

● 高等院校财经英语教材 ●

BOOK FOUR
ENGLISH FOR FINANCE
AND ECONOMICS

财经英语

主编 李荣轩 刘正兴

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中南工业大学出版社

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财 经 英 语

主编 李荣轩 刘正兴
王益平 郑开春
胡仕明 李 慧

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主 编：李荣轩 刘正兴

责任编辑：江 河

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编者的话

《财经英语》是集精读教材和泛读教材优点之大成的财经英语教程，它既可作本科院校财经专业学生的精读教材，也可做财经类本科院校学生的泛读教材，亦可做从事经贸工作的同志提高专业英语阅读水平学习之用。

本教程分为四个分册：第一、二分册内容为财经英语基础知识阅读；第三、四分册为财经类课程中各个主要专业方向的专业英语阅读。本系列教程的特点是以现代经济理论为基础，结合我国经济改革和经济发展的实际，向读者推出知识新、信息多、起点适中、覆盖面宽、实用性强的财经专业英语知识。这是与同类型的财经英语教材相比的独具特色之处。本教程为读者提供了一个与当代经济发展相适应的专业英语学习的环境。由于具有上述鲜明的特色，本教程已被评为湖南省省级重点教材。

本教程的每分册各有15个单元，每一单元内由正文Text A、单词、词组和短语、课文注释、练习、补充读物Text B、课文注释及练习等八部分组成。注释尽量用浅近的英语解释课文中的语言难点及特殊现象，帮助读者理解课文；经济术语和固定搭配，均在词组和短语条目中列出。正文Text A后面有一篇课文Text B作为补充读物，并做了注释，为读者提供了同类型题目的阅读材料，以便进一步巩固所学财经专业的有关知识。本书最后附有练习答案以及译文，以方便读者自学参考。

第四分册的课文和补充阅读材料主要选自国外著名经济学家、著名刊物中有关财政学、税收学、会计学、工商学、管理学、经济学、经济法学等方面的文章，稍有删改。本分册的全部内容具有强烈的时代气息、最新的经济信息和有关经济理论的新观点。学完本册课文，读者不仅将会对世界经济建设方面的新动态、新观点有所了解，而且还将大大地提高读者本身的阅读专业英语的能力。

本教程由李荣轩担任主编，刘正兴担任本分册主编，王益平、郑开春、胡仕明、李慧参加编写。

由于时间仓促，编者水平与经验有限，教材中不妥之处在所难免，希望广大读者批评指正。

编者

1996年12月

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Unit 1

Text A

Discretionary Fiscal Policy

The principal weapons of discretionary fiscal policy — programs which involve explicit public decision making — are:

1. Varying public works and other expenditure programs.
2. Varying transfer-expenditure programs.
3. Varying tax rates cyclically.

Public Works When governments first began to do something active about depressions, they tended to initiate work on public-investment projects for the unemployed. Often these were hastily devised. In that they aimed primarily to make work for people, they often were inefficient (e. g., road building that used as little machinery as possible to make the work stretch; leaf raking during the Depression by WPA relief workers; trumped-up pork-barrel projects of low utility and lacking careful planning). The extreme case is the mythical program to dig holes and then refill them.

The day is long past when a modern nation will let its economy collapse to the point where its only rescue must come from hastily contrived and wasteful public-works spending. The modern emphasis has, rightly, shifted away from such "make-work" projects. Indeed, where a recession is expected to be a mild and short one, economists today rely much more on monetary policy than on an increase in public works.

Why this shift away from public works as a recession cure? Planners now realize that it takes *a long time* to get a post office started or to put into effect a road-building or slum-clearance program. Plans must be made; blueprints drawn; land acquired by purchase and court condemnation; buildings razed; new structures and roads built.

All this may take five or more years; and, at the least, half of this time may elapse before any sizable amount of money gets spent on labor and materials. Suppose the recession turns out to last a year at most, followed by two years of steady advance. Then, just in the third year, when the economy may have gone all the way from too little demand to too much demand, there will suddenly come onto the market the government spending intended to help a recession. Such timing would of course make fiscal policy an aggravator of instability, not a reducer.

The above remarks should not be construed as an argument against all public works. Slum clearance, urban rehabilitation, road building, and public construction are deemed by the American people to represent urgent use of social resources. Therefore, such programs should be pushed hard. But — and this is the point — they should not be pushed hard under the guise of a

program designed *merely* to achieve short-run stabilization. They should be carried out for their own sake and over that long period of time which is necessary if they are to be done well and efficiently.

Of course, the case will often arise where the economy is in a recession or pause and where it may be possible to move ahead the date of carrying out a long-term public-expenditure program that Congress has already agreed to anyway. An intelligently planned *shelf* of blueprints for desirable public-works projects, even though some costs would be involved in arranging them ahead of time and keeping them up to date could much improve fiscal timing. As Secretary of Commerce and President, Herbert Hoover long advocated this; and since 1931 we have had such laws.

Welfare Expenditures We saw that existing welfare programs, such as unemployment compensation and old-age retirement payments, do act as automatic stabilizers, rising automatically when incomes fall and needs increase.

In addition to such built-in stabilizers, it is possible for the government to institute various discretionary programs of transfer expenditures that will stabilize further. Thus, the government could refrain from giving some pending veterans' bonus in inflationary times and push forward such disbursements in depressed times. If it intends to lower parity farm payments, Congress might time the change to coincide with a boom period.

Most important, in times of prolonged unemployment the federal government has moderated the decline by aiding the states in prolonging the period for which the jobless can get paid unemployment compensation. It is precisely in times of *sustained* unemployment that the present system is most deficient; and it is in such times that there will be minimal harmful effects on job mobility and incentives from increasing unemployment disbursements and income-maintenance programs.

New Words

discretionary [dis'kreʃənəri]

fiscal ['fiskəl]

explicit [iks'plisit]

expenditure [iks'penditʃə]

utility [ju:'tiliti]

contrive [kən'traiv]

recession [ri'seʃən]

mild [maɪld]

condemnation [ˌkəndəm'neɪʃən]

elapse [i'læps]

construe [kəns'tru:]

deem [di:m]

guise [gaiz]

a. 斟酌决定的

a. 财政的

a. 详述的;明确的

n. 支出,消费

n. 效用,实用

v. 设计;造出

n. 衰退;暴跌

a. 轻微的,适度的,和缓的

n. 没收,征用

v. 过去,消逝

v. 解释,把……认作

v. 认为,相信

n. 伪装;借口

advocate ['ædvəkeɪt]
 institute ['ɪnstɪtjuːt]
 refrain [rɪ'freɪn]
 disbursement [dɪs'bɜːsmənt]
 parity ['pærɪti]
 time [taɪm]
 moderate ['mɒdəreɪt]
 precisely [prɪ'saɪsli]
 pending ['pendɪŋ]

v. 提倡, 拥护
 v. 实行; 创立
 v. 忍住; 制止
 n. 支付, 支出
 n. 平价, 价值相等, 同等
 v. 安排……的时间; 为……选择时机
 v. 使和缓; 使减轻; 节制
 ad. 正好, 恰好
 a. 悬而未决的

Phrases and Expressions

public-investment projects	公共投资工程
short-run stabilization	短期稳定
a long-term public-expenditure program	长期公共支出方案
under the guise of	以……为借口
for their own sake	为……缘故
shift away	把……移到另一地方

Notes

1. This text is slightly adapted from *Economics* written by Paul A. Samuelson (1915—).
2. Paul A. Samuelson, founder of the renowned MIT (Massachusetts Institute of Technology) graduate department of economics, was training at the University of Chicago and Harvard. His many scientific writings brought him world fame at a young age, and he was the first American to receive a Nobel Prize in economics (1970). One of those rare scientists who can communicate with the lay public, Professor Samuelson writes an economics column for *Newsweek*. He testifies often before Congress and serves as academic consultant to the Federal Reserve, the U.S. Treasury, and various private, nonprofit organizations. He was economic adviser to President John F. Kennedy.
3. WPA: Work Projects Administration 工程规划管理处
4. The day is long past when ... 一个现代国家听任它的经济崩溃到只能用草率设计的和浪费的公共工程支出来加以拯救, 这种情况早已过去了。

Exercises

I. Translate the following:

1. 当地政府采取积极措施控制失业。
2. 发达国家也避免不了经济衰退。
3. 这些公共投资工程的主要目的是提供就业机会。
4. 现有的福利方案的确产生着自动稳定器的作用。
5. 现行的补助金制度在持续失业的期间显得不力。
6. A meal that used to cost the same amount as an opera ticket now costs twenty times as

much.

7. Historically, a great variety of commodities has served as at one time or another a medium of exchange.
8. Slum clearance, urban rehabilitation, road building and public construction may take five or more years.
9. In addition to such built-in stabilizers, the government may institute various discretionary programs of transfer expenditures that will stabilize further.
10. The states do their best to prolong the period for which the jobless can get paid unemployment compensation.

II. Comprehension of the text:

A. Answer the following questions:

1. Why did governments tend to initiate work on public-investment project?
2. How were those public-investment projects devised?
3. Why was little machinery used in road building?
4. Why do economists today rely much more on monetary policy than an increase in public works?
5. What does the government do to stabilize the economics in inflationary times?

B. Decide whether the following statements are true or false according to the passage:

6. A modern nation will not let its economy collapse to the point where its only rescue must come from hastily contrived and wasteful public-works spending.
7. The welfare programs, such as unemployment compensation and old-age retirement payments can not act as automatic stabilizers.
8. The government could refrain from giving some pending veteran's bonus in inflationary times and in depressed times.
9. It may be possible for the government to move ahead the date of carrying out a long-term public-expenditure program that Congress has agreed when the economy is in a recession or pause.
10. Modern economists rely much more on an increase in public projects to deal with the recession than on monetary policy.

III. Fill in the blanks with words or phrases given below. Change the form where necessary:

for the sake of act as under the guise of prolong coincide with
least involve in shift inefficient active

1. She is taking an _____ part in the family affairs.
2. Smith works hard, but he is _____.
3. The center of interest _____ from Vienna to Berlin.
4. Young people are the _____ conservative.
5. Large number of foreign agents have been sent to African countries _____ engineers and technicians.
6. Tom and father walk to work _____ saving a few dollars.
7. They were once _____ an argument with me on the question.

8. He _____ chairman in my absence.
9. Does the witness's story _____ that of the defendant?
10. Good care may _____ a sick person's life.

Text B

Economics of Law

Even the law schools are finding themselves invaded by the economists.

Is no-fault insurance a good or bad thing? Is it better *to pass an ordinance prohibiting* a factory from issuing smoke in a certain zone? Or better, rather, *to tax the factory for any effluents* it does spit out into the atmosphere? Or perhaps better still to let all whose persons or property are harmed by the smoke emitted *have the right to sue* the business for the tort committed against them?

Each such issue is one that lends itself to economic analysis of the quantitative incidence of each alternative procedure. Other legal issues that economics can throw light on *may even involve life and death*.

Thus, when the drug thalidomide was first put on the market as a sleeping remedy, it was not realized that a pregnant woman who takes it might give birth to deformed offspring. Here and abroad pharmaceutical companies were sued for having caused such defects. And regulations were promulgated withdrawing thalidomide from production and sale. All this seems straightforward.

Economists and statisticians have pointed out, however, that the problem is more complicated than judges and legislatures have realized. When you tighten up the regulation of new drugs, you may prevent from happening the error of permitting sale of a harmful drug.

But in avoiding one kind of error, you may increase the incidence of another kind of error: *tight drug regulation delays the time when some new good drug can come into use*, thereby causing some people to die or be sick who would be well in the absence of tight regulation. strict rules on drugs may also discourage firms from investing in experimentation and development of sorely needed new drugs, for the reason that the firm fears its liability in the regime of strict regulation.

The moral is not that economic analysis teaches us to be soft in our regulation of drugs. The true moral is that it tells us that we must weight the two kinds of errors that are inseparably involved in any experimental improvements in the art of medicine. One must by intelligent calculation of the ineluctable risks compromise at some approximation to a golden mean. Every boon to humanity has had dishygienic reactions on some subset of the populace; there can be no total avoidance of risk. On the other hand, to let any firm that can make a fast buck selling what the populace and physicians may not realize is a harmful preparation would represent a perverse condition of *laissez-faire* not calculated to realize the *summum bonum*.

Even crime and punishment are susceptible to economic analysis. Does crime pay? If there were no police and courts and never any punishments or deterrents to crime, more people would find themselves rewarded for engaging in illegal activity. On the other hand, if strong locks are employed, if private and public guards maintain a vigilant watch, if apprehension is likely, if trial is swift and the jury and judge can be presumed to be quite accurate in distinguishing between the truly guilty and the innocent, that part of crime which is undertaken in the rational hope of reward may be reduced in total amount.

Economics of Love and Altruism That part of economics which deals with ethical rights and wrongs, so-called welfare economics, has a good deal to say about such subjects as charity and selfishness. We've already met the tired and rather empty truism often attributed to economics that "There is no such thing as a free lunch." This has a germ of truth in it when attention is being called to the fact that you can't build a city hall without using up resources that might have been usefully employed elsewhere; and it gives a salutary reminder that people on the street don't usually hand you one-hundred-dollar bills.

New Words

ordinance [ˈɔːdɪnəns]	n. 法令; 条例
effluent [ˈefluənt]	n. 流出物
emit [iˈmɪt]	v. 散发
sue [sjuː]	v. 控告, 控诉
thalidomide [θəˈlɪdəmɪd]	n. (一种能使胎儿发生畸形的) 镇静剂
remedy [ˈremɪdi]	n. 药物
deform [dɪˈfɔːm]	v. 损坏……的形状, 使变丑
offspring [ˈɔːfsprɪŋ]	n. 子孙, 后裔
pharmaceutical [ˌfɑːməˈsjuːtɪkəl]	a. 药学的; 药物的
promulgate [ˈprɒməleɪt]	v. 颁布, 公布
liability [ˌlaɪəˈbɪləti]	n. 责任
moral [ˈmɔːl]	n. 道德上的教训; 寓意
ineluctable [ˌɪnɪˈlʌktəbl]	a. 不可避免的, 必然发生的
approximation [əˌprɒksɪˈmeɪʃən]	n. 近似; 近似值
boon [buːn]	n. 恩惠; 裨益; 方便
dishygienic [ˌdɪʃaɪˈdʒɪnɪk]	a. 不卫生的, 有害健康的
perverse [pə(ː)ˈvɜːs]	a. 违反常情的, 不正当的
laissez-faire [ˌleɪseɪˈfeɪə]	n. 自由放任
summum bonum [ˌsʌnməmˈbəʊnəm] (拉)	至善
susceptible [səˈseptəbl]	a. 易受影响的
deterrent [dɪˈterənt]	n. 制止物, 威慑物
apprehension [ˌæpriˈhenʃən]	n. 逮捕, 拘押
presume [priˈzjuːm]	v. 假定, 假设
vigilant [ˈvɪdʒɪlənt]	a. 警惕的; 警醒的

Unit 2

Text A

Summary of Debt Burdens-Benefits

1. Capital-Bequeathed Burden

The principal way one generation puts a burden on itself later or on a later generation is by bequeathing it less real capital than would otherwise have been the case. Any growth of public debt that has this effect — as in the case of full-employment borrowing for current public consumption that has to be offset by contractionary monetary policy which will lower investment — most definitely does involve a genuine “burden”.

2. External-debt Burden

Any public debt that is externally held does involve a current burden on the citizens at home, since in the end they have to send goods abroad corresponding to the interest payments and debt service. (Of course, if the original borrowing from abroad resulted in equivalent new and fruitful capital goods here, their fruits would cover the external-debt service; so the net effect of such external borrowing, taken as a package, would be favorable to us.)

3. Transfer Effects

Taxing Pia to pay Paula bond interest, even if they are the same person, is certain to cause some harmful distortions of personal and business decisions. (Example: Pia is taxed 10 per cent of her income to pay herself \$1,000 of bond interest. She is under the illusion, and rightly so as an individual, that she can work less and cut down on her tax; but if all do so, we have to increase the tax rate. Result: We all end up working less because taxes on each person matched by equal interest payments to each do not economically cancel out!)

Correlated with public-debt operations, but not always in a simple way, are certain transfers that take place between different individuals living at the same time, between the same individual at different periods of life, and between successive generations. Let's see how.

4. Wealth stimulus to Consumption

The existence of public debt, for reasons already seen, makes the average person feel wealthier. For good or evil, it raises the propensity-to-consume schedule; this may, in a poorly functioning system, be a great thing to reduce unemployment and increase both consumption and investment. But in a system where employment can be counted on to remain full by virtue of price flexibility, luck, or monetary management, the increase in C may be at the expense of I and

worsen the less-capital-bequeathed burden. (In extreme cases, a dollar of public debt might ultimately kill off a dollar of real capital!)

5. Effects on Interest and Money Policy

A large debt gives the Fed great leverage for massive open-market operations to achieve stabilization — unless, as in 1946 – 1951, the central bank is pressured by the government to sacrifice the goal of stabilization to the dubious goal of keeping down the interest charges on the public debt. Many experts believe that the existence of a broad market in government securities makes possible extensive open-market operations of a stabilizing type and tends to enhance the effectiveness of monetary policy. Debt management by the Treasury and the Fed, through a proper policy of open-market operations in bonds of all maturities properly carried out, could enhance the stability of a modern system.

6. How to Analyze True Debt Effects

We must render unto intermediate and advanced texts what is theirs. Suffice it to say here that penetrating analysis requires a theoretical model of some complexity. At the least, it should involve the interplay of three kinds of assets: real capital goods (equipment, plant, etc.); government bonds; supply of money, M (which is the non-interest-bearing, never-maturing “debt” of government.)

“What is the absolute burden of the public debt?” Rather, we’ll want to ask: “Given the choice of loan-financed deficit over M -financed or over laissez faire (with the possible unemployment this latter may imply), what will the differential effects be?”

7. Effects on Discipline and Ideology

It would be a tragedy if people, in giving up their irrational fears of deficit spending, were thereby led to call the sky the limit. Unlimited spending can produce inflation, chaos, and waste.

It is to be hoped that the discipline of rationality can replace the discipline of superstition and misunderstanding. After the shibboleth of a balanced budget has lost its power to limit public spending, the good society will have to replace it by a calculus of cost-and-benefit.

New Words

bequeath [bi'kwɪ:ð]	v. 把……给予后代, 把……传下
offset ['ɒfset]	v. 抵销; 补偿
contractionary [kən'trækʃənri]	a. 收缩性的
equivalent [i'kwɪvələnt]	a. 相等的, 等值的
fruitful ['fruɪtful]	a. 富有成效的, 果实结得多的
net [net]	a. 净得的, 纯净的
package ['pækɪdʒ]	n. 一揽子交易
bond [bɒnd]	n. 公债, 债券
distortion [dis'tɔ:ʃən]	n. 变形, 曲解

cancel [ˈkænsəl]	vn. 抵销;取消
correlate [ˈkɒrɪleɪt]	v. 相互关联
propensity [prəˈpensɪti]	n. 倾向
flexibility [ˌfleksəˈbɪləti]	n. 机动性,灵活性
leverage [ˈlevərɪdʒ/ˈliːvərɪdʒ]	n. 杠杆作用
dubious [ˈdjuːbjəs]	a. 半信半疑的,暧昧的
maturity [məˈtjʊərɪti]	n. 到期,到期日
enhance [ɪnˈhɑːns]	v. 提高,增加
render [ˈrendə]	v. 放弃,让与
suffice [səˈfaɪs]	v. 足够;有能力;满足……的需要
penetrate [ˈpenɪtreɪt]	v. 识破,看透
asset [ˈæset]	n. 财产,资产
deficit [ˈdefɪsɪt]	n. 赤字,亏空额
laissez-faire [ˈleɪseɪˈfeɪə]	n. 放任主义,不干涉主义
tragedy [ˈtrædʒɪdi]	n. 悲剧,惨事
irrational [ɪˈræʃənəl]	a. 无理性的
chaos [ˈkeɪɒs]	n. 混乱
rationality [ˌræʃəˈnælɪti]	n. 合理性
shibboleth [ˈʃɪbəlɪθ]	n. 口号,口令
calculus [ˈkælkjʊləs]	n. 计算

Phrases and Expressions

for good or evil	不论是好是坏
by virtue of	凭借,依靠……;由于
open-market operations	公开市场业务
suffice it to say that...	只要说……就够了
cost-and-benefit	代价与益处

Notes

1. This text is slightly adapted from *Economics* written by Paul A. Samuelson (1915—).
2. In extreme cases, a dollar of public debt might ultimately kill off a dollar of real capital.
在极端的情况下,一美元的公债最终可以造成一美元的实际资本的减少。
3. loan-financed deficit 公债赤字预算
4. After the shibboleth of a balanced budget has lost its power to limit public spending, the good society will have to replace it by a calculus of cost-and-benefit. 平衡预算失掉了其限制政府支出的作用之后,良好的社会应该用代价与益处的分析来代替它。

Exercises

I. Translate the following:

1. 美国的公债主要来自第二次世界大战。

2. 他们指出,灾难性的通货膨胀在历史上是屡见不鲜的。
3. 我们不要忘记,一个国家的实际国民产值是一个永远上升的数字。
4. 他们看到债务在增长,却忘记了其他事物也在增长。
5. 持有公债使得一般人感到富有。
6. Economists appraise the debt's true burden and diagnose its problems in a way significantly different from that of the general public.
7. The main way that one generation can put a burden on a later generation is by currently using up the nation's stock of capital goods.
8. Many people used to predict the end of the world when the debt reached one-hundredth, one-tenth, and one-fifth of its present level.
9. What does the federal government use to pay its debt interest and refunding? Obviously, it is the taxable capacity of the country's national product that any government can ultimately rely on.
10. At any one time there is no "net burden" of such internal transfers — in the sense of the net subtraction involved in the external debt payment.

II. Comprehension of the text:

A. Answer the following questions:

1. Do you think that contractionary monetary policy will lower investment?
2. Why do they have to send goods abroad corresponding to the interest payment and debt service?
3. What burden does public debt have?
4. How to analyse the true debt effects?
5. What can unlimited spending produce?

B. Decide whether the following statements are true or false according to the passage:

6. Any public debt does involve a current burden on the citizens.
7. People can work less to cut down on their tax according to the passage.
8. Transfers are not correlated with public-debt operations.
9. The existence of a broad market in a government securities makes possible extensive open-market operations of a stabilizing type.
10. Limited spending may not produce inflation, chaos, and waste according to the author.

III. Fill in the blanks with proper words or phrases given below. Change the form where necessary:

correspond to	cut down	take place	reduce	render
by virtue of	produce	result in	replace	capital

1. Her expenses do not _____ her income.
2. The company has enough _____ to build another factory.
3. I won the day in virtue of hard fighting while he promoted _____ his abilities.
4. The accident _____ only a block from my home.
5. We should still _____ expenses this year.