

Exercise 1. Read and comprehend the text bellow and be ready for teacher's questions:

Part V. Money

Text 19. Monetary Policy

Monetary policy is one of the tools that a national Government uses to influence its economy. Using its monetary authority to control the supply and availability of money, a government attempts to influence the level of economic activity in line with its political objectives.

Usually this objective is "macroeconomic stability" - low unemployment, low inflation, economic growth, and a balance of external payments.

Monetary policy is usually administered by Central Banks. The Central Bank attempts to achieve economic stability in the country. The Central Bank has three instruments available in order to implement monetary policy:

- Open market operations
- Reserve requirements
- The Discount Window

Open market operations are buying or selling of Government bonds by the Central Bank in the open market. If the Central Bank were to buy bonds, the effect would be to increase the money supply and hence lower interest rates, the opposite is true if bonds are sold. This is the most widely used instrument in the day to day control of the money supply due to its ease of use.

Reserve requirements are a percentage of commercial banks, and other depository institutions. This percentage may be changed by the Central Bank at any time, thereby affecting the money supply and credit conditions. If the reserve requirement percentage is increased, this would reduce the money supply by requiring a larger percentage of the banks, and depository institutions. As a result, an increase in reserve requirements would increase interest rates, as less currency is available to borrowers. This type of action is only performed occasionally, because it affects money supply in a major way.

Lastly, **the Discount Window** is where the commercial banks, and other depository institutions, are able to borrow reserves from the Central Bank at a discount rate. This enables the institutions to vary credit conditions. One should mention that the Discount Window is the only instrument which the Central Banks do not have total control over. By affecting the money supply, monetary policy can establish ranges for inflation, unemployment, interest rates and economic growth. A stable financial environment is created allowing the growth of the economy as a whole.

Exercise 2. Match the synonyms:

1) similar	a) gain
2) various	b) side
3) company	c) handle
4) harm	d) business
5) profit	e) glad
6) effect	f) sort
7) skill	g) different
8) kind	h) damage
9) happy	i) opposite
10) alternative	j) expertise
11) party	k) same
12) manage	l) consequence

Exercise 3. Match the antonyms:

1) domestic	a) unhappy
2) acceptable	b) with
3) practice	c) pooled
4) individual	d) theory
5) particular	e) internal
6) external	f) accept
7) refuse	g) general
8) happy	h) failure
9) success	i) foreign
10) different	j) unacceptable
11) without	k) similar
12) gain	l) high
13) low	m) lose

Exercise 4. Match the words on the left with the definitions on the right:

1) risk	a) someone who buys goods or services from a shop or business regularly
2) customer	b) a possibility that something bad may happen
3) dealer	c) money which is earned by doing business, after all the costs are taken from it
4) competitor	d) an amount of money put into a business so that you can get a profit
5) interest rate	e) a charge or payment fixed according to a standard scale
6) investment	f) an agreement by contract to pay money in case of a misfortune such as damage, loss, or accident
7) profit	g) a person who buys and sells a particular type of things
8) insurance	h) a person or firm competing with another or others

Exercise 5. Complete the sentences with the words and phrases below:

face risks, competitors, insurance, company, capital, an agreement, take on the risk

1. Having discussed the scale of operations including all possible risks, both parties came to ...
2. Our ... is prepared to accept the pooled risks of fire damage which you are unwilling to take individually.
3. Normally, all profitable businesses ... of various sorts.

4. An entrepreneur risked the loss of ... which he had invested in that enterprise.
5. If there is the prospect of making a profit, our customers may be prepared to ...
6. If your products become obsolete because of technical advances achieved by ..., your business will face a great risk.

Exercise 6. Divide each line into two words - the names of professions:

1. TRIPIVELDOR
2. GAICTONERSR
3. ACOKEOKRB
4. CUBUTHILERDEBR
5. OLPSICETMPMAOANN

Exercise 7. Guess the words according to their description. Numbers in brackets indicate the number of letters in the word:

1. ____ It's a place where you can buy bread and cakes. (6)
2. ____ It's a place where you can see famous pictures and sculptures. (6)
3. ____ It's a place where people receive medical treatment. (8)
4. ____ It's a place where children go to study new things. (6)
5. ____ It's a place where you can borrow or keep money. (4)
6. ____ It's a place where sport matches take place and people can watch it. (7)
7. ____ It's a place where you can eat delicious food. (10)

Exercise 8. Translate into English:

1. Baydenin Ukraynadakı vəziyyətlə bağlı bir sıra ölkələrin liderləri ilə telefon danışığı aparmaq niyyətində olduğu açıqlanıb.
2. İstehlaka yararsız olan 7 tondan çox qida məhsulu məhv edilib.
3. Bakıda 5 marşrut xəttinin hərəkət sxemi müvəqqəti dəyişdirilir.
4. Azərbaycanda hansı şirkətlər sərfəli şərtlərlə avtomobil icarəsi təklif edir?
5. Yanvarda xaricdən gətirilən meyvə-tərəvəzin həcmi azalıb.
6. Azərbaycanın 9 dövlət müəssisəsi satışa çıxarıldı.
7. Azərbaycanla Pakistan arasında birbaşa uçuşlar həyata keçiriləcək.