

Homework**ENGLISH FOR SECOND YEAR LEVEL FINANCE AND ACCOUNTANCY
TEACHER: Dr.Djabari.A**

Read the text and answer the questions below. Send your answers in WORD or PDF file to the teacher at:

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The production of goods and services in countries that need to trade is based on two fundamental principles, first analyzed by Adam Smith in the late 18th Century (in *The Wealth of Nations*, 1776), these being the *division of labor* and *specialization*.

(1) Division of Labor:

In its strictest sense, a division of labour means breaking down reduction into small, interconnected tasks, and then allocating these tasks to different workers based on their suitability to undertake the task efficiently. When applied internationally, a division of labour means that countries produce just a small range of goods or services, and may contribute only a small part to finished products sold in global markets. For example, a bar of chocolate is likely to contain many ingredients from numerous countries, with each country contributing, perhaps, just one ingredient to the final product.

(2) Specialization:

Specialization is the second fundamental principle associated with trade, and results from the division of labor. Given that each worker, or each producer, is given a specialist role, they are likely to become efficient contributors to the overall process of production, and to the finished product. Hence, specialization can generate further benefits in terms of efficiency and productivity.

Specialization can be applied to individuals, firms, machinery and technology, and to whole countries. International specialization is increased when countries use their scarce resources to produce just a small range of products in high volume. Mass production allows a surplus of goods to be produced, which can then be exported. This means that goods and resources must be imported from other countries that have also specialized, and produced surpluses of their own.

When countries specialize they are likely to become more efficient over time. This is partly because a country's producers will become larger and exploit economies of scale. Faced by large global markets, firms may be encouraged to adopt mass production, and apply new technology. This can provide a country with a price and non-price advantage over less specialized countries, making it increasingly competitive and improving its chances of exporting in the future.

Question 1 (6 points): Find the verbs in the text and give their *INFINITIVE*, *SIMPLE PAST* and *PAST PARTICIPLE* as the example in the table below shows:

<i>Verb</i>	<i>Simple past</i>	<i>Past participle</i>
Need	Needed	Needed
Trade	Traded	Traded

Question 2 (8 points): Give the economic meaning of all underlined words (or group of words) in the text by referring to the text above or using sites such as: <https://en.wikipedia.org> or <http://investopedia.com>

Example:

- Division of labour means breaking down reduction into small, interconnected tasks, and then allocating these tasks to different workers based on their suitability to undertake the task efficiently.

Question 3 (6 points): Translate the text into Arabic.