



经济学专业英语

主编 潘丽 杨一博

**English in
Economics**

哈尔滨工业大学出版社

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English in Economics

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内 容 简 介

本教材根据我国高等学校双语教学的要求和经济学专业教学的特点,精选英、美最新出版的教科书、专著和杂志中优秀文章,涵盖了经济学专业的主要内容:经济学导论、微观经济学、宏观经济学、动态经济学,在每章后编写了练习题,在编写过程中注重与目前中文经济学教材的编写体例相结合来设计课程体系。本教材特别注重节选内容的质量,大多数是经济学专业学生必读的经典文献。本书内容丰富、专业面广、难度适宜,在内容编排上充分考虑了读者的外语基础,内容难度循序渐进,以方便读者阅读。书后给出经济学专业术语表。

本书不仅可以作为经济学英语和经济学专业的双语教材,同时也可作为从事经济学及相关行业人士英语爱好者的阅读材料。

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前 言

21 世纪是全球经济和贸易一体化的时代,对于商务人才也提出了新的要求。随着我国对外开放步伐的不断加快,近年来对专业英语以及双语教学的需求越来越热切,目前的经济学英语教材往往突出了英语的地位,忽略了专业课程的系统性,而国外原著教材又由于东西方思维方式的不同,以及学生英文水平的限制,使其在专业双语教学中很难被学生接受。这就要求能够有一本内容新颖、深浅适中,既能适于专业英语学习又能兼顾专业课程学习的经济学英语教材。本书正是为满足读者的这一要求而编写的。

本教材有三个特点:(1)有较强的完整性和系统性,内容覆盖了微观经济学、宏观经济学、动态经济学的主要内容。内容编排符合教学规律,读者读后可以对经济学专业课程有一个完整的认识和理解。(2)该书英文比较规范、严谨,这有助于读者对原文的理解和专业英语水平的提高。(3)考虑到读者的实际需求,我们还在书后附了“经济学专用术语表”,以方便查阅和对照。

编者在编写过程中既考虑到了在校经济学专业本科学生和研究生学习上的要求,也考虑到了社会上众多读者的需要。因此,本书的编写始终以简练、实用、有新意为宗旨,内容难度循序渐进。

编者对本书倾注了极大的热情和精力,但是由于自身知识有限,难免出现不妥或错误之处,殷切地希望读者和同仁能够对存在的缺点和疏漏给予斧正。编写过程中,孟雪静、蒋彦庆、李明君和程杰对本书的编写提出了宝贵的修改意见,在此一并感谢。

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CONTENTS

1 Introduction to Economics

1.1 Macro and Microeconomics	2
1.2 Scarcity	4
1.3 Society's Technological Possibilities	5
1.4 Money and Capital	12
1.5 Important Concepts and Definitions	14

Part I Microeconomics

2 Demand and Supply

2.1 Demand	20
2.2 Supply	24
2.3 Equilibrium and Disequilibrium	27
2.4 Shifts in Supply and Demand	34
2.5 Shifts in Equilibrium	40

3 Elasticity of Supply and Demand

3.1 Price Elasticity of Demand	44
3.2 Price Elasticity of Supply	54

4 Consumer Behavior

4.1 Consumer Decision Making	58
4.2 Utility Analysis	59
4.3 Evaluating the Benefits of Consumption	66

5 Production and Costs

5.1 Business Organization	73
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5.2	Theory of Production	77
5.3	Production in the Short-run	83
5.4	Cost	90
5.5	Costs in the Short-run	91
5.6	Production and Cost in the Long-run	93
5.7	Economic vs. Accounting Costs	97
 6 Perfect Competition		
6.1	Conditions for a Perfectly Competitive Environment	100
6.2	Profit Maximization and Equilibrium of a Competitive Firm	102
6.3	Short-run Price and Output Under Perfect Competition	105
6.4	Long-run Price and Output Under Perfect Competition	107
6.5	The Efficiency of Competition	108
 7 Imperfect Competition		
7.1	Monopoly	112
7.2	Oligopoly and Duopoly	116
7.3	Price Discrimination	119
7.4	Restrictions in the Labor Market	121
7.5	Antitrust Policy	122
 8 Game Theory		
8.1	Some Basics	126
8.2	Zero-sum Games and Mixed Strategy	131
8.3	Nash Equilibrium	138
 9 Income Distribution and Market Failure		
9.1	Marginal Productivity	146
9.2	The Demand for Inputs	149
9.3	Market Failure and Government Intervention	155
9.4	Regulation	158

Part II Macroeconomics

10 Measuring Output of the Macroeconomy

10.1	Measuring Total Output — Gross Domestic Product (GDP)	166
10.2	GDP Accounting Complications	171
10.3	How to Measure GDP — Circular Flow of Income and Expenditures	175
10.4	Real GDP	181
10.5	Empirical Applications	183

11 Equilibrium in Product Market and Money Market

11.1	The <i>IS</i> – <i>LM</i> Interactive Graphical Model	186
11.2	Equilibrium	192

12 Fiscal Policy

12.1	Fiscal Policy	194
12.2	Discretionary Fiscal Expenditures vs. Automatic Stabilizers	195
12.3	Federal Government Expenditures	196
12.4	Federal Government Revenues	197
12.5	State and Local Government Spending	199
12.6	State and Local Government Revenues	199
12.7	The Multiplier Model	200

13 Functions of Money

13.1	Functions of Money	204
13.2	Money Supply Measures	205
13.3	The Federal Reserve System	205
13.4	Federal Reserve System Organization	206
13.5	Federal Reserve Tools to Change the Money Supply	206
13.6	Balance Sheets	207
13.7	Fractional Reserve Banking	208
13.8	Required and Excess Reserves	208
13.9	Describe the significance of the Federal Deposit Insurance Corporation	

(F.D.I.C.)	209
13.10 Money Creation	209
13.11 The Velocity of Circulation of Money	212
13.12 The Quantity Theory of Money	213

14 The Keynesian Model

14.1 Simple Keynesian Model	214
14.2 Aggregate Expenditures	217
14.3 Equilibrium	217
14.4 Consumption Function	218

Part III Dynamic Economics

15 Unemployment and Labor Markets

15.1 Specialization	221
15.2 Production Possibilities Curve	227
15.3 Applications of the Production Possibilities Curve	235

16 Unemployment and the Labor Market

16.1 Employment and Unemployment	241
16.2 Labor Market Model	251

17 Measuring Changes in Prices

17.1 Inflation and Deflation	261
17.2 Costs of Inflation	262
17.3 Measuring Inflation with Price Indexes	265
17.4 Causes of Inflation	271

18 Business Cycles

18.1 Characteristics of Business Cycles	275
18.2 Business Cycle Relationships	281
18.3 Forecasting Business Cycles	286

19 Economic Growth

19.1 Compound Rates of Growth	290
19.2 Growth in Income Per Capita	291
19.3 Growth and Recipes	292
19.4 Objects and Ideas	294
19.5 Meta – ideas	297

Part IV Reading Materials

1. Adam Smith-Capitalism's Prophet	300
2. Making Visible the Miracle of the Invisible Hand	304
3. David Hume-Foundations of the Classical School of Economics	306
4. Paper Money and Sound Banking	309
5. Do Low Interest Rates Stimulate Economic Activity?	310
6. The Growth of Growth Theory	312
7. Baby Boom and Bust	315
8. Microeconomics	318
9. Benefit-Cost Analysis	325
10. Gender Gap	330
11. Minimum Wages	335
12. Industrial Concentration	342

Glossary	347
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Introduction to Economics

Economics may appear to be the study of complicated tables and charts, statistics and numbers, but, more specifically, it is the study of what constitutes rational human behavior in the endeavor to fulfill needs and wants.

As an individual, for example, you face the problem of having only limited resources with which to fulfill your wants and needs, as a result, you must make certain choices with your money. You'll probably spend part of your money on rent, electricity and food. Then you might use the rest to go to the movies and/or buy a new pair of jeans. Economists are interested in the choices you make, and inquire into why, for instance, you might choose to spend your money on a new DVD player instead of replacing your old TV. They would want to know whether you would still buy a carton of cigarettes if prices increased by \$2 per pack. The underlying essence of economics is trying to understand how both individuals and nations behave in response to certain material constraints.

We can say, therefore, that economics, often referred to as the "dismal science", is a study of certain aspects of society. Adam Smith (1723 ~ 1790), the "father of modern economics" and author of the famous book *"An Inquiry into the Nature and Causes of the Wealth of*

Nations", spawned the discipline of economics by trying to understand why some nations prospered while others lagged behind in poverty. Others after him also explored how a nation's allocation of resources affects its wealth.

To study these things, economics makes the assumption that human beings will aim to fulfill their self-interests. It also assumes that individuals are rational in their efforts to fulfill their unlimited wants and needs. Economics, therefore, is a social science, which examines people behaving according to their self-interests. The definition set out at the turn of the twentieth century by Alfred Marshall, author of "*The Principles of Economics*", reflects the complexity underlying economics: "Thus it is on one side the study of wealth; and on the other, and more important side, a part of the study of man."

1.1 Macro and Microeconomics

1.1.1 Principles of Macro and Microeconomics

Macro and microeconomics are the two vantage points from which the economy is observed. Macroeconomics looks at the total output of a nation and the way the nation allocates its limited resources of land, labor and capital in an attempt to maximize production levels and promote trade and growth for future generations. After observing the society as a whole, Adam Smith noted that there was an "invisible hand" turning the wheels of the economy: a market force that keeps the economy functioning.

Microeconomics looks into similar issues, but on the level of the individual people and firms within the economy. It tends to be more scientific in its approach, and studies the parts that make up the whole economy. Analyzing certain aspects of human behavior, microeconomics shows us how individuals and firms respond to changes in price and why they demand what they do at particular price levels.

Micro and macroeconomics are intertwined; as economists gain understanding of certain phenomena, they can help nations and individuals make more informed decisions when allocating resources. The systems by which nations allocate their resources can be placed on a spectrum where the command economy is on the one end and the market economy is on the other. The market economy advocates forces within a competitive market, which constitute the "invisible hand", to determine how resources should be allocated. The command economic system relies on the government to decide how the country's resources would be best allocated. In both systems, however, scarcity and unlimited wants force governments and individuals to decide how best to manage resources and allocate them in the most efficient way possible. Nevertheless, there are always limits to what the economy and government can do.

1.1.2 The Invisible Hand Theory

Much of economic theory deals with the pricing mechanism and how the market operates to coordinate individual's decisions. Economists have come to the following insights:

When the quantity supplied is greater than the quantity demanded, price has a tendency to fall.

When the quantity demanded is greater than the quantity supplied, price has a tendency to rise.

Using these generalized insights, economists have developed a theory of markets that leads to the further insight that, under certain conditions, the market will coordinate individuals' decisions, allocating scarce resources efficiently so society moves out to its production possibility curve, not inside it. An efficient economy is one that reaps the maximum amount of outputs from the available inputs. Economists call the insight that a market economy will allocate resources efficiently *the invisible hand theory*.

Theories and the models used to represent them are enormously efficient methods of conveying information, but they're also necessarily abstract. They rely on simplifying assumptions, and if you don't know the assumptions, you don't know the theory. The result of forgetting assumptions could be similar to what happens if you forget that you're supposed to add numbers in columns. Forgetting that, yet remembering all the steps, can lead to a wildly incorrect answer. For example, $471 + 327 = 5,037$ is wrong.

Knowing the assumptions of theories and models allows you to progress beyond gut reaction and better understand the strengths and weaknesses of various economic systems. Let's consider a central economic assumption: the assumption that individuals behave rationally — that what they choose reflects what makes them happiest, given the constraints. If that assumption doesn't hold, the invisible hand theory doesn't hold.

Presenting the invisible hand theory in its full beauty is an important part of any economics course. Presenting the assumptions upon which it is based and the limitations of the invisible hand are likewise an important part of the course.

1.2 Scarcity

Scarcity refers to the tension between our limited resources and our unlimited wants and needs. For an individual, resources include time, money and skill. For a country, limited resources include natural resources, capital, labor force and technology.

Because all of our resources are limited in comparison to all of our wants and needs, individuals and nations have to make decisions regarding what goods and services they can buy and which ones they must forgo. For example, if you choose to buy one DVD as opposed to two video tapes, you must give up owning a second movie of inferior

technology in exchange for the higher quality of the one DVD. Of course, each individual and nation will have different values, but by having different levels of (scarce) resources, people and nations each from some of these values as a result of the particular scarcities with which they are faced.

So, because of scarcity, people and economies must make decisions over how to allocate their resources. Economics, in turn, aims to study why we make these decisions and how we allocate our resources most efficiently.

At the very core of economics is the undeniable truth that we call the law of scarcity, which states that goods are scarce because there are not enough resources to produce all the goods that people want to consume. All of economics flows from this central fact. Because resources are scarce, we need to study how society chooses from the menu of possible goods and services, how different commodities are produced and priced, and who gets to consume the goods that society produces.

1.3 Society's Technological Possibilities

Why are we concerned with the fundamental questions of what, how and for whom? Because people want to consume far more than an economy can produce. Goods are scarce because there are not enough resources to produce all the goods that people want to consume.

Faced with the undeniable truth that goods are scarce relative to wants, an economy must decide how to cope with limited resources. It must choose among different potential bundles of goods (the *what*), select among different techniques of production (the *how*), and decide in the end who should consume the goods (the *for whom*). This section illustrates some of the key choices that every society must make.

1.3.1 Production Possibility Frontier

Consider an economy with only so much labor, so much technical knowledge, so many factories and tools, and so much land, water power, and natural resources. In deciding what shall be produced and how, the economy is deciding in reality just how to allocate its resources among the thousands of different possible commodities. How much land should go into wheat growing? Or into housing the population? How many factories will produce computers? How many will make pizzas?

To answer these complicated questions, under the field of economics, economists use the concept of the production possibility frontier (*PPF*) which represents the point at which an economy is most efficiently producing its goods and services and, therefore, allocating its resources in the best way possible. If the economy is not producing the quantities indicated by the *PPF*, resources are being managed inefficiently and the production of society will dwindle. The production possibility frontier shows there are limits to production, so an economy, to achieve efficiency, must decide what combination of goods and services can be produced.

Let's turn to Figure 1.1. Imagine an economy that can produce only wine and cotton. According to the *PPF*, points *A*, *B* and *C* — all appearing on the curve — represent the most efficient use of resources by the economy. Point *X* represents an inefficient use of resources, while point *Y* represents the goals that the economy cannot attain with its present levels of resources.

As we can see, in order for this economy to produce more wine, it must give up some of the resources it uses to produce cotton (point *A*). If the economy starts producing more cotton (represented by points *B* and *C*), it would have to divert resources from making wine and, consequently, it will produce less wine than it is producing at point *A*.

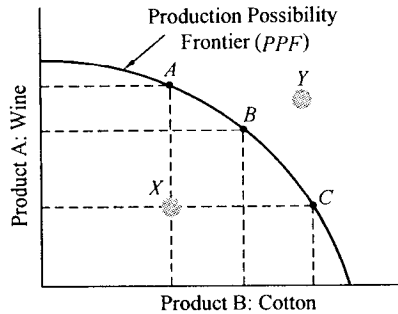


Figure 1.1 Production Possibility Frontier

As the chart shows, by moving production from point *A* to *B*, the economy must decrease wine production by a small amount in comparison to the increase in cotton output. However, if the economy moves from point *B* to *C*, wine output will be significantly reduced while the increase in cotton will be quite small. Keep in mind that *A*, *B*, and *C* all represent the most efficient allocation of resources for the economy; the nation must decide how to achieve the *PPF* and which combination to use. If more wine is in demand, the cost of increasing its output is proportional to the cost of decreasing cotton production.

Point *X* means that the country's resources are not being used efficiently or, more specifically, that the country is not producing enough cotton or wine given the potential of its resources. Point *Y*, as we mentioned above, represents an output level that is currently unreachable by this economy. However, if there was a change in technology while the level of land, labor and capital remained the same, the time required to pick cotton and grapes would be reduced. Output would increase, and the *PPF* would be pushed outwards. A new curve, as shown in Figure 1.2, on which *Y* would appear, would represent the new efficient allocation of resources.

When the *PPF* shifts outwards, we know there is growth in an

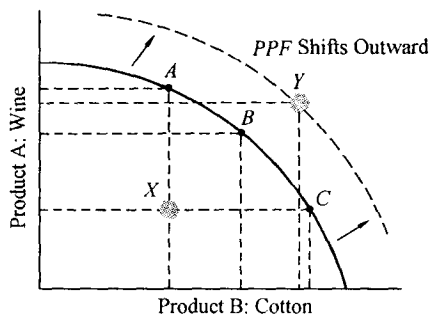


Figure 1.2 Production Possibility Frontier Shifts

economy. Alternatively, when the *PPF* shifts inwards it indicates that the economy is shrinking as a result of a decline in its most efficient allocation of resources and optimal production capability. A shrinking economy could be a result of a decrease in supplies or a deficiency in technology.

An economy can be producing on the *PPF* curve only in theory. In reality, economies constantly struggle to reach an optimal production capacity. And because scarcity forces an economy to forgo one choice for another, the slope of the *PPF* will always be negative; if production of product A increases then production of product B will have to decrease accordingly.

1.3.2 Efficiency

Up to now, we have assumed that the economy was on, rather than inside, the production-possibility frontier. Operating on the frontier implies that the economy is producing efficiently.

Efficiency is one of the central concepts of economics. Efficiency means absence of waste, or using the economy's resources as effectively as possible to satisfy people's needs and desires. More specifically, the economy is producing efficiently when it cannot produce more of one good without producing less of another good — when it is on the production