

Lesson 6

Economics

All the words in this lesson may be associated with economics.

amalgamate V. to join or merge together (The board of directors is considering a move to *amalgamate* several of their smaller holdings.)

audit V. to examine and verify accounts (An accounting team is scheduled to *audit* this department next month.)

capital N. assets contributed to a business venture (A large amount of *capital* is needed for equipment to start an auto body shop.)

collateral N. property a borrower offers as a guarantee for a loan (Jim put up his 1953 Chevrolet as *collateral* for a loan to cover medical costs.)

commodity N. a product of trade or business (Any agricultural *commodity* grown in the area is shipped by rail.)

conglomerate N. a corporation including several different companies (A local *conglomerate* owns retail clothing stores and a grocery chain.)

exemption N. an amount of income excused from taxation (Our state offers a tax *exemption* to any company that relocates here.)

facsimile N. a precise copy (After the agreement is signed, the buyer will receive a *facsimile* of the document.)

fiscal ADJ. concerning finances or the treasury (The university operates on a *fiscal* year which begins July 1 and ends June 30.)

incentive N. something motivating one to act (Periodic sales on merchandise always serve as an *incentive* to the buying public.)

investment N. funds contributed to a business enterprise with hope of financial gain (For a high return on an *investment*, you must take high risks.)

lateral ADJ. concerning, located at, or directed toward the side (In our discussion of foreign affairs, we considered a *lateral* concern, which is international trade.)

magnate N. someone of influence and power, especially in industry (Our library was donated as a memorial to the industrial *magnate* J. R. Biggle.)

opportune ADJ. appropriate for a certain purpose or time (Because of the stock market crash, now is the *opportune* time to invest cheaply.)

prospectus N. a forecast of future business development (This corporation annually issues a financial *prospectus*.)

stipulation N. a requirement specified in a legal document (Real estate contracts may include a *stipulation* for adherence to building codes.)

stringent ADJ. strict or rigorous, especially regarding scarcity of money (The Federal Reserve Bank has issued *stringent* financial controls.)

subordinate ADJ. subject to another's control (David is in a *subordinate* position, and did not participate in the decision to open a new office.)

subsidy N. financial aid to a person or business by government (The government's meager *subsidy* for housing does not cover the need.)

tycoon N. a wealthy, influential businessperson (The newspaper ran a cartoon portraying a fat, cigar-smoking *tycoon* with his arm around Al Capone.)