

# 财经英语阅读教程

外语教学与研究出版社

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# 前 言

国家教委颁布的《大学英语教学大纲》中规定：“专业英语阅读课是基础英语课的继续，目的在于指导学生阅读有关专业的英语书刊和文选，进一步提高阅读专业英语资料的能力，获取专业所需要的信息。”

编写本教材，旨在为大学财经专业三年级学生提供一本实用的、向财经专业英语过渡的阅读教材，帮助学生复习、巩固在基础英语阶段所学的语言知识，为下一步的专业英语课铺垫财经知识，积累财经专业术语及词汇。另外，本书还可作为财经工作者提高专业英语水平的自修教材。

本书编者从宏观经济学的角度，向学生介绍西方经济学理论、世界银行概况、国际保险概论以及新的财会制度等。选材范围包括财政、金融、会计、企业管理、保险、审计、税收、投资和信息管理 etc 财经专业的基础知识和实务。课文及补充阅读材料全部选自 80 或 90 年代出版的原文书刊，大部分课文的难度相当于大学英语五、六级水平。

全书共有 10 个单元。每个单元包括一篇 1,000 字左右的课文以及一篇内容与课文相近而难度较浅的阅读材料。课后附有练习，包括阅读理解题、经济热点讨论题、词汇练习、填空练习和翻译练习等。每单元的最后一部分是附加的与课文内容有关的专业术语和词汇。

本书将配有教师用书,包括课文参考译文和练习答案。

本书由彭苏颖副教授担任主编,高伟宏、宙瑟为副主编。杨彬、邵彦、颜钟祜、邹方雨、侯聪惠、于淑英、郑航宙和孟正维参加编写。

本书的编写工作得到了外国朋友的帮助和支持。外籍专家 Joseph Houston 先生、Nora Mary O'Driscoll 女士和 Marion Veronica Tung 夫人对全书进行了严格仔细的审阅。另外,本书编者还与大部分作者或出版社取得了联系,并有部分作者欣然同意我们选用他们的文章。在此一并表示感谢。

由于编者水平及经验有限,书中难免存在不妥之处。恳请广大读者批评指正。

编者

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# **Unit One**

## **BRIEF INTRODUCTION TO MACROECONOMICS**

### **I . Macroeconomics & Major Macroeconomic Measurements**

Macroeconomics is the study of the behavior of economic events in the aggregate. The magnitudes that most concern the macroeconomist are the overall, or “global” rate of unemployment, the level of production and the rate at which it changes, and the level and rate of change of the overall level of prices. Thus macroeconomics is the study of the behavior of employment, output and inflation.

The most important measure of overall economic activity is the gross national product (GNP). GNP is defined as the total market value of the output of all final goods and services produced during a given time period. To distinguish physical changes in output from monetary changes in its value, economists compute both nominal and real GNP. Nominal GNP is the value of output expressed in current prices, and real GNP is the value of output expressed in constant prices (the prices of some base year). Each year some of the capital equipment is wornout (consumed) in the process of

production. Hence GNP is larger than the amount of goods and services we would consume without reducing the nation's production possibilities. The amount of capital used up each year is referred to as "depreciation". By subtracting depreciation from GNP, net national product (NNP) can be arrived at.

In addition to GNP, which measures the level of overall economic activity, the macroeconomists require a certain amount of information about various subcategories that make up GNP. GNP account has two sides. One side focuses on expenditure, the other side focuses on income. On the expenditure side the total output can be used on consumption, on investment, by foreign countries and by government. The following formula indicates such a breakdown.

$$\text{GNP} = C + I + G + (X - M)$$

In this formula, C = Consumption expenditure

I = Investment expenditure

G = Government expenditure

X = Exports

M = Imports

Since every dollar spent on goods and services provides income for someone, the total value of market income must be equal to the total value of final output, or GNP. On the income side, total income (GNP) ends up distributed in the following way:

- \* To consumers, in the form of disposable income
- \* To business, in the form of retained earnings and depreciation allowances
- \* To government, in the form of taxes

The incomes received by households, business and governments provide the purchasing power required to buy the nation's output. As that purchasing power is spent, further GNP is created and the circular flow continues.

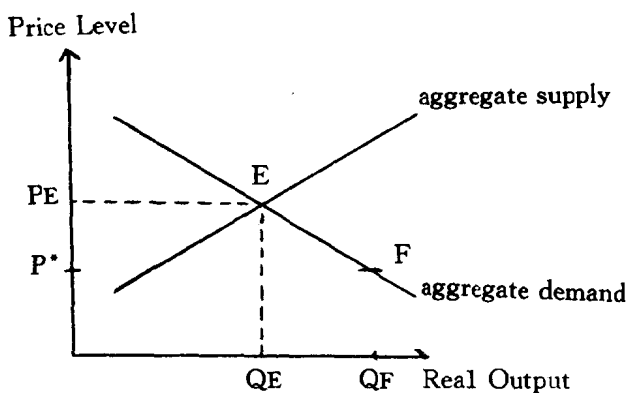
## **II . The macroeconomic model**

Macroeconomics has an elegant and remarkably powerful set of tools that come together in an orderly fashion that may be described as the "macroeconomic model". Differences in emphasis and priority can be readily fitted into the model, and their implications can be examined.

The unifying principle of macroeconomics is the macroeconomic model of the economy that began with the classical model of pre-Keynesian days. In nearly all cases, subsequent major developments can be conveniently and profitably absorbed into that model as refinements or extensions. The analysis of monetary and fiscal policies is most successfully conducted within the framework of the model. The model has always had a demand side and a supply side.

When the aggregate demand and supply model is drawn as a picture, it looks very much like a supply-demand diagram describing conditions in a market for a single com-

modity. In such a representation, price is posted on the vertical axis and quantity on the horizontal. In the aggregate demand and supply diagram, the overall level of prices is measured vertically, while total production (real national income) is measured horizontally. Aggregate demand is the end result of all the factors that determine the level of total spending by consumers, investors, government, and foreign countries. It is influenced by countless factors, including the money supply and interest rates, taxes and government spending, international rates of currency exchange and expectations of inflation. Similarly, aggregate supply is a complex relationship that is determined by technological factors, the supply of capital and labor, the behavior of labor



markets, pricing decisions by business, and again, expectations of inflation.

As shown in the figure above, the aggregate supply and demand curves summarize the market activity of the whole (macro) economy. These curves show total amount of goods and services supplied or demanded at various price levels. Macro equilibrium takes place when aggregate supply and demand curves intersect at point E, which shows the buyer and the seller are willing to trade exactly the same quantity ( $Q_E$ ) at the price level of  $P_E$ .

Equilibrium is unique in that it is the only price-output combination mutually compatible with aggregate supply and demand. By contrast, any other level of output or prices creates a disequilibrium requiring market adjustments, because it is unstable. After being adjusted, the economy will return to point E. However, there are two potential problems with the macro equilibrium depicted in the figure:

- \* Undesirability: the price-output relationship at equilibrium may not satisfy our macroeconomic goals.

- \* Instability: even if the designed macro equilibrium is optimal, it may be displaced by macro disturbances.

In the undesired equilibrium, the equilibrium price level is too high (above  $P^*$  which represents the most desired price level) and equilibrium output rate falls short of full-employment GNP ( $Q_F$ ). As a result, the goal of full employment fails and the high price level might lead to

inflation.

As aggregate supply and demand are determined by many factors mentioned above, and the behavior of buyers and sellers often changes the curves of aggregate supply and demand can shift. When they shift repeatedly in different directions, there appear upswings and downswings of economy. Thus business cycles are likely to result from recurrent shifts of the aggregate supply and demand curves. For example, if aggregate demand declines, total output will fall; if aggregate supply declines, unemployment can emerge; if aggregate demand and aggregate supply both decrease, output and employment may fall. In the third situation there appears a recession.

## **II . Macroeconomic policy levers**

The model of aggregate supply and demand not only helps illustrate the causes of business cycles, which is the major concern of macroeconomics; but it also implies a fairly straightforward set of policy options. Historically three policies have been adopted:

- \* Shift the aggregate demand curve, find and use policy tools that stimulate and restrain total spending.

- \* Shift the aggregate supply curve, find and implement policy levers that reduce the cost of production or otherwise stimulate more output at every price level.

- \* Do nothing. If it is impossible to identify or control

the determinants of aggregate supply or demand, interference with the market is not preferable.

The "classical" approach to economic policy embraced the do-nothing perspective. Prior to the Great Depression, most economists were convinced that the economy would self-adjust to full employment. The aggregate supply and demand curve would naturally shift until they reached the intersection at equilibrium point where full employment prevails.

Another approach is on the demand side, where the major tools of policy are monetary policy and fiscal policy. Monetary policy is conducted by the Federal Reserve system, which has the capacity and the authority to alter the supply of money and credit in the economy. Fiscal policy entails the use of the budget of the federal government in order to influence the level of total spending in the economy by means of changing the amount of the government's spending for goods and services or altering the incomes of the private sector by changing taxes or government transfer outlays to individuals.

Supply-side theory offers the third major set of policy tools. The focus of supply-side policy is to provide incentives to work, invest and produce. Of particular concern are high tax rates and regulations that reduce supply incentives.

These fiscal, monetary, and supply-side tools are potentially powerful levers for controlling the economy, which



can be summed up as follows.

TYPE OF POLICY	POLICY INSTRUMENTS
Fiscal	Tax cuts and increases, changes in government spending.
Monetary	Open market operation, reserve requirements, discount rates.
Supply side	Tax incentives, deregulation, skill training and other labor market aid, wage and price controls, free trade.

As the three major targets of macroeconomics are full employment, rapid growth of output and price stability, the task of the oriented macroeconomists is to show how these tools can be used to narrow the gaps between actual employment and full employment, between actual inflation and no inflation, and between the actual growth rate and the potential growth rate. The basic principles of economics engender optimism about the potential of policy to fulfill the economic goals. The government possesses an array of policy levers, each of which can significantly alter economic outcomes. To end a recession, the government can cut taxes,