

ECONOMIC ENGLISH

经济英语

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前 言

《经济英语》将英语与经济学、管理学等方面的专业知识相结合,以英语阐述专业知识,并加深经济学等相关经济类和管理类专业学生对专业英语词语(词汇)的理解,旨在提高学生阅读专业文献和运用专业英语的能力。

本教材是编者根据多年的教学实践与经验,按照原西北农业大学内部教材《经济英语》(霍学喜、郑少锋主编,1999年2月印刷)的结构框架,在充分吸收经济学、管理学等方面的英语原版教材内容的基础上形成的。教材在题材选择上尽量做到多样化,以拓宽学生知识面,扩大学生视野。另一方面,教材兼顾了经济学、管理学英语语言的应用和经济学、管理学专业知识两个方面,使学生在锻炼经济英语应用能力的同时,又可以学到经济学、管理学等方面的知识。为了使学生便于学习,能够准确理解与灵活应用经济学、管理学语言,教材对各章节课文中的一些专业词语(汇)作了注释,同时补充了一些有关的常用短语。

按照逻辑关系,本教材规划为十一章。第二章至第七章由霍学喜编写;第一章、第八章和第九章由邵珎群、李录堂编写;第十章由邓俊锋和李桦编写;第十一章由庞晓玲和董银果编写。全书由霍学喜、邵珎群统稿、审定。

本教材主要适用于经济学、金融学、国际贸易、管理学、财务会计、工商管理等本科专业的专业英语教学使用。

在本教材编写过程中,我们还参考了国内外出版的大量研究成果,在此谨向这些成果的完成者和拥有者表示衷心的感谢!此外,由于我们水平有限,教材中疏漏之处恐所难免,敬请同行与广大读者批评指正。

编 者

2002年11月

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CHAPTER 1

The Scope and Method of Economics

The study of economics should begin with a sense of wonder. Pause for a moment and consider a typical day in your life. For breakfast you might have bread in a local bakery with flour produced in Minnesota from wheat grown in Kansas and bacon from pigs raised in Ohio packaged in plastic made in New Jersey. You spill coffee from Colombia on your shirt made in Texas from textiles shipped from South Carolina.

You use or consume tens of thousands of things, both tangible and intangible, everyday: buildings, the music of a rock band, the compact disc it is recorded on, telephone services, staples, paper, toothpaste, tweezers, soap, a digital watch, fire protection, antacid tablets, beer, banks, electricity, eggs, insurance, football fields, computers, buses, rugs, subways, health services, sidewalks, and so forth. Somebody made all these things. Somebody decided to organize men and women and materials to produce them and distribute them. Thousands of decisions went into completion. Somehow they got to you.

Some countries are wealthy. Others are impoverished. Some are growing. Some are stagnating. Some businesses are doing well. Others are going bankrupt.

At any moment in time every society faces constraints imposed by nature and by previous generations. Some societies are handsomely endowed by nature with fertile land, water, sunshine, and natural resources. Others have deserts and few mineral resources. Some societies receive much from previous generations—art, music, technical knowledge, beautiful buildings, and productive factories. Others are left with overgrazed, eroded land, cities leveled by war, or polluted natural environments. All societies face limits.

Economics is the study of how individuals and societies choose to use the scarce resources that nature and previous generations have provided. The key word in this definition is choose. Economics is a behavioral science. In large measure it is the study of how people make “choose”.

A. WHY STUDY ECONOMICS?

There are four main reasons to study economics; to learn a way of thinking, to understand society, to understand global affairs, and to be an informed voter.

TO LEARN A WAY OF THINKING

Probably the most important reason for studying economics is to learn a particular way of

thinking. A good way to introduce economics is to review three of its most fundamental concepts: opportunity cost, marginalism and efficient markets. If your study of economics is successful, you will find yourself using these concepts every day in marketing decisions.

Opportunity Cost What happens in an economics is the outcome of thousands of individual decisions. Households must decide how to divide up their incomes over all the goods and services available in the marketplace. Individuals must decide whether to work or not to work, whether to go to school, and how much to save. Businesses must decide what to produce, how much to produce, how much to charge, and where to locate. It is not surprising that economic analysis focuses on the process of decision making.

Nearly all decisions involve trade-offs. There are advantages and disadvantages, costs and benefits, associated with every action and every choice. A key concept that recurs again and again in analyzing the decision-making process is the notion of opportunity cost. The full “cost” of making a specific choice includes what we give up by not making the alternative choice. That which we forgo, or give up, when we make a choice or a decision is called the opportunity cost of that decision.

The concept applies to individuals, businesses, and entire societies. The opportunity cost of going to a movie is the value of the other things you could have done with the same money and time. If you decide to take time off in lieu of working, the opportunity cost of your leisure is the pay that you would have earned had you worked. Part of the cost of a college education is the income you could have earned by working full time instead of going to school. If a firm purchases a new piece of equipment for \$ 3000, it does so because it expects that equipment to generate more profit. There is an opportunity cost, however, since that \$ 3000 could have been deposited in an interest-earning account. To a society, the opportunity cost of using resources for military hardware is the value of the private/civilian goods that could have been produced with the same resources.

Marginalism and sunk costs A second key concept used in analyzing choices is the notion of marginalism. In weighing the costs and benefits of a decision, it is important to weigh only the costs and benefits that are contingent upon the decision. Suppose, for example, that you lived in New Orleans and that you were weighing the costs and benefits of visiting your mother in Iowa. If business required that you travel to Kansas City, the cost of visiting Mom would be only the additional, or marginal, time and money cost of getting to Iowa from Kansas City.

There are numerous examples in which the concept of marginal cost is useful. For an airplane that is about to take off with empty seats, the marginal cost of an extra passenger is essentially zero; the total cost of the trip is essentially unchanged by the addition of an extra passenger. Thus, setting aside a few seats to be sold at big discounts can be profitable even if the fare for those seats is far below the average cost per seat of making the trip. As long as the airline succeeds in filling seats that would otherwise have been empty, doing so is profitable—marginal revenue is greater than marginal cost.

Efficient Markets—No Free Lunch Suppose you are driving on a three-lane highway and you come upon a toll plaza with six toll booths. Three toll booths are straight ahead in the three lanes of traffic, and the three other booths are off to the right. Which lane should you choose? It is usually the case that the wait time is approximately the same no matter what you do. There are usually enough people searching for the shortest line so as to make all the lines about the same length. If one line is much shorter than the others, cars will quickly move into it until lines are equalized.

As you will see later, the term profit in economics has a very precise meaning. Economics, however, often loosely refer to “good deals” or risk-free ventures as profit opportunities. Using the term loosely, a profit opportunity exists at the toll booths if one line is shorter than the others. In general, such profit opportunities are rare. At any one time there are many people searching for such opportunities, and as a consequence few exist. At toll booths it is seldom the case that one line is substantially shorter than the others. Markets like this, where any profit opportunities are eliminated almost instantaneously, are said to be efficient markets.

The common way of expressing the efficient markets hypothesis is “there’s no such things as a free lunch.” How should you react when a stockbroker calls up with a hot tip on the stock market? With skepticism, there are thousands of individuals each day looking for hot tips in the market, and if a particular tip about a stock is valid there will be an immediate rush to buy the stock, which will quickly drive its price up. By the time the tip gets to your broker and then to you, the profit opportunity that arose from the tip (assuming that there was one) likely has disappeared. Similar arguments can be made for bond markets and commodity markets, where there are many experts who take quickly advantage of any news that affects prices.

The study of economics teaches us a way of thinking and helps us make decisions.

TO UNDERSTAND SOCIETY

Another reason for studying economics is to understand society better. You cannot hope to understand how a society functions without a basic knowledge of its economy, and you can not understand a society’s economy without knowing its economics history. Clearly, past and present economic decisions have an enormous influence on the character of life in a society. The current state of the physical environment, the level of material well-being, and the nature and number of jobs are all products of the economic system.

To get a sense of the ways in which economic decisions have shaped our environment, imagine that you are looking out of a window on the top floor of a high-rise office building in any large city. The workday is about to begin. All around you are other tall glass and steel buildings full of workers. In the distance you see the smoke of factories. Looking down, you see thousands of commuters pouring off trains and buses, and cars backed up on freeway exit ramps. You see trucks carrying goods from one place to another. You also see the face of urban poverty: Just beyond the freeway is a large public housing project and, beyond that, burned-out and boarded-up buildings.

What you see before you is the product of millions of economic decisions made over hundreds of years. People at some point decided to spend time and money building those buildings and factories. Somebody cleared the land, laid the tracks, built the roads, and produced the cars and buses.

Not only have economic decisions shaped the physical environment, they have determined the character of society as well. At no time has the impact of economic change on the character of a society been more evident than in England during the late eighteenth and early nineteenth centuries, a period that we now call the Industrial Revolution. Increase in the productivity of agriculture, new manufacturing technologies, and the development of more efficient forms of transportation led to a massive movement of the British population from the countryside to the city. At the beginning of the eighteenth century, approximately two out of three people in Great Britain were engaged in agriculture. By 1812, only one in three remained in agriculture, and by 1900 the figure was fewer than one in ten. People jammed into overcrowded cities and worked long hours in factories. The world had changed completely in two centuries—a period that, in the run of history, was nothing more than the blink of an eye.

It is not surprising that the discipline of economics began to take shape during this period. Social critics and philosophers looked around them and knew that their philosophies must expand to accommodate the changes. Adam Smith's *Wealth of Nations* appeared in 1776. It was followed by the writings of David Ricardo, Karl Marx, Thomas Malthus, and others. Each tried to make sense out of what was happening. Who was building the factories? Why? What determined the level of wages paid to workers or the price of food? What would happen in the future, and what should happen? The people who asked these questions were the first economists. Similar changes continue to affect the character of life today. In 1994 the number of jobs in the United States increased by more than 4 million, but nearly 8 million people who wanted a job could not find one. While the economy was growing, the wages of many workers were falling relative to the cost of living. At the same time, baseball players, many of whom make in excess of a million dollars a year, went on strike. While the Mexican economy has been booming since the United States and Mexico signed a trade treaty in 1993, thousands of Mexicans continue to pour into the United States each week. How does one make sense of all of this? Why do we have unemployment? What forces determine wages? Why is it that baseball players can command such high salaries? What are the ramifications of continued immigration into the United States?

The study of economics is an essential part of the study of society.

TO UNDERSTAND GLOBAL AFFAIRS

A third reason for studying economics is to understand global affairs. News headlines are filled with economic stories; a potential trade war between the United States and the European Union, the struggle to prevent further collapse of the economies of Eastern Europe and the former Soviet Union, starvation and poverty in Africa.

All countries are part of a world economy, and understanding international relations begins with a basic knowledge of the economic links among countries. For centuries countries have attempted to protect their industries and workers from foreign competition by taxing imports and limiting the number of certain imports. Most economists argue, however, that unrestricted trade is in the long-run interest of all countries. Just after World War II many countries signed the General Agreement on Tariffs and Trade (GATT), in which they committed to lowering trade barriers. The process continues today as the Congress debates the most recent version of the GATT. The issue is a passionate one. French farmers, fearing the effects of cheap imports on their livelihood, protested strongly when France committed to signing the new GATT. Labor unions in the United States vowed to defeat any politicians who voted to ratify the North American Free Trade Agreement (NAFTA) with Mexico in 1993 and the GATT in 1995.

Americans are investing heavily in industries in countries like Indonesia and China. During the 1980s the Japanese bought billions of dollars' worth of U. S. real estate, shares of corporate stocks, and government bonds. During the 1990s the Japanese, suffering economic problems at home, have pulled back, with important consequences for the United States. The end of the apartheid laws that legally separated the races in South Africa has created a new climate for international investment in that country.

The Iraqi invasion of Kuwait in 1990 and the resulting Persian Gulf War in 1991 sent world oil markets on a wild ride and in part led to recession (a period of decreasing output and rising unemployment) in the United State. Meanwhile, the countries of Eastern Europe are struggling to create from the ground up economic and social institutions that took centuries to build in the West.

Another important issue in today's world is the widening gap between rich nations and poor nations. In 1995 world population was about 5.7 billion. Of that number, 4.3 billion lived in less-developed countries and 1.4 billion lived in more-developed countries. The 75% of the world's population that lives in the less-developed countries receives less than 20% of the world's income. In dozens of countries, per capita income is only a few hundreds dollars a year.

An understanding of economics is essential to an understanding of global affairs.

TO BE AN INFORMED VOTER

A knowledge of economics is essential to be an informed voter. During the last 2.5 years, the U. S. economy has been on a roller coaster. In 1973 — 1974, the Organization of Petroleum Exporting Countries (OPEC) succeeded in raising the price of crude oil by 400 percent. Simultaneously, a sequence of events in the world food market drove food prices up by 25 percent. By mid-1974, prices in the United States were rising across the board at a very rapid rate. Partially as a result of government policy to fight runaway inflation, the economy went into a recession in 1975. (An inflation is an increase in the overall price level in the

economy.) The recession succeeded in solving price increase, but in the process million found themselves unemployed.

From 1979 through 1983, it happened all over again. Prices rose rapidly, the government reacted with more policies designed to stop prices from rising, and the United States ended up with an even worse recession in 1982. By the end of that year, 10.8% of the work force was unemployed. Then, in mid-1990—after almost eight years of strong economic performance—the U. S. economy went into another recession. During the third and fourth quarters of 1990 and the first quarter of 1991, gross domestic product (GDP, a measure of the total output of the U. S. economy) fell, and unemployment again increased sharply.

The recession of 1990—1991 was followed by a very slow recovery, which became the sky issue in the 1992 presidential election. Exit polls on election day, November 3, 1992, showed that the number one issue on people's minds was the economy. Indeed, the three presidential debates among former president Bush, H. Ross Perot, and President Clinton focused on the candidates' positions on economic issues.

Many of the issues debated during the last election have resurfaced as President Clinton defends his record against opponent's attacks as he heads into the 1996 election. Health-care reform, international trade agreements, economic relations with China and Eastern Europe, and tax policy and deficit reduction remains at the center of debate. But now Clinton will be judged in part by how well the economy actually performed while he was in office. Although the economy grew in 1993 and 1994, voters expressed their continuing frustration about economic matters by voting against incumbent Democrats in the midterm elections of 1994.

When we participate in the political process, we are voting on issues that require a basic understanding of economics.

New Words

- bacon *n.* 腌或熏之猪肉(尤指脊肋肉)
- refine *vt.* to make pure or improve esp. by removing unwanted material 精炼、精制
- antenna *n.* 天线
- tangible *adj.* real or not imaginary 确实的;可触知的;实质的
- tweezers *n.* 镊子
- antacid *adj.* 抗酸的
- trillion *n&pron.* 一兆,一万亿
- petroleum *n.* 石油
- condominium *n.* apartment building in which each apartment is owned separately by the people living in it, but the shared areas are owned by everyone 公寓房
- impoverished *adj.* poor and without money to live 贫困的;用尽了的
- stagnate *vi.* 不流动,呆滞;不发展
- endow *vt.* to give money to pay for creating, or for providing an income for 捐赠,赋予;禀赋

- overgrazed *adj.* 过度放牧的
 eroded *adj.* 侵蚀的, 腐蚀的
 forgo *vt.* to stop having or not do something 放弃
 lieu *n.* 场所, 常以 in lieu of 形式出现, 意为“作为……的替代”
 scarce *adj.* not easy to find or obtain 稀缺的; 缺乏的
 varsity *n.* 大学; 大学体育运动比赛的代表队
 contingent *adj.* depending on (after *v.* ; always + on/upon) 有条件的
 plaza *n.* an open area or square in a town 露天广场, 汽车停放场
 precise *adj.* exact and accurate in form, time, detail or description 精确的, 准确的
- hypothesis *n.* (pl. hypotheses) 假说, 假设; 学说
 skepticism *n.* 怀疑
 broker *n.* 经纪人
 commuter *n.* 长期车票使用者; 经常往来于某两地之间
 evident *adj.* easily seen or understood 明显的; 明白的
 jam *vt.* push (always + *adv.* / *prep.*) 挤; 堵; 压
 ramification *n.* 分枝; 结果
 collapse *n.* 倒塌, 崩溃; 瓦解
 starvation *n.* 饥饿; 匮乏
 poverty *n.* 贫穷; 瘦弱
 unrestricted *adj.* without limitation 无限制的, 不受约束的; 自由的
 passionate *adj.* 热情的, 热烈的; 易怒的
 vow *n.* 誓言, 誓约
 ratify *vt.* 批准, 承认
 apartheid *n.* 种族隔离(制度)
 invasion *n.* 侵入, 侵犯; 攻击
 recession *n.* 经济萧条
 incumbent *adj.* 依靠的, 负有义务的

Notes

1. interstate highway system 州际高速公路系统
2. Louisiana 路易斯安娜(美国州名)
3. Saudi Arabian 沙特阿拉伯人
4. opportunity cost 机会成本
5. marginalism 边际主义
6. efficient market 有效市场
7. trade-off 交换, 协定
8. sunk cost 旁置成本, 沉没成本
9. New Orleans 新奥尔良
10. Iowa 爱阿华州

11. marginal cost 边际成本
12. toll booth (桥、公路等的)收费亭
13. profit opportunity 机会收益
14. hot tip 股票或债券的最高涨点
15. Industrial Revolution: The period in England during the late eighteenth and early nineteenth centuries in which new manufacturing technologies and improved transportation gave rise to the modern factory system and a massive movement of the population from the countryside to the cities 工业革命
16. Wealth of Nations 《国富论》
17. European Union: the organization through which European governments who choose to be members make decisions and agree on action in social and economic matters 欧盟
18. General Agreement on Tariffs and Trade (GATT which was the former of WTO): an international agreement, which more than 100 countries have signed, to end rules which reduce levels of trade between countries 关贸总协定
19. trade barrier 贸易壁垒
20. North American Free Trade Agreement (NAFTA) 北美自由贸易协定
21. Iraqi 伊拉克人 Kuwait 科威特
22. Persian Gulf War 波斯湾战争, 即海湾战争

Exercises

I. Multiple Choices

1. There are many reasons to study economics, except _____.
 - a. to learn a way of thinking
 - b. to understand society
 - c. to understand global affairs
 - d. to be a good bargainer
2. Opportunity cost applies to all followings but _____.
 - a. individuals
 - b. businesses
 - c. entire societies
 - d. educations
3. Economics is the study of _____.
 - a. how individuals choose to use the scarce resources
 - b. how societies choose to use the scarce resources
 - c. the scarce resources that previous generations and nature have provided
 - d. dealing with the functioning of individual markets
4. When we make a choice or a decision, we had better use the principle of _____.
 - a. microeconomics
 - b. sunk cost
 - c. opportunity cost
 - d. macroeconomics
5. Oppurtunity costs arise because _____.
 - a. time is limited
 - b. resources are scarce
 - c. it is difficult to look for a job

- d. players in varsity team should spend more time improving their academic work
- 6. Marginal cost is the cost of _____.
 - a. producing all products
 - b. producing one unit of output
 - c. producing more than one unit of output
 - d. producing one more unit of output
- 7. According to the author, the saying that “No Free Lunch” means _____.
 - a. that if you want to have a lunch, you must pay money
 - b. that very few profit opportunities exist can carried too far
 - c. that it is impossible to find a twenty-dollar bill on the sidewalk
 - d. none of above

I. Please answer the following questions

1. One of the scarce resources that constrain our behavior is time. Each of us has only 24 hours in a day. How do you go about allocating your time in a given day among competing alternatives? Once you choose a most important use of time, why do you not spend all your time on it?
2. For each of the following situations, identify the full cost (opportunity cost) involved:
 - a. A worker earning an hourly wage of \$8.50 decides to cut back to half time in order to attend Houston Community College.
 - b. Sue decides to drive to Los Angeles from San Francisco to visit her son, who attends University of California at Los Angeles. (加州大学洛杉矶分校)
 - c. Tom decides to go to a wild fraternity party and stays out all night before his physics exam.
 - d. Annie spends \$200 on a new dress.
 - e. The Confab Company spends \$1 million to build a new branch plant that will probably be in operation for at least 10 years.
 - f. Alex's father owns a small grocery store in town. Alex works 40 hours a week in the store but receives no compensation.

B. THE SCOPE OF ECONOMICS

Economics has deep roots in, and close ties to, social philosophy. An issue of great importance to philosophers, for example, is distributional justice. Why are some people rich and others poor, and whatever the answer, is this fair? A number of nineteenth-century social philosophers wrestled with these questions, and out of their musings economics and separate discipline was born.

The easiest way to get a feel for breath and depth of what you will be studying is to explore briefly the way economics is organized. First of all, there are two major divisions of economics and macroeconomics.

MICROECONOMICS AND MACROECONOMICS

Microeconomics deals with the functioning of individual industries and the behavior of individual economic decision-making units; business firms and households. Microeconomics explores the decisions that individual businesses and consumers make. Firms' choices about what to produce and how much to charge and households' choices about what and how much to buy help to explain why the economy produces the things it does.

Another big question that microeconomics addresses is who gets the things that are produced. Wealthy households get more output than do poor households, and the forces that determine this distribution of output are the province of microeconomics. Why does poverty exist? Who is poor? Why do some jobs pay more than others?

Think again about all the things you consume in a day, and then think back to that view out over a big city. Somebody decide to build those factories. Somebody decided to construct the roads, build the housing, produce the cars, and smoke the bacon. Why? What is going on in all those buildings? It is easy to see that understanding individual micro decisions is very important to any understanding of society.

Macroeconomics looks at the economy as a whole. Instead of trying to understand what determines the output of a single firm or industry or the consumption patterns of a single household or group of households, macroeconomics examines the factors that determine national output, or national product. Microeconomics is concerned with household income; macroeconomics deals with national income.

While microeconomics focuses on individual product prices and relative prices, macroeconomics looks at the overall price level and how quickly (or slowly) it is rising (or falling). Microeconomics questions how many people will be hired (or fired) this year in a particular industry or in a certain geographical area, and the factors that determine how much labor a firm or industry will hire. Macroeconomics deals with aggregate employment and unemployment; how many jobs exist in the economy as a whole, and how many people who are willing to work are not able to find work.

To summarize: *Microeconomics looks at the individual unit—the household, the firm, the industry. It sees and examines the “trees.” Macroeconomics looks at the whole, the aggregate. It sees and analyzes the “forest.”*

Table 1–1 summarizes these divisions and some of the subjects with which they are concerned.

THE DIVERSITY OF ECONOMICS

Individual economics focus their research and study in many diverse areas. Many of these specialized fields are reflected in the advanced courses offered at most colleges and universities. Some are concerned with economic history or the history of economic thought. Others focus on international economics or growth in less-developed countries. Still others study the economics

of cities (urban economics) or the relationship between economics and law. (See the Application box.)

Economists also differ in the emphasis they place on theory. Some economists specialize in developing new theories, while others spend their time testing the theories of others. Some economists hope to expand the frontiers of knowledge, while others are more interested in applying what is already known to the formulation of public policies.

As you begin your study of economics, look through your school's course catalog and talk to the faculty about their interests. You will discover that economics encompasses a broad range of inquiry and is linked to many other disciplines.

Table 1-1 Examples of microeconomic and macroeconomic concerns

Division of Economics	Production	Prices	Income	Employment
Microeconomics	Production/Output in Individual Industries and Businesses	Price of Individual Goods and Services	Distribution of Income and Wealth	Employment by Individual Businesses and Industries
	How much steel,	Price of medical care, Price of gas	Wages in the auto industry, Minimum wage	Jobs in the steel industry, Number of employees in firm, Number of accountants
	How much office space,	Food Prices, Apartment rents	Executive salaries ,	
	How many cars		Poverty	
Macroeconomics	National Production/Output	Aggregate Price Level	National Income	Employment and Unemployment in the Economy
	Total industrial output	Consumer prices	Total wages and salaries	Total number of jobs
	Gross domestic product	Producer prices	Total corporate profits	unemployment rate
	Growth of output	Rate of inflation		

APPLICATION

THE FIELDS OF ECONOMICS

A good way to convey the diversity of economics is to describe some of its major fields of study and the issues that economists address.

- Industrial Organization looks carefully at the structure and performance of industries and firms within an economy. How do businesses compete? Who gains and who loses?

- Urban and regional economics studies the spatial arrangement of economic activity. Why do we have cities? Why are manufacturing firms locating farther and farther from the center of urban areas?

●Econometrics applies statistical techniques and data to economic problems in an effort to test hypotheses and theories. Most schools require economics majors to take at least one course in statistics or econometrics.

●Comparative Economic Systems examines the ways alternative economic system function. What are the advantages and disadvantages of different system? What is the best way to convert the planned economies of the former Soviet Union to market system?

●Economic Development focuses on the problem of poor countries. What can be done to promote development in these nations? Important concerns of development economists include population growth and control, provision for basic needs, and strategies for international trade.

●Labor Economics deals with the factors that determine wage rates, employment, and unemployment. How do people decide whether to work, how much to work, and at what kind of job? How have the roles of unions and management changed in recent years?

●Finance examines the ways in which households and firms actually pay for, or finance, their purchases. It involves the study of capital markets (including the stock and bond markets), futures and options, capital budgeting, and asset valuation.

●International Economics studies trade flows among countries and international financial institutions. What are the advantages and disadvantages for a country that allows its citizens to buy and sell freely in world markets? Why is the dollar strong or weak?

●Public Economics examines the role of government in the economy. What are the economic functions of government, and what should they be? How should the government finance the services that it provides? What kind of government programs should confront the problems of poverty, unemployment, and pollution?

●Economic History traces the development of the modern economy. What economic and political events and scientific advances caused the Industrial Revolution that began in eighteenth-century Great Britain? What explains the tremendous growth and progress of post-World War II Japan? What caused the Great Depression of the 1930s?

●Law and Economics analyzes the economic function of legal rules and institutions. How does the law change the behavior of individuals and businesses? Do different liability rules make accidents and injuries more, or less, likely? What are the economic costs of crime?

●The History of Economic Thought, which is grounded in philosophy, studies the development of economic ideas and theories over time, from Adam Smith in the eighteenth century to the works of economists such as Thomas Malthus, Karl Marx, and John Maynard Keynes. Because economic theory is constantly developing and changing, studying the history of ideas helps give meaning to modern theory and puts it in perspective.

New Words

wrestle	<i>vi.</i>	奋斗
musing	<i>n.</i>	沉思; 默想; 冥想
aggregate	<i>n.</i>	总数; 集合; 合计