



UNIT ONE

The Background to Business (1)

In this unit you will:

- read two articles: one about economics, the other about the interdependence of business
- learn the meaning of economics
- get to know some basic economic concepts such as scarcity and choice, needs and wants, goods and services
- practice reading for the gist, detail, and for inference; inferring words; translating sentences
- learn words and phrases used to talk about economics

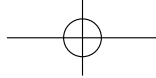
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Warm up

Think about the answers to the following questions. The reading selection will answer some of them.

1. What would you rather do with your money — spend it or save it? Why?
2. Why do you think even a rich person has to make choices about how to spend money?
3. What does economics have to do with how we earn money and how we spend it?
4. What do you consider to be your own personal needs?
5. Can you name any goods or services you can find around you?



Text A

What Is Economics?

Six-year-old Robert has a dollar in his hand. He received the dollar for doing small chores around the house. He can spend it as he chooses.

Robert decides he might like to buy a new toy. On the other hand, he'd love to spend the whole dollar on candy. But having money in his pocket also makes him feel good. So part of him wants to tuck the dollar away and save it. He is torn about what to do.

This young child faces the basic economic problem. It is the same economic problem that you deal with every day, whether you know it or not. This problem is faced by governments, businesses, ... — in fact, by every organization and living person. It is the problem of scarcity: When you only have so much of something, how do you best use it?



Young Robert has many possible uses for his dollar. He could use the dollar to take care of his hunger. Or he could take care of his desire to play, or his desire to feel “rich”. He has to make a choice. Even if he had millions of dollars, he would still have to make choices. There would still be limits to how much he could spend. In this world, no one will ever have the luxury of not having to choose. Economic decisions are a fact of life.

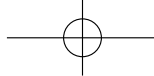
Economics is the study of how people, businesses, and nations make choices. It is the study of how we deal with scarcity, or how we use our limited resources. Resources are those things that can be used to produce goods and services.

Wants, Needs, Goods, and Services

Needs are those things that everyone must have to survive. Food, clothing, and shelter are examples of basic personal needs.

Wants are the things people desire. Radios, TVs, cars, computers, and telephones may seem like basic needs in this world. But people survived long before these inventions. What do you think would happen if a great disaster wiped out all the electronics on earth? People might still be able to find ways to eat, drink and live.

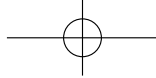
Like young Robert, people are always looking for ways to meet their needs and wants. To do this, they produce and buy goods and services. Goods are things you can see, touch, and buy or sell. Sunglasses, popcorn, watches and compact discs are examples of goods. A service is any work that a person does for others



for money. The person who sells you popcorn when you are at the movies is performing a service. Doctors, lawyers, teachers, and professional athletes perform services, too.

New Words and Expressions

athlete /'æθli:t/ <i>n.</i>	a person who is good at or who often does sports, especially one who enters sports competitions 运动员
chore /tʃɔ:(r)/ <i>n.</i>	a job you have to do often, especially work that you do to keep a house clean (家庭的) 杂事
compact disc (CD)	a small circular piece of hard plastic on which music or large quantities of information can be stored 光盘
economics /i:kə'nɒmiks/ <i>n.</i>	the study of how people, businesses, and governments choose to use their limited resources 经济学
goods /gʊdz/ <i>n.</i>	thing produced for sale 商品
popcorn /'pɒpkɔ:n/ <i>n.</i>	a kind of corn that bursts open when heated, and is usually eaten warm with salt or sugar 爆米花
professional /prəʊ'feʃənəl/ <i>adj.</i>	doing a job, sport, or activity for money 职业的
resource /rɪ'zɔ:s/ <i>n.</i>	things that can be used to produce goods and services 资源
scarcity /'skeəsəti/ <i>n.</i>	a situation in which there is not enough of something or a certain resource to satisfy people's needs and wants 不足, 缺乏; 物资不足
service /'sɜ:vɪs/ <i>n.</i>	an activity performed for others for money, such as teaching and selling 服务
to be torn	to be unable to decide between two people or things, because you want both 左右为难
tuck away	to store something, especially money, in a safe place 把……藏入 (安全的地方), 把……秘藏



Task 1 Understanding Text A in general — getting the main idea

Read the text and answer the following questions in the space provided. Then discuss your answers in pairs.

1. What problem does Robert have?

2. What problem do governments, businesses, every organization and living person have to deal with every day?

3. What is economics?

4. What are the basic personal needs?

5. What do people do in order to meet their needs and wants?

6. What are goods?

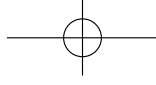
7. What is a service?

8. What are resources?

Task 2 Understanding Text A in general — true or false

Judge whether the following statements are true or false. Write T for true and F for false after each one. If the statement is false, give the correct information.

1. ____ Robert has decided to spend his money on a new toy and candy.
2. ____ If John has millions of dollars, he would not have to make choices.
3. ____ Everybody in this world can avoid making choices.
4. ____ Economics is the study of how people deal with scarcity.
5. ____ Radios, TVs, cars, computers and telephones are people's needs rather than wants.
6. ____ Needs and wants are different though they seem the same.



7. ____ People can not live without wants such as TVs, car, and telephones.
8. ____ Cars, computers and telephones are examples of services.
9. ____ People produce goods and services in order to make the best use of resources.
10. ____ When teachers teach students, they are providing a service.

Task 3 Understanding Text A in general — looking for specific information

Fill in the missing information in the following table.

Name	Definition (Meaning)	Examples
Needs		
Wants		
Goods		
Services		

Task 4 Understanding Text A in detail — word study

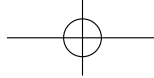
Exercise 1

Some important words and expressions used in the text are listed here. In the table, you will see the explanations of them. Try to match the words and expressions with their explanations and write them down in the blanks.

tuck away luxury meet one's needs personal shelter
 a fact of life in fact wipe out survive scarcity

No.	Explanations	Words or expressions
1	very great comfort and pleasure, such as you get from expensive food, beautiful houses, cars, etc.	

(to be continued)



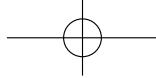
(continued)

No.	Explanations	Words or expressions
2	a situation in which there is no enough of something or certain resources to satisfy people's needs and wants	
3	a place to live	
4	used to say that a situation exists and must be accepted	
5	to continue to live or exist	
6	to destroy, remove, or get rid of something completely	
7	to satisfy one's need	
8	private; one's own	
9	really	
10	to store something, especially money, in a safe place	

Exercise 2

It's time for you to practice how to use these words and expressions. Fill in the blanks with appropriate words or expressions from the list in Exercise 1. You may have to change the form if necessary.

- Over the years, my mother has _____ over \$2,000.
- My sister doesn't mind that she was not invited to the party. _____, she's pleased.
- A _____ of labor is a serious problem the company is facing.
- That is her _____ opinion, not that of the entire class.
- They are in great need of food, clothing, and _____.
- Half of the population in the small town was _____ by the earthquake.
- Mass unemployment seems to be _____ nowadays.
- They lead a life of _____, in a huge house in the city center.
- Only one baby _____ the terrible car crash yesterday.
- The young man is unable to _____ with the salary he earns by working as a receptionist in a private hotel.



Task 5 Understanding Text A in detail — translating sentences

Exercise 1

Below are some sentences taken from the text. Translate them into Chinese, paying attention to the underlined words and expressions.

1. Robert received the dollar for doing small chores around the house.

2. He is torn about what to do.

3. It is the same economic problem that you deal with every day, whether you like it or not.

4. He could use the dollar to take care of his hunger.

5. People might find ways to eat, drink, and live.

6. Food, clothing and shelter are examples of basic personal needs.

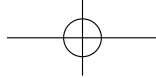
7. There would still be limits to how much he could spend.

8. Doctors, lawyers, teachers, and professional athletes perform services, too.

Exercise 2

Translate the following sentences into English, using the given words and expressions.

1. 我听说你弟弟是个职业棒球运动员。(professional)
2. 那出戏何时在我们的剧院上演?(perform)
3. 站在你旁边的女孩子手里拿着什么?(hand)
4. 他爸爸是个能干的人,但是另一方面,他对人要求太多了。(on the other hand)
5. 我希望你不会把全部积蓄花在一辆新汽车上。(spend money on something)
6. 他的名字从我的记忆中抹掉了。(wipe out)



7. 别担心，秘书会安排好一切的。(take care of)
8. 哪怕卖掉我的房子，我也要继续经营我的公司。(even if)

Text B

Below is a passage about the relationship between different aspects of business. Read it and then finish the exercises.

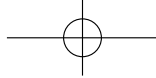
All the members of society involved in production are also consumers, as are those who are not directly involved in some aspect of production. People would find it difficult to exist by their own efforts in modern society, because they depend on others to produce the goods and services they want. In other words, people are interdependent. So, too, are businesses. Take a chocolate manufacturer as an example. It must depend on some primary producers to supply its raw material, that is, coca beans. It will also rely on the tertiary sector to offer the transport services of road and sea to transport the beans.

The business will also need a skilled workforce to produce chocolate products. In return, the employees will be dependent on the manufacturer to provide employment and the income. With that income, the employees of the chocolate manufacturer can become the consumers of the goods and services of other businesses.

Once the chocolate has been produced the manufacturer must seek to sell it. This may require the services of an advertising agency to bring the product to the notice of the consumer. Wholesale distributors may purchase the product in bulk from the manufacturer. Retail outlets will then purchase the product for consumers. The manufacturer is, of course, dependent on the consumer. If the demand is not good enough then the business will not survive.

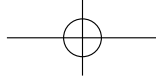
Other services will also be important to the chocolate manufacturer. Extra finance may be required to expand the factory, to buy new machinery, or to buy some new trucks. For this reason, the services of the local bank may be needed. Also, the bank will help the manufacturer in importing and exporting the product. The business will also need to insure the products, as there may be a risk of damage or accident when they are transported. The manufacturer will also be dependent on communications of all kinds — not just the work of the advertising agency but also the postal and telecommunications services.

Finally, there will be an interdependence between the manufacturing company and the government. The government will require the company to pay tax on the profits made from the production of goods and services, and the company's employees will also have to pay income tax. In return, the government will provide benefits for the company.



New Words and Expressions

interdependence /ˌɪntədɪ'pendəns/ <i>n.</i>	a situation in which people or things depend on each other 互相依赖, 互相依存
production /prəʊ'dʌkʃən/ <i>n.</i>	the process of making or growing things to be sold as products, or the amount that is produced 生产
consumer /kən'sju:mə(r)/ <i>n.</i>	a person who buys and uses products and services 消费者
manufacturer /ˌmænju'fæktʃərə(r)/ <i>n.</i>	a company or factory that makes large quantities of goods 制造商
raw material	materials such as coal, oil, etc., in their natural state, before being treated in order to make things 原材料
primary /'praɪməri/ <i>adj.</i>	happening or developing before other things 初级的, 第一的
tertiary /'tɜ:ʃəri/ <i>adj.</i>	third in place, degree, or order 第三的
transport /træn'spɔ:t/ <i>vt.</i>	to take goods, people, etc., from one place to another in a vehicle 运输
workforce /'wɜ:kfɔ:s/ <i>n.</i>	all the people who work in a particular country, industry, or factory 劳动力
wholesale /'həʊlseɪl/ <i>n.</i>	the business of selling goods in large quantities, especially at low prices 批发
distributor /dɪ'strɪbjʊtə(r)/ <i>n.</i>	a company or person that supplies shops and companies with goods 分销商
purchase /'pɜ:tʃəs/ <i>vt.</i>	to buy something 购买
retail /'ri:teɪl/ <i>n.</i>	the sale of goods in shops to customers 零售
outlet /'aʊtlet/ <i>n.</i>	a shop, company or organization through which products are sold 销路; 市场 (retail outlet 零售商)
finance /faɪ'næns/ <i>n.</i>	money, especially money provided by a bank, to help run a business or buy something 资金, 财源
import /ɪm'pɔ:t/ <i>vt.</i>	to bring something into a country from abroad in order to sell it 进口
export /ɪk'spɔ:t/ <i>vt.</i>	to sell goods to another country 出口
insure /ɪn'ʃʊə(r)/ <i>vt.</i>	to provide insurance for something or someone 保险
income tax	tax paid on the money that you earn 个人所得税



Task 1 Understanding Text B in general — getting the main idea

Circle the letter next to the best answer.

What is the best title for this passage?

- A. Different Aspects of Business.
- B. The Interdependence of Business.
- C. A Chocolate Manufacturer.
- D. Producers and Consumers.

Task 2 Understanding Text B in general — true or false

Judge whether the following statements are true or false. Write T for true and F for false after each one. If the statement is false, give the correct information.

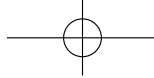
1. ____ The producers are also consumers.
2. ____ A person can exist on his own in modern society.
3. ____ A producer depends on not only primary producers but also the tertiary sector.
4. ____ Employees do not depend on their companies.
5. ____ An advertising agency helps a company to import and export their products.
6. ____ Wholesale distributors and retail outlets are two ways to sell products.
7. ____ A company also needs services such as banks, insurance companies, communications of all kinds, and government.
8. ____ Communications means postal and telecommunications services only.
9. ____ Government can do nothing but ask a company to pay tax on the profits.

Task 3 Understanding Text B in general — looking for specific information

Fill in the missing information in the following table.

No.	Aspects of business	Function (作用)
1		supply raw material

(to be continued)



(continued)

No.	Aspects of business	Function (作用)
2		transport raw material to the manufacturer
3	skilled workforce	
4		bring the products to the notice of the consumers
5		get extra money to expand a factory and to buy machinery
6		insure the products against the risk of damage or accident
7	communications of all kinds	
8		(1) ask companies to pay tax (2) ask employees to pay income tax (3) provide certain benefits for companies

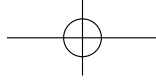
Task 4 Understanding Text B in detail — word study

Exercise 1

From this list, choose a synonym (word of same or similar meaning) for the word in bold type in each sentence.

depend on supply producer want business
be capable of in bulk be reliant on inadequate purchase

1. It will also **rely on** the transport services of road and sea to transport the beans. _____
2. Extra finance may be required to expand the factory, to **buy** new machinery or to buy some new trucks. _____
3. Finally, there will be an interdependence between the manufacturing **company** and the government. _____
4. This may **require** the services of an advertising agency to bring the product to the notice of the consumer. _____
5. Take a chocolate **manufacturer** as an example. _____
6. In return, the employees will be dependent on the manufacturer to **provide**



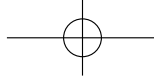
- employment and the income. _____
7. I think my income is **insufficient** to meet my basic needs. _____
8. Goods can be made much cheaper if they are sold **in large quantity**.

9. His company **is** often **dependent on** government funds. _____
10. He will **be able to** solve the problem for you. _____

Exercise 2

Choose the correct word form to fit into each sentence. Use appropriate verb tenses, singular or plural forms for nouns, and passive voice where necessary.

- manufacture, manufacturer
 - All the students in my class are going to visit a car _____ tomorrow.
 - These televisions _____ in Beijing.
- depend, dependent
 - The map is a thing to be _____ on when you are in a strange city.
 - She is still _____ on her parents though she is almost twenty.
- transport, transportation
 - The white bus _____ passengers from the city to the airport every day.
 - My company paid my _____ to Guangzhou.
- purchase, purchasing, purchaser
 - You will easily find a _____ if you don't ask a high price.
 - I made many _____ at the department store last weekend.
 - What do you think of the _____ power in Beijing?
- communicate, communication, communications
 - We _____ with each other by letter when we were college students.



- (2) Language is the main way of _____, but communication between people who speak different languages is difficult.
- (3) Next to my school is a _____ bank.
6. machine, machinery
- (1) In our laundry room, there are three washing _____.
- (2) In the United States, most of the farm work is done by _____.
7. produce, production, product, producer
- (1) Iraq is famous as a _____ of oil.
- (2) That company is famous for the _____ of small car.
- (3) I like domestic _____ better than foreign ones.
- (4) The factory will begin _____ trucks next year.
8. employ, employment, employee
- (1) The medical company has 15 _____.
- (2) My mother has been out of _____ for six months.
- (3) That lady _____ in a bank.

Review and Self-assessment

Review

The key knowledge areas, language points, and some language skills in this unit are summarized below. Study them carefully before you go to self-assessment.

- **Economic knowledge**

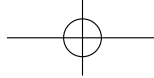
Some basic economic concepts

scarcity, economics, resources, wants, needs, goods, services, interdependence of business

- **Vocabulary development**

(1) Words used to talk about economics

scarcity, economics, resources, wants, needs, goods, services, consumers, manufacturer, primary producer, tertiary sector workforce, wholesale distributor, retail outlet, banking, communications

**(2) Other useful words and expressions**

chores, on the other hand, tuck away, in fact, take care of, deal with, luxury, a fact of life, survive, shelter, personal, wipe out, meet one's needs, perform, rely on, depend on, be capable of, purchase, in bulk, be reliant on, be dependent on, inadequate, supply, manufacture, import, export, transport, insure

• Skills

Reading: reading for the gist, detail and inference; inferring words; translating sentences

Self-assessment**I. Spelling check. Fill in the missing letters in the following words. (1 point)**

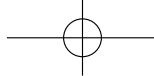
- | | | | | |
|-----------------|-------------|-------------|-------------|-------------|
| 1. ec_nom_cs | 2. lu_u_y | 3. sca_c_t_ | 4. su_v_v_ | 5. sh_lte_ |
| 6. p_ofes_ional | 7. p_rs_nal | 8. p_rfo_m | 9. su_gl_s_ | 10. a_hlet_ |

II. Give three examples you can think of for the following concepts. (2 points)

1. needs:
2. wants:
3. goods:
4. services:

III. Write down the functions of the following aspects of business. (2 points)

1. primary producer:
2. tertiary sector:
3. employees:
4. advertising agency:



IV. Reading comprehension

Read the following passage and then finish the exercises.

People, as consumers within an economy, require a large number of goods and services. Businesses aim at producing these with a purpose of making a profit.

Most people are restricted (限制) in what they can buy because of the size of their income. Some will spend much more of their income on basic necessities, such as food, drink, and housing. Others will have more income and so be able to buy luxuries, such as microwave ovens, compact-disc players, and video recorders. If you think about your own situation as a student, then there will be many goods and services you would like to buy — goods such as one of the latest top-twenty CDs, a book, or a new pair of shoes; or services, such as a haircut, an evening out at the cinema, or a football match. You will not be able to buy all the goods and services you would like to because of the limited amount of resources you have. These limited resources will, in your case, be the money you get each week either as pocket money or for doing some jobs. This being so you will have to make choices. Some of the goods and services you want you will be able to buy, but others you will not. This need to choose follows from the fact that although you have unlimited wants, you have limited resources, in other words, your resources are scarce.

In the same way, businesses will have to choose how they use their limited resources. Do they use their limited funds to extend their factory or buy a new machine? Do they spend money on developing a new product or do they spend more on advertising the products they are already producing? A business must continually make these and many more decisions.

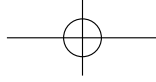
Governments also have to make choices as to how to spend the money they get from taxpayers. If more is spent on providing educational services, this might be at the cost of the health services.

Exercise 1

Getting the main idea: Circle the letter next to the best answer. (1 point)

What is the best title for the passage?

- A. Scarcity and Choice.
- B. Goods and Services.
- C. Limited Resources and Unlimited Wants.
- D. Making Choices.



Exercise 2

Answer the following questions. (2 points)

1. What is the aim of businesses?

2. Why can't people buy whatever they want?

3. Why do businesses have to choose how they use their resources?

4. According to the text, where do governments get the money?

Exercise 3

Translate the following paragraph into Chinese. (2 points)

In the same way, businesses will have to choose how they use their limited resources. Do they use their limited funds to expand their factory or buy a new machine? Do they spend money on developing a new product or do they spend more on advertising the products they are already producing? A business must continually make these and many more decisions.