



# Lehr- und Handbücher zu Sprachen und Kulturen

Herausgegeben von  
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# EconoTexts I

A Collection of Introductory  
Economic Texts

Von

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## VORWORT

Der vorliegende Band bietet unter knappen Titeln eine Zusammenstellung selbstverfasster, verhältnismäßig zeitloser, einführender Texte zu fundamentalen Themenkreisen aus der Wirtschaftswissenschaft.

Obwohl weitgehend vereinfacht und das wirtschaftswissenschaftliche Fachbuch nicht ersetzend, vermitteln die Texte einerseits fachliche Kenntnisse und Zusammenhänge und andererseits eine eingehende Einführung in die englische Wirtschaftssprache und deren spezielle Terminologie. Dabei richten sich die 21 Texte zwar vornehmlich an Studenten der Wirtschaftswissenschaft, aber auch an Studierende der Anglistik, die Lehramtskandidaten in diesem Fach, - besonders auch der noch recht stiefmütterlich behandelten, aber gewaltig an Bedeutung gewinnenden Wirtschaftsanglistik - sowie an alle, die sich Kenntnisse in der englischen Wirtschafts- und Wirtschaftsfachsprache aneignen wollen oder müssen. Damit suchen wir den heutigen fremdsprachlichen Forderungen der Wirtschaft, der internationalen Gesellschaft und nicht zuletzt auch der anstehenden europäischen Integration Rechnung zu tragen.

Die Textsammlung mit Vokabular, Fragenkatalog und Diskussionsanregungen wurde absichtlich einsprachig gehalten, um einem dem Fremdsprachenerwerb und der Fremdsprachenbeherrschung hinderlichen Rückgriff auf die Muttersprache zu begegnen und nur allzu häufig mißglückte Übersetzungsversuche zu verhindern. Als hilfreich dürfte sich dabei das vom Verfasser im gleichen Verlag in revidierter Neuauflage erschienene "ECONOTERMS: A Glossary of Economic Terms" erweisen.

Angesichts der Bedeutung des amerikanischen Englisch in den internationalen Wirtschaftsbeziehungen wurde diese Variante des Englischen zugrundegelegt.

Methodisch wurde bewußt ein einfaches didaktisches Konzept für die Arbeit mit dem Band gewählt. Nach der Lektüre des Textes folgt, mittels der Fragen zum Verständnis, die inhaltliche und

sprachliche Erarbeitung der einzelnen Texte, die durch einschlägige Diskussionen vertieft und erweitert werden können. Insofern stellt jeder Text, das dazugehörige Vokabular, die Fragen und die Diskussionsthemen eine in sich geschlossene Einheit dar. Die Anordnung dieser Texteinheiten ist dabei zwar im Anspruchsniveau progressiv, kann aber auch frei variiert werden. Schließlich ermöglicht das Lehr- und Lernkonzept ohne größere Schwierigkeiten das Selbstlernen und den Einstieg auf der individuellen Kenntnisstufe des Lernenden. Angefügt ist ein Index von rund 1000 Wörtern, in dem die Einträge mit der Nummer der jeweiligen Lehreinheit versehen sind, in der das Wort zum erstenmal auftritt. Hinzugefügt wurden zwei weitere, neue Texteinheiten zur Frage der "Trade Blocs" in der Welt.

Auch zur vorliegenden revidierten und korrigierten Neuauflage bitten wir den Benutzer um Anregungen und vor allem um Kritik. Ein zweiter, weiterführender Band befindet sich derzeit in Vorbereitung.

Besonderen Dank schulden wir den studentischen Hilfskräften Heinz-Josef Niggemeyer und Barbara Zollmann für die EDV-Aufbereitung des Materials und die Manuskripterstellung sowie der wissenschaftlichen Mitarbeiterin, Frau Barbara Curry, MA (Indiana University) für ihre redaktionelle Hilfe. Besonders verpflichtet fühlen wir uns der Mitarbeiterin, Frau Anne H. Spaeth, BA (University of Melbourne, Australien) für viele Ratschläge und ihre unermüdliche Korrekturarbeit am Manuskript. Für die drucktechnische Gestaltung der vorliegenden Neuauflage danken wir Frau Danielle Schons, Dipl.-Kauffrau und Staatl. anerkannte Übersetzerin.



## **PREFACE**

This volume presents the reader with a series of contemporary texts written as an introduction to fundamental areas of Economics.

Although the language is somewhat simplified and thus in no way thought to substitute specialized textbooks, the texts provide both a thorough introduction to the English language of Business and Economics, and to its special terminology.

Principally designed for non-English-speaking students of Economics and Business Administration the 21 texts should be of value to students or student-teachers of English as a foreign language at universities and colleges who intend to cover these areas. It will also be useful to all general readers who wish to or have to improve their knowledge of Economics and Business in English, and to acquire the appropriate terminology. In this we are aware not only of the necessity of foreign languages in business, as viewed both domestically and internationally, but also seen from the point of view of the forthcoming European integration.

The collection of texts with its exercises and topics for discussion has been purposely conceived in English only, in order to prevent the tendency common with foreign-language learners to resort to their mother-tongue or to translating. "ECONOTERMS: A Glossary of Economic Terms" by the same author and published in a new and revised edition by Oldenbourg may be regarded as useful in this context. Based on its significance in international relations, American English is used.

The following simple, didactic concept has been chosen for the method of working with this book: after reading each individual text, the vocabulary and meaning of the text can be studied in detail with the help of the "Comprehension Questions", and finally can be broadened by discussions on detailed aspects of the subjects presented. Each text, along with its vocabulary, the comprehension questions and the topics for discussion represent a single unit. The texts are arranged in a progressive order, both as far as the subject matter and the language are concerned. However, this order is not

prescriptive. Without doubt it should also be suitable for self-study, whereby the individual learner's basic knowledge of the English language need not necessarily be extensive.

Attached is an index of approximately 1000 words, in which each entry has been affixed with the number of the unit in which the term appears for the first time. Two additional text units on "Trade Blocs" have been included in this edition.

Also for the foregoing revised and corrected edition we would be grateful for suggestions and criticism. A second volume covering further fields of business activity is being prepared.

We should particularly like to express our thanks to student assistants Heinz-Josef Niggemeyer and Barbara Zollmann for their computerized preparation and production of the manuscript, as well as to Ms Barbara Curry, MA (Indiana University) for her assistance in the preparation of the text. In particular we would like to thank Mrs Anne H. Spaeth, BA (University of Melbourne, Australia), for her many helpful suggestions in editing the text and meticulously correcting the manuscript. For the technical design of this new edition we are indebted to Ms Danielle Schons, Dipl.-Kauffrau and State- Licensed Translator.

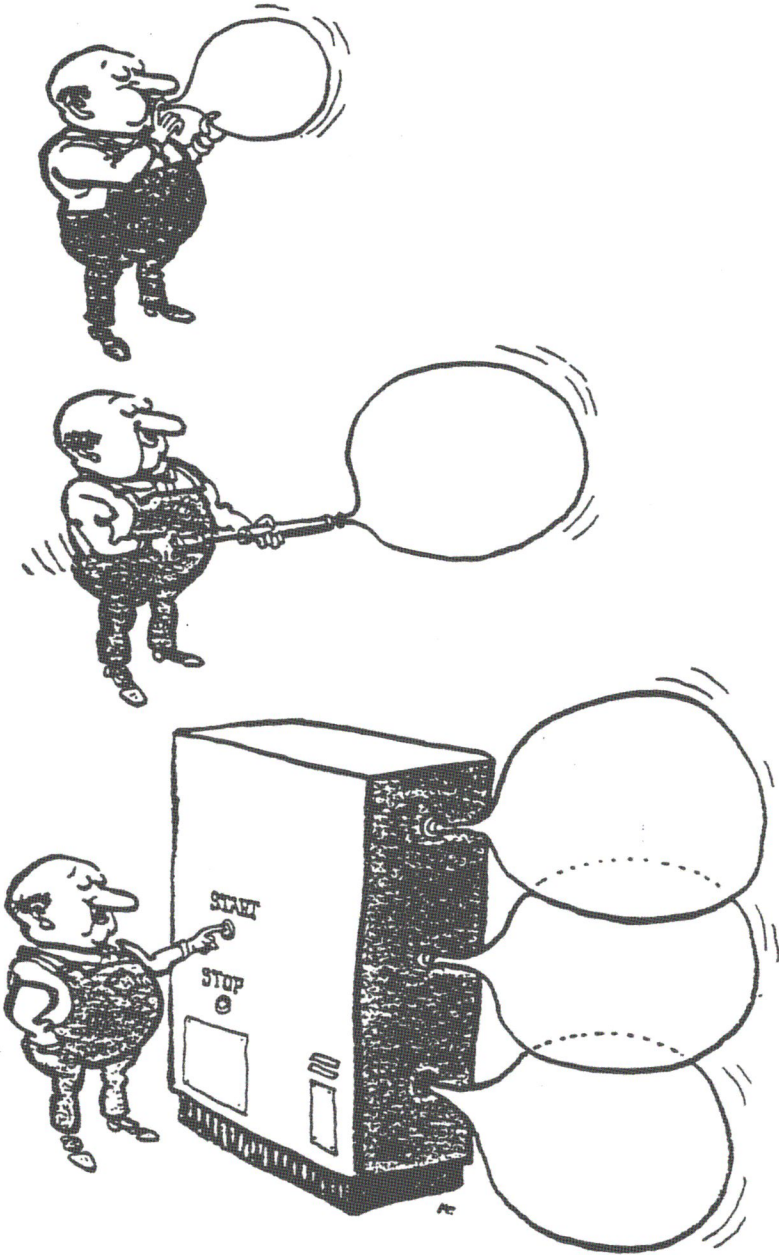
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**H.F.**

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(Quotations and illustrations from Martin H. Manser, Ed., The Chambers Book of Business Quotations, Edinburgh 1987 and Michael Becket, Economic Alphabet, London 1981)

**PRODUCTIVITY**





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## THE WORLD OF BUSINESS

**Business, you know, may bring money, but friendship hardly ever does.**

JANE AUSTEN (1775 - 1817), English novelist: *Emma*, chapter

34

**Business? It's quite simple. It's other people's money.**

ALEXANDRE DUMAS, known as Dumas Fils (1824 - 95), French novelist and dramatist: *La Question d'Argent*

**The maxim of the British people is 'Business as usual'.**

SIR WINSTON LEONARD CHURCHILL (1874 - 1965), English statesman, writer, and prime minister: Speech, Guildhall, 9 November 1914

**The business of America is business.**

(JOHN) CALVIN COOLIDGE (1872 - 1933), U.S. president: Address before the Society of American Newspaper Editors, Washington, 17 January 1925

**Everything which is properly business we must keep carefully separate from life. Business requires earnestness and method; life must have a freer handling.**

JOHANN WOLFGANG VON GOETHE (1749 - 1832), German poet, scientist, and writer: *Elective Affinities*

**Business is the salt of life.**

THOMAS FULLER (1654 - 1734), English physician, writer, and compiler: *Gnomologia*

**Text 1: Choice and Scarcity**

Perhaps you have heard the saying, "You can't have your cake and eat it, too." This means we cannot have it all. This concept applies both to individuals and to society as a whole. Since we cannot get everything we want, we must make choices. We are constantly  
5 attempting to make intelligent decisions about what we are able to achieve.

Each day of our lives, we are faced with a multitude of such choices: what to eat, what to wear, or how best to use our time, money, or energy. We often have several options, and we must  
10 choose the best alternative in a given situation. In making our decisions, we also have to keep in mind that our resources are limited. Our time and energy are not infinite, so we must use them as efficiently as possible. Our incomes, too, no matter how large, are often insufficient to enable us to have everything we would like  
15 to have.

On the other hand, all of us, as consumers, need and want many things. Among these are goods, such as clothing, cars, and electronic gadgets; services (such as banking), medical care, entertainment, insurance, and education. Unfortunately, though, as  
20 soon as one want or need is satisfied, another one takes its place. Never fully satisfied with what we have, our desires snowball, so that fulfilling them becomes a seemingly impossible mission.

Satisfying human needs would be easier if all our resources were as plentiful as sunlight. But they are not. They are scarce, and, again,  
25 choices have to be made. And if we choose to produce one commodity or service, it means we must forego another; i.e., creating one commodity or service means that some other commodity or service cannot be provided. There will never be enough resources -

nor products or services made from them - to satisfy all our wants.

30 Nor are there enough to allow any society to meet all its goals.

Consequently, as an economic society, we must be aware of our scarce resources, or factors of production, and carefully weigh our decisions as to how to use them efficiently. These factors of production may be classified as natural resources, things obtained  
35 from air, land, and sea; labor, the mental and physical effort used in the process of production; and capital, in the form of machines, buildings, and tools.

Not being able to have our cake and eat it, too, means choice and scarcity. So, we are all practising economists, constantly trying to  
40 make the best choices about how to use our limited resources.

### Vocabulary

<i>capital</i>	money and values (buildings, grounds, machines) available for or invested in business
<i>commodity</i>	useful thing, article of trade (esp. basic foodstuff or materials)
<i>efficiently</i>	able to produce the desired effect, product, etc., with a minimum of effort, expense and waste
<i>facilitate</i>	make easy
<i>forego</i>	give up; relinquish; abandon; forfeit; renounce

<i>gadget</i>	small (usu. mechanical) device, tool, instrument, or thing
<i>goods</i>	movable items offered for sale
<i>infinite</i>	without limits or bounds; endless
<i>insufficient</i>	not enough; inadequate
<i>labor</i>	work; any physical and mental effort usable in production
<i>mission</i>	special task or purpose
<i>multitude</i>	a large number of persons or things
<i>resources</i>	means needed for production (e.g., capital, property, know-how, inventiveness, raw materials, labor, etc.)
<i>scarcity</i>	insufficient supply, quantity, amount; lack; limited availability of resources
<i>services</i>	useful labor that does not produce a tangible commodity
<i>snowball</i>	cause to increase or accumulate rapidly; expand; grow

### Comprehension Questions

1. Why is it necessary to make choices in life?
2. What types of decisions must we make daily?
3. What prevents us from getting everything we want?



4. What makes it so difficult to satisfy our wishes, wants, and/or needs?
5. What would facilitate satisfying our needs?
6. What is the consequence of deciding to produce one commodity or service?
7. What thought should always govern our economic decisions?
8. What types of resources are available to an economic society?
9. In what way are we all practising economists?

**Topics for Discussion**

1. What factors determine our ability as individuals to have everything we want?
2. What effect does the scarcity of resources have on a society?
3. How can we solve the problem of scarce resources?
4. How can we find a balance between the satisfaction of human needs and the availability of resources?
5. In what ways have the industrialized nations made use of their resources?
6. Choice and scarcity and the underdeveloped world.

**Text 2:        The Question of Allocation**

Because resources are scarce, and consequently limited, societies and economic communities have developed systems to distribute these resources, or to allocate them. The various mechanisms which direct these resources to various purposes will be examined  
5 later, but each system attempts to solve the basic problem of economic allocation.

This problem can be described by a three-part question:

1. What commodities will a specific society produce?
2. How will this society produce these commodities? Or,  
10 which resources will this society use, and in what amounts, and in what combinations?
3. Who will receive the outputs of the production processes in which the resources were used as inputs?

In attempting to answer the first question, a society must develop a  
15 mechanism to determine which outputs are needed, wanted, and/or desired. Such outputs may be consumer goods or capital goods; they may be durable goods or soft goods. Each society must allocate its productive resources in such a way as to create a proper balance between those goods which will be used to produce other  
20 producer or production goods (capital goods) and those goods that are produced to satisfy immediate needs or desires (consumer goods). When the society answers this question, it answers the "WHAT?"-part of the allocation problem.

The second question is the attempt to allocate the available  
25 resources of the society so as to produce the desired outputs. This will have to be done in the least costly, and therefore, most efficient manner. Each output product has a certain, fixed amount of each

input factor allocated to it. In doing so, the society must decide how much of a natural resource, how much capital, and how much labor is needed in order to produce the desired quantity and quality of each output. As the economic community finds, or determines, the proper combinations of productive resources it will utilize, it answers the "HOW?"-part of the allocation issue.

The third part of the allocation question looks at the distribution of the outputs produced by the society. These outputs include not only the commodities produced, but also the rewards to businesses and individuals. These rewards are the wages and salaries earned by the people producing the commodities, as well as the profits made by the firms and enterprises engaged in the production of commodities. As a society finds the answer to this part of the allocation problem, it answers the "WHO?"-part of the allocation dilemma.

The decisions which determine how resources are allocated differ with the various economic, political, and social systems. But all systems need to find effective answers to the allocation questions in order to provide for the continued existence of a society.

### Vocabulary

<i>allocation</i>	distribution, earmarking of resources for a specific purpose
<i>amount</i>	quantity, sum, total

<i>business</i>	activities concerned with the making and/or rendering, supply, and distribution of goods and services; organizations engaged in commercial activities
<i>capital goods</i>	commodities produced to be used in production (raw materials, machinery, buildings); also: producer goods, investment goods
<i>consumer goods</i>	goods for daily and direct satisfaction of consumer needs
<i>determine</i>	decide; ascertain
<i>differ</i>	to be not the same as something else; to have other characteristics
<i>distribute</i>	physically move
<i>distribution</i>	the physical movement of goods from supplier to subsequent user
<i>durable goods</i>	consumer goods which are produced with the intention that they will last a long time
<i>earn</i>	receive payment or other compensation for the performance of services
<i>economic community</i>	group of people related by common economic interests

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<i>effective</i>	producing the desired result
<i>enterprise</i>	any type of business organisation
<i>immediate needs</i>	needs that must be satisfied within a very short time; urgent requirements
<i>inexpensive</i>	low in cost; cheap
<i>least costly</i>	requiring the lowest level of total resource inputs; least expensive
<i>natural resources</i>	wealth supplied by nature (e.g., mineral deposits, water, land etc.)
<i>output</i>	total quantity produced
<i>production process</i>	process of making or manufacturing something
<i>profit</i>	amount by which the price received for a good or service is greater than the cost incurred in the production and distribution of the good or the performance of the service
<i>proper balance</i>	correct ratio or proportion
<i>reward</i>	compensation a person receives in return for work done or a service rendered
<i>salary</i>	compensation for work, usually paid monthly or annually, especially for office work

<i>satisfaction</i>	act of satisfying
<i>satisfy</i>	fulfill the requirements or the needs of someone or something
<i>soft goods</i>	merchandise that is soft to the touch, e.g., clothing and other textile products; also: non-durable consumer goods
<i>wages</i>	compensation for work or services, usually paid for manual or physical work by the week, day, hour or piece

### **Comprehension Questions**

1. How plentiful are the resources available to humankind?
2. How do societies try to solve the problem of allocation?
3. What are the major issues of this problem of allocation?
4. How do societies find out what to produce; what are the types of goods produced?
5. What needs will have to be satisfied and to what extent will they have to be met?
6. How should resources be allocated, and in what manner should this be done?
7. What quantities of which resources are needed to produce a specific output?

8. Who receives which rewards for producing and distributing the commodities?
9. What determines how the resources are allocated?
10. What kind of solutions are required by societies and why?

**Topics for Discussion**

1. Third World problems and the allocation issue.
2. Economic systems and the problem of allocation.
3. Allocation and Western standards of living.
4. How to find a "just" allocation.
5. Rich and poor and allocation