

# Market – Worksheet 1

## 1.1 Reading

### DEFINITION

**Market** is a place where **buyers** and **sellers** meet to **satisfy** their **needs**. It is a place where sellers **exchange goods** or services with buyers **by means of money** and where sellers and buyers influence each other. They **determine the price** and amount of goods or services. Market is also a place where **goods** are **traded**.

### MARKET FUNCTIONS

The main function of the market is to answer the question of what, how and for whom to **produce goods** and offer services. Another function is to **adjust prices** in order to suit the fluctuations in **supply** and **demand** in order to **achieve efficiency**. Markets are efficient when the price of a product or service attracts exactly as much demand as the market can currently supply.

### MARKET AGENTS

- a) **BUYERS** – these are **individuals** or **households** which enter the market to satisfy their needs
- b) **SELLERS** (firms) – enter the market to exchange products or services for money in order to make a profit
- c) **THE GOVERNMENT** – enters the market to **regulate** the working of **the market**, it can influence the market through antitrust laws, taxes, minimum wages, price ceilings. etc.; the government can purchase public goods

### MARKET ELEMENTS

- a) **SUPPLY** – it is the amount of goods that are sold and **purchased**
- b) **DEMAND** – it is the interest of buyers to purchase offered goods or services
- c) **MARKET PRICE** – it is the price of goods or services which are offered in the market place
- d) **COMPETITION** – it is the effort of two or more competitors to achieve business power and dominance in the market

## 1.2 Find in the text and translate.

- 1 směňovat zboží .....
- 2 poptávka .....
- 3 uspokojit potřeby .....
- 4 kupující .....
- 5 tržní cena .....
- 6 vyrábět zboží .....
- 7 určovat, stanovit cenu .....
- 8 jednotlivec .....
- 9 zakoupit .....

- 10 řídit, usměrňovat trh .....
- 11 trh .....
- 12 domácnost .....
- 13 obchodovat se zbožím .....
- 14 prodávající .....
- 15 hosp. soutěž .....
- 16 nabídka .....
- 17 prostřednictvím peněz .....
- 18 dosáhnout efektivity.....
- 19 přizpůsobit, upravit ceny .....

## 1.3 Match the terms with the definitions.

- |                                 |  |
|---------------------------------|--|
| 1 ..... <b>market</b>           | a) the price of goods or services sold in the market                                 |
| 2 ..... <b>market functions</b> | b) the use of resources in such a way that the production of goods is at its maximum |
| 3 ..... <b>supply</b>           | c) a war between sellers to keep customers and their profit                          |
| 4 ..... <b>demand</b>           | d) persons or institutions which enter the market in order to satisfy their needs    |
| 5 ..... <b>market price</b>     | e) adjust price, answer questions for whom, what and how to produce, etc.            |
| 6 ..... <b>efficiency</b>       | f) a place where sellers exchange goods or services with buyers by means of money    |
| 7 ..... <b>competition</b>      | g) the amount of goods which are sold and purchased                                  |
| 8 ..... <b>market agents</b>    | h) the interest of buyers to purchase offered goods or services                      |

## 1.4 Answer the questions.

- 1 What does the term *market* mean?
- 2 What are the main functions of the market?
- 3 Who are the market agents and what are their roles?
- 4 What does the term *supply* mean?
- 5 What does the term *demand* mean?

## Market – Worksheet 2

### 2.1 Reading

#### TYPES OF MARKETS

##### MARKETS ACCORDING TO PLACE

LOCAL MARKET – it is the first market; buyers are at the same place where the goods or services are offered

REGIONAL MARKET – it covers a larger area than the **local market**, it concerns an area of a region (e. g. Central Bohemian Region)

NATIONAL MARKET – it is the unity of local and regional markets thanks to the **division of labour** and the development of transport; it covers an area of a country (e. g. of the Czech Republic)

WORLD MARKET – it is **the unity of all markets** around the whole world

##### MARKETS ACCORDING TO PRODUCTS AND SERVICES

LABOUR MARKET – people who are looking for jobs meet those who are looking for staff for their business; the supply and demand are **vacancies** and **labour force**

FINANCIAL MARKETS – various **financial products** are traded

BLACK MARKET – it is a place where people **trade illegal** or rare **goods**

##### MARKETS ACCORDING TO THE TARGET PLACE

DOMESTIC MARKET – goods are sold mainly to **local buyers** within the boundaries of the country

FOREIGN MARKET – goods are sold abroad

##### MARKETS ACCORDING TO SUPPLY AND DEMAND

BUYER'S MARKET – **supply** exceeds **demand**, prices fall

SELLER'S MARKET – demand exceeds supply, so sellers can dictate their conditions

### 2.2 Find the words in the text.

1 místní trh .....	9 místní kupující.....
2 černý trh .....	10 zahraniční trh .....
3 volná pracovní místa .....	11 oblastní trh .....
4 nabídka .....	12 poptávka .....
5 jednota všech trhů .....	13 dělba práce.....
6 národní trh .....	14 trh práce .....
7 peněžní produkty .....	15 obchodovat s nelegálním zbožím .....
8 světový trh .....	16 pracovní síla .....

### 2.3 Translate the sentences.

- 1 Místní trh se nachází tam, kde kupující ze stejného místa mají možnost koupit nabízené zboží.
- 2 Světový trh spojuje všechny trhy po celém světě.
- 3 Na trhu práce se setkávají nezaměstnaní lidé, kteří hledají práci, a zaměstnavatelé, kteří hledají zaměstnance.
- 4 Na černém trhu se obchoduje s nelegálními komoditami.
- 5 Trh z hlediska místa dělíme na čtyři typy: místní, oblastní, národní a světový.
- 6 Na peněžním trhu se obchoduje s různými peněžními produkty.
- 7 Trh můžeme dělit i podle nabídky a poptávky, a to na trh prodávajícího a kupujícího.

### 2.4 Answer the following questions.

- 1 What is the difference between *local* and *national* market?
- 2 What is traded in the labour market and why?
- 3 What is the difference between *domestic* and *foreign* market?
- 4 Why is the black market illegal? What does the government do against it?

## Market – Worksheet 3

### 3.1 Reading

#### OTHER KEY TERMS

**AGGREGATE SUPPLY** – it is the **total of all sales** created by **sellers** in the whole country

**AGGREGATE DEMAND** – it is the total of all **intended purchases** that the **buyers** can afford to make within the whole country

**UTILITY** – it is the degree of **consumer satisfaction**

**ELASTICITY OF SUPPLY AND DEMAND** – it is the condition of supply and demand in which they change in reaction to changes of prices

#### MARKET FAILURE

There is never a perfect market because there are many influences that **unbalance** the market. One of the influences is the **imperfect competition** which causes that there are sellers or buyers in the market who dominate the market and dictate the conditions at the expense of others. There may be environmental issues, such as pollution or natural disasters, which **destabilize** the market. Wars, political conflicts or economic crises unbalance the market too.

### 3.2 Find the words in the text.

- |                                  |                                 |
|----------------------------------|---------------------------------|
| 1 agregátní poptávka .....       | 7 zamýšlené koupě .....         |
| 2 selhání trhu .....             | 8 kupující .....                |
| 3 užitek, užitečnost .....       | 9 prodávající .....             |
| 4 úhrn všech prodejů.....        | 10 pružnost .....               |
| 5 destabilizovat (2x) .....      | 11 agregátní nabídka .....      |
| 6 spokojenost spotřebitele ..... | 12 nedokonalá hosp. soutěž..... |

### 3.3 Translate the sentences.

- 1 Agregátní nabídka představuje úhrn všeho zboží a služeb, které jsou prodávajícími poskytnuty zákazníkům v dané zemi.
- 2 Užitek zboží vyjadřuje míru spokojenosti spotřebitele s nabízeným zbožím a službami.
- 3 Jestliže se nabídka nebo poptávka mění podle ceny, hovoříme o pružnosti nabídky a poptávky.
- 4 Dokonalý trh neexistuje. Selhání trhu je způsobeno mnoha různými příčinami.
- 5 Trh je destabilizován, pokud v zemi dojde k závažné přírodní katastrofě, například zemětřesení nebo tsunami.
- 6 Agregátní poptávka je úhrn všeho zboží a služeb, za které jsou nakupující dané země ochotni zaplatit.
- 7 Trh je destabilizován, když dojde ke zhoršení politické situace nebo k válce.

### 3.4 Answer the following questions.

- 1 What is the difference between economic terms *supply* and *aggregate supply*?
- 2 How does the customer's satisfaction with goods and services influence supply?
- 3 Why does *imperfect competition* unbalance the market?