



Chapter I: Introduction to Economic Language

ECONOMIC LANGUAGE

This document introduces simple economic vocabulary. These words are often used in economics, business, and management. The objective of this first course is to identify and understand the most common words used in Economic English;

1. Basic ideas in economics

Scarcity: Resources are limited, so people must make choices.

Goods: Physical products like food, clothes, or phones.

Services: Activities like transport, education, or banking.

Production: Making goods or services.

Consumption: Using goods or services.

2. Market vocabulary

Market: A place where buyers and sellers meet.

Demand: What consumers want to buy.

Supply: What producers want to sell.

Price: The money paid for a product.

Competition: When many companies sell similar products.

3. Business vocabulary

Company (Firm): A business that sells goods or services.

Revenue: Money from sales.

Cost: Money spent to produce goods or services.

Profit: Money left after costs are paid.

Budget: A plan for income and expenses.

Investment: Using money to gain future benefits.

4. Economy vocabulary

GDP: Total production of a country.

Inflation: When prices increase over time.

Unemployment: People who cannot find jobs.

Economic growth: When a country produces more over time.

Let's Practice:

Exercise 1 — Match the terms with the definitions.

- | | |
|---------------|------------------------------|
| 1. Demand | a. Making goods and services |
| 2. Profit | b. Money after costs |
| 3. Inflation | c. Prices increase over time |
| 4. Production | d. Consumers want to buy |
| 5. Market | e. Buyers and sellers meet |

Exercise 2 — Fill in the blanks.

Words: (profit — supply — GDP — cost — demand)

1. A company makes _____ when it earns money after expenses.
2. _____ is the total production of a country.
3. _____ is what producers sell.
4. _____ is the money spent to produce goods.
5. When consumers want more products, _____ increases.

Key answers

Answers — Vocabulary Exercises

Exercise 1 — Match the terms with the definitions

- 1 → d (Demand = Consumers want to buy)
- 2 → b (Profit = Money after costs)
- 3 → c (Inflation = Prices increase over time)
- 4 → a (Production = Making goods and services)
- 5 → e (Market = Buyers and sellers meet)

Exercise 2 — Fill in the blanks

1. → profit
2. → GDP
3. → supply
4. → cost
5. → demand