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*Basic Concepts of Public
Finance and Taxation*

财税英语

李俊生 邵彦 编写

中国审计出版社

财税英语教程

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前 言

本书是为适应高等院校财经专业专业英语教学的需要而编写的。从1990年开始,作者为中央财政金融学院财政专业、农村财政与信用专业、国有资产管理专业、理财专业和国际企业管理专业等专业的大学本科生讲授专业英语,本书就是在作者讲稿的框架基础上、再经过补充一些新的资料编写而成的。

在内容编排上,本书主要介绍现代西方财政、税收基础理论与基本知识,兼介绍有关审计方面的一点知识(主要是政府审计)。全书共分26课,大体上可以用104个学时讲完,具体授课时数,可由教师根据授课对象的专业情况,按目录中标有△符号的章节予以酌减或调整。

本书主要有四个特点:

一是课文编排顺序基本上是从西方财政学基础知识开始,逐步深化。这样,学生不仅可以从本书中学到专业英语知识,而且可以较系统地学到西方财政学基础知识。实际上,本书也可以作为大学本科《西方财政学》课程双语授课教材。

二是本书每一课基本上都是从有关基本概念讲起,这样安排比较适应中国学生和其它有关读者的学习和思维习惯,便于理解和掌握课文的内容。

三是语言比较地道。本书中几乎每一课都是作者根据英美教科书有关内容编写而成的。通过学习本书,读者可以直接了解英美财税英语文献的某些语言风格和专业术语的用法。

四是本书有关西方税收知识的内容安排较多,共设8课,这样,那些企业管理或工商管理专业、财会专业等专业的学生以及其

它对西方税收感兴趣的读者,通过学习或阅读本书,也可以了解和掌握一些有关西方税收方面的实用知识和专业术语及其用法。

本书在编写过程中得到了许多同仁的大力帮助:

中国审计出版社曾银青、史星同志,不仅为本书编写提供了审计方面的英文资料,而且对本书的写作提供了许多技术性的意见;

澳大利亚专家 George Anderson 阅读了全部书稿并提出了很好的阅读建议;

中央财政金融学院财政系讲师王敏硕士阅读了部分书稿并提出了一些修改意见;

中央财政金融学院学报编辑部孙亦军女士协助作者搜集了大量的英文资料,并承担了部分书稿的誊写工作;

中央财政金融学院金融系贾玉阁女士,财政系硕士研究生王康等也承担了部分书稿誊写工作。

本书在编写过程中还参考了原中央财政金融学院财政系讲师田小白女士(现在美国)编写的《财政英语》(油印)教材。

在此,谨向以上各位朋友表示衷心的感谢。

编 者

中央财政金融学院

1995年6月于北京

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■ PART I ---

Lesson One

TEXT

PUBLIC GOODS

Samuelson defines a public goods (sometimes referred to as social goods or as collective goods) as “one which all enjoy in common in the sense that each individual’s consumption of such a goods leads to no subtraction from any other individual’s consumption of that goods.” This definition emphasizes that public goods differ noticeably from private goods, which “can be parcelled out among different individuals”. That means a goods is private if a person who doesn’t pay can be excluded from its use. To make it simple, public goods and services are those which cannot simply be pro-

vided through the market.

They have related qualities. First, public goods and services inevitably have to be supplied to a group of people rather than on an individual basis. Secondly, public goods and services, unlike the private goods, cannot be withheld from individuals who refuse to pay for them. Here, it is necessary to point out that although public goods have to be supplied to a group of people, it does not follow that all goods supplied jointly to many people are public goods and services. For example, the service of a movie theater can be jointly enjoyed by many people at about the same cost as by one; but the service is marketable because admission can be denied to those who refuse to pay.

The Range of public Goods

There is no clear-cut scope for public goods and services. However, a broad definition of public goods and services may include the following items; the common defense; law and order; environmental control; monetary stability; regulatory measures; etc. Basically, there are two categories of public goods. The first category refers to pure public goods. Pure public goods concept confines the scope to the peace and security of a community; national defense; the law; air pollution control; fire protection; street lighting; weather fore-

cast; and public television. In addition to these, there is still one more category which is the quasi-public or impure public goods and services.

The definition of public goods implies its important characteristics. One is the non-rivalness in consumption, that is to say, the consumption by one individual does not reduce the benefits derived by all other individuals. The other characteristic is non-excludability, i. e., consumers cannot be excluded from consumption benefits.

In the scope of public goods, there has been an interesting term called "free-rider". If a public goods is provided, one individual cannot deny another individual's consumption of the goods. And when individuals want to consume a goods without having to pay for it, there may be an incentive to "keep quiet" in the hope that others will bear the costs of provision. If they do so, and the goods are provided, it can be enjoyed at no personal cost. This is the strategy of a "free rider". Yet, it will obviously fail when each individual plays the same strategy. If everyone attempts to free-rider, nothing will be provided and a free ride for everyone becomes impossible.

The Implicative Effects on the Economy Caused by Public Goods

While the benefits derived from the provision of

public goods and services are enjoyed by many people, we certainly should not ignore the negative results caused by public goods and services.

1. Market Failure due to Non-rival Consumption

As noted above, non-rivalness in consumption is one of the main characteristics of public goods and services. Because of this nature, exclusion is inappropriate to apply. That is, in the case of public goods and services, A's partaking of the consumption benefits does not reduce the benefits derived by all others. The same benefits are available to all and without mutual interference. Therefore, it will be inefficient to apply exclusion even if this could easily be done. Since A's partaking in the consumption does not interfere with B's partaking, the exclusion of A would be inefficient. Efficient resource use requires that price equal marginal cost. But in the case of public goods and services, marginal cost (the cost of admitting an additional user) is zero, and so should be the price.

We can take national defense or measures to prevent air pollution as an example. In either of these two cases, exclusion is impossible because the benefits derived from them can be enjoyed by all citizens dwelling within the territory without interference with each other. In other cases, exclusion is feasible, but it should

not be applied because exclusion is simply inefficient. For example, in crossing a bridge which is not crowded, charging a toll would be quite feasible, but so long as the bridge is not heavily used, the charge would be inefficient because it may curtail use of the bridge. Since the marginal cost of the use of the bridge is zero, there should be no admission price.

So, when exclusion is inappropriate, even it is feasible, the task of covering the cost of the provision of public goods and services cannot be performed through the usual market mode of sale to individual consumers. Here, market mechanism fails and a political process of budget determination becomes necessary.

2. Market Failure due to Non-excludability

A second instance of market failure arises where consumption is rival but exclusion though appropriate is not feasible.

Not all goods which are rival in consumption have the nature of exclusion. For example, the use of a crowded bridge during rush hours. The use of the available space is distinctly rival and exclusion (the auctioning off or sale of the available space) would be efficient and should be applied. But only those who value the use of the bridge most and are willing to offer the highest price can enjoy the service. Such exclusion would be im-

possible or too costly to be administered. The difficulty of applying exclusion is the cause of market failure.

3. The Combined Causes of Market Failure

The features of non-rival consumption and non-excludability sometimes go together to cause market failure, for example, air-purification, national defense and many other cases like these. In these situations, the two causes of market failure overlap, there is no point in asking which is the basic cause. But non-rivalness in consumption may be more responsible because sometimes it renders exclusion undesirable or inefficient even if technically feasible.

New Words and Expressions

individual	个人,个体	然地
consumption	消费(量), 消耗(量)	withhold 制止,阻止.
subtraction	减去,去掉,	marketable 适合市场销售的, 可买卖的,
parcel	把...划成部分后 分配	deny 拒绝
exclude	把...排除在外,排斥	pay 支付,缴纳
inevitably	不可避免地,必	clear-cut 明确的,鲜明的
		scope 范围
		regulatory 规章的,制订

规章的	inefficient 无效的,效率低的
pollution 污染	的
protection 保护,保护者	marginal 边际的
quasi-public 准公共的	dwelt 住,留居
benefit 利益,好处,津贴	territory 地区,领地
derive 取得	interference 干预,打扰,冲突
incentive 刺激,激励,	charge 收费
personal 个人的,私人的	toll 通行费,通过税
ignore 不管,不顾	auction 拍卖
failure 失灵	overlap 交搭,部分一致
partake 参与	render 使得,变为
mutual 互相的,彼此的	

Special Terms

public goods (social goods, collective goods)	公共物品
pure public goods	纯公共物品
quasi-public goods	准公共物品
non-rivalness	非竞争性
non-excludability	非排它性
free-rider	搭便车者,指那种只得好处而不付费的人
marginal cost	边际成本
market mechanism	市场机制
marginal benefit	边际收益

Notes to the Text

1. Paul A. Samuelson (1915—): 保罗·A·萨缪尔森, 美国人, 美国哈佛大学经济学博士(1941年), 麻省理工大学经济学教授。他的主要著作有:《经济分析的基础》(1947年)、《经济学初步分析》(第一版, 1948年)、《线性规划与经济分析》(与其它二人合著, 第一版, 1958年)。他曾任美国经济学会会长, 1970年获诺贝尔经济学奖, 并历任美国政府几个财政金融机关的顾问。80年代初期以来, 他也从事商业投机活动。

2. Samuelson defines a public goods as “one which all enjoy in common in the sense that each individual’s consumption of such a goods leads to no subtraction from any other individual’s consumption of that goods”.

萨缪尔森将公共物品定义为“是所有的人共同享用的物品。对于这种物品, 一个人对它进行消费时并不会导致另外其它任何人对该物品消费量的减少”。

Excercises

I. Understanding the text

Choose the right answer for each of the following questions:

1. According to Samuelson’s definition, a private goods

- is _____.
- a. the goods that every one can enjoy
 - b. the goods that can exclude those who refuse to pay for consumption
 - c. privately owned goods
 - d. similar to public goods
2. Which of the following is not true for public goods?
- a. They are supplied to a group of people, not on an individual basis.
 - b. They cannot be withheld from individuals who refuse to pay for them.
 - c. They are also called social goods.
 - d. All goods that are supplied jointly to a group of people are public goods.
3. Which of the followings obviously does not fall in the scope of public goods?
- a. Law and order.
 - b. Environmental control.
 - c. Regulatory measures and monetary stability.
 - d. National defense.
 - e. Entertainment.
4. Free-riders' strategy is that _____.

- a. those who desire for the provision of certain goods just wait so that the goods will be supplied by government free of charge
- b. those who don't want to pay for transportation fare will enjoy free trips
- c. those who take advantages of their neighbours
- d. those who have no money can travel wherever they want

5. If everyone plays the free-rider's strategy, then ____.

- a. no one is going to do the transportation business
- b. there won't be effective demand for market provision
- c. all goods will be supplied by government
- d. all goods will be supplied through market

6. Which of the following is the cause of market failure?

- a. Non-excludability.
- b. Non-rivalness in consumption.
- c. The combined reason of a and b.
- d. All of the above.

7. Which of the following is true?

- a. All public goods must be of the nature of both non-rivalness in consumption and non-excludabil-