

1 ANSWER THE FOLLOWING QUESTIONS IN YOUR OWN WORDS !

What is the aim of companies and businesses in capitalism? _____

What are other names for capitalism? _____

Who is on the *demand* side and who is on the *supply* side of the economy? _____

What happens when to the price when more and more people want to buy a certain product? _____

What happens when companies cannot compete with others? _____

How does the government get involved in the economy? _____

How did the Americans help smaller firms survive at the end of the 19th century? _____

What are the four phases of the business cycle:

1 _____ 2 _____ 3 _____ 4 _____

What can the government do to help the economy in bad times? _____

What is a social market economy? _____

When and how did today's capitalism start? _____

Which was the first country to allow a freer form of trade? _____

When did the first trade unions come up and what was their job? _____

What happened during the 1920s and 30s? _____

What kind of theory did Karl Marx have and to which system did it lead to? _____

2 TRUE OR FALSE

	T	F
Only pure forms of capitalism exist in the world today.		
Some European countries control economy more than the Americans do.		
Prices are mostly determined by supply and demand.		
In capitalist countries companies that cannot compete are helped by the government.		
Sometimes businesses have to pay workers more money to get them to work.		
Monopoly is a bad thing for the economy.		
The USA passed a law at the beginning of the 20 th century to help small companies survive.		
In times of depression factories sell most of their products.		
Up to the 18 th century mercantilism was a popular form of the economy.		
Germany became the first country to have free trading laws.		
Trade unions helped the company owners in their fight against workers.		
Karl Marx wanted the government to take over all the land and the factories.		
The ideas of Marx later on led to Communism.		
Capitalism almost collapsed after the end of World War II.		
In America, Franklin D Roosevelt introduced a help programme called New Deal.		
Today economists think that there must be some kind of government control.		

3 MATCH THE WORDS WITH THE DEFINITIONS

A	trade union		the bad times that followed the stock market crash of 1929
B	tax		someone who buys and uses products and services
C	own		money that everyone must pay to the government
D	Great Depression		to stop from getting worse
E	encourage		if one company, a person or a government controls everything
F	earn		things that are produced so that you can sell them
G	collapse		a person who knows a lot about how businesses work
H	trust		organization that helps workers and defends them against company owners
I	stabilize		the money you get from selling things after you have paid your costs
J	monopoly		to allow companies and businesses to run without much control
K	business cycle		the money you get for the work you have done
L	goods		the leaders who rule a country
M	profit		to break down completely
N	free enterprise		to have something that belongs to you
O	consumer		building where you produce goods
P	government		the ups and downs of the economy over a certain time
Q	factory		if you have enough money so that you can buy things that you need
R	economist		to tell someone that they should do something that is good
S	afford		group of companies that work together so that small companies cannot compete with them

5 FILL IN THE BLANKS WITH WORDS FROM THE BOX

In today's world political _____ must often make _____ decisions. A government must make sure that there is enough _____ and that companies do not get too large. Sometimes only one or two companies produce a certain product and determine the _____.

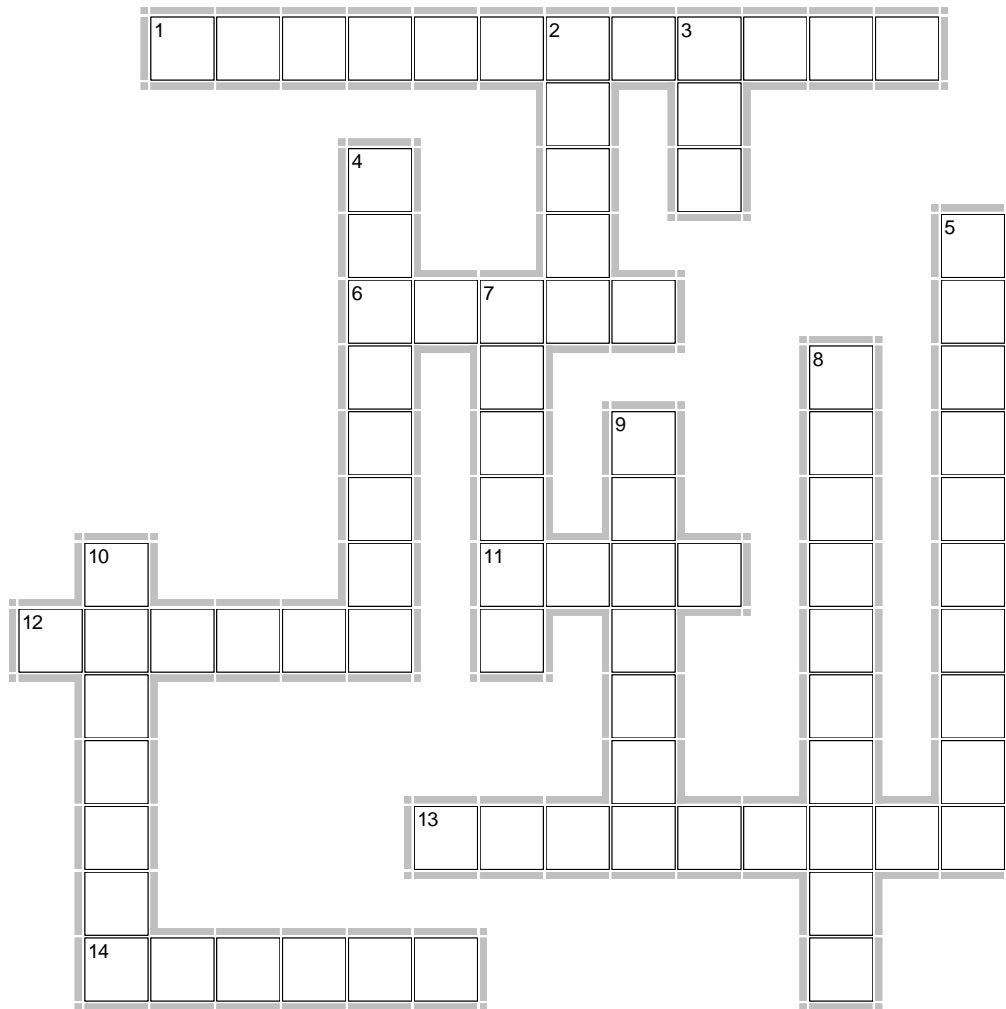
Company bosses often don't care about how their decisions may affect _____. They, for example, may lay off thousands of workers or _____ rivers and lakes. It's the government's _____ to make sure that they obey the laws.

The _____ of the economy is not the same all the time. It goes through phases, the so-called _____ cycle. In times of an economic _____ most people have work and there is very little unemployment. Factories produce a lot and sell all of their products. During a _____ companies can't sell what they have produced, so they can't give workers money. Sometimes they have to _____ down. Economic experts think that the _____ must help the economy in bad times.

In some _____ countries the government helps _____ people more than richer ones. People who earn more have to pay higher _____. Poorer people get free _____ treatment and other support.

boom
business
close
competition
depression
economic
European
government
health
job
leaders
pollute
poor
prices
society
state
taxes

6 CROSSWORD



Across

- 1. economic system that worked up to the 1700s
- 6. British economist of the 18th century who described how free trade should work
- 11. German who suggested that the government should take over the economy (last name)
- 12. British economist of the 20th century
- 13. when the economy is getting worse
- 14. another word for work

Down

- 2. group of companies that work together and try to force smaller companies out of business
- 3. the set of rules a country has
- 4. another word for company
- 5. when the economy is at its lowest point
- 7. the money you get for regular work
- 8. organization that helps workers if they have problems with their companies
- 9. to continue to exist, to live on
- 10. programme that Roosevelt introduced to help the American economy

