

基础经济管理专业英语

*A Textbook of
Basic College English in
Economics and Management*

戴贤远 主编

ENGLISH ▶

北京大学出版社

A TEXTBOOK OF BASIC COLLEGE ENGLISH
IN
ECONOMICS AND MANAGEMENT

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PREFACE

When students start to learn specialized English, say, *A Textbook of Basic College English in Economics and Management*, their previous concepts about learning English should be totally changed. No matter how many examinations they have taken in the past, or will take in the coming years, now their objective in learning English should definitely be focused on how to use English rather than how to take examinations.

A short story sometimes clarifies an important idea. For example, a little baby with several boxes of various bricks may not be able to build a toy house because he does not know how to use his colorful bricks. In this case, buying more bricks for him is hopeless. Similar cases can be found in the field of teaching and learning English in China. Most university students have four thousand words or more in their memory and can well handle any kind of examination, but they have big problems in writing and speaking, even those students with high scores in College English Test 4 or 6. This reality is cruel. Why? They are never trained to concentrate on using English. Frequently, English classes are designed to be examination-oriented. This kind of approach to language traps students to concentrate their efforts in building their vocabularies. They believe that a big vocabulary leads to good English. They are wrong and this is a myth. There are many more English words than Chinese words. When people speak and write in business and their daily life, they simply do not need that many words for effective communication.

What is good English? Small words and short sentences are good English. This point is especially true when used to assess an individual's second language. There are two major standards of evaluation; first, to be able to express yourself freely and make yourself completely understood by others; second, to be able to understand others. Following these two standards, people can confidently put accent and shyness aside.

What is a small word? "Big" is a small word, while the word "enormous" is too big to be used in daily English. Most parts of the texts in *A TEXTBOOK OF BASIC COLLEGE ENGLISH IN ECONOMICS AND MANAGEMENT* use neither small words nor short sentences. They are contributed for reading. If students are going to use words, phrases, expressions, or ideas in the textbook, they have to break down the sentences into small parts and pick out those which can be used.

"Learning step by step" is another popular belief which misleads students. Consequently, many students only stick to their textbooks. Current research indicates that over ninety percent of senior university students have never read an English book of over two-hundred pages. The solution may come from some simple examples. As people may know, the training program for an excellent short distance swimmer is seventeen kilometers per day, likewise, a two years old child's language learning process extends until he becomes an elementary school pupil. If a Chinese student's memory has room to keep Chinese words, it should have space enough to store new English words as well. If his memory only rejects new English words, it is a problem of method rather than "brainspace" or memory. It has been proved by many students that swift repetition of a word is not an effective way to retain a new word in mind. Obviously, observing a

word ten times in a hundred pages is different from seeing a word hundred of times in a vocabulary list. The former method helps people to retain words forever, and the latter only makes words pause in people's memory. Reading is the best way to learn new words.

Compared with other English language textbooks, the texts in this book are considerably longer. Each covers about eight pages. The purpose of this kind of arrangement for an English textbook is to emphasize the importance of reading. Through reading texts, students pick up their own small words and build up their own short sentences under the guidance of their instructors so that they are able to learn how to use English, how to express themselves, and, how to make themselves understood by others.

The texts selected for this book involve six basic fields of economics and management, including microeconomics, macroeconomics, management information systems, finance, marketing, and international economics. These areas will be attractive to university freshmen and sophomores majoring in economics, management, finance, and business. The textbook can also be used as readings for university students in other fields.

Several professors from Jackson State University (U. S. A.) and University of Macau (Macao, P. R. China) have contributed papers to the textbook. They have also carefully attached Key Terms and Concepts to each text. To appreciate their contributions, I wish to acknowledge Dr. Christopher Jeffries for his special effort in sharing the task of organizing this project and writing. Appreciation also goes to professors John E. Weinrich, Jagan Iyengar, Jean-Claude Assad, Geungu Yu, Dennis O. Anyamele and James R. Smith for their contributions as well as

their hard work in international academic exchange activities.

Xianyuan Dai
Beijing Normal University
July 1, 1997

前 言

当大学生们开始学习专业英语的时候,比如说《基础经济管理专业英语》,他们过去关于英语学习的一些想法应该完全地改变一下。不管过去参加过多少考试,也不管以后还要参加多少考试,英语学习的目标此时应该转向英语的使用,而不再是英语考试。

一个小故事有时能讲清一个重要的道理。例如,一个小孩有几盒各种各样的积木,但他可能搭不出玩具房子,因为他不知道如何使用这些五彩的积木。这种情况下,再买几盒积木给他也是徒劳。类似问题在中国的英语教学中也能找到。多数大学生能够掌握4000到6000英语单词,也能很好地对付各类考试,但是他们的口语和写作却有很多问题。即使那些在大学四级或六级英语考试中得分很高的学生,“说”和“写”上,也还是有许多问题。现实就是这样冷酷。为什么呢?因为学生们很少在实际中运用英语。英语课堂经常是为参加考试设计的,这种教学方法引导学生只是在积累单词上下功夫。他们认为,只要词汇量大,英语就没问题。实际上他们错了,因为他们在一个误区里。英语的单词远比中文词要多,可是在实际工作和生活的交往中,人们根本不需要那么大的英语词汇量。

什么是好英语呢?小词、短句子就是好英语。当评价大学生的第二语言时,这种理论尤为重要。此时评价的标准只有两个:一是能自如地表达自己,并使他人理解自己的意思;二是能够理解他人的表达。从这两个标准出发,大学生们用英语表达自己时,不会在乎口音,也不会再感到羞涩。

什么是“小词”呢?“big”就是小词,而“enormous”用在一般表

达中,那就太“大”了。《基础经济管理专业英语》这本教程的课文里,很多时候既没有用小词,也没有用短句子。课文设计的时候,考虑的是阅读的内容。倘若同学们要使用这些词汇、短语、表示方法和其中的一些思想,必须要将句子分解,然后选择适当的部分,应用在交往中。

“循序渐进”也是英语学习中很流行的一种提法,不过这种提法时常会误导大学生,使很多人只是去读课本。一项研究表明,90%以上的大学四年级学生从未读过一本超过200页的英文书。生活中有许多简单的例子很说明问题:一名优秀的短距离游泳运动员每天训练时,要游17公里;两岁孩子学说话,每天会不停地说话,这个学习说话的过程直到上小学时,才算结束。按道理讲,一个学生能记住中文词,他应该也能记住英语单词。如果他的记忆只是不接受新的英语单词,实际上是一个学习方法问题,而不是记忆力问题。很明显,在100页书里见到某个词10次与迅速重复背诵这个词100次的效果是不一样的。前一种方法使同学们能永远记住一个词,而后一种方法只能保证短时间的记忆。所以,阅读是记住新单词最好的方法。

与其他许多英语教科书比较,本教科书所选的课文相当长,每篇大约8页。本教科书强调阅读的重要性,通过教师指导下的阅读,同学们找出小词,学会写短句子,从而学会如何用英语表达自己,并使他人理解自己的意思。

教科书的课文涉及6个经济管理的一般领域,它们是微观经济学、宏观经济学、管理信息系统、财政金融、市场学和国际经济学。这些领域对经济学、工商管理 and 财政金融等专业一二年级的大学生来讲,都是十分重要和有趣的。当然,本书也可作为大学里其他专业学生的阅读材料。

美国杰克逊州立大学和澳门大学的一些教授为教科书撰写了课文,并且对一些关键词和概念进行了详细的解释。教授们作了许多工作,我愿意在此向他们表示深深的谢意,感谢克里斯多弗·杰弗瑞在组织撰写工作和撰写时所做的特殊的努力,同时也感谢约

翰·瓦瑞茨、翟根·依恩格、金格劳·阿萨德、余井古、丹尼斯·安亚米尔和詹姆斯·史密斯教授在国际学术交流工作中的辛勤工作。

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1997年7月1日

CONTENTS

PREFACE	1
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PART ONE MICROECONOMICS

The Objectives of Firms in Economics	1
The Role of the Entrepreneur in Economic Development	11
The Use of Opportunity Cost in Economics	22
How Firms Make Pricing Decisions	33

PART TWO MACROECONOMICS

An Introduction to the Theory of Economic Growth ...	42
Role of Fiscal Policy in Promoting Economic Growth	53
Role of Monetary and Financial Policy in Promoting Economics Growth	62
The Business Cycle and Its Universal Relevance	71

PART THREE MANAGEMENT INFORMATION SYSTEM

The Impact of Information Systems Technology	81
The Components of an Information System	90
Application Software	100
Management Information Systems Analysis and Design	111

PART FOUR FINANCE

History of the International Monetary System	121
International Banking	132
Import and Export Financing	143
The Foreign Exchange Market	154

PART FIVE MARKETING

Elements of Marketing	165
Market Segmentation and Target Markets	176
Public Relations: A Marketing Tool in Management Strategy	185
The Rise of China's Joint Ventures in an Interdependent Global Economy	195

PART SIX INTERNATIONAL ECONOMICS

Overview of International Economics	206
International Trade and Growth	218
Trade Policy in Developing Countries	229
Exports and Economic Growth in Developing Economies	240

APPENDIX	252
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PART ONE MICROECONOMICS

The Objectives of Firms in Economics

Economists assume that the principle objective of business firms is to maximize profits. This profit maximizing assumption is useful in analyzing behavior in business enterprises. Economists can easily analyze price and output decisions in firms when profit maximizing behavior is assumed.

The profit maximizing assumption is appealing to economists because it adequately explains the motivation of entrepreneurs and business managers. The entrepreneur's drive for profits will ensure that economic resources are continuously earmarked for activities where such employment is rewarded.¹ Profits reward the entrepreneur for organizing production, making appropriate business decisions, introducing innovations, and assuming risks.

The precedence for using the maximization principle was set forth by Jeremy Bentham during the late 18th and early 19th centuries. Bentham was concerned with maxima and minima of pleasure and pain resulting from alternative actions. Indeed, Bentham employed the words "maximize" and "minimize" in his writings. This utilization of the maxima is the forerunner to the maximization principle used in economics. In economics, the maximization principle is used to analyze the behavior of business firms, consumers, and entire societies.

Augustine Cournot is the first economist to systematically set forth the maximization principle as it applies to the theory of

the firm. Cournot's *Researches into the Mathematical Principle of the Theory of Wealth* written in 1838 developed an almost completed theory of the firm operating in various types of markets. Cournot identified conditions where price declined and output increased, as the number of sellers increased.

Cournot's mathematical and diagrammatical presentation of his theory of the firm drove away many readers. His theory was not touched until the work of Alfred Marshall. Marshall's *Principles of Economics* written in 1890 went through eight editions during his lifetime. Marshall's book contained understandable discussions of many of the basics presented by Cournot. Marshall also added discussions of the representative firm, fixed costs and variable costs, and increasing, decreasing, and constant cost industries to his analysis.²

Edward H. Chamberlin's *The Theory of Monopolistic Competition* in 1933 and Joan Robinson's *Economics of Imperfect Competition* in the same year analyzed market types between competition and monopoly. Indeed, Chamberlin's depiction of market situations was adopted in economics textbooks. The presentation of marginal revenue and marginal cost permeated Robinson's work. Other economists have also contributed to the analysis of profit maximizing behavior in firms.

Profit Maximizing Behavior

The objective of firms operating under purely competitive conditions is to maximize profits. The profit maximizing price and output levels are easily determined in this market structure. In pure competition, there are a very large number of firms in the industry. These firms produce a homogeneous or standardized product with no qualitative differences in output produced.

In the purely competitive model, firms can freely enter or exit the industry. There are no artificial barriers to prohibit firms from entering the industry and producing output. There are few industries that approach the competitive model. Notwithstanding, agriculture in the United States closely approximates the purely competitive situation.

Profit maximizing price and output level in the competitive model are used as a benchmark to compare both real world results and outcomes in other market structures. The profit maximizing price in the competitive model is always lower than in other market situations. The profit maximizing level of output is always greater than in alternative market structures.

The purely competitive situation is the most widely analyzed model because this is considered an ideal market structure. Only in this market situation is there both allocative and productive efficiency. Allocative efficiency notes that only those goods desired by consumers in the market are produced. This desirability is measured in terms of consumers' willingness to spend money for the output produced. Productive efficiency notes that output is produced in the least costly way. The cheapest means of producing output is utilized which economizes on the use of scarce economic resources.

The profit maximizing objective is also applicable for firms operating in other types of market structures: monopolistic competition, oligopoly, and pure monopoly. In monopolistic competition, there are many firms that are producing a differentiated product. Differentiated products are goods that have real or imaginary differences.

Real product differences are those based on the physical attributes of goods. Imaginary differences are created in the mind

of consumers via advertising or sales promotions. Differentiation can also be based on conditions of sales such as a favorable location of the firm. Entry into monopolistic competitive industries by entrepreneurs is relatively easy.

In oligopoly, there are a small number of relatively large firms in the industry. These firms produce either a standardized or differentiated product.³ Entry into the industry is difficult. This is the case because entering firms must produce a large output to realize the lowest per unit cost. In the case of a differentiated oligopoly, financial resources are needed both to develop and promote a differentiated product.

There is only one firm in pure monopoly and entry into the industry is blocked. Monopolies exist because government grants to a single firm the exclusive right to produce the output. The output produced by the monopolist is unique because there are generally no closely substitutable products available. Monopoly is the polar extreme to pure competition.⁴

An Illustration

Profit maximizing price and output levels can be determined using a total revenue and total cost approach. Total revenue is a price times quantity relationship.⁵ It is the number of goods produced multiplied by the selling prices. Total cost is also a price times quantity relationship. It is determined by multiplying the number of goods produced by the cost of producing the units. Firms will maximize profits when the difference between total revenue and total cost is the greatest. Hence, firms will attempt to make total revenue as large as possible while keeping total cost at a minimum.

Profit maximizing behavior of firms can also be determined

using the marginal revenue equals marginal cost approach. Marginal cost is the change in total cost associated with producing one more or one less unit of output. Marginal revenue is the change in total revenue which results when output is increased or reduced by one unit. Marginal revenue equals marginal cost is the most useful approach for firms to determine the profit maximizing level of output. This is the case because firms have direct control over changes in output produced.

The equality of marginal revenue and marginal cost for profit maximization is applicable under each market structure. In all market situations, firms will find it profitable to produce successive units of a product as long as the output produced adds more to revenue than to cost. At the profit maximizing level, the output produced adds the same amount to both the firm's revenue and cost.

For the purpose of illustration, assume a firm can produce 10 bicycles at a total cost of US \$ 2000. The firm is capable of expanding production to 11 bicycles at a cost of US \$ 2500. If production is further expanded to 12 bicycles, the total cost increases to US \$ 2800. Thus, to increase production an additional unit — from 10 to 11 bicycles — the increase in total cost is US \$ 500. The marginal cost for the 11th bicycles is the US \$ 500 additional cost. The marginal cost of increasing output from 11 to 12 bicycles is US \$ 300.

If the selling price for bicycles is US \$ 300 each, the total revenue for selling 10 units is US \$ 3000. Eleven bicycles will generate a total revenue of US \$ 3300 and twelve bicycles US \$ 3600 in revenue. The marginal revenue from increasing the number of bicycles sold from 10 to 11 units is US \$ 300. The marginal revenue is also US \$ 300 when the number of bicycles