Taking root and reaping rewards

VOCABULARY PRACTICE
ADVANCED | C1

Name: _____ Date: _____

1 Match each advanced term with its definition.

1 compounding returns ____	**a** gains that build on themselves over time, accelerating overall growth
2 delayed gratification ____	**b** the ability to forgo immediate reward in favour of a greater future benefit
3 asymmetric risk ____	**c** a situation where potential loss and potential gain are significantly unequal
4 first-mover advantage ____	**d** the benefit gained by being the first to act in a market or field
5 path dependency ____	**e** the tendency for early decisions to constrain and shape later options
6 opportunity cost ____	**f** the value given up by choosing one option over the next best alternative
7 diminishing returns ____	**g** the point at which additional input produces progressively smaller benefit
8 network effects ____	**h** the phenomenon whereby a product or service becomes more valuable as more people use it
9 resilience ____	**i** the capacity to recover from setbacks and continue functioning
10 exponential growth ____	**j** growth that accelerates over time rather than increasing at a constant rate

2 Choose the most precise term for each context.

1 Gains building on themselves over time are compounding returns / a one-off gain.

2 Forgoing immediate reward for future benefit is delayed gratification / instant reward.

3 A situation where potential loss and gain are unequal is asymmetric risk / balanced risk.

4 The benefit of acting first in a market is first-mover advantage / late entry.

5 Early decisions constraining later options is path dependency / total freedom.

6 The value given up by choosing one option is opportunity cost / sunk cost.

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7 The point where extra input yields smaller benefit is diminishing returns / increasing returns.

8 Growth that accelerates over time is exponential growth / linear growth.

3 Match the verbs with the noun phrases to form academic collocations.

1 compound ____	**a** against downside risk
2 defer ____	**b** gratification
3 hedge ____	**c** an early advantage
4 capitalise on ____	**d** gains over time
5 forfeit ____	**e** an opportunity cost
6 accrue ____	**f** benefit incrementally
7 offset ____	**g** diminishing returns
8 sustain ____	**h** long-term momentum

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4 Complete the analysis with terms from the box.

asymmetric risk | compounding returns | delayed gratification | diminishing returns | exponential growth | first-mover advantage | network effects | opportunity cost | path dependency | resilience

Behavioural economists studying long-term success frequently cite 1 _____, the capacity to forgo immediate reward for a larger future benefit, as a strong predictor of eventual achievement. Early investments of time or capital often benefit from 2 _____, gains that accumulate and accelerate rather than growing at a constant rate, occasionally producing genuine 3 _____ once a critical threshold is reached. Entering a market early can confer a lasting 4 _____, particularly in industries characterised by 5 _____, where a product becomes progressively more valuable as adoption spreads. However, early strategic choices also introduce 6 _____, since initial decisions can constrain future options in ways that are difficult to reverse. Every choice carries an 7 _____, the value of the best alternative foregone, and prudent strategists weigh this carefully rather than pursuing growth indiscriminately, mindful that most efforts eventually encounter 8 _____, where additional investment yields ever smaller improvement. Ultimately, sustained success depends less on avoiding setbacks entirely than on 9 _____, the capacity to recover and continue, particularly when facing genuinely 10 _____ where the potential downside significantly outweighs typical outcomes.

5 Read the text and answer the questions briefly.

The compounding logic of long-term success

Economists studying wealth and career trajectories increasingly emphasise the role of compounding, the phenomenon whereby small early advantages accumulate and accelerate over time, producing outcomes that diverge dramatically from linear expectations. This has significant implications for how success is popularly understood: outcomes that appear to result from a single decisive moment often actually reflect years of incremental advantage building upon itself, largely invisible until the effect becomes substantial. This dynamic also has troubling implications for inequality, since early access to resources, whether financial, educational or social, can compound over decades, producing disparities that are extremely difficult to close later through equal effort alone. Understanding compounding, researchers argue, is therefore essential to evaluating claims about individual merit versus structural advantage.

1 What role do economists increasingly emphasise in wealth and career trajectories? _____

2 What does compounding produce, compared with linear expectations? _____

3 What do outcomes that appear to result from a single decisive moment often actually reflect? ___

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4 What troubling implications does this dynamic have? _____

5 What can early access to resources produce over decades? _____

6 Why is understanding compounding essential, according to researchers? _____

6 Replace the words in bold with a precise term or collocation.

1 She was willing to give up immediate reward for a bigger future benefit. _____

2 The gains built on themselves and accelerated over time. _____

3 Being first in the market gave the company a lasting edge. _____

4 The extra investment produced progressively smaller improvement. _____

OVER TO YOU

Write a 160-190 word critical commentary on how compounding advantage shapes long-term success, distinguishing observation from inference and evaluating individual and structural explanations.

[ ] Use at least twelve target expressions. [ ] Include four academic collocations. [ ] Maintain a precise, balanced register.

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ANSWER KEY

1 Advanced terms

1 a 2 b 3 c 4 d 5 e 6 f 7 g 8 h 9 i 10 j

2 Precise terms

1 compounding returns 2 delayed gratification 3 asymmetric risk 4 first-mover advantage 5 path dependency 6 opportunity cost 7 diminishing returns 8 exponential growth

3 Academic collocations

1 d compound gains over time 2 b defer gratification 3 a hedge against downside risk 4 c capitalise on an early advantage 5 e forfeit an opportunity cost... note adjust 6 f accrue benefit incrementally 7 g offset diminishing returns 8 h sustain long-term momentum

4 Analysis

1 delayed gratification 2 compounding returns 3 exponential growth 4 first-mover advantage
5 network effects 6 path dependency 7 opportunity cost 8 diminishing returns
9 resilience 10 asymmetric risk

5 Reading - suggested answers

1 Compounding.
2 Outcomes that diverge dramatically from linear expectations.
3 Years of incremental advantage building upon itself, largely invisible until the effect becomes substantial.
4 Implications for inequality, since early advantage can compound over decades.
5 Disparities that are extremely difficult to close later through equal effort alone.
6 It is essential to evaluating claims about individual merit versus structural advantage.

6 Precise terms and collocations

1 delayed gratification 2 compounding returns 3 first-mover advantage 4 diminishing returns

Over to you

Answers will vary. Look for conceptual precision, evidence-aware reasoning and balanced evaluation.