

I. BASIC ECONOMIC CATEGORIES

Absolute advantages	total advantage, ability of one company to produce a good at lower costs than any other business in the same industry
Accumulation	refers simply to the gathering or amassment of objects of value; the increase in wealth or the creation of wealth
Antitrust laws	legislation established by the federal government to prevent the formation of monopolies and to regulate trade
Arbitrage	the simultaneous buying and selling of a security at two different prices in two different markets, resulting in profits without risk
Autarkeia	self-sufficiency (of the state); economic self-sufficiency of one or more countries, the separation of the economy from other economies
Balance of payments	ratio of the payments made by the country abroad and the proceeds it received from abroad for a certain period of time
Barter	the trading/exchange of goods or services without using currency
Bond	securities, fixed income, on which the issuer agrees to pay the holder a fixed amount at some point in the future and/or to pay interest on an annual or semi-annual
«Brain drain»	a situation in which the smartest, best educated people in a society or country leave for elsewhere

Bretton Woods system	an agreement signed by the original United Nations members in 1944 that established the International Monetary Fund (IMF) and the post-World War II international monetary system of fixed exchange rates
Broker	an individual or a firm that brings together buyers and sellers but does not take a position in the asset to be exchanged
Budget constraints	the goods and services an individual is able to purchase over a given period of time at his/her current income
Business	a company or other organization engaged in commerce. A business sells goods and/or services to clients
Business cycle	recurring fluctuations in economic activity consisting of recession and recovery and growth and decline
Capital	is money that is used to generate income or make an investment
Capital consumption	the loss to a country's economy over a period of time because of the decrease in the value of its land, buildings, equipment, etc. that are used to produce goods and provide services
Capital goods	goods used by firms to produce other goods, e.g., office buildings, machinery, equipment
Capital-intensive	used to describe industries that require large investments in capital assets to produce their goods, such as the automobile industry
Cartel	a group of businesses or nations that act together as a single producer to obtain market control and to influence prices in their favor by limiting production of a product
Centrifugal tendencies	tending opposite to centralization

Centripetal tendency	moving or tending to move towards a centre
Ceteris paribus	state indicating that the model holds true if other market forces do not intervene
Circulating capital	that part of the capital, which brings its value to make the products for a certain period
Civilization	the level of material and spiritual culture, achieved at a certain stage of social development, for a given socio-economic system
Classical economy	a set of related economic theories that trace their origins to the Enlightenment. Adam Smith is commonly thought to be the father of classical economics. He and those who followed him believed that economies work most efficiently when economic actors attempt to maximize their own self-interests, and that doing so tends to maximize the interests of society as a whole
Command economy	an economy in which business activities and the allocation of resources are determined by government order rather than market forces Also called planned economy
Commerce	the exchange of goods between nations or people; trade on a large scale
Comparative advantage	ability of a person or a country to produce a particular good or service at a lower marginal and opportunity cost over another
Concentration of production	is of one or more related products at very large enterprises, within a small region
Concern	one of most developed forms of monopolist associations, characterized by a unity of ownership and control

Conglomerate	a corporation made up of a number of different companies that operate in diversified fields
Conjuncture	economic conditions in the free market, is an established relationship between supply and demand, prices, inventories, and the phase of the business cycle: growth, decline
Constant capital	part of the invested capital expended on the purchase of machinery, equipment, buildings, facilities, fuel, raw materials and auxiliary materials
Consumption worth	useful things like commodities, that it has the properties and qualities that allow to meet human needs
Conversion	transfer of military-industrial enterprises to produce civilian products
Convertibility	the quality of being exchangeable (especially the ability to convert a currency into gold or other currencies without restriction)
Cooperation	a complex of formally organized, gainful, voluntary mutual aid associations of workers and small producers, which are established to achieve common goals in different branches of economic activity
Corporation	an aggregate of individuals united for the achievement of some goal and forming an independent subject under the law (a juridical person)
Corporation stock	is a corporation that have owners represented by shares of stock
Cost	the amount of money or property paid for a good or service
Credit	transaction between two parties in which one (the creditor or lender) supplies money, goods, services, or securities in return for a promised future payment by the other (the debtor or borrower)

Customs duty	is a kind of indirect tax which is realized on goods of international trade
Dealer	exchange intermediary performing securities transactions through their sales and generate revenue in the form of the difference between buying and selling rates
Debt	a sum of money which is owned to someone
Deduction	a process of inference based on the transition from private to general provisions
Demand	solvency needs of customers in this product at a given price
Depreciation	is the gradual decrease in the economic value of the capital stock of a firm, nation or other entity, either through physical depreciation, obsolescence or changes in the demand for the services of the capital in question
Depression	a period when excess aggregate supply overwhelms aggregate demand, resulting in falling prices, unemployment problems, and economic contraction
Devaluation	is a reduction in the value of a currency with respect to those goods, services or other monetary units with which that currency can be exchanged
Differential rent	additional net income, resulting in a relatively better and more convenient location of the land or the rising productivity of additional capital investments
Direct investment	business investment as a result of which the investor acquires management control over an investment of capital
Discounting	the appraisal method of computing the value of an income-producing property by calculating the present value of anticipated cash flows

Distribution	division produced economic output, income, earnings per side with a destination address to be transmitted in a separate fund to individuals
Diversification	to distribute (investments) among different companies or securities in order to limit losses in the event of a fall in a particular market or industry
Dividend	the share of a cooperative society's surplus allocated at the end of a period to members.
Division of labor	differentiation and specialization of labor, leading to the selection and implementation of its various kinds
Dumping	in international trade, the pricing of a product below its cost of production
Economic grows	increase in the total production and consumption in the country, which is characterized above all such macroeconomic indicators, such as gross domestic product, gross domestic product, national income. Economic growth is measured by growth or growth of these indicators over time (the ratio of performance to the end and the beginning of the period or the ratio of increase in the index to its initial value)
Economic law	objective, internal, essential, stable, recurring cause and effect in the system of industrial relations
Economic resources	all resources used in the production of goods and services
Economic system	is a system that involves the production, distribution and consumption of goods and services between the entities in a particular society
Economics	a branch of economic science, revealing at the macro- and micro-business laws, methods of management, economic policy

Economy	lean farming, which is based on reducing costs, expenses, costs, economic resursov.zakony business management methods, economic policy
Efficiency	the degree and speed with which a market accurately incorporates information into prices
Elasticity	the responsiveness of the quantity purchased of an item to changes in the item's price over a fairly short period of time
Entrepreneurial ability	one of the economic resources, the ability and willingness to organize a business person or any new business, taking on the associated costs, risk and responsibility
Entrepreneurship	initiative and independent, carried out on his behalf, at their own risk, on their financial responsibility activities of citizens, legal entities and individuals, aimed at systematically generating income, profit from the use of property, sale of goods, works and services
Equilibrium	state of the market, where supply equals to demand
Exchange (stock exchange for ins.)	a marketplace in which shares, options and futures on stocks, bonds, commodities, and indexes are traded
Exchange	the process of movement of goods and services from one person to another economic activity, and the system of economic relations in a market economy
Exchange rate	is the price at which the currency of one country can be converted to the currency of another
Exchange value	the ability of one commodity is exchanged for other goods or money
Expansion	is an increase in the level of economic activity, and of the goods and services available in the market place

Expansion	phase of the economic cycle, characterized by high business activity and investment growth, relatively high rates of growth, lower unemployment, rising living standards. The rise usually occurs after a period of recovery
Explicit cost	is a direct payment made to others in the course of running a business, such as wage, rent and materials
Export	a good or service that is produced in one country and then sold to and consumed in another country
Externalities	effects that impact on firms and consumers in the production of goods and services
Externalities	is a cost or benefit, not transmitted through prices, incurred by a party who did not agree to the action causing the cost or benefit.
Factors of production	production volume. These include land, labor, capital, and entrepreneurial activity
Final product	summarizing indicators of the total volume of produced final, completed in production of finished goods in terms of money
Firm	entity which has the right to a legal entity engaged in business and operates on the principles of commercial accounting
Fiscal policy	government activities in the area of taxation, government spending, the state budget, which aims to ensure employment and economic problems of the country
Fixed (physical) capital	the amount of capital invested in a set of logistical objects and values used in the production process to influence the objects of labor and their transformation into useful products for consumption

Fixed price	it's mean that no bargaining is allowed over the price of a good or, less commonly, a service.
Floating exchange rate	is a type of exchange rate regime wherein a currency's value is allowed to fluctuate according to the foreign exchange market
Franchising	form partnerships, including the use of proven technologies brand enterprise learning and the necessary consultations by the other party (franchise) on a commercial basis
Free trade	international trade that is free of such government interference as import quotas, export subsidies, protective tariffs, etc.
Gold standard	is a monetary system in which the standard economic unit of account is a fixed weight of gold
Good	any goods, the kind of products intended for sale in the market
Good	everything that can meet the daily living needs of people, to bring people good, fun
Government intervention	state influence on the work of economic and market conditions in order to ensure the functioning of the economic mechanism, solving social and environmental problems
Gross domestic (internal) product	one of the most important macroeconomic indicators expressing the market prices calculated in the total cost of the final product (products, goods and services), created during the year in the country with the use of factors of production belong to both this country and other countries
Gross nation product	the total monetary value of all final goods and services produced in a country during one year.

Hedging	is a position established in one market in an attempt to offset exposure to price changes or fluctuations in some opposite position with the goal of minimizing one's exposure to unwanted risk
Homo oeconomicus	a person that desires to maximize his needs or desires. Homo economicus is used most of the time to refer to the rational economic actor, who desires wealth, does not desire to work if it can be avoided, and is able to find ways achieve those ends
Human capital	the unique capabilities and expertise of individuals
Implicit costs	is the opportunity cost equal to what a firm must give up in order to use factors which it neither purchases nor hired
Imports	the importation of foreign goods, services, technology or capital
Induction	transition from private to general
Inflation	the reduction in the purchasing power of a currency
Infrastructure	a country's fundamental system of transportation, communications, and other aspects of its physical capabilities
Institution	a business devoted to holding and managing assets, either for clients or for itself. Examples include mutual funds, banks, holding companies, and brokerages
Interest rate	cost of the service provided by the lender to the borrower (client), which consists in giving to him for payment of a specified sum of money for an agreed time. Lending rate is the flow rate for the payer and income to the recipient

Interest rate	the value of payments for financial or material loaned funds paid the borrower (the borrower), the lender (creditor). The source of interest is the value-added created during the production of loanable funds, net business income of a functioning capitalist
Intervention in the foreign-exchange market	intervention by central banks and treasuries of individual countries in the foreign exchange market to influence the dynamics of the domestic or foreign currency
Investment	is putting money into something with the hope of profit
Invisible hand	the term implies a mechanism of self-regulation of the market economy
Jamaica's system	current stage of development of the global currency system, the principles of which were developed in 1976, which provides for the complete demonetization of gold, and the final transition to the use of money as a world of national currencies and international settlement currency - Special Drawing Rights issued by the IMF, which implies the right to choose any country exchange rate regime, the recognition system of floating exchange rates, saving for gold grew fund of liquid assets and the resolution of its sales at market prices
Keynesianism	a theory stating that government intervention is necessary to ensure an active and vibrant economy. According to this theory, government should stimulate demand for goods and services in order to encourage economic growth
Knowledge based economy	unlike most of the resources that melt when used, information and knowledge can be used indefinitely and, in fact, the more they are used, the greater grows. And they almost are not bound to a place

Knowledge-intensive	requiring access to and manipulation of large quantities of knowledge; as, knowledge-intensive labor
Labor	expenditure of physical or mental effort especially when difficult or compulsory
Labor force	person's ability to work, the set of physical, mental and psychological qualities needed in the labor process
Labor productivity	indicator of resource efficiency, labor factor. Iemeryaetsyа of production in kind or in cash, produced by one worker for a certain time
Labour intensive	is the relative proportion of labor (compared to capital) used in a process
Laissez faire	trend in economic theory, policy and business practice, for freedom of trade and non-interference of the state in the sphere of private life of the community
Land	it is the primary assets whose values do not depreciate over time
Land rents	income from the sale of property in land
Liquidity	ability of elements of fixed or working capital campaigns quickly and easily implemented
«Long waves»	a theory stating that capitalist economies go through phases much longer than ordinary business cycles. That is, capitalist economies have cycles of 45-60 years, where they perform alternately well and then poorly. The cycle then starts over
Macroeconomics	the study of an economy in its largest sense. That is, macroeconomics studies gross domestic product, unemployment, inflation, and similar matters

Management	set of principles, methods, means and forms of government economic entity to improve the efficiency of its operations, reduce costs and increase profits
Manufactory	mode of production, characterized incipient division of labor and cooperation, while maintaining the manual labor, craftsmanship, low technique used
Marginal productivity	is the change in total revenue earned by a firm that results from employing one more unit of labor. It is a neoclassical model that determines, under some conditions, the optimal number of workers to employ at an exogenously determined market wage rate
Marginal utility	the branch of social science that deals with the production and distribution and consumption of goods and services and their management
Marginalism	economic theory, using limits for the study of economic laws and processes
Market	economic relationships associated with the implementation and exchange of goods and services
Market failure	a situation in which the market is not able to coordinate the processes of economic choice, so as to ensure effective use
Marketing	is the process of performing market research, selling products and/or services to customers and promoting them via advertising to further enhance sales
Mercantilist	economic doctrine, according to which the welfare state depends on the greatest possible accumulation of money in the country and the prevalence of exports over imports
Microeconomics	is a branch of economics that studies the behavior of how the individual modern household and firms make decisions to allocate limited resources

Mixed economy	is an economy that includes a variety of private and government control; reflecting characteristics of both capitalism and socialism
Monetarism	economic theory and practical concept of economic governance, according to which the decisive role in the economic processes, housekeeping is the amount of money in circulation and the relationship between money and commodity mass
Monopolistic competition	is a form of imperfect competition where many competing producers sell products that are differentiated from one another (that is, the products are substitutes, but, with differences such as branding, are not exactly alike)
Monopoly	one company the exclusive right to manufacture and trade in any commodity
National income	the total net value of all goods and services produced within a nation over a specified period of time, representing the sum of wages, profits, rents, interest, and pension payments to residents of the nation
National production	reproduction of society products over time
National wealth	the sum of natural resources created the means of production of material goods, the values that the country possesses
Nation-income accounting	statistics on the state and dynamics of the main indicators of the economy
Natural monopoly	monopoly that occurs when, due to natural causes in the market shows one manufacturer that is able to dictate terms to the market
Needs	products, goods and services that people need, they tend to have and consume

New classical economics	direction in the Western political economy which is based on the theory of marginalism. seeks to justify the optimal use of resources and to identify principles for establishing economical. equilibrium under conditions of free competition, minimize government intervention in the economy
Non-price competition	method of competition, which is based on no price advantage over competitors, and achieve a higher quality, technical level of technological perfection
Normal profit	profit equal opportunity costs invested in the production of the company owner
Normative economics	is that part of economics that expresses value judgments (normative judgements) about economic fairness or what the economy ought to be like or what goals of public policy ought to be
Oligopoly	market, which is dominated by a few major vendors offer products which form a certain range
Opportunity cost	is the cost of any activity measured in terms of the value of the next best alternative forgone (that is not chosen)
Option	a contract that permits the owner, depending on the type of option held, to purchase or sell an asset at a fixed price until a specific date
Organic composition of capital	the value composition of capital, that is, the ratio of constant capital (c) to variable capital (v) determined by the technical composition of capital and mirroring the changes in that technical composition
Partnership	company, which is owned by two or more persons who jointly own and operate the company, will receive a share of profits and have unlimited liability for the activities of the firm

Peak	the transition from the end of the economic expansion in the beginning period of decline in economic activity
Perfect competition	a market situation in which there exists a homogeneous product, freedom of entry, and a large number of buyers and sellers none of whom individually can affect price
Physiocrats	is a group of economists who believed that the wealth of nations was derived solely from the value of land agriculture or land development
Political economy	is the science that deals with political science and economics as a unified subject; the study of the interrelationships between political and economic processes
Portfolio investment	investing in stocks, bonds and other long-term securities in order to profit
Positive economics	is a part of economic theory that studies and explains the observable economic facts, events, processes, establishes a link between them
Price competition	competition based primarily on reducing the price of the goods, may be straight (with a wide alert to lower prices) and hidden (available on the market a new product with improved consumer properties at a relatively modest increase in the price)
Privatization	process of change of ownership during the transfer of state enterprises in other forms of property, including the collective, joint-stock and private
Production	the process of turning raw material into a product that is sold
Production function	economic-mathematical relationship in the form of the relationship between the number of products and factors of production, which are mainly in the function are considered labor and capital

Productive forces	collection of means of production and people that involved in the production
Profit	form of net income of the enterprise, a general indicator of its activities. Defined as the difference between the proceeds from the sale of products and the cost of production
Property	something owned; any tangible or intangible possession that is owned by someone
Property rights	membership of things, material and spiritual values of certain individuals, the legal right to such ownership and economic relations between the people on the ownership, division, redistribution of property
Protectionism	economic policy, which aims to protect the national domestic market from foreign competition by introducing high tariffs on goods imported into the country
Public debt	the total of all bonds and other debt owed by a government
Public goods	as opposed to the private benefits of public goods are not competitive (ie, the consumption of the good by one person does not reduce the amount of benefits available to others) and are non-exclusive in nature (ie, it is impossible to exclude anyone from the use of these benefits)
Purchasing power parties (PPP)	the actual ratio between the currencies of countries being compared, calculated as the ratio of the price of similar goods and services produced in these countries. This is the real value of the national currency in the currency of another country
Quota	a maximum or minimum limit on quantity

Recession, trough	is a business cycle contraction, a general slowdown in economic activity over a period of time for more than two consecutive quarters
Recovery	phase of the economic cycle, which begins in the growth of industrial production and investment business.
Reduction	reducing the number of employees in one or in many enterprises and organizations.
Relation of production	relationships that arise between people in the production of material goods
Reproduction	recreating expended factors of production (natural resources, labor, and capital goods) by their subsequent production
Securities rate	the price at which securities are bought and sold securities
Share	is a certificate of ownership indicating that a definite amount of money has been invested
Shock treatment	set of radical measures aimed at reviving the economy during the disturbance to economic relations, events, and is accompanied by a number of negative consequences: rising prices, inflation, falling employment, etc.
Shortage	a deficiency or lack in the amount needed, expected, or due
Small business	business activities in small ways, based on the business activities of private entrepreneurs, small businesses, small businesses
Sole proprietorship	the business owned and run by one person
Specialization	concentration of activity in a relatively narrow areas, the individual process steps or types of products

Specification of property rights	appendix to the contract of sale or supply agreement, as a rule, an integral part of the contract
Speculation	is a financial action that does not promise safety of the initial investment along with the return on the principal sum
Stock exchange	is an entity that provides «trading» facilities for stock brokers and traders to trade stocks, bonds, and other securities
Structure	economic type of society, which is characterized by elements of the form of ownership of social production - working (life, labor, and labor), capital goods and consumer goods
Superstructure	is an upward extension of an existing structure above a baseline
Supply	quantity of goods, which the manufacturer is willing to sell at a specified price over a specified period
Supply-side economics	the school of economic theory that stresses the costs of production as a means of stimulating the economy; advocates policies that raise capital and labor output by increasing the incentive to produce
Surplus value	the difference between the cost of capital at the beginning of the capitalist production process and the added value of goods produced
Syndicate	a form of monopolies, characterized in that the distribution of orders, procurement of raw materials and sale of goods manufactured through a single sales office. Remain productive members of the syndicate, but lose commercial independence
Tax	the assessed value of the taxable property, assets, and income within a specific geographic area

Theory of ratiom expectation	macroeconomic concept is used to model the formation of economic expectations in the neoclassical school of macroeconomics, in neo-Keynesianism and the theory of financial markets, where participants free markets do not systematic or obvious mistakes
Time preference	property of human nature to prefer current consumption to consumption in the future
Trade balance	balance sheet, showing the relationship of exports and imports of goods between this State and other states, is part of the balance of payments
Trade-union	is an organization of workers that have banded together to achieve common goals such as better working conditions.
Tradition economy, customary economy	an economic system in which the traditions, customs define the extensive use of rare limited natural resources
Transaction	transaction, agreement, followed by reciprocal concessions
Transaction costs	costs incurred as a result of breach of contract
Trust	association of companies, firms, in which participants are losing their independence
Turnover of capital	continually recurring capital cycle. The time during which the industrial capital goes through all stages of the circuit is the turnover time of capital
Underground sector of economy	economic processes that are not advertised to be hiding their members, are not controlled by the state and society are fixed to official government statistics
Utility	the ability of a commodity to satisfy human wants

Variable capital	part of the capital invested in the work force that exists in the form of human labor, creates value, changes in magnitude in the company. In contrast to the cost of items of work does not transfer their value to the agricultural products, and played in it
Wage	an amount of money paid each hour to compensate an employee for the amount of time he spends working
Wechsel	security, which has established the required details, and is an unconditional obligation of the issuer to pay within the specified time bill amount
Work	labor expended in some useful form and creating a use-value goods
Working capital	the cost of raw materials, labor, are fully included in the product price and return of cash after its implementation