, while also allowing for private ownership and individual decision-making in other areas. Private refers to the ownership and control of resources and industries by individuals or private entities, which is a characteristic of a market economy rather than a mixed economy.

The global economy refers to all economic interactions that occur across international boundaries. This includes trade, investment, and financial transactions between countries. It encompasses the flow of goods, services, and capital across different nations, making it a global phenomenon. National and local boundaries are limited to specific countries or regions and do not capture the full extent of global economic interactions. The benefit of the global economy is that it encompasses all of the options mentioned. Inexpensive communication allows for easy and affordable exchange of information and ideas across borders, facilitating global collaboration and trade. Foreign exchange enables international transactions and promotes economic growth by facilitating the exchange of currencies. Safer transport ensures that goods and services can be transported securely and efficiently across countries, promoting international trade and economic integration. Therefore, all of these factors contribute to the benefits of the global economy.

The Law of Diminishing Returns relates to the decrease in the marginal (incremental) output of a production process as more units of a

variable input are added, and is distinct from explaining the value of scarcity. The Law of Scarcity states that when a resource is rare (scarce), it becomes more valuable. This principle underpins much of economic theory, which asserts that scarce resources are typically worth more because the limited supply tends to increase demand, assuming the resource has a desirable utility. The other laws such as the Law of Demand and Law of Supply, address different aspects of how prices and quantities are determined in the market but do not directly explain the intrinsic relationship between scarcity and value like the Law of Scarcity does.

Free goods are goods that are available in abundance and can be obtained without any cost. These goods are naturally occurring and do not require any human effort or resources to produce. Examples of free goods include air, sunlight, and water from natural sources. In economics, free goods are contrasted with economic goods, which are goods that are limited in supply and have a cost associated with them. The concept of free goods is related to the concept of scarcity, which is the fundamental problem in economics where unlimited wants and needs cannot be fulfilled with limited resources.

GNP stands for Gross National Product. This term refers to the total value of all goods and services produced by the residents of a country, both domestically and abroad, within a specific time period. It includes the value of goods and services produced by the country's citizens or companies, regardless of their location. GNP is an important economic indicator that helps measure the overall economic performance and productivity of a nation.

The desire to own something refers to the demand for that particular item. The ability to pay for it indicates the willingness and purchasing power of the individual.

### **Test 5**

**1.** Which of the following is the benefit of the global economy?

- a) Inexpensive communication
- b) Foreign Exchange
- c) Safer transport
- d) All of the above

**2.** What economic principle explains the relationship between the scarcity of a resource and its value?

- a) Law of Demand
- b) Law of Supply
- c) Law of Diminishing Returns
- d) Law of Scarcity

**3.** The desire to own something and the ability to pay for it called.

- a) Demand
- b) Allocation
- c) Capital
- d) Opportunity cost

**4.** GNP stands for

- a) Goods national product
- b) Gross netizen's product
- c) Gross national product
- d) None of the above

**5.** Name the economic system that relies on habit, custom, or ritual to decide questions of production and consumption of goods and services.

- a) Capitalism
- b) Socialism
- c) Traditional system
- d) Barter system

**6.** What can happen in a planned economy that does not happen in a market economy?

- a) The allocation of resources can take account of the total effects on society.
- b) There can be full employment of factors of production.
- c) There can be inflation.
- d) There can be international trade.

**7.** Why is scarcity considered one of the foundational principles of economics?

- a) It causes no trade-offs between resources;
- b) It results in society having finite resources but infinite wants (correct);

- c) It ensures that all individual and societal needs are met adequately;
- d) It leads to unlimited resources available for society.

8. Man gets it free in natural form:

- a) Economics
- b) Free goods
- c) Economic goods
- d) Scarcity

9. Which of the following is not a part of a mixed economy?

- a) Market
- b) Private
- c) Traditional
- d) Controlled

10. The global economy is all the economic interactions that cross \_\_\_\_\_.

- a) local boundaries
- b) national boundaries
- c) international boundaries
- d) None of the above

## Unit 6. Demand and Supply

**1. Read the text define the key words and its main idea.**

A demand schedule is a table that shows the quantity demanded at different prices in the market. A demand curve shows the relationship between quantity demanded and price in a given market on a graph. The law of demand states that a higher price typically leads to a lower quantity demanded. A supply schedule is a table that shows the quantity supplied at different prices in the market. A supply curve shows the relationship between quantity supplied and price on a graph. The law of supply says that a higher price typically leads to a higher quantity supplied. The equilibrium price and equilibrium quantity occur where the supply and demand curves cross. The equilibrium occurs where the quantity demanded is equal to the quantity supplied. If the price is below the equilibrium level, then the quantity demanded will exceed the quantity supplied. Excess demand or a shortage will exist. If the price is above the equilibrium level, then the quantity supplied will exceed the

quantity demanded. Excess supply or a surplus will exist. In either case, economic pressures will push the price toward the equilibrium level. Economists often use the *ceteris paribus* or “other things being equal” assumption: while examining the economic impact of one event, all other factors remain unchanged for analysis purposes. Factors that can shift the demand curve for goods and services, causing a different quantity to be demanded at any given price, include changes in tastes, population, income, prices of substitute or complement goods, and expectations about future conditions and prices. Factors that can shift the supply curve for goods and services, causing a different quantity to be supplied at any given price, include input prices, natural conditions, changes in technology, and government taxes, regulations, or subsidies. When using the supply and demand framework to think about how an event will affect the equilibrium price and quantity, proceed through four steps: (1) sketch a supply and demand diagram to think about what the market looked like before the event; (2) decide whether the event will affect supply or demand; (3) decide whether the effect on supply or demand is negative or positive, and draw the appropriate shifted supply or demand curve; (4) compare the new equilibrium price and quantity to the original ones. Price ceilings prevent a price from rising above a certain level. When a price ceiling is set below the equilibrium price, quantity demanded will exceed quantity supplied, and excess demand or shortages will result. Price floors prevent a price from falling below a certain level. When a price floor is set above the equilibrium price, quantity supplied will exceed quantity demanded, and excess supply or surpluses will result. Price floors and price ceilings often lead to unintended consequences. Consumer surplus is the gap between the price that consumers are willing to pay, based on their preferences, and the market equilibrium price. Producer surplus is the gap between the price for which producers are willing to sell a product, based on their costs, and the market equilibrium price. Social surplus is the sum of consumer surplus and producer surplus. Total surplus is larger at the equilibrium quantity and price than it will be at any other quantity and price. Deadweight loss is loss in total surplus that occurs when the economy produces at an inefficient quantity.

**2. Make a plan of the text putting the headings given as prompts in the correct order, and then decide how to divide it into paragraphs.**

Changes in Equilibrium Price and Quantity: The Four-Step Process

Price Ceilings and Price Floors

Demand, Supply, and Equilibrium in Markets for Goods and Services

Shifts in Demand and Supply for Goods and Services

Demand, Supply, and Efficiency

**3. Can you give definitions of these key terms of Economics in Russian?**

**Ceteris paribus:** other things being equal.

**Complements:** goods that are often used together so that consumption of one good tends to enhance consumption of the other.

**Consumer surplus:** the extra benefit consumers receive from buying a good or service, measured by what the individuals would have been willing to pay minus the amount that they actually paid.

**Deadweight loss:** the loss in social surplus that occurs when a market produces an inefficient quantity.

**Demand:** the relationship between price and the quantity demanded of a certain good or service.

**Demand curve:** a graphic representation of the relationship between price and quantity demanded of a certain good or service, with quantity on the horizontal axis and the price on the vertical axis.

**Demand schedule:** a table that shows a range of prices for a certain good or service and the quantity demanded at each price.

**Economic surplus:** see social surplus.

**Equilibrium:** the situation where quantity demanded is equal to the quantity supplied; the combination of price and quantity where there is no economic pressure from surpluses or shortages that would cause price or quantity to change.

**Equilibrium price:** the price where quantity demanded is equal to quantity supplied.

**Equilibrium quantity:** the quantity at which quantity demanded and quantity supplied are equal for a certain price level.

**Excess demand:** at the existing price, the quantity demanded exceeds the quantity supplied; also called a shortage.

**Excess supply:** at the existing price, quantity supplied exceeds the quantity demanded; also called a surplus.

**Factors of production:** the resources such as labor, materials, and machinery that are used to produce goods and services; also called inputs.

**Inferior good:** a good in which the quantity demanded falls as income rises, and in which quantity demanded rises and income falls.

**Inputs:** the resources such as labor, materials, and machinery that are used to produce goods and services; also called factors of production.

**Law of demand:** the common relationship that a higher price leads to a lower quantity demanded of a certain good or service and a lower price leads to a higher quantity demanded, while all other variables are held constant.

**Law of supply:** the common relationship that a higher price leads to a greater quantity supplied and a lower price leads to a lower quantity supplied, while all other variables are held constant.

**Normal good:** a good in which the quantity demanded rises as income rises, and in which quantity demanded falls as income falls.

**Price:** what a buyer pays for a unit of the specific good or service.

**Price ceiling:** a legal maximum price.

**Price control:** government laws to regulate prices instead of letting market forces determine prices.

**Price floor:** a legal minimum price.

**Producer surplus:** the extra benefit producers receive from selling a good or service, measured by the price the producer actually received minus the price the producer would have been willing to accept.

**Quantity demanded:** the total number of units of a good or service consumers are willing to purchase at a given price.

**Quantity supplied:** the total number of units of a good or service producers are willing to sell at a given price.

**Shift in demand:** when a change in some economic factor (other than price) causes a different quantity to be demanded at every price.

**Shift in supply:** when a change in some economic factor (other than price) causes a different quantity to be supplied at every price.

**Shortage** at the existing price, the quantity demanded exceeds the quantity supplied; also called excess.

**Social surplus:** the sum of consumer surplus and producer surplus.

**Substitute:** a good that can replace another to some extent, so that greater consumption of one good can mean less of the other.

**Supply:** the relationship between price and the quantity supplied of a certain good or service.

**Supply curve:** a line that shows the relationship between price and quantity supplied on a graph, with quantity supplied on the horizontal axis and price on the vertical axis.

**Supply schedule:** a table that shows a range of prices for a good or service and the quantity supplied at each price.

**Surplus** at the existing price, quantity supplied exceeds the quantity demanded; also called excess supply.

**Total surplus:** see social surplus.

**4. Build at least 6 sentences with key terms in English, then translate your partner's sentences into Russian**

**5. Read quickly one or more of the following paragraphs. Define the keywords and their main idea, and then translate the text you read into Russian in written form.**

### **Task 1**

Demand is one of the forces determining prices. The theory of demand is related to the economic activities of consumers-consumption. Hence, the purpose of the theory of demand is to determine the various factors that affect demand.

In our day-to-day life we use the word 'demand' in a loose sense to mean a desire of a person to purchase a commodity or service. But in economics it has a specific meaning, which is different from what we use it in our day to day activities.

Demand implies more than a mere desire to purchase a commodity. It states that the consumer must be willing and able to purchase the commodity, which he/she desires. His/her desire should be backed by his/her purchasing power. A poor person is willing to buy a car; it has no significance, since he/she has no ability to pay for it. On the other hand, if his/her desire to buy the car is backed by the purchasing power then this constitutes demand. Demand, thus, means the desire of the consumer for a commodity backed by purchasing power. These two fac-

tors are essential. If a consumer is willing to buy but is not able to pay, his/her desire will not become demand. Similarly, if the consumer has the ability to pay but is not willing to pay, his/her desire will not be called demand.

More specifically, demand refers to various quantities of a commodity or service that a consumer would purchase at a given time in a market at various prices, given other things unchanged (*ceteris paribus*). The quantity demanded of a particular commodity depends on the price of that commodity.

**Law of demand:** This is the principle of demand, which states that price of a commodity and its quantity demanded are inversely related i.e., as price of a commodity increases (decreases), quantity demanded for that commodity decreases (increases), *ceteris paribus*.

The relationship that exists between price and the amount of a commodity purchased can be represented by a table (schedule) or a curve or an equation. Demand schedule can be constructed for any commodity if the list of prices and quantities purchased at those prices are known. An individual demand schedule is a list of the various quantities of a commodity, which an individual consumer purchases at various levels of prices in the market. A demand schedule states the relationship between price and quantity demanded in a table form.

The demand for a product is influenced by many factors. Some of these factors are:

- Price of the product;
- Taste or preference of consumers;
- Income of the consumers;
- Price of related goods;
- Consumer's expectation of income and price;
- Number of buyers in the market.

When we state the law of demand, we kept all the factors to remain constant except the price of the good. A change in any of the above listed factors except the price of the good will change the demand, while a change in the price, other factors remain constant will bring change in quantity demanded. A change in demand will shift the demand curve from its original location. For this reason, those factors listed above other than price are called demand shifters. A change in own price is only a movement along the same demand curve.

## **Task 2**

When the taste of a consumer changes in favour of a good, her/his demand will increase and the opposite is true.

Goods are classified into two categories depending on how a change in income affects their demand. These are normal goods and inferior goods. Normal Goods are goods whose demand increases as income increase, while inferior goods are those whose demand is inversely related with income. In general, inferior goods are poor quality goods with relatively lower price and buyers of such goods are expected to shift to better quality goods as their income increases. However, the classification of goods into normal and inferior is subjective and it is usually dependent on the socio-economic development of the nation.

Two goods are said to be related if a change in the price of one good affects the demand for another good.

There are two types of related goods. These are substitute and complimentary goods. Substitute goods are goods which satisfy the same desire of the consumer. For example, tea and coffee or Pepsi and Coca-Cola are substitute goods. If two goods are substitutes, then price of one and the demand for the other are directly related. Complimentary goods, on the other hand, are those goods which are jointly consumed. For example, car and fuel or tea and sugar are considered as compliments. If two goods are complements, then price of one and the demand for the other are inversely related.

Higher price expectation will increase demand while a lower future price expectation will decrease the demand for the good.

Since market demand is the horizontal sum of individual demand, an increase in the number of buyers will increase demand while a decrease in the number of buyers will decrease demand.

## **Task 3**

In economics, the concept of elasticity is very crucial and is used to analyze the quantitative relationship between price and quantity purchased or sold. Elasticity is a measure of responsiveness of a dependent variable to changes in an independent variable. Accordingly, we have the concepts of elasticity of demand and elasticity of supply.

Elasticity of demand refers to the degree of responsiveness of quantity demanded of a good to a change in its price, or change in in-

come, or change in prices of related goods. Commonly, there are three kinds of demand elasticity: price elasticity, income elasticity, and cross elasticity.

Price elasticity of demand means degree of responsiveness of demand to change in price. It indicates how consumers react to changes in price. The greater the reaction the greater will be the elasticity, and the lesser the reaction, the smaller will be the elasticity. Price elasticity of demand is a measure of how much the quantity demanded of a good responds to a change in the price of that good, computed as the percentage change in quantity demanded divided by the percentage change in price.

Demand for commodities like clothes, fruit etc. changes when there is even a small change in their price, whereas demand for commodities which are basic necessities of life, like salt, food grains etc., may not change even if price changes, or it may change, but not in proportion to the change in price.

Price elasticity demand can be measured in two ways. These are point and arc elasticity.

Note that:

- ✓ Elasticity of demand is unit free because it is a ratio of percentage change.

- ✓ Elasticity of demand is usually a negative number because of the law of demand. If the price elasticity of demand is positive the product is inferior.

## **6. Study the following useful facts then test yourself.**

A market refers to a group of people who engage in the buying and selling of goods or services. It is a place where buyers and sellers come together to exchange products or services based on their needs and preferences. In a market, the forces of supply and demand interact to determine prices and quantities of goods or services traded.

An increase in price results in an increase in the quantity supplied according to the Law of Supply. This means that as the price of a good or service increases, producers are willing to supply more of it to the market. This is because higher prices incentivize producers to allocate more resources and invest in the production of the good, leading to an increase in the quantity supplied. When quantity supplied is greater than quantity demanded at the ruling price, it creates a situation called ‘ex-

cess supply'. This means that there is an oversupply of the product in the market, and sellers are unable to sell all of their goods. As a result, they may be forced to lower the price in order to stimulate demand and clear the excess supply. This imbalance in supply and demand can lead to a decrease in prices and potentially affect the profitability of producers.

Demand refers to the desire or need of consumers to own a particular product or service, along with their willingness and ability to pay for it. It represents the quantity of a product or service that consumers are willing to buy at a given price. In other words, demand reflects the relationship between price and quantity demanded, indicating how much consumers are willing to purchase at different price levels. This means that as the price of a good or service increases, the quantity demanded decreases, and vice versa. In other words, when the price goes up, people tend to buy less of the product, and when the price goes down, people tend to buy more. This relationship is often referred to as 'inverse', 'inversely', or 'opposite' because the direction of change in price and quantity demanded is opposite to each other. The Law Of Demand actually helps to explain economic behavior. In the context of demand, surplus would imply that there is more demand than necessary, which contradicts the concept of demand.

In economics, equilibrium refers to the point where the quantity of a good or service supplied is equal to the quantity demanded. At this price, there is no shortage or surplus in the market, and both buyers and sellers are satisfied. When there is a shortage, increasing the supply is the appropriate action to take. This is because a shortage occurs when the demand for a product or service exceeds the available supply. By increasing the supply, more of the product or service will be available, helping to meet the demand and alleviate the shortage. This can be done by increasing production, expanding distribution channels, or sourcing from alternate suppliers. Decreasing the price or increasing the demand may not directly address the shortage issue and may not be feasible or effective in resolving the problem. A change in price of a product/service leads to movement along the demand curve because price is one of the key factors that affects the quantity demanded. When the price of a product/service increases, the quantity demanded usually decreases, leading to a movement upwards along the demand curve. Con-

versely, when the price decreases, the quantity demanded usually increases, resulting in a movement downwards along the demand curve. Therefore, it is true that a change in price of a product/service results in movement along the curve.

### **Test 6**

**1.** With regard to demand, a change in price of a product/service results in movement along the curve.

- a) True
- b) False

**2.** A group of people buying and selling goods or services. This is the definition for:

- a) Demand
- b) Equilibrium
- c) Market
- d) Supply

**3.** The desire to own a product and the ability/ willingness to pay for it. This is the definition for:

- a) Supply
- b) Elasticity
- c) Demand
- d) Market

**4.** When there is a shortage what should be done?

- a) Increase supply
- b) Decrease price
- c) Decrease price
- d) Increase demand

**5.** In the Law Of Supply an increase in price results in:

- a) Decrease of quantity supplied
- b) Increase of quantity supplied

**6.** What occurs when quantity supplied is greater than quantity demanded at ruling price?

- a) Excess Demand
- b) Equilibrium Price
- c) Comparative Static Analysis
- d) Excess Supply

**7.** The Law Of Demand helps to explain social behavior.

a) True

b) False

**8.** Which of the following is not a component of demand?

a) Desire

b) Surplus

c) Ability

d) Willingness

**9.** The law of demand states that there is \_\_\_\_\_ relationship between price and quantity demanded?

a) direct

b) inverse

c) no

d) all above

**10.** A surplus will occur for a product when the price is

a) too high.

b) too low.

c) doesn't change.

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