

Unit 22

VERBS

Complete the blanks using the verbs in their correct form:

TIGHTEN FETTER EVADE DENY COERCE LOOSEN
INTERFERE RESORT OBJECT DISPOSE UNDERTAKE

1. We may have to _____ to using untrained staff.
2. Azerbaijani president _____ investigation of bloodshed in military unit under his own control.
3. We _____ by petty bureaucracy.
4. Such defective gene _____ with normal body processes.
5. He claims he _____ into admitting his guilt.
6. Both men have _____ the allegations.
7. Many local people _____ to the building of the new factory.
8. He is _____ of his stake in the company.
9. The government is to _____ the rules on drug advertising.
10. The country will _____ currency controls to encourage spending abroad.
11. He has been charged with _____ sales tax on \$15 million of purchases.

GOVERNMENT

1) What are the pros and cons of interventionist efforts of governments?

2) What examples of externalities can you give?

3) Paraphrase the following viewpoint:

“Government intervention in business means total disaster. The Government can administer but cannot manage. Government representatives having full authority but with no investment of their own can play havoc with investor's funds by reckless and thoughtless investment leading to double disaster.”

Public and Private Goods (additional material)

Complete the blanks using the expressions from the box below:

CONSUME COLLECTIVE HENCE NON-RIVAL PRIVATELY
'FREE RIDER' PRINCIPLE PUBLIC GOODS TAXATION
NON-EXCLUDABLE PROFITABLY BENEFIT

What should the state sector of the economy provide?

How much should be left to the private sector allocating scarce resources through the incentives of the price mechanism?

Is the provision of public goods the most important reason for accepting the existence of government involvement in the economy?

These questions revolve around the idea of public and private goods – please understand the key characteristics of **1)** _____ and why they might not be provided optimally by the private sector – giving government a role in financing them for our **2)** _____ (social) **3)** _____. Pure public goods have two characteristics:

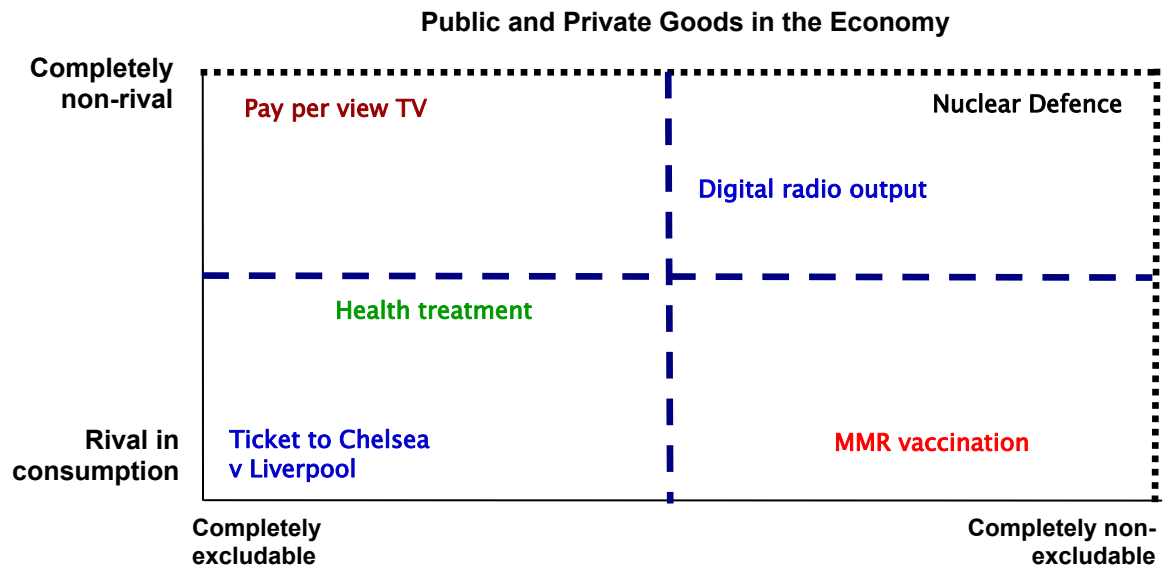
1. **4)** _____ – consumption of the good by one person does not reduce the amount available for consumption by another person - e.g. terrestrial television services provided by the BBC
2. **5)** _____ – Where it is not possible to provide a good or service to one person without it thereby being available for others to enjoy – if you cannot exclude the non-payers, profit-motivated businesses may decide not to supply these products e.g. defence systems, lighthouse protection

Pure public goods are not provided at all by the private sector – 6) _____ there is market failure due to ‘missing markets’. This is partly due to the 7) _____ – i.e. people are able to access, 8) _____ and benefit from public goods without being required to pay for them. This is why private sector businesses may not provide public goods as they cannot supply them 9) **profitably**. The usual solution is for the government to supply public goods either directly or indirectly

Directly – state funded (e.g. through 10) _____) and collectively provided services such as local authority parks, flood defence schemes and national defence programmes

Indirectly – state funded but 11) _____ provided such as privately run prisons or new roads / bridges

Describe the diagram below:



MMR (vaccination) = Measles, Mumps and Rubella

TAXATION

Find expressions for the descriptions below:

the amount of tax that you have to pay --> _____

money that you make from stocks, bonds, real estate, etc. --> _____

in tax terms, the cost of maintaining property or generating income --> _____

money that the government gives back to you when you pay too much in taxes, or have withheld too much from your salary --> _____

an expense that you can subtract from your gross income --> _____

a tax that has to be paid by owners of houses, etc. --> _____

a financial arrangement which can reduce your tax liability --> _____

a place where taxes are low and where people choose to live or officially register their companies because taxes are higher in their own country --> _____

the crime of deliberately not paying all the taxes that you should pay --> _____

used to describe a tax, usually on income, in which people who earn more money pay a higher rate or percentage of tax than people who earn less money --> _____

a system in which tax is paid at the same rate, however much you earn or spend --> _____

used to describe a tax such as sales tax that has less effect on people with a high income than on people with a low income --> _____

Translate:

pozůstalostní daň - _____

mezera/skulina v zákoně - _____

starobní důchod - _____

daňové příznání - _____

snižování základu daně (legální vyhýbání) - _____

uvalit spotřební daň (na) - _____