

Improve and test your English



Lingua Nova

WE OFTEN SAY THAT SOMEBODY IS WEALTHY OR WELL OFF. HAVE YOU EVER THOUGHT WHAT IS WEALTH?

Wealth, in economics, is an accumulation of goods having economic value. Economic value has several characteristics. First, an object must have utility. It must have, or be suspected of having, the capacity to satisfy some human want. Wealth can be increased by discovering uses for things previously not regarded as useful. Thus, the discovery of uses for petroleum in the 19th century added enormously to wealth. Second, economic goods must be in scarce supply. Air does not normally have economic value because it is freely available. Air that is artificially conditioned is economically valuable, however, because it is relatively scarce. Third, economic goods must be transferable; that is, it must be possible to buy and sell them at definite market prices. Finally, an object must have measurable economic value. Because the only common unit of value today is money, the worth of goods must be expressible in monetary terms. Some economists also regard a definite skill in performing a job as human wealth, as such skill has a determinable market value.

WHAT ARE THE COMPONENTS OF WEALTH?

In classifying wealth it is useful to distinguish between producers' goods and consumers' goods and, in each of these categories, between durable and nondurable goods. Among producers' durable goods are plants, machinery, and other fixed installations. Inventories of goods to be sold or in process of production make up producers' nondurable goods. Together, producers' durable and nondurable goods constitute capital, as generally understood. Food, clothing, and similar items of consumption are consumer nondurables; consumer durables are homes, furniture, and the like. Services are not included in estimated wealth as they cannot be stored. Services do, however, have economic value, whether as services to producers (for example, business accounting and legal services) or as services to consumers (for example, hairdressing, education, and health-related services).

WHAT IS THE DIFFERENCE BETWEEN WEALTH AND INCOME?

Wealth must be distinguished from income. Both involve utility, scarcity, transferability, and measurability. Whereas wealth is an accumulation, a stock existing at a certain instant of time, income is a flow of goods and services during a certain period of time. Wealth may be regarded as a lake, and income as a stream flowing into and out of it. Thus an area of farmland is wealth, whereas the crop in any given year is income. By the same token an accumulation of grain in storage is wealth. The difference between income received and income consumed, wasted, or depreciated, as when grain deteriorates, is the measure of wealth accumulation.

WHAT IS THE MEANING OF THE TERM „PERSONAL WEALTH“?

A person's holdings of currency, bank balances, and other financial instruments constitute personal wealth as distinct from national wealth. These holdings, moreover, are not items of social wealth, but only claims on that wealth against the actual material objects that compose social wealth, such as a house or a car. Economists estimate wealth by measuring the actual physical stock of assets.

In a period of inflation, private wealth may rise while its social value falls; the monetary value of a house, for instance, may rise in relation to other prices, although the house is actually deteriorating physically. To reach a valid measurement of wealth, monetary valuations must be deflated to real values, discounting the effects of changes in the purchasing power of money.



All the words used in the crossword puzzle are adjectives and all of them are used in the text above.

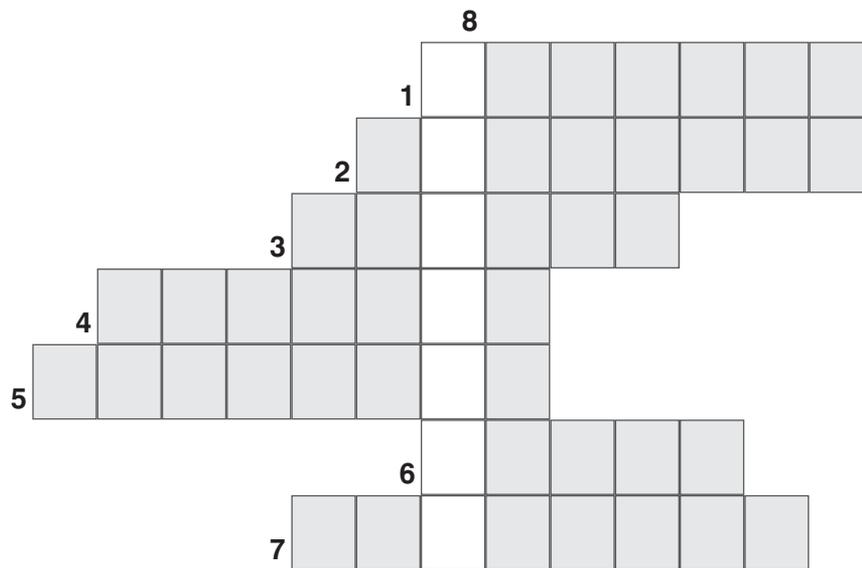
CROSSWORD PUZZLE

Across:

- rich
- done, learned, or experienced by you yourself
- rare
- staying in good condition for a long time even if used a lot
- clearly known, seen, or stated
- belonging to or concerning people, especially as opposed to animals or machines
- opposite of mental

Down:

- to buy something, especially something big or expensive



ANSWERS

1. well off, 2. personal, 3. scarce, 4. durable, 5. definite, 6. human, 7. physical, Down: 8. wealthy

CHEAP OR EXPENSIVE?

These two magic words are the most frequently used words in business! They are of course strictly connected with wealth.

Below you will find nine expressions which mean either cheap or expensive.

Mark those which mean expensive and those which mean cheap.

- It costs the earth.
- It costs a bomb.
- It was going for a song.
- It costs peanuts.
- It costs a fortune.
- They were practically giving it away.
- It costs an arm and a leg.
- It was a real bargain.
- It costs a packet.

Answers: Cheap – 3,4,6,8 Expensive – 1,2,5,7,9

A LITTLE BIT OF THIS, A LITTLE BIT OF THAT

We will change the subject now and talk about some other things. You will find some hints below HOW TO WRITE E-MAILS. There are no rules for writing e-mail messages in English. But it will probably help if you write clearly and concisely.

However there are some basic rules for writing effectively. Try to decide on your own which of the following pieces of advice are true which false.

True or false?

- Use cliché as often as possible
- Try to use short words

- Delete words where possible
- Base your sentences on this word order: subject-verb-object
- Avoid ordinary everyday English
- Use only very formal English
- Always write the subject line
- use passive voice wherever possible

(Key: 1. false, 2. true, 3. true, 4. true, 5. false, 6. false, 7. true, 8. false)

In our past editions of English for banking and finance we were talking about stock markets.

Just to revise vocabulary try to remind yourself of the words starting with 's'. All of these words are connected with stock markets.

STOCK MARKET – THIS WORD STARTS WITH „S”.

Isn't it strange that a lot of words connected with the stock exchange start with „s”?

Guess what words are these?

- to suddenly go down in price, value, or number
- very simple and severe in appearance or unpleasantly clear and impossible to avoid; harsh
- a situation in which there is not enough of something that people need
- to change from one thing to another, usually suddenly
- to think; to realize
- opposite of end
- in finance the total value of a company's shares

Answers: 1. slump, 2. stark, 3. shortage, 4. switch, 5. strike, 6. start, 7. stocks