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УКРАЇНА

**НАЦІОНАЛЬНИЙ УНІВЕРСИТЕТ БІОРЕСУРСІВ І
ПРИРОДОКОРИСТУВАННЯ УКРАЇНИ**

Кафедра англійської мови для економічних спеціальностей

Master's Course of Business English

Навчальний посібник з англійської мови для слухачів
магістерської програми економічних спеціальностей

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Навчальний посібник призначений для підготовки магістрів вищих аграрних навчальних закладах IV рівня акредитації зі спеціальностей “Економіка підприємства”, “Бухгалтерський облік і аудит”, “Фінанси і кредит”.

Мета посібника – сприяти розвитку міжкультурної професійно-комунікаційної компетентності майбутніх фахівців економічних спеціальностей, тобто здатності і готовності реалізувати одержані знання і вміння як у повсякденних загальних ділових, так і у фахових ситуаціях. Добір навчального матеріалу націлений на розвиток у студентів навичок і вмінь в основних видах усної та писемної мовленнєвої діяльності.

*Рекомендовано Вченою радою природничо-гуманітарного ННІ
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*Навчальний посібник з англійської мови для слухачів
магістерської програми економічних спеціальностей*

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ПЕРЕДМОВА

Навчальний посібник призначений для підготовки магістрів вищих навчальних закладів IV рівня акредитації зі спеціальностей “Облік і аудит”, “Економіка підприємства”, “Фінанси і кредит”.

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Добір навчального матеріалу узгоджений з метою посібника – закріплення лексичного матеріалу та розвиток навичок усного мовлення і націлений на паралельний і взаємопов’язаний розвиток у студентів навичок та вмінь в основних видах мовленнєвої діяльності.

Кожен урок спрямований на:

- навчання студентів читанню та перекладу текстів за фахом;
- засвоєння лексичного матеріалу з фаху;
- розвиток навичок усного мовлення з фаху.

Окрім основних тематичних текстів у навчальному посібнику подано додаткові (для самостійного опрацювання) тексти та завдання.

Посібник може бути використаний для аудиторної та самостійної роботи студентів. Він відповідає сучасним вимогам вищих навчальних закладів і рекомендований Вченою радою природничо-гуманітарного ННІ НУБіП України.

SECTION I

Specialty “Economy of enterprises”

UNIT 1

Success in Business

Task 1. Discuss the following problems.

- a) Is the job of a businessperson popular in your country? Why?
- b) Could you describe a typical entrepreneur working in the sphere of business using the following tips:

Age

Sex

Background

Marital status (married, single, divorced)

- c) Why do you think people are interested in doing business? Look at the following factors and choose among them. Can you add any more reasons?

- communicating with people
- traveling abroad
- participating in different exhibitions
- meeting new interesting people
- making money
- enjoying the job itself

- d) What companies or people do you know that succeed in business?

Task 2. Read the following quotations and decide which of them can be best applied to business.

1. «The difference between a successful person and others is not a lack of strength, not a lack of knowledge, but rather a lack of will» Vince Lombardi
2. “Life is like riding a bicycle. You don't fall unless you stop pedaling” Claude Pepper
3. “If you think you can, you can. And if you think you can't you're right” Mary Kay Ash
4. «Success, remember, is the reward of hard work» Sophocles

Text A

Task 3. Read the article about the successful businessman Richard Shen. Give the article a headline according to the content. Before reading study the following words:

to manage – управляти;
to expand – розширювати;
annual sales – щорічні продажі;
a market – ринок;
a customer – покупець;
an employee – службовець у компанії;
entrepreneur – підприємець;
a sales representative – торгівельний представник

Richard Shen's success story illustrates how much effort it takes to transform a good idea into a successful business. Shen is one of those rare entrepreneurs who has the skills to manage and expand his business. Shen set up his company at 18 by selling his truck and using \$1,200 to open Audio Chamber International. Now it produces high-quality stereo systems and installs them in vehicles that range from VW bugs and Cadillacs to helicopters and boats. The products of this company are in great demand in spite of very high competition. Shen does business with many countries.

His company is very profitable. Audio Chamber's one store has annual sales of between \$1 million and \$2 million.

Shen says that every success is built on the ability to do better than good enough. He doesn't understand why so many new businesses fail. "What I do is not that big of a deal - I'm simple, and I work hard", he says. Working hard for Shen means working 18 hours a day. "You have to listen to your market", says Shen. "This means customers and employees. You must take care of them."

Each customer receives personalized attention and each sales representative respects the clients.

Selling stereo equipment is not Shen's only goal. "To succeed in business I have to be responsible, be an example and show others the correct way of making a life", Shen mentions. "Business is not just making money – it's a pleasure to communicate with people and to feel that they need you."

Now Shen is a very successful entrepreneur who inspires confidence in a number of people who work for him.

Task 4. Answer the following questions.

1. When did Shen set up his first company?
2. What does this company do?

3. What is Shen's attitude to his customers and employees?
4. What does he do to succeed in business?

Task 5. Look at the article again and find words to match these definitions.

- a) a person who buys something from a shop. _____.
- b) a person who works for somebody or for company in return for money. _____.
- c) to make decisions in a business or an organization, to organize people, keep them under control. _____.
- d) a person who travels around an area selling his company's goods. _____.
- e) to be very popular (about product or service). _____.

Task 5. Put the words and expressions from the box into the gaps in the proper form.

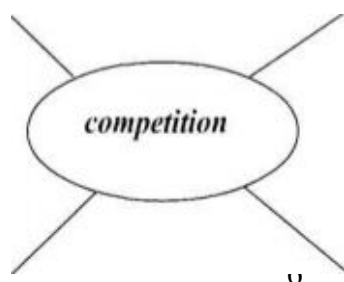
A customer	an entrepreneur
to be in great demand	profitable to expand

1. A company has decided to open a new consulting center to give advice to their..... about new services.
2. If a small company wants to earn more money and attract more customers, it must its business.
3. The new technologies are developed very fast and we can see that different mobile phones, notebooks and computers nowadays.
4. If you want your company to be you must take care of your employees.
5. We call a person who starts and manages a business and has all the responsibility for its development, growth and survival.

Task 6. Look at the word family for the word competition. Look up in a dictionary the words you don't know.

to compete

competitor



competitive

competitiveness

Now put these words into the gaps below:

- a) McDonald's and Kentucky Chicken often _____ with each other for their customers.
b) There are many _____ products on the market today. It is not easy task to choose the best one.
c) Our firm is proud that we provide better service than our _____.
d) One of the most important tasks of Ukrainian companies is to raise the _____ of their products in the world market.
e) Due to _____ companies provide goods and services of higher quality because they don't want to lose their clients.

Task 7. Match the words from the column A with their synonyms from the column B.

A	B
a competitor	to enlarge
a company	a consumer
to set up	a businessperson
to expand	a firm
an entrepreneur	a rival
a customer	to found

Text B

Task 1. Read the text and do exercise below. Before reading study the following words:

effectiveness – ефективність;

to eliminate – виключати;

to affect – впливати;

junk food – некорисна їжа з великою кількістю калорій (суррогатна їжа);

flywheel – махове колесо;

brisk – жвавий, моторний;
to embrace – сприймати, обніматися;
to boost confidence – розвивати впевненість у собі;
accomplishment – досягнення;
time-waster – поглинач часу;
pest – паразит;
inner voice – внутрішній голос;
to implement – виконувати;
persistent – упертий, наполегливий;
goal – ціль

Balance is the Key to Success

1. Long-term effectiveness is in balance. Get your life organized.

Try you eliminate or minimize things that affect you in a negative way. Live a healthy lifestyle and maintain your health. Give up junk food and unhealthy habits like instant coffee and cigarettes. To keep your “flywheel” spinning, develop some healthy habits, for example, go for a brisk walk every day.

2. Set realistic goals and priorities and write them down.

It helps to stay focused. Spend 10-15 minutes in the morning planning your day. Focus on the priorities. Invest in your health, knowledge and skills. Take one step at a time.

3. Keep looking for possibilities and developing useful skills.

The more skills you have the more competitive and marketable you are. Generally people who do what they like are healthier, happier, look better and live longer than those who do not. Choose a profession you like, but make sure that it is in demand. Embrace change – constantly adapt to the changing business environment.

4. Read for about an hour every day on a subject that interests you.

Learn a couple of new English words every day.

Write a couple of paragraphs in your journal or diary every day.

5. Believe in yourself no matter what. It is important to boost confidence. Look in the mirror every morning and say: "I am special and unique. I am designed for accomplishment and success." Bring positive things and variety into your life. Try to deal more with positive thinking people. Put yourself in the 'fun-zone' from time to time.

6. Network on purpose. Try to get acquainted with a new interesting person every day. Start up a conversation with a stranger sometimes. Treat others the way you want to be treated. Be open-minded – you might learn something useful. Learn from others and be creative.

7. Learn from mistakes and failures, and don't waste time on useless regrets. (One of the ways to avoid repeating your mistakes in the future is to make a list of them in your journal and look through it from time to time.) Learn to recognize 'pests' and time-wasters and avoid them.

8. Listen to your inner voice and try to keep your life as simple as possible. Spend 30 minutes cleaning and organizing your home and office every day.

9. Implement or put into practice your decisions and plans.

10. Monitor your progress and be persistent in achieving your goals.

Task 2. Find the words in the article which match the following definitions:

spin	unique	network
decision	knowledge	priority

1. making up your mind; ability to make up your mind._____.
2. right to be first; thing which has to be done first._____.
3. interconnecting system (of railways, etc.); radio/TV system._____.
4. action of turning round and round _____.
5. what is generally known_____.
6. so special that there is nothing similar to it_____.

Task 3. Look at the following questions to be asked before starting any business and complete them with the question words from the box.

How	How	How	What	What	What	Why
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1. am I now?

2. do I want to run my own business?
3. do I want to achieve in life?
4. do I get on with other people?
5. good organizer am I?
- 6 experience do I have in the proposed area of business?
- 7 much help will need from my family or friends?

Task 4. Do the Quiz and see if you could be a successful entrepreneur.
For each of the following questions, tick the answer, which comes closest to what you feel about yourself.

<p>1. Are you a self-starter?</p> <p>a. I only make an effort when I want to.</p> <p>b. if someone explains what to do, then I can continue from there.</p> <p>c. I make my own decisions; I don't need anyone to tell me what to do.</p> <p>2. How do you get on with other people?</p> <p>a. I get on with almost everybody.</p> <p>b. I have my own friends and I don't really need anyone else.</p> <p>c. I don't really feel at home with other people.</p> <p>3. Can you lead and motivate others?</p> <p>a. Once something is moving I'll join in.</p> <p>b. I'm good at giving orders when I know what to do.</p> <p>c. I can persuade most people to follow me when I start something.</p>	<p>9. Can you stay the course?</p> <p>a. The biggest challenge for me is getting a project started.</p> <p>b. if I decide to do something, nothing will stop me.</p> <p>c. If something doesn't go right I lose interest.</p> <p>10. Are you motivated by money?</p> <p>a. For me, job satisfaction can't be measured in money terms.</p> <p>b. Although money is important to me, I value other things just as much.</p> <p>c. Making money is my motivation.</p> <p>11. How do you react to criticism?</p> <p>a. I dislike any form of criticism.</p> <p>b. If people criticize me I always listen and may or may not reject what they have to say.</p> <p>c. When people criticize me there's usually some truth in what they say.</p> <p>12. Can people believe what</p>
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<p>4. Can you take responsibility?</p> <p>a. I like to take charge and to obtain results.</p> <p>b. I'll take charge if I have to but I prefer someone else to be responsible.</p> <p>c. Someone always wants to be the leader and I'm happy to let them do the job.</p> <p>5. Are you a good organizer?</p> <p>a. I tend to get confused when unexpected problems arise.</p> <p>b. I like to plan exactly what I'm going to do.</p> <p>c. I just let things happen.</p> <p>6. How good a worker are you?</p> <p>a. I'm willing to work hard for something I really want.</p> <p>b. I find my home environment more stimulating than work</p> <p>c. Regular work suits me but I don't like it to interfere with my private life.</p> <p>7. Can you make decisions?</p> <p>a. I'm quite happy to execute other people's decisions.</p> <p>b. I often make very quick decisions which usually work but sometimes don't.</p> <p>c. Before making a decision I need time to think it over.</p>	<p>you say?</p> <p>a. I try to be honest, but it's sometimes too difficult to explain things to other people.</p> <p>b. I don't say things I don't mean.</p> <p>c. When I think I'm right, I don't care what anyone else thinks.</p> <p>13. Do you delegate?</p> <p>a. I prefer to delegate what I consider to be the least important tasks.</p> <p>b. When I have a job to do I like to do everything myself.</p> <p>c. Delegating is an important part of my job.</p> <p>14. Can you cope with stress?</p> <p>a. Stress is something I can live with.</p> <p>b. Stress can be a stimulating element in business.</p> <p>c. I try to avoid situations which lead to stress.</p> <p>15. How do you view your chances to success?</p> <p>a. I believe that my success will depend on factors outside my control.</p> <p>b. I know that everything depends on me and my abilities.</p> <p>c. It is difficult to foresee what will happen in the future.</p> <p>16. If the business was not making a profit after five years, what would you do?</p>
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8. Do you enjoy taking risks?	a. give up easily.
a. I always evaluate the exact dangers of any situation.	b. give up reluctantly
b. I like the excitement of taking big risks.	c. carry on.
c. For me safety is the most important thing.	

Sum up your score using the following chart:

1 a=0 b=2 c=4	9 a=2 b=4 c=0
2 a=4 b=2 c=0	10 a=0 b=2 c=4
3 a=0 b=2 c=4	11 a=0 b=4 c=2
4 a=4 b=2 c=0	12 a=2 b=4 c=0
5 a=2 b=4 c=0	13 a=2 b=0 c=4
6 a=4 b=0 c=2	14 a=2 b=4 c=0
7 a=0 b=4 c=2	15 a=0 b=4 c=2
8 a=2 b=4 c=0	16 a=4 b=2 c=0

Read the characteristics below and see if you can be a real entrepreneur.

44 or above

You definitely have the necessary qualities to become the director of a successful business. You have a strong sense of leadership, you can both organize and motivate and you know exactly where you and your team are going.

between 44 and 22

You may need to think more carefully before setting up your own business. Although you do have some of the essential skills for running business, you will probably not be able to deal with the pressures and strain that are a part of the job. You should perhaps consider taking some professional training or finding an associate who can compensate for some of your weaknesses.

below 22

Managing your own company is not for you. You are better suited to an environment where you are not responsible for making decisions and taking

risks. To operate successfully you need to follow well defined instructions and you prefer work that is both regular and predictable.

Task 5. Look through the following article in Ukrainian. Say in English what major problems are raised in it.

Малий бізнес як запорука стабільності суспільства.

Як сказав мудрець, є два способи нагодувати людину – дати їй рибу або дати вудку, щоб вона могла ловити її самотужки. Немає потреби коментувати, який шлях результативніший. У процесі структурних перетворень ми зіштовхнулися зі значними трансформаціями робочої сили й серйозним безробіттям. Такі проблеми жодна держава не може розв'язувати без розвитку малого й середнього бізнесу. І мова сьогодні не тільки про те, щоб допомагати окремим підприємцям. Нам необхідна ефективна державна політика в цій сфері. Безумовно, у країні досягнуто певного прогресу в становленні малого й середнього бізнесу. Зростає кількість підприємств і людей, що працюють на них; успішно діють бізнес-центри, бізнес-інкубатори, технопарки, консультативні центри. Можна сказати, що "критичну масу" малого підприємництва в цілому сформовано.

Task 6. Match the following expressions in Ukrainian with their English equivalents:

- | | |
|---|--|
| 1) процес перетворень | a) to solve the problems |
| 2) безробіття | b) effective state policy |
| 3) ефективна державна позика | c) the most efficient way |
| 4) досягти прогресу | d) unemployment |
| 5) розвиток малого й середнього бізнесу | e) process of transformation |
| 6) розв'язувати проблеми | f) to achieve the progress |
| 7) найрезультативніший шлях | g) the development of small and middle businesses. |

Task 7. Give the summary of the article in English. The following words and expressions will help you:

The title of the article is...

The main problem discussed in the article is...

The author thinks that...

The article is devoted to the problem of...

The main idea of the article is...

In conclusion the author says (insists, sums up) that...

Task 8. Imagine you are a successful businessperson. You are going to write your own career profile. Before doing this think, what steps you should take to start your own business. Answer the following questions:

1. Where did you take money for your business?
2. When did you start your business?
3. What product or service do you produce?
4. Why is your product or service successful?
5. Who are your competitors?
6. Who are your customers?
7. What do you do to succeed in business?

UNIT 2

The Economic Environment

Task 1. Read and translate the following text.

The economy comprises millions of people and thousands of firms as well as the government and local authorities, all taking decisions about process and wages, what to buy, sell, produce, export, import and many other matters. All these organizations and the decisions they take play a prominent part in shaping the business environment in which firms exist and operate.

The economy is complicated and difficult to control and predict, but it is certainly important to all businesses. You should be aware that there are times when businesses and individuals have plenty of funds to spend and there are times when they have to cut back on their spending. This can have enormous implications for business as a whole.

When the economy is enjoying a boom, firms experience high sales and general prosperity. At such times, unemployment is low and many firms will be investing funds to enable them to produce more. They do this because consumers have plenty of money to spend and firms expect high sales. It naturally follows that the state of the economy is a major factor in the success of firms.

However, during periods when people have less to spend many firms face hard times as their sales fall. Thus, the economic environment alters as the economy moves into a recession. At that time, total spending declines as income falls and unemployment rises. Consumers will purchase cheaper items and cut expenditure on luxury items such as televisions and cars.

Changes in the state of the economy affect all types of business, though the extent to which they are affected varies. In the recession of the early 1990s the high street banks suffered badly. Profits declined and, in some cases, losses were incurred. This was because fewer people borrowed money from banks, thus denying the opportunity to earn interest on loans, and a rising proportion of those who did borrow defaulted on repayment. These so-called “bad debts” cut profit margins substantially. Various forecasters reckoned that the National Westminster Bank’s losses in the case of Robert Maxwell’s collapsing business empire amounted to over £ 100 million.

No individual firm has the ability to control this aspect of its environment. Rather, it is the outcome of the actions of all the groups who make up society as well as being influenced by the actions of foreigners with whom the nation has dealings.

Vocabulary Notes:

to comprise – містити в собі, складатися з;
local authorities – місцеві органи влади;
to take (*syn.* to make) decisions – приймати рішення;
to play a prominent part – відігравати помітну роль;
to shape the environment – формувати середовище, оточення;
to predict (*syn.* to forecast) – передбачати;
to be aware – знати, усвідомлювати;
to cut back on spending – скорочувати витрати;
enormous implications – велике значення, смисл, вплив;
general prosperity – загальне процвітання;
to enable smb to do smth – робити можливим для когось, дозволяти комусь зробити щось;
consumers – споживачі;
to alter – змінюватися;
a recession – занепад;
total spending – загальні, сумарні витрати;
to decline – знижуватися;
income – прибуток;
unemployment – безробіття;
to purchase (*syn.* to buy) – купувати;
to cut expenditure – скорочувати витрати;
luxury items – товари розкоші;
to affect (*syn.* to influence smb, smth) – впливати;
the extent – ступінь;
to some extent – в деякій мірі;
the high street banks – центральні банки;
to suffer badly – сильно постраждати;
profits – прибутки;
to incur (*syn.* to bear, to suffer) losses – понести збитків;
to borrow from – займати;
to deny the opportunity – позбавляти можливості;
to deny – заперечувати;
to earn interest – отримати дохід на відсотках;
loans – позики;
to default on repayment – не виконувати зобов'язань по сплаті;
a debt – борг;
profit margins – розмір прибутку;
the outcome of the actions – результат дій;
to make up society – скласти суспільство;

to have dealings – мати торгівельні зв'язки

Task 2. Suggest the Ukrainian equivalents:

1. the government and local authorities;
2. firms experience high sales;
3. their sales fall;
4. total spending declines as income falls;
5. luxury items;
6. the high street banks suffered badly;
7. to earn interest on loans;
8. so-called “bad debts”.

Task 3. Replace the parts in *italics* by synonyms:

1. the economy *comprises* millions of people;
2. losses *were incurred*;
3. the nation *has dealings*;
4. changes in the state of the economy *affect* all types of business;
5. profits *declined*;
6. losses *amounted to* over £ 100 million.

Task 4. Increase your vocabulary

There is a set of words related to the word ***economics***. In a table we can show them like this.

	y			
econom	ics			
	ic	al		ly
	ist			

Each word has a different use. Try to put the right word in the blanks in these sentences:

1. Marx and Keynes are two famous _____.
2. Those people are studying the science of _____.
3. We sometimes call a person's work his _____ activity.
4. People should be very _____ with the money they earn.
5. The _____ system of a country is usually called the national _____.

6. The people in that town live very _____.

Translate into English

1. Стан економіки дуже хвилюючий.
2. Економічна політика уряду часто справедливо критикується.
3. Вона дуже заощадлива (економна) господаря.
4. Світова економіка – це наука, яка вивчає стан економіки у різних країнах світу.
5. Моя нова машина значно оощадливіша , аніж попередня.

Watch out

Economics - the study of economies, and their money systems.

Economical (adj) - the careful use of money

Economize (v) - to save money, time, and recourses.

Economist(n) - a person who studies the way in which money and goods are produced and used in the systems of business.

Economic (adj) - attributive related to trade, industry, and the

Put the words from the box into the gaps.

Economics	Economical	Economize
Economist	Economic	Economy

1. Are electric cars _____ to run?
2. Europe is more than an _____ community.
3. _____ is not an exact science.
4. We _____ on everything to send our children to private schools.
5. The state of the _____ is very worrying.
6. He is a very talented _____.

Make up your own sentences with the words from the box.

*The table shows how words are formed around the verb **to produce**.*

	e	r	
produce	t	iv(e)	ity
		ion	

Use these words in the suitable blanks in the sentences below.

1. The company _____ a new commodity every year.
2. The company's newest _____ is a special blue soap powder.
3. The _____ of soap powders met last year to discuss prices.
4. That factory is not as _____ now as it was 5 years ago.
5. The _____ of that factory has gone down over the last 5 years.
6. The manager of the factory has decided that they must increase their _____ of packets of soap powder.

Translate into English.

1. В цьому році наша компанія виготовила (випустила) вдвічі більше автомобілів, ніж у минулому році.
2. Виробники цієї моделі обладнання не змогли знайти для неї ринок збуту.
3. Ця фірма відома своєю високоякісною продукцією.
4. Виробництво нового літака розпочнеться наступного року.
5. Вони працюють дуже багато, але всі їх зусилля не надто продуктивні.
6. Керівництво шукає ефективні способи підвищення виробництва праці.

Task 4. Fill in the gaps with the words and expressions from the text.

1. The economy is complicated and difficult to _____.
2. When the economy _____, firms experience high sales and _____.
3. The economic environment _____ as the economy moves into _____.
4. Changes in the state of the economy _____ all types of business.
5. During a _____ fewer people borrowed money from banks, thus _____ to earn interest on _____.
6. So-called "bad debts" cut _____ substantially.

7. The economic _____ is _____ of all the groups who make up society as well as _____ of the actions of foreigners with whom the nation _____.

Task 5. Translate into English.

to affect smb, smth

1. Зміна погоди погано вплинула на виступ спортсменів.
2. Ця новина сильно на нього подіяла.
3. Зростання цін вплинув на попит.
4. Його думка не вплине на моє рішення.

to deny

1. Вона розгнівалася, дізнавшись, що її позбавили можливості його бачити.
2. Вона ні в чому собі не відмовляє.
3. Ми позбавлені можливості сплатити рахунок вчасно.

to some, what, such an, a certain extent

1. В деякій мірі ви маєте рацію.
2. В якій мірі йому можна довіряти?
3. Килим був брудний до такої міри, що неможливо було зрозуміти, якого він був кольору.
4. В деякій мірі я з вами погоджуюсь.

Task 6. Find in the text English equivalents for the following:

1. відігравати помітну роль;
2. формувати середовище;
3. скорочувати витрати на ...(2 варіанта);
4. скорочувати розмір прибутку;
5. переживати підйом;
6. переживати скрутні часи;
7. занепадати;
8. прибутки скорочується (2 варіанта);
9. понести втрат;
10. стан економіки;
11. мати велике значення для бізнесу в цілому;

12. звідси, природно, витікає;
13. позбавляти можливості;
14. результат дій;
15. не виконувати зобов'язань по виплаті

Task 7. Answer the following questions.

1. What does the economy comprise?
2. What's a boom in the economy? What characterizes the state of the economy at that time?
3. What happens when the economy moves into a recession?
4. What are "bad debts"?
5. What happened to some banks in the early 1990s and why?

Task 8. Translate using all the active vocabulary possible.

1. Стан економіки (економічного середовища) має велике значення для успішної діяльності фірми.
2. Коли економіка знаходиться на підйомі, то фірми продають більше товарів, що призводить до отримання більше прибутків і процвітання.
3. Спад економіки характеризується скороченням об'ємів виробництва і збуту продукції. Звідси, природно, витікає, що прибутки підприємств падають, і вони несуть втрати.
4. Результатом діяльності всіх суб'єктів виробництва (груп суспільства) є формування того чи іншого економічного середовища, в якому розвивається бізнес.
5. У фірми не було можливості збільшити витрати на рекламу, в результаті чого вона втратила частину ринку збуту.

Text B

Ukrainian Economy

Task 1. Match the names of industries developed in Ukraine in column A with their products in column B. Use the dictionary if you need.

A

B

1) aerospace industry

a) plastics, fertilizers, chemicals

- | | |
|-----------------------------|-----------------------------------|
| 2) automobile industry | b) steel, iron, cast iron |
| 3) machine engineering | c) locomotives, industrial robots |
| 4) chemical industry | d) processed food products |
| 5) food processing | e) motor vehicles |
| 6) ferrous industry | f) planes, spacecrafts, missiles |
| 7) cellulose paper industry | g) iron, silver, manganese, coal |
| 8) mining industry | h) paper and paper products |

Task 2. Now do the quiz. You can work in pairs or in groups.

1. What are the main branches of Ukrainian agriculture?
 - a) dairy industry
 - b) meat-packing industry
 - c) grain and sugar production
2. Why does Ukraine have a great agricultural potential?
 - a) because of favorable geographical position
 - b) because of the moderately continental climate
 - c) because of its unique black soils
3. What region is the center of Ukrainian ferrous metallurgy?
 - a) Pridniprovy Region
 - b) Zakarpattia Region
 - c) Volyn Region
4. Where are missiles and spacecrafts built?
 - a) in Poltava
 - b) in Donetsk
 - c) in Dnepropetrovsk
 - d) in Kyiv

Task 3. Read the interview with the expert in Ukrainian economy and check whether your answers were correct or not.

A: Ukraine is considered to be an industrial-agricultural country. In what sectors of the economy does it have the greatest potential?

B.: You know, our potential is probably the greatest in machine engineering, ferrous metallurgy and aerospace industry. The Ukrainian plane «Ruslan» is well known in the world. As for agriculture, Ukraine has a great potential because of its unique black soils.

A: *What are the most important products of Ukrainian agriculture?*

B: I would say grain and sugar. The regions of Odesa, Dnipropetrovsk, Kharkiv, Vinnitsa, Zaporizhya, Poltava, Kherson, and Mikolaiv are the major producers of grain. And Vinnitsa, Khmel'nitsk, Poltava, Cherkasy, and Kyiv regions are leaders in sugar production.

A: *Where are Ukraine's major industrial regions?*

B: It is the southeast of the country. I would first of all name the Donbas and the Prydniprovye. The Prydniprovye includes Kryvyi Rig, Zaporizhya, and Dnipropetrovsk. That is where coal, ferrous ore, and manganese are mined. It is also the center of the metallurgical industry. It is necessary to point out that ferrous metallurgy is one of the leading branches of the national economy of Ukraine.

A: *I know that Dnipropetrovsk is also the city where missiles and spacecrafts are built.*

B: It's true, and these spacecrafts are used for launching satellites, not only those of Ukraine and Russia, but of other countries too.

Funny Business

A walking economy

The guy is walking with his friend, who happens to be a psychologist. He says to this friend, «I'm a walking economy. » The friend asks, «How so? ». «My hair line is in recession, my stomach is a victim of inflation, and both of these together are putting me into a deep depression!☺

Text C

Task 1. Read the article «China's economic boom" and Discuss the following questions:

- What famous Chinese companies do you know?
- Do you have any Chinese products at home?
- Have you ever heard the statement that Chinese products are of poor quality? Do you agree with it?

China's economic boom

China's economy has been growing significantly for the last three **decades** and there is huge potential for further expansion.

The Chinese economy has been growing nearly ten percent a year for three decades but even now **personal incomes** are only at the level of Japan in the early 1950s. That means there's **huge potential** for further expansion. And if the experience of earlier Asian economic miracles like Japan and South Korea is anything to go by, China should carry **on** growing at this **hectic** pace for another twenty or thirty years.

For other economies China is seen as both an opportunity and a threat. On one hand it's created a new market for suppliers of basic commodities like oil, steel, wood, soy-beans and many other agricultural products. **Commodity** producing countries like Australia, Brazil and Argentina have seen demand for their goods **soar**. And just as important, world prices for basic products – steel, many metals, oil and some foods – have gone up very sharply in the last couple of years.

But on the other hand, China's rise as a manufacturing center is seen as worrying by many competitors. China gets between thirty and fifty billion dollars of foreign investment every year -far more than any other nation. Manufacturers in other places often find it hard to compete.

Though at the same time, as China's population gets individually richer, the country is emerging as a **key market** for the **sophisticated** products and services typically produced in the industrialized West. China is on course to become an **economic superpower** but its not actually there yet – it's currently the sixth largest economy in the world, still smaller than Britain and France let alone the real giants Japan and the United States.

Task 2. Answer the following questions:

- Why is China considered as an opportunity for other economies?
- Why is it seen as a threat?
- Why is China now a key market for sophisticated products?

Task 3. Find the words in the article to match the following definitions:

1. a great possibility that something might happen;
2. continue;
3. full of activity, very busy and fast;
4. a product or raw material that can be bought and sold;
5. rise very quickly to a high level;
6. a very important market;

7. complex and refined;
8. a country with a great economic power;
9. ten years;
10. money earned when someone works; salaries and wages;

Task 4. Give a brief overview of Chinese economy.

UNIT 3

Measuring Economic Activity

Task 1. Read and translate the following text into Ukrainian.

There are a large number of statistics produced regularly on the operation of the world's major economies. The UK's economy is no exception in this respect. You will probably have noticed that often the headings in newspapers or important items on television news programs relate to economic data and the implications for individuals and businesses. A prime example of this occurs when interest rates are increased: the media responds by highlighting the adverse effects on businesses with debts and householders with mortgages.

Data is provided on a wide range of aspects of the economy's operation. Statistics are available to show:

- the level of unemployment
- the level of inflation
- a country's trade balance with the rest of the world
- production volumes in key industries and the economy as a whole
- the level of wages
- raw materials and so forth

The main statistics illustrating the economy's behavior relate to the level of activity in the economy. That is, they tell us whether the economy is working at full capacity using all or nearly all, available resources of labor, machinery and other factors of production or whether these resources are being under-utilized.

The unemployment figures for the economy give an indicator of the level of activity. As the economy moves towards a recession and a lower level of prosperity it is likely that unemployment figures will rise. An alternative measure of the level of activity is national income statistics, which show the value of a nation's output during a year. Economists use the term Gross National Product to describe this data. Changes in the level or trends of such key data have great significance for businesses, as we will see later.

There are numerous sources of data on the economy of which we can make use. The government publishes much through the Treasury, Department of Trade and Industry, the Bank of England and the Department of Employment. The Central Statistical Office, which was established during the Second World War, publishes about half of the government's economic data.

Much of this is contained in its annual publication, “The Annual abstract of Statistics”. It also publishes the equally valuable “Social Trends” annually. Additionally, private organizations, such as the banks, building societies and universities, publish figures on various aspects of the economy’s performance.

Economic statistics are presented in many forms, the most common being graphs and tables. Although these statistics can be valuable in assisting managers, they should be treated with some caution when predicting the future trend of the economy and thus helping the business to take effective decisions.

Vocabulary Notes:

to measure – вимірювати, розраховувати, оцінювати;
economic activity – економічна діяльність;
is no exception in this respect – в цьому відношенні не є виключенням;
important items – важливі питання, проблеми;
to relate to – мати відношення, відноситись до чогось, розповідати;
by highlighting the adverse effects on... – в першу чергу висвітлюючи несприятливий вплив на...;
householder – домовласник, господар;
household – домашнє господарство;
mortgage – застава;
data – дані;
on a wide range of aspects – згідно різних аспектів;
statistics are available to show – статистика показує;
trade balance – торговий баланс;
key industries – основні галузі промисловості;
wages – заробітна плата (робочих);
salary – оклад, плата (службовців);
raw material prices – ціна на сировину;
at full capacity – на повну потужність;
available resources – наявні ресурси;
labor – праця;
machinery – обладнання;
factors of production – фактори виробництва (праця, земля, природні ресурси, капітал);
to be under-utilized – не використовуватися повністю;
unemployment figures – кількість безробітних;
indicator – показник;
national income – національний прибуток;

the value of a nation's output – оцінка об'єму виробництва країни;
Gross National Product (GNP) – валовий національний продукт (ВНП);
trend – тенденція, тренд, напрямок;
the Treasury – Державне казначейство, Міністерство фінансів (у Великобританії);
the Department of Employment – Міністерство з питань зайнятості (у Великобританії);
the Central Statistical Office – Центральне статистичне управління;
to contain – містити;
equally valuable – такий же важливий;
building societies – будівельні суспільства (спеціалізовані ощадні заклади);
graphs and tables – графіки і таблиці;
to assist – допомагати;
they should be treated with some caution – до цій даних слід відноситись з деякою обережністю.

Task 2. Suggest the Ukrainian equivalents.

1. important items on TV programs relate to economic data and the implications for individuals and businesses;
2. a prime example;
3. the adverse effects;
4. householders;
5. statistics are available to show;
6. available resources of labor;
7. at full capacity;
8. key industries;
9. key data;
10. the value of the nation's output;
11. the Treasury;
12. building societies;
13. they should be treated with some caution;
14. Trend (find it in 3 sentences).

Task 3. Replace the parts in *italics* by synonyms.

1. *a large number of* – _____;
2. the *operation* of the world's major economies – _____;
3. headlines *relate to* – _____;

4. _____; *the implications* for individuals and businesses –
5. _____; by *highlighting* the adverse effects on businesses –
6. _____; these resources are being *under-utilized* –
7. _____; figures give *an indicator of* – _____;
8. _____; changes have great *significance* for – _____;
9. _____; *numerous* – _____;
10. _____; *additionally* – _____;
11. _____; economic statistics are *presented* in many forms – _____.

Task 4. Fill in the gaps with the words and expressions from the text.

1. _____ The headlines in newspapers often _____ economic data and _____ for individuals and businesses.
2. _____ The statistics tell us whether the economy is working _____ using all the nearly all, _____ resources of labor, machinery and other factors of production or whether these resources are being _____.
3. _____ Economists use the term _____ to describe the value of a nation's output during a year.
4. _____ Although these statistics can be _____ in assisting managers, they should _____ with _____ when _____ the future trend of the economy.

Task 5. Find in the text English equivalents for the following:

1. _____ багато (багаточисельні) – _____;
2. _____ в цьому відношенні – _____;
3. _____ засоби масової інформації – _____;
4. _____ підкреслювати, виділяти – _____;
5. _____ закладна – _____;
6. _____ об'єм виробництва – _____;
7. _____ сировина – _____;
8. _____ не повністю використовуватись – _____;
9. _____ рівень зайнятості – _____;
10. _____ валовий національний продукт – _____;
11. _____ Надрукувати у будь-яких джерелах – _____;

Task 6. Increase your vocabulary

it is likely (unlikely) that...

smb is likely (unlikely) to be (to do smth)

1. Ця статистика, можливо, буде надрукована в щорічному виданні Центрального статистичного бюро.
2. Навряд чи ці цифри говорять про низький рівень зайнятості.
3. Схоже, що ці виробничі потужності використовуються не повністю.
4. Може бути, що економіка буде працювати на повну потужність, якщо будуть використані всі фактори виробництва.

Task 7. Give explanation in English.

1. media – _____;
2. householders – _____;
3. mortgages – _____;
4. trade balance – _____;
5. wages – _____;
6. building societies – _____;

Task 8. Answer the questions.

1. Why does the media relate to economic data and the implications for individuals and businesses?
2. What aspects of the economy's operation are statistics available to show?
3. What do statistics show?
4. What are the sources of data on the economy in the UK? In Ukraine?
5. What is the GNP?
6. Why should statistics be treated with some caution?

Task 9. Translate using all possible active vocabulary.

1. До офіційних статистичних даних по рівню інфляції в країні слід відноситися з обережністю.

2. Валовий національний продукт – це сукупність товарів і послуг, вироблених національною економікою за рік.
3. Об'єм виробництва продукції в ключових галузях промисловості в значній мірі показує рівень активності населення.
4. Якщо в економіці намічається падіння виробництва, то наслідками цього є зростання безробіття та зниження рівня зарплати.

UNIT 4

Income

Task 1. Read and translate the following text.

The second of the three economic issues is the question of income, that is, income distribution, the way in which income – that's what people earn – is distributed or shared around.

You, and you family, have an income. You have an annual income, that is what you earn in a year. This income allows you to enjoy various goods and services. It means you have a certain standard of living. Your standard of living, of course, includes what you think of as necessary to your life, things like food, water, somewhere to live, health and education. But your income doesn't just cover the necessities of life. It also includes recreation, whether that's sport or TV or a holiday. Your income will be less than some of your neighbors', but it will be more than some of your neighbors'. Your neighbors' mean not just people living in your own country, but also people living in other countries.

Just as you and your family have an income, so nations, different countries, also have an income – the national income, it's often called. A national income is not the money the government gets. The national income is the sum total of the incomes of all the people living in that country, in other words, everyone's income added together. In the same way one can think of world income as the total of all the incomes earned by all the people in the world.

Concerning the distribution of national and world income, some questions are to be asked: who, in the world, gets what share of these incomes? The distribution of income, either in the world or in a country, tells us how income is divided between different groups or individuals. Table 1 shows the distribution of world income. There are three headings down the left-hand side of the table: income per head, percentage of world population and percentage of world income. In poor countries, like India, China and the Sudan, the income per head is only one hundred and fifty-five pounds per year. But at the same time, they have fifty point seven per cent of the world's population. These poor countries only have five per cent of the world's income.

In middle-income countries the income per head is eight hundred and forty pounds, that's in countries like Thailand and Brazil. In the major oil countries, like Kuwait and Saudi Arabia, it's seven thousand, six hundred and seventy. In industrial countries it's six thousand, two hundred and seventy.

Turning to middle-income countries again, they have twenty-five point one per cent of world population, with fourteen point two per cent of world income. The major oil countries have point four per cent of population, the industrial countries fifteen point six. The oil countries have one point five per cent of world income, the industrial countries sixty-four point eight.

The first economic question is for whom does the world economy produce? As the table shows, it produces essentially for the people living in the rich industrial countries. They get sixty per cent of the world's income, although they only have sixteen per cent of its population. This suggests an answer to the second question, that is of what is produced. The answer is that most of world production will be directed towards the goods and services that these same rich industrialized countries want.

The third question is how goods are produced. In poor countries, with little machinery, not very much technical training and so on, workers produce much less than workers in rich countries. And poverty is very difficult to escape. It continues on and on. And this goes some way towards accounting for the differences in national incomes. It accounts for an unequal distribution of income, not just between countries but also between members of the same country, although their individual governments can help through taxation. In other words, governments can act to help distribute income throughout their population.

Vocabulary Notes:

income distribution – розподіл прибутку;
an annual income – річний дохід;
a certain standard of living – певний рівень життя;
to cover the necessities of life – охоплювати основні життєві потреби;
recreation – відпочинок;
national income – національний прибуток;
share of income – частка прибутку;
income per head – прибуток на одиницю населення;
percentage of world population – відсоток світового населення;
percentage of world income – відсоток світового прибутку;
essentially – в основному;
world production – світове виробництво;
rich industrialized countries – заможні промислові країни;
not very much technical training – недостатнє технічне навчання;
to escape – уникати;
to account for (*syn.* to explain) – пояснювати;

the differences in national incomes – різниця в національних прибутках;
unequal distribution of income – нерівний розподіл прибутку;
throughout population – серед населення.

Task 2. Suggest the Ukrainian equivalents for the following phrases:

1. income is shared around;
2. income doesn't just cover the necessities of life;
3. to suggest an answer to the question;
4. to direct the production towards the goods and services;
5. individual governments.

Task 3. Fill in the table with the data from the text.

Table 1. The distribution of world income

Poor countries	Middle-income countries	Major oil countries	Industrial countries
Income per head			
% of world population			
% of world income			

Task 4. Fill in the gaps with the words and expressions from the text.

1. You have ____ that is what you earn in a year.
2. Your income doesn't just ____ the necessities of life.

3. It includes ____, whether that's sport or TV or a holiday.
4. ____ is the sum total of the incomes of all the people living in that country.
5. ____ is the total of all the incomes earned by all the people in the world.
6. In poor countries ____ is only one hundred and fifty-five pounds per year.
7. In ____ countries the income per head is eight hundred and forty pounds.
8. Most of world production ____ towards the goods and services that these same rich industrialized countries want.
9. In poor countries, with ____, not very much technical training workers produce much less than workers in rich countries.
10. This goes some way towards ____ the differences in national incomes.

Task 5. Find English equivalents:

1. розподіл прибутку;
2. щорічний прибуток;
3. певний рівень життя;
4. національний прибуток;
5. світовий прибуток;
6. частка національного прибутку;
7. прибуток на одиницю населення;
8. відсоток світового населення;
9. країни з середнім рівнем прибутку;
10. в основному;
11. бідне технічне обладнання;
12. недостатня технічна освіта;
13. пояснення різниці в рівнях національних прибутків;
14. нерівний розподіл прибутків;
15. уникнути бідності.

Task 6. Give the definition of “income distribution”.

Task 7. Give the definition of “national income”.

Task 8. Answer the following questions:

1. What countries are called poor?

2. For whom and what does economy produce?
3. What is the role of governments in distributing incomes?

Task 9. Translate into English using all the possible active vocabulary.

1. Національний прибуток – це загальна сума, яку отримало населення у вигляді зарплатні, ренти, відсотка і прибутку протягом певного періоду, зазвичай протягом одного року.
2. Джерела нерівності – це причини, яка викликають нерівність в розподілі прибутку. Оскільки існують два основних джерела прибутків – трудові прибутки і прибутки від власності, джерела нерівності розподіляють на дві групи: джерела, які викликають нерівність в трудових прибутках; і джерела, які викликають нерівність в прибутках від власності. В розвинених країнах джерелами нерівності в трудових прибутках є, в основному, освіта і професія. Прибутки від власності ще є більш диференційованими, ніж прибутки від трудової діяльності, оскільки обумовлені нерівністю в розподілі заможності. Основними джерелами нерівності в прибутках від власності є підприємницька діяльність і спадок.

UNIT 5

Inflation

Task 1. Answer the following question.

What do you think inflation is?

Text A. Inflation

Task 2. Read and translate the text.

Inflation is generally defined as a persistent rise in the general price level with no corresponding rise in output, which leads to a corresponding fall in the purchasing power of money.

In this section we shall look briefly at the problems that inflation causes for business and consider whether there are any potential benefits for an enterprise from an inflationary period.

Inflation varies considerably in its extent and severity. Hence, the consequences for the business community differ according to circumstances. Mild inflation of a few per cent each year may pose few difficulties for business. However, hyperinflation, which entails enormously high rates of inflation, can create almost insurmountable problems for the government, business, consumers and workers. In post-war Hungary, the cost of living was published each day and workers were paid daily so as to avoid the value of their earnings falling. Businesses would have experienced great difficulty in costing and pricing their production while the incentive for people to save would have been removed.

Economists argue at length about the causes of, and “cures” for, inflation. They would, however, recognize that two general types of inflation exist:

Demand-pull inflation

Cost-push inflation

Demand-pull inflation occurs when demand for a nation's goods and services that nation's ability to supply these goods and services. This causes prices to rise generally as a means of limiting demand to the available supply.

An alternative way that we can look at this type of inflation is to say that it occurs when injections exceed withdrawals and the economy is

already stretched (i.e. little available labor or factory space) and there is little scope to increase further its level of activity.

Alternatively, inflation can be of the cost-push variety. This takes place when firms face increasing costs. This could be caused by an increase in wages owing to trade union militancy, the rising costs of imported raw materials and components or companies pushing up prices in order to improve their profit margins.

Vocabulary Notes:

a persistent rise – постійне зростання;
with no corresponding rise in output – що не супроводжуються зростанням виробництва;
potential benefits – потенційні вигоди;
mild inflation – низький рівень інфляції;
entails enormously high rates of inflation – веде до величезного зростання інфляції;
insurmountable – колосальний;
at length – і зараз;
demand-pull inflation – інфляція, яка викликана високим попитом;
cost-push inflation – інфляція, спричинена ростом витрат виробництва;
in order to improve their profit margins – з метою збільшення прибутку

Task 3. Answer the following questions.

1. What is inflation?
2. What do you know about demand-pull inflation?
3. What can you say about cost-push inflation?

Task 4. Fill in the gaps with the words and expressions from the text.

1. Inflation varies considerably in its _____ and _____ .
2. Mild inflation may _____ few difficulties for business.
3. Businesses would have experienced great difficulty in _____ and _____ their production while _____ for people to save would have been removed.
4. Demand-pull inflation occurs when _____ for a nation's goods and services _____ that nation's ability to _____ these goods and services.
5. An alternative way that we can look at this type of inflation is to say that it occurs when injections _____ withdrawals.
6. An increase in costs for firms, for example, can be caused by an increase in wages _____ trade union militancy.

Task 5. Match the words with the definitions.

1. output	1). A continuing increase in prices, or the rate at which prices increase
2. inflation	2). The amount that a unit of money can buy
3. insurmountable	3). To large or difficult to deal with
4. hyperinflation	4). A very fast rise in prices that seriously damages a country's economy
5. purchasing power	5). The difference between the cost of producing something and the price at which you sell it
6. profit margin	6). The amount of goods or work produced by a person, machine, factory etc

Text B. The Impact of Inflation on Business

Task 1. Read and translate the text.

Inflation can adversely affect business in a number of ways:

1. Accounting and financial problems.

Significant rates of inflation can cause accounting and financial problems for businesses. They may experience difficulty in valuing assets and stocks, for example. Such problems can waste valuable management time and make forecasting, comparisons and financial control more onerous.

2. Falling sales.

Many businesses may experience falling sales during inflationary periods for two broad reasons. Firstly, it may be that saving rises in a time of inflation. We would expect people to spend more of their money when prices are rising to avoid holding an asset (cash), which is falling in value. However, during the mid-1970s, when industrialized nations were experiencing high inflation rates, savings as a proportion of income rose! It is not easy to identify the reason for this, but some economists suggest that people like to hold a relatively high proportion of their assets in a form

which can be quickly converted into cash when the future is uncertain. Whatever the reason, if people save more they spend less and businesses suffer falling sales. The economic model predicts that if savings rose the level of activity in the economy would fall. Clearly, if this happened we would expect businesses to experience difficulty in maintaining their levels of sales.

Businesses may be hit by a reduction in sales during a time of inflation for a second reason. As inflation progresses, it is likely that workers' money wages (that is, wages unadjusted for inflation) will be increased broadly in line with inflation. This may well take a worker into a higher tax bracket and result in a higher percentage of his or her wages being taken as tax. This process, known as fiscal drag, will cause workers to have less money available to spend on firms' goods and services. The poverty trap has a similar impact. As money wages rise, the poor may find that they no longer qualify for state benefits to supplement their incomes and at the same time they begin to pay income tax on their earnings. Again, this leaves less disposable income to spend on the output of firms. Finally, it may be that the wages of many groups are not index-linked and so they rise less quickly than the rate of inflation, causing a reduction in spending power and demand for goods and services.

Once again, the economic model can be used to predict that increases in the level of taxation will increase withdrawals, lowering the level of economic activity and depressing firms' sales.

Not all businesses will suffer equally from declining demand in an inflationary period. Those selling essential items, such as food, may be little affected whilst others supplying less essential goods and services, such as foreign holidays, may be hard hit.

3. High interest rates.

Inflation is often accompanied by business interest rates. High interest rates tend to discourage investment by businesses as they increase the cost of borrowing funds. Thus, investment may fall. Businesses may also be dissuaded from undertaking investment programs because of a lack of confidence in the future stability and prosperity of the economy. This fall in investment may be worsened by foreign investment being reduced as they also lose some confidence in the economy's future.

Such a decline in the level of investment can lead to businesses having to retain obsolete, inefficient and expensive means of production and cause a loss of international competitiveness. Finally, a fall in investment can lower the level of economic activity, causing lower sales, output and so on. Thus, to some extent, businesses can influence the economic environment in which they operate.

4. Higher costs.

During a bout of inflation firms will face higher costs for the resources they need to carry on their business. They will have to pay higher wages to their employees to compensate them for rising prices. Supplies of raw materials and fuel will become more expensive as will rents and rates. The inevitable reaction to this is that the firm has to raise its own prices. This will lead to further demands for higher wages as is called the wage-price spiral. Such cost-push inflation may make the goods and services produced by that enterprise internationally less competitive in terms of price. An economy whose relative or comparative rate of inflation is high may find that it is unable to compete in home or foreign markets because its products are expensive. The economic model tells us that a situation of declining exports and increasing imports will lower the level of activity in the economy with all the consequent side-effects.

Task 2. Write the summary to the text above.

Text C. Can Inflation be Beneficial?

Task 1. Read and translate the text.

We would be simplifying the impact of inflation on business if we suggested that all effects were unfavorable. There is a school of thought, which argues that a low and stable rate of increase in the price level can be beneficial. It believes that a steady rise in money profits produces favorable expectations and induces investment as firms seek to expand. This action expands the economy as a whole. Paradoxically, inflation can also reduce the costs of businesses in the short run. Many enterprises incur costs, which are fixed for some period of time-for example, the rent of a factory may be fixed at a particular figure for a few years. At a time when the selling price of the firm's product, and hence its sales income, is rising this cost will be falling in real terms and thus stimulating the business.

There is a further argument that firms may be persuaded to borrow heavily in a period of inflation since the burden of repaying loans is reduced by inflation. If inflation is running annually at 10 per cent, for example, then the real value of the repayments of the loan will fall by approximately that amount each year. This may serve to encourage investment which, since it is an injection into the circular flow, will promote the level of activity. However, in these circumstances interest rates are likely to be high.

Government will accept that low rates of inflation are likely to exist in many economies. Inflation rates of 5 per cent or below are not considered to be too great a problem, especially if competitor nations are suffering similar rates.

In spite of the above, the conclusion must be drawn that inflation is, in general, harmful to business and its environment. Indeed, many economists would contend that inflation is the fundamental evil as its presence leads to lack of competitiveness and therefore relatively high unemployment and low rates of growth. This viewpoint has gained in credence in government circles over the last few years. It is for this reason that its control has been a major objective of government economic policy throughout the 1980s and early 1990s.

Task 2. Can inflation be beneficial? Give your reasons.

UNIT 6

Markets

Task 1. Read and translate the following text.

The role of Market

Reports in the press tend to say “the market did this” or “the market expected good news on the economic front”, as if the market were a single living entity with a single conscious mind. This is not, of course, the case. To understand reports of market behavior you have to bear in mind the way the market works.

A market is simply a mechanism, which allows individuals or organizations to trade with each other. Markets bring together buyers and sellers of goods and services. In some cases, such as a local fruit stall, buyers and sellers meet physically. In other cases, such as the stock market, business can be transacted over the telephone, almost by remote control. There's no need to go into these details. Instead, we use a general definition of markets.

A market is a shorthand expression for the process by which households' decisions about consumption of alternative goods, firms' decisions about what and how to produce, and workers' decisions about how much and for whom to work are all reconciled by adjustment of prices.

Prices of goods and of resources, such as labor, machinery and land, adjust to ensure that scarce resources are used to produce those goods and services that society demands.

Much of economics is devoted to the study of how markets and prices enable society to solve the problems of what, how and for whom to produce. Suppose you buy a hamburger for your lunch. What does this have to do with markets and prices? You chose café because it was fast, convenient and cheap. Given your desire to eat, and your limited resources, the low hamburger price told you that this was a good way to satisfy your appetite. You probably prefer steak but that is more expensive. The price of steak is high enough to ensure that society answers the “for whom” question about lunchtime steaks in favor of someone else.

Now think about the seller's viewpoint. The café owner is in business because, given the price of hamburger meat, the rent and the wages that must be paid, it is still possible to sell hamburgers at a profit. If rents were higher, it might be more profitable to sell hamburgers in a

cheaper area or to switch to luxury lunches for rich executives on expense accounts. The student behind the counter is working there because it is a suitable part-time job, which pays a bit of money. If the wage were much lower it would hardly be worth working at all. Conversely, the job is unskilled and there are plenty of students looking for such work, so owners of cafes do not have to offer very high wages.

Prices are guiding your decision to buy a hamburger, the owner's decision to sell hamburgers, and the student's decision to take the job. Society is allocating resources – meat, buildings, and labor – into hamburger production through the price system. If nobody liked hamburgers, the owner could not sell enough at a price that covered the cost of running the café and society would devote no resources to hamburger production. People's desire to eat hamburgers guides resources into hamburger production. However, if cattle contracted a disease, thereby reducing the economy's ability to produce meat products, competition to purchase more scarce supplies of beef would bid up the prices of beef, hamburger producers would be forced to raise prices, and consumers would buy more cheese sandwiches for lunch. Adjustments in prices would encourage society to reallocate resources to reflect the increased scarcity of cattle.

There were several markets involved in your purchase of a hamburger. You and the café owner were part of the market for lunches. The student behind the counter was the part of the local labor market. The café owner was part of the local wholesale meat market and the local market for rented buildings. These descriptions of markets are not very precise. Were you part of the market for lunches, the market for prepared food or the market for sandwiches to which you would have turned if hamburgers had been more expensive? That is why we have adopted a very general definition of markets, which emphasizes that they are arrangements through, which prices influence the allocation of scarce resources.

Vocabulary Notes:

to bear in mind (*syn.* to keep in mind) – мати на увазі;
a local fruit stall – фруктовий магазинчик;
stock market – фондова біржа, ринок акцій;
to transact business (*syn.* to make a deal) – здійснювати угоду;
by remote control – за допомогою дистанційного керування;
to go into details – вникати в деталі;
a general definition – загальне визначення;
a shorthand expression – короткий, робочий вираз (визначення);

households' decisions – рішення домогосподарств;
to reconcile – приводити у відповідність, погоджувати;
by adjustment of prices – через корегування цін;
to demand – вимагати;
given (*syn.* taking into account, consideration) – за умови, що..., враховуючи;
limited resources – обмежені ресурси;
to satisfy one's appetite – задовольнити апетит;
to answer the question in favor of smb else – вирішувати питання на користь когось іншого;
the seller's viewpoint – точка зору продавця;
the café owner – власник кафе;
the rent – орендна плата;
to switch to luxury lunches – переключатися на коштовні обіди;
rich executives – заможні службовці;
behind the counter – за прилавком;
suitable – підходящий;
to suit – підходити;
part-time job (*ant.* full-time job) – робота з частковою зайнятістю;
a bit of money (*ant.* scads of money) – небагато грошей;
it would hardly be worth working at all – навряд чи взагалі є сенс працювати;
conversely (*syn.* on the opposite, on the contrary) – навпаки, навпроти;
unskilled job – некваліфікована робота;
to guide one's decision – впливати на будь-чие рішення;
through the price system – через систему ціноутворення;
to cover the cost – покривати витрати;
to run the café – управляти кафе;
to devote resources – виділяти ресурси;
to guide resources into hamburger production – скерувати ресурси на виробництво гамбургерів;
cattle – велика рогата худоба;
to contract a disease – підхопити хворобу;
thereby – отже;
to reduce the economy's ability – знижати можливості економіки;
competition – конкуренція, змагання;
to purchase scarce supplies – скупати дефіцитні ресурси;
to reallocate resources – перерозподіляти ресурси;
to reflect the scarcity – відображати дефіцит;
to be involved in – бути залученим у;
the local wholesale market – локальний ринок праці;

the local market for rented buildings – локальний ринок оренди приміщень;

precise descriptions of markets – точний опис ринків;

to adopt a definition – прийняти визначення;

to adopt a child in a family – прийняти дитину в сім'ю, усиновити;

to emphasize – наголошувати, виділити;

arrangements through, which prices influence smth – структури (механізми), через які ціни впливають на будь-що.

Task 2. Suggest the Ukrainian equivalents to the following words and phrases.

1. a single living entity with a single conscious mind – _____;
2. a shorthand expression – _____;
3. to be reconciled by adjustment of smth – _____;
4. a suitable part-time job – _____;
5. to offer high wages – _____;
6. to guide smb's decision – _____;
7. to cover the cost of smth – _____;

Task 3. Replace the parts in italics by synonyms.

1. at a distance – _____;
2. of the neighborhood – _____;
3. carried out, done – _____;
4. ask for, make certain that – _____;
5. buy – _____;
6. illness – _____;
7. managing – _____;
8. put up – _____;
9. rareness – _____;

Task 4. Increase you vocabulary

Using words from paragraph 5 ("Much of economics..."), complete the following statements:

1. I quite like lamb but really I _____ beef.
2. He was a very keen student. He _____ most of the time to his studies.
3. I don't like the canteen, but it's more _____ than going out to a café.
4. I'm not in _____ of long and expensive lunches.

5. Please _____ that your essays reach me on time.
6. A good degree should _____ you to get a job.

Task 5. Fill in the gaps with the words and expressions from the text.

1. To understand reports of market behavior you have to _____ the way the market works.
2. On the stock market, business can be transacted over the telephone, almost by _____.
3. A market is a _____ expression for the process by which households' decisions about consumption of alternative goods, firms' decisions about what and how to produce, and workers' decisions about how much and for whom to work are all _____ by _____.
4. Much of economics is devoted to the study of how markets and prices _____ society to solve the problems.
5. _____ your desire to eat, and your limited resources, the low hamburger price told you that this was a good way to _____ your appetite.
6. Society answers the "for whom" question about lunchtime steaks _____ someone else.
7. The café owner is in business because it is still possible to sell hamburgers _____.
8. If rents were higher, it might be more profitable to sell hamburgers in a cheaper area or _____ to _____ lunches.
9. The student is working there because it is a suitable _____, which pays a bit of money.
10. Society is allocating resources into hamburger production _____ the price system.
11. If nobody liked hamburgers, the owner could not sell enough at a price that _____ of running the café and society would _____ no recourse to hamburger production.
12. If cattle _____, competition to purchase more scarce supplies of beef would _____ the price of beef.
13. Adjustments in prices would encourage society _____ resources to reflect the increased scarcity of cattle.
14. There were several markets _____ your purchase of a hamburger.
15. The student behind the counter was part of the local _____ market.
16. The café owner was part of the local _____ meat market and the local market for _____ buildings.
17. We _____ a very general definition of markets, which emphasizes that they are _____ through, which prices influence the allocation of scarce resources.

Task 6. Check your grammar.

Verb + Infinitive (want to do)

Verb + ing (enjoy playing)

Verb + infinitive or ing (the meaning sometimes changes):

He remembered (= **did not forget**) *to book* a table.

I remembered (= **recall**) *seeing* that film 5 years ago.

Open the brackets:

1. He suggested (go) into the country on Sunday.
2. I'm sorry I forgot (return) your book yesterday.
3. Stop (make) that noise! I can't work!
4. Which definition would you use (describe) markets?
5. You must avoid (make) unnecessary mistakes.
6. Try (understand) the difference between microeconomics and macroeconomics.
7. Try (pay) more attention to what I say.
8. Would you mind (lend) me your notes?
9. Tomorrow I intend (discuss) the matter with you.
10. Serious illness prevented him from (take) the exam.
11. I am looking forward to (study) economics.

Task 7. Find in the text English equivalents for the following:

1. поведінка ринку;
2. ринок цінних паперів;
3. проводити угоду, операцію;
4. мати щось спільне з чимось;
5. з урахуванням чогось (беручи до уваги);
6. на користь будь-кого іншого;
7. прибутково продавати;
8. переключитися на щось інше;
9. некваліфікована робота;
10. розподіляти ресурси через систему ціноутворення;
11. скорочувати можливості економіки;
12. набавляти ціну;
13. перерозподіляти витрати;
14. оптовий ринок;
15. механізми (структури);
16. через які ціни впливають на розподіл.

Task 8. Explain in English.

1. rent;
2. profit;
3. expense account;
4. part-time job;
5. labor market;
6. wholesale (meat) market.

Task 9. Answer the following questions:

1. What example is given of a market where sellers and buyers actually meet?
2. How are households' decisions on what to buy reconciled?
3. Why do prices adjust?
4. What problems do markets and prices solve for society?
5. Why is the café owner in business?
6. Why don't café owners have to pay high wages?
7. What makes society put resources into hamburger production?
8. What would consumers do if hamburger prices rose?
9. How many markets are you involved in if you buy a hamburger?
What are those markets?
10. Enumerate all the components comprising the concept of "Market".
11. What does the term "resources" comprise?
12. In what way can prices guide your decision to buy some goods?
13. In what way can prices guide a person's decision to take a job?

Task 10. Translate using all the active vocabulary possible.

1. Ринок цінних паперів, як і будь-який ринок взагалі, де укладаються угоди, уявляє собою механізм (структуру), через який ціни регулюють (2 варіанта) розподіл обмежених ресурсів в суспільстві.
2. Потреби різних груп суспільства приводяться у відповідність, шляхом зміни (регулювання) цін на товари та ресурси – труд, капітал (обладнання), землю.
3. Ваше рішення щодо покупки гамбургерів на ланч має безпосереднє відношення до питань, які стосуються ринку і ціни, оскільки, наприклад, підвищення цін на м'ясо і, відповідно, переключення продавців – власників кафе на більш коштовні обіди, може призвести до того, що питання «для кого

виробляти» буде вирішуватися на користь інших, більш заможних споживачів.

4. Багато студентів шукають роботу в кафе, оскільки вона займає у них лише частину часу і не потребує кваліфікації, не дивлячись на те, що власники кафе пропонують невисоку плату за таку працю.
5. Якби можливості економіки по виробництву м'ясопродуктів скоротилися, ціна на м'ясо зросла б і покупці почали купувати сандвічі з сиром, тобто корегування цін спонукало би суспільство до перерозподілу ресурсів.

UNIT 7

The Money Market

Task 1. Read and give written translation to the following text.

The money market comprises the demand for money and the money supply. The equilibrium in the money market is such a state of balance when the demand for money from households and businesses is satisfied by the quantity of the money supplied. The equilibrium in the money market is reached by changing bond prices.

People can hold their wealth in various forms – money, bonds, equities, and property. For simplicity we assume that there are only two assets: money, the medium of exchange that pays no interest, and bonds, which we use to stand for all other interest-bearing assets that are not directly a means of payment. As people earn income, they add to their wealth. As they spend, they deplete their wealth. How should people divide their wealth at any instant between money and bonds to gain the best profits possible and not to incur losses?

There is an obvious cost of holding money. The opportunity cost of holding money is the interest one would have gained if he (she) had held bonds. It naturally follows that people will hold money rather than bonds only if there is a benefit to offset this cost, only if holding money is more profitable than holding bonds. It may happen only when interest rate on bonds are too low to make it profitable to hold bonds.

Suppose the money market is in equilibrium when the interest rate on interest-bearing assets is 6% and the amount of money demanded is \$200mln. Now suppose the interest rate goes down, say, to 4%. In this case interest-bearing assets are no longer profitable as they can't earn a sufficient return. Hence the demand for money will rise and will lead to a temporary lack of money in the money market. If they lack money, households and businesses are likely to sell bonds they possess for cash. That will cause an increase in the bond supply, which lowers bond prices and raises interest rates on interest-bearing assets. With a higher interest rate the amount of money people are willing to have in hand will decrease again. Consequently, the money supply will adjust to a current demand to reflect a new higher interest rate.

Conversely, the increase in the money supply creates its temporary surplus, which results in the demand for bonds and bond prices going up. The interest rate falls thus restoring balance in the money market, but at a new lower interest rate.

Vocabulary Notes:

equilibrium – баланс, рівновага;
equities (syn. ordinary shares, equity shares, ordinary stocks) – звичайні акції;
to deplete – виснажувати, вичерпувати;
obvious – очевидний;
to offset – відшкодовувати, компенсувати;
Treasury bills – казначейські векселя;
consequently – отже, тому;
conversely – навпаки;
temporary surplus – тимчасовий надлишок;
interest-bearing – відсотковий; той, що

Task 2. Suggest the Ukrainian equivalents.

1. interest-bearing assets are no longer profitable;
2. to sell bonds they possess for cash;
3. the supply will adjust to the current demand;
4. we use to stand for all other interest-bearing assets;
5. thus restoring balance

Task 3. Fill in the gaps with the words and expressions from the text.

1. The money market comprises _____ and _____.
2. The equilibrium in the money market is such _____ when the demand for money from _____ is satisfied by the quantity of _____.
3. The equilibrium in the money market is reached by _____.
4. Money is the medium of _____ that _____.
5. We use bonds to stand for all other _____ that are not directly _____.
6. As people earn income, they _____ their wealth. As they spend, they _____ their wealth.
7. _____ of holding money is the interest one _____ if he (she) _____ bonds.
8. People will hold money rather than bonds only if holding money is _____ than holding bonds that is when _____ on bonds are _____ to make it profitable to _____.
9. In case the interest rate goes down _____ are no longer profitable as they can't _____.
10. The demand for money will rise and will lead to _____ in the money market.

11. If they lack money, households and businesses are likely to ____ they possess ____.
12. If there is an increase in the bond supply, it will ____ bond prices and ____ interest rates on ____.
13. The money supply will ____ to a current demand to ____ a new higher interest rate.

Task 4. Find in the text English equivalents for the following:

1. рівновага грошового ринку;
2. тимчасова нестача (надлишок) грошей;
3. мати на руках;
4. бути у рівновазі;
5. встановлювати рівновагу;
6. досягти рівноваги;
7. активи (облігації), що приносять відсотковий дохід;
8. збільшувати добробут;
9. виснажувати (вичерпувати) багатство;
10. для простоти припустимо, що

Task 5. Answer the questions.

1. Explain in your own words the term “opportunity costs”. What is the opportunity cost of holding money?
2. What’s the equilibrium in the money market? How can it be reached?
3. How does the money market work?

Task 6. Translate the following sentences into English.

1. Для економіки є поганим як нестача, так і надлишок грошей, так як перший призведе до зниження витрат під час спаду, а останній – до знецінення грошей і зниження їх купівельної спроможності під час інфляції.
2. Грошовий ринок об’єднує попит та пропозицію грошей для означення рівновагомій ставки відсотка.
3. Рівновага грошового ринку встановлюється через зміни цін на облігації. Зі зміною цін на облігації відсоткові ставки змінюються в зворотному напрямку. При рівновагомій ставці відсотка ціни на облігації постійні, а попит та пропозиція грошей рівні.
4. Зменшення пропозиції створює тимчасову нестачу грошей на грошовому ринку. Люди та заклади намагаються отримати більше

грошей шляхом продажу облігацій. Тому пропозиція облігацій зростає, що знижує ціну на облігації та піднімає відсоткову ставку.

5. Збільшення пропозиції грошей дає тимчасовий їх надлишок, в результаті чого збільшується попит на облігації і ціна на них стає вищою. Відсоткова ставка падає, і на грошовому ринку встановлюється рівновага.

UNIT 8

Monetary Policy

Unit 1. Read and translate the following text.

Monetary policy is one of the main instruments of macroeconomics. It is based on the ability of the Central bank to control the money supply, which leads to changes in interest rates and the exchange rate, and therefore in, the amount of investment, which influences, which influences directly the national output. This method of controlling the economy centers on adjusting the amount of money in circulation in the economy and so the level of spending and economic activity. Monetary policy was first employed as a means of control in the 1950s, but has been more widely used since the 1970s. The Central Bank plays a major role in the implementation of a nation's monetary policy. In some countries (for example, Germany) the Central Bank operates monetary policy independent of government policy. However, the UK's Central Bank, the Bank of England, implements monetary policy on behalf of the government. Monetary policy has three main aspects:

- Controlling the money supply
- Controlling interest rates
- Managing the exchange rate

In this section we study the way in which a central bank can control the supply of money in the economy. The aim of the authorities when controlling the money supply is to limit the amount borrowed, and hence spent, by businesses and individuals during an inflationary period. It is hoped in this way to limit the level of overall demand in the economy and thus to remove or reduce inflationary pressure. During a recession monetary policy is aimed at increasing the money supply to encourage spending. We now describe the three most important instruments available to affect the money supply: open market operations, reserve requirements and the discount rate.

Open Market Operations

Open market operations are the most important way of controlling the money supply. It refers to the Bank trading government bonds in the open market – that is when they are bought from and sold to commercial banks and individuals.

When the Bank sells government bonds in the open market, the Bank withdraws the money from population and reduces the money supply. When the Bank buys government bonds in the open market, it increases the amount of money in circulation and hence the money supply.

Reserve Requirements

To understand the way a central bank can influence the money supply we should consider the creation of money by commercial banks and in this connection introduce the money multiplier.

Banks have to hold a proportion of their assets as a reserve in case customers demand repayment of their deposits. This required reserve has to be in a liquid form, that is easily convertible into cash. Many banks indeed hold a significant proportion of this reserve as notes and coin either in their vaults or at the central bank. A required reserve ratio (%) is a minimum ration of cash reserves to deposits that the central bank requires commercial banks to hold. Commercial banks can hold more than the required cash reserves (this amount of money is called excess reserves and is used to create new money), but they cannot hold less. If their cash falls below the required amount, they must immediately borrow cash, usually from the central bank, to restore their required reserve ratio.

Commercial banks can use loans, i.e. they can create money and increase their excess reserves. Suppose somebody deposited \$ 100 with bank A. If a required reserve ratio is 20 %, the bank has \$ 20 as required reserves and \$ 80 as excess reserves, which can be lend. If a borrower draws a cheque for this whole sum and deposits it with bank B, then bank B gets \$ 80 as its assets. Bank B is to sold 20 % of this sum (that is \$ 16) as required reserves. It means it has \$ 64 of excess reserves, which it can lend to somebody. *Tabl.1* illustrates the process with banks C, D, E, etc. being involved.

Table 1. The expansion of the money supply by a system of commercial banks

Bank	Reserves and Loans, \$	Required Reserves, \$	Excess Reserves, \$	Created Money (the amount of money to lend), \$
Bank A	100,00	20,00	80,00	80,00

Bank B	80,00	16,00	64,00	64,00
Bank C	64,00	12,80	51,20	51,20
Bank D	51,20	10,24	40,96	40,96
Other banks	204,80	40,96	163,84	163,84
The total amount of the money created				400,00

The money multiplier (m) shows the maximum amount of money, which can be created by one dollar of excess reserves, the required reserve ratio given. The money multiplier is inversely proportional to the required reserve ratio, or

$m = 1/R$, where

m – a money multiplier

R – a required reserve ratio

So we can see that the larger the required reserve ratio is the smaller the money multiplier is; the less money can be created and less the money supply is.

Now suppose the commercial banking system has \$ 1 million in cash and for strictly commercial purposes would normally maintain cash reserves equal to 5 % of sight deposits. Since sight deposits will be 20 times cash reserves, the banking system will create \$ 20 million of sight deposits against its \$ 1 million cash reserves:

cash reserves \$ 1 mln – 5 %

sight deposits x – 100 %

$x = \$ 1 \text{ mln} \times 100 \% : 5 \% = \$ 20 \text{ mln.}$

Suppose the Bank now imposes a reserve requirement that banks must hold cash reserves of at least 10 % of sight deposits. Now banks can create only \$ 10 million sight deposits against their cash reserves of \$ 1 million. Thus a reserve requirement acts like a tax on banks by forcing them to hold a higher fraction of their total assets as bank reserves and a lower fraction as loans earning high interest rates.

Thus, when the central bank imposes a reserve requirement in excess of the reserve ratio that prudent banks would anyway have maintained, the effect is to reduce the money supply. Similarly, when a particular reserve requirement is already in force, any increase in the reserve requirement will reduce the money supply.

The Discount Rate

The second instrument of monetary control available to the central bank is the discount rate.

The discount rate is the interest rate that the Bank charges when the commercial banks want to borrow money.

Suppose banks think the minimum safe ratio of cash to deposits is 10 %. Say their cash reserves are 12 % of deposits. How far dare they let, their cash reserves fall towards the minimum level of 10 %?

Banks have to balance the interest rate will get on extra lending with the dangers and costs involved if there is a sudden flood of withdrawals, which push their cash reserves below the critical 10 % figure. This is where the discount rate comes in. suppose market interest rates are 8 % and the central bank makes it known it is prepared to lend to commercial banks at 8 %. Commercial banks may as well lend up to the hilt and drive their cash reserves down comes to the worst and they are short of cash, they can always borrow from the Bank at 8 %. Banks cannot lose by lending as much as possible.

Suppose however that the Bank announces that, although market interest rates are 8 %, it will lend to commercial banks only at the penalty rate of 10 %. Now a bank with cash reserves of 12 % may conclude that it is not worth making the extra loans at 8 % interest that would drive its cash reserves, down to the minimum of 10 % of deposits. There is too high a risk that sudden withdrawals will then force the bank to borrow from the Bank at 10 % interest. It will have lost money by making these extra loans. It makes more sense to hold some excess cash reserves against the possibility of a sudden withdrawal.

Thus, by setting the discount rate at a penalty level in excess of the general level of interest rates, the Bank can induce commercial banks voluntarily to hold additional cash reserves, since banks have to hold more cash as reserves, the money multiplier is reduced, less money can be created and the money supply is lower.

Vocabulary Notes:

instruments of macroeconomics – макроекономічні інструменти;
to control the money supply – контролювати пропозицію грошей;
the exchange rate – обмінний (валютний) курс;
the amount of investment – сума капіталовкладень;
to adjust the amount of money in circulation – корегувати кількість грошей в обігу;
implementation of a nation's monetary policy – здійснювати національну кредитно-грошову політику;

to implement – виконувати, здійснювати, забезпечувати виконання;
the Bank of England – Банк Англії. *The Bank of England is the UK's central bank. Established in 1694, it plays a key part in implementing the government's monetary policy. It ensures that interest rates are at the level desired by the government of the day and oversees the printing of notes and coin. It has wider responsibilities in managing the nation's debt and holding its reserves of foreign currency and gold. Thus, it holds responsibility for the country's monetary policy and its financial relations with other countries.*

on behalf of – від імені;

reserve requirements – резервні вимоги;

a discount rate – облікова ставка;

the money multiplier – грошовий мультиплікатор;

required reserves – необхідні резервні фонди;

easily convertible into cash – легко конвертувати в готівку;

a required reserve ratio – необхідна резервна норма;

cash reserves – касові резерви;

excess reserves – надлишкові резерви;

to draw (*syn.* to write out, to make out, to issue) a cheque – виписувати чек

created money – створені гроші;

inversely proportional (*ant.* directly proportional) – зворотно пропорційний;

to maintain – підтримувати;

to impose a reserve requirement – вводити резервні вимоги;

fraction – частка, доля;

in excess of smth – понад чогось;

prudent – обачливий, розрахунковий;

in force – в силі;

to charge – назначати, нараховувати;

to lend up to the hilt – продовжувати надавати позики;

up to the hilt – повністю;

drive their cash reserves down to – довести (знизити) свої касові резерви до...

if the worst comes to the worst – якщо трапиться найгірше;

they are short of cash – їм бракує готівки;

the penalty rate – підвищена (штрафна) ставка;

it is not worth making the extra loans – не варто пред'являти додаткові позики;

to induce smb to do smth (*syn.* to cause smb to do smth) – змусити когось щось зробити;

voluntarily – усвідомлено.

Task 2. Suggest the Ukrainian equivalents.

1. to restore their required reserve ratio – _____;
2. maintain cash reserves equal to 5 % of sight deposits – _____;
3. create \$ 20 million of sight deposits – _____;
4. a higher fraction of their total assets – _____;
5. a lower fraction as loans – _____;
6. the interest rate that the bank charges – _____;
7. extra lending – _____;
8. impose a reserve requirement – _____;
9. the dangers and costs involved – _____;
10. prudent banks – _____;
11. lend up to the hilt – _____;
12. the minimum safe ratio of cash to deposits – _____;
13. flood of withdrawals – _____;
14. the bank can induce banks voluntarily to hold additional cash reserves – _____;
15. the required reserve ratio given – _____.

Task 3. Replace the parts in italics by synonyms.

1. *implements* monetary policy – _____;
2. plays a *major* role – _____;
3. *operates* monetary policy – _____;
4. *extra lending* – _____;
5. *if the worst comes to the worst* – _____;
6. they are *short of cash* – _____;
7. *to affect* the money supply – _____;
8. *in excess of* the reserve ratio – _____.

Task 4. Fill in the gaps with the words and expressions from the text.

1. Monetary policy is a method of controlling the economy that centers on ____ the amount of money ____ in the economy and so ____ and ____.
2. In some countries the Central Bank operates monetary policy ____ government policy, but the UK's Central Bank implements monetary policy ____ the government.

3. Monetary policy has three main aspects: controlling ____, controlling ____, managing ____.
4. The aim of the authorities when controlling the money supply is ____, and hence ____, by businesses and individuals during ____.
5. It is hoped to limit the level of ____ in the economy and thus to remote or reduce ____.
6. During a recession monetary policy is aimed at ____ to ____ spendings.
7. The three most important instruments ____ the money supply are ____, ____ and ____.
8. Open market operations refer to the Bank trading government bonds ____, that is when they are bought from and sold to ____.
9. When the Bank sells ____ in the open market, the Bank ____ the money from population and ____ the money supply.
10. When the Bank buys government bonds in the open market, it ____ the amount of money ____ and hence ____.
11. Banks have to hold a proportion of their assets ____ in case customers demand ____.
12. The required reserve has to be ____, that is easily ____ into cash.
13. ____ is a minimum ratio of ____ to ____ that the central bank requires commercial banks to hold.
14. If cash of commercial banks ____ the required amount, they must immediately ____ cash, usually from ____, to restore their ____.
15. Commercial banks can make loans, i.e. they can ____ and increase ____.
16. The money multiplier is ____ to the required reserve ratio, it means that the larger ____ is the smaller ____ is; the less money ____ and the less ____ is.
17. The money multiplier (m) shows ____, which can be created by one dollar of ____, the required reserve ratio ____.
18. Since sight deposits will be 20 times cash reserves, the banking system will create \$ 20 million of ____ against its \$ 1 million ____.
19. A reserve requirement acts like ____ by forcing them to hold ____ of their total assets as ____ and ____ as loans earning ____.
20. When the central bank imposes a reserve requirement ____ the reserve ratio, the effect is to reduce ____, reduce ____, and reduce ____.
21. When a particular reserve requirement is already ____, any increase in ____ will reduce ____.
22. The discount rate is ____ that the Bank ____ when the commercial banks want ____.

23. Banks have to balance ____ they will get on extra lending with ____ if there is ____, which push their cash reserves ____.
24. Commercial banks may as well lend up ____ and ____ their cash reserves ____ to the minimum.
25. If the worst ____ and commercial banks ____, they can always ____ the Bank.
26. The Bank announces that it will lend to commercial banks only at ____.
27. If the Bank imposes a penalty rate, a commercial bank may conclude that ____ making the extra loans.
28. There is too high a risk that ____ will then force the bank to ____ the Bank at the penalty interest rate.
29. It makes more sense to hold ____ against the possibility of ____.
30. By setting the discount rate at ____ in excess of ____ of interest rates, the Bank can ____ commercial banks ____ to hold ____.
31. Since banks have to hold more cash as reserves, ____ is reduced, less money can ____ and ____ is lower.

Task 5. Find in the text English equivalents for the following:

1. від імені уряду – _____;
2. кредитно-грошова політика – _____;
3. для заохочення витрат – _____;
4. операції на відкритому ринку – _____;
5. резервні вимоги – _____;
6. касовий резерв – _____;
7. надлишкові резерви – _____;
8. потрібна резервна норма (рівень резервних вимог) – _____;
9. створювати гроші – _____;
10. грошовий мультиплікатор – _____;
11. зворотно пропорційний – _____;
12. понад резервну норму – _____;
13. дисконтна (облікова) ставка – _____;
14. підвищена ставка – _____;
15. вилучати гроші – _____.

Task 6. Explain in English.

1. a money multiplier;
2. required reserves;
3. excess reserves;

4. a required reserve ration;
5. a discount rate.

Task 7. Answer the following questions.

1. What is the aim of monetary policy?
2. Why is it important to control the money supply?
3. Dwell on the market operations.
4. Explain the creation of money by commercial banks. What does a money multiplier show?
5. Why does the Bank impose a reserve requirement? What's the effect of the Bank imposing a reserve requirement?
6. Why does a reserve requirement act like a tax on banks?
7. What is a discount rate? How does it work?

Task 8. Translate into English using all possible active vocabulary.

1. Основоположною метою кредитно-грошової політики є допомога економіки у досягненні загального рівня виробництва, який характеризується повною зайнятістю та відсутністю інфляції. Кредитно-грошова політика полягає в зміні грошової пропозиції з метою стабілізації сукупного об'єму виробництва, зайнятості і рівня цін. Більш конкретно: кредитно-грошова політика викликає збільшення грошової пропозиції під час спаду для заохочення витрат, а під час інфляції, навпаки, обмежує пропозицію грошей для обмеження витрат.
2. Існують три основних засоби кредитно-грошового контролю: операції на відкритому ринку, зміна резервної норми та зміна облікової ставки.
3. Операції на відкритому ринку – найважливіший засіб контролю грошової пропозиції. Цей термін відноситься до купівлі та продажу державних облігацій центральним банком на відкритому ринку, тобто до купівлі та продажу облігацій комерційним банкам і населенню в цілому.
4. При зміні резервної норми змінюється величина грошового мультиплікатора і, відповідно, грошова пропозиція. В основі грошового мультиплікатора полягає той факт, що резерви, загублені одним банком, отримуються іншим.
5. Подібно до того, як комерційні банки стягують відсоткові платежі по своїм позикам, центральний банк стягує відсоткові

платежі по позикам, які надаються комерційним банкам. Така ставка відсотка називається обліковою ставкою.

6. Зниження облікової ставки заохочує комерційні банки до придбання додаткових ресурсів шляхом запозичення у центрального банку.
7. Готовність банків надавати позики на основі надлишкових резервів періодично змінюється, і в цьому полягає причина державного контролю за грошовими пропозиціями з метою забезпечення економічної стабільності.

SECTION II

Specialty “Accounting and Audit”

Accounting basics

The sentences below explain many basic accounting concepts and contain many basic accounting terms. Try to match the two parts of the sentences in each section below. If you cannot do this exercise now, you will be able to after doing the exercises on the following pages.

1. **Bookkeeping** involves recording day-to-day **sales** and **purchases**,
2. **Financial accounting** involves preparing **financial statements**
3. **Management accountants** or **managerial accountants** provide information
4. **Cost accounting** involves determining the cost per unit manufactured,
5. **Tax accounting** involves calculating **liabilities** for tax,
A and **revenue** received and **payments** made.
B and usually trying to reduce them.
C for external use by **shareholders, creditors**, etc.
D for internal use by company managers, about costs, prices, **budgeting**, etc.
E taking into account indirect expenses or **overheads**.
6. **Assets** are **resources** owned by the company
7. **Liabilities** are amounts of money owed
8. The basic **accounting equation** is
9. For every transaction, **double-entry bookkeeping** increases one account,
10. **Depreciation** means reducing the value of an asset
F and decreases another by the same amount.
G $\text{Assets} = \text{Liabilities} + \text{Shareholders' Equity}$.
H over the length of its estimated useful life.
I that have future economic value.
J that will have to be paid in the future.
11. The **balance sheet** reports
12. The **income statement** shows
13. **Revenues** minus **expenses** equals
14. Under the **accrual basis** of accounting, revenues are reported
15. Under the accrual basis of accounting, expenses are reported
16. The **cash flow statement** shows the cash generated and used during

a period,

- 17.** Companies whose **stocks** or **shares** are publicly traded must have
K assets, liabilities and shareholders' equity on a particular date.
L divided into **operating**, **investing**, and **financing** activities.
M **net income** or **net profit** (or possibly **net loss**).
N revenues and expenses for a period of time.
O their financial statements **audited** by independent **accountants**.
P when goods and services are delivered and not when cash is received.
Q when they are **incurred** rather than when they are **paid**.

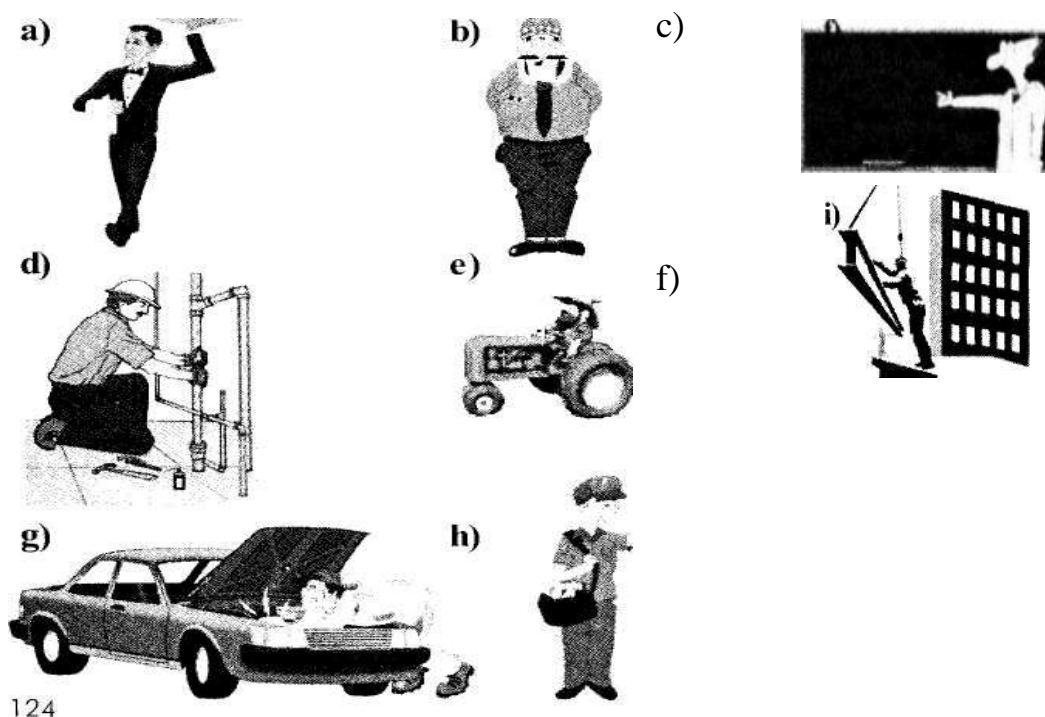
UNIT 1

You and Your Job. Applying For a Job

Task 1. Hello! As you have already mentioned there is no business without people. Different people do different work and of course there are a lot of professions and all of them are very important for society. If you could have any job in the world, what would you like to be? Why?

Look at the pictures below.

- Can you name these professions?
- What work do these people do?
- Can people manage without these professions?
- What the world would be without these people?



Task 2. Complete the table below with the missing information

Name of profession	Activities people do
a)	serves a table; brings dishes; writes a bill;
b) a police officer	
c)	

d) a plumber	
e)	
f)	
g)	
h)	delivers mail, parcels;
i) a construction worker	

Task 3. Which job do you consider to be the best? Which one to be the worst? Explain your choice.

Task 4. What companies or organizations do these people work for? Match each profession from exercise to with corresponding place of work.

1. Post Office;
2. Restaurant;
3. University;
4. Police station;
5. construction company;
6. service station;
7. farm;
8. show business;
9. communal services;

Task 5. Write questions to ask about the job.

e.g. Do you have to travel a lot?

- a) possibility to travel
- b) necessity to go to the conferences (trade fairs, meetings, etc.)
- c) working hours
- d) days-off, holidays
- e) uniform
- f) answer the phone
- g) well-paid/ill paid job
- h) work indoors/outdoors
- i) qualifications

Task 6. Choose a job that interests you. Don't tell your partner about it. He or she must guess what the job is by asking you questions. Use previous information for ideas.

Student B: You must find out your partner's job. Ask him or her questions.

- Do you have to..?
- Can you...?
- When/what/where do you have to...?
- When/where can you...?

Obviously, you **mustn't** ask questions like: *What do you do?* or *What is your job?*

Watch out

Occupation – profession – job – work

-I`m applying for a job in a bank.

(Not "an occupation", "a profession") ,(job is a normal word to describe what someone does for a living;)

-This form asks for details about your age, occupation, marital status...

(Not "profession"),(occupation is a formal word for job and is used in limited contexts like form-filling)

-After studying law, I entered the legal profession.

(Not "job", "occupation"),(high-status work that requires special training and education: law and medicine are professions; lawyers and doctors are professional people)

Task 7. Complete the following sentences with the words *job* or *work*.

- a) She's got a new _____ .
- b) They did a great _____ fixing my computer.
- c) He's got _____ with the government.
- d) Ironing is hard _____.
- e) If a _____ is worth doing, it's worth doing well.
- f) You've never done a day's _____ in your life.
- g) There will be a lot of _____ losses when the factory closes.
- h) She's always changing _____ .
- i) I've got a _____ working for a bank.
- j) It took me an hour to get home from _____ yesterday.

Task 8. Read and translate the following text.

Bank Cashier

In British English, a cashier is a person who receives and pays out money in a shop, bank, restaurant, etc.

In American and Australian English, the person who receives and pays out money in a bank is called a teller.

Working as a bank cashier is a rather nice job. The pay is reasonable, the conditions are pleasant, and there is quite a lot of job security – all the time that people use money, they will need banks to keep it in. Although there is quite a lot of paper work in the job – cashiers have to **FILL IN** a lot of forms – one of the nicest things about the job is that you get to meet a lot of people, so every day is a little different to the previous day.

Of course, some of the customers just want to **PAY** their money **IN** and leave, and some of them can be quite frustrating. Last week a man came in with \$100 in ten pence pieces, and then insisted on **COUNTING** them **OUT** as he was giving them to me. It took a long time and the other people in the queue were not very happy about it!

Interestingly, it is usually the people who want to **TAKE** money **OUT** of their accounts that chat the most. Sometimes I think they feel a little guilty about withdrawing the money, but I suppose they are also quite excited about what they are going to spend the money on once I've **HANDED** it **OVER** to them. It's amazing how much they tell you about their private life and why and how they are going to spend the money how they are going to spend the money!

Task 9. Find in the text the phrasal verbs to match the following definitions:

- a) to return something to the person who should have it;
- b) to withdraw money from an account;
- c) to count money as you move it from one pile to another, or as you give it to someone;
- d) to complete a form with appropriate information;
- e) to put money into a bank account.

Text A

Job Advertisements

There are also other ways to recruit or employ new people. Companies advertise the job or position in the appointments page of a newspaper; people who are interested can then apply for the job by sending a letter of application and curriculum vitae containing details of their education and

experience. The company will then draw up a shortlist of candidates, who are invited to attend an interview.

Study the following words:

To recruit – приймати на роботу

To advertise – оголошувати вакансію

Position – посада

To apply for the job – подавати заяву про прийом на роботу

A letter of application – заява на роботу

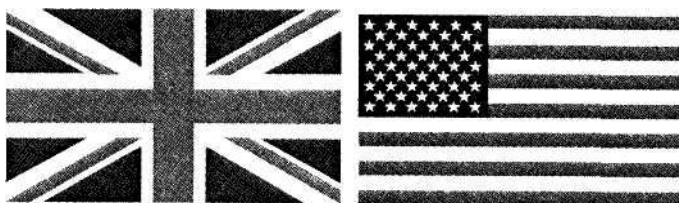
Curriculum vitae (CV) – резюме

Appointment page – сторінка оголошень у газеті

Shortlist – короткий список претендентів

Candidate – претендент на посаду

Interview – співбесіда



British

a letter of
application

CV

recruitment

agency

American

cover(ing) letter

resume

search firm

Task 1. Look at the job advertisements below and fill in the table with all the words and expressions used to describe requirements and benefits offered by the job:

Requirements	Benefits
e.g. educated to degree level	competitive salary

Production manager

We are looking for a qualified engineer with several years` experience in computer technology and design. Managing experience would be an advantage, a good knowledge of German and French is desirable, Spanish is a plus. Excellent salary plus sales-related bonus and a company car.

*Please write with full CV to:
John Hart, Redwood
Marshall,Thore Industrial
Estate,CrabteeRd*

Personal Assistant

Are you highly efficient with good communication and inter-personal skills? We are a leading manufacturer of video and audio equipment, and are looking for someone special with good administrative and secretarial abilities to join our Customer Services Department. Education at college level is required. Salary depended on age and experience. Medical insurance and a personal laptop.
*Apply to: Brenda Howarth,
Spectro Ltd.*

Task 2. Complete the advert below with the words from the box.

- | | |
|-----------------|---------------|
| 1. experience | 4. salary |
| 2. degree | 5. successful |
| 3. headquarters | 6. benefits |

OFFICE MANAGER

International children's charity with a) _____ in New York and offices throughout the world has an opening position in Mali. The b) _____ - candidate will be responsible for all aspects of the management of his office. He or she should possess an advanced university c) _____ in business administration or a related qualification and should have at least five years' d) _____ in office management at international level. Fluency in English and French is essential. Willingness to travel, live and work under difficult conditions. e) _____ include a competitive international f) _____ and overseas allowances.

Please write with your CV and stating current salary to: Box No RL 147

Task 3. Look at the advertisements again. What personal characteristics are required for these positions? Make the list of them.

Task 4. There are more adjectives describing a personal characteristics needed. Use them to characterize a person you know.

considerate	dynamic	motivated	initiative
challenging	energetic	powerful	hard-working
confident	flexible	responsible	sensitive
competent	imaginative	skillful	disciplined

Task 5. Complete the description with the words in the box.

- | | |
|-----------------|----------------|
| a) cheerful | g) sociable |
| b) hard-working | h) sympathetic |
| c) outgoing | |
| d) reckless | |
| e) reliable | |
| f) sensible | |

Robert is a very (1) _____ person, always with a smile on his face. He's a good listener, too, and is always (2) _____ if you have a problem or if something goes wrong. And if you ask for help, he's very (3) _____ - he won't let you down. At university he was very (4) _____ and got good marks. He's very (5) _____ person and would never do anything (6) _____. Robert is very popular with lots of his colleagues; he's very (7) _____ and (8) _____.

Task 6. What features of character are the most important for a secretary, CEO, a distributor, a trader, a school director, a university graduate?

Task 7. Match the words on the left with their synonyms on the right.

- | A | B |
|---------------------|--------------|
| 1 salary | a) applicant |
| 2. opening position | b) look for |
| 3. benefits | c) recruiter |
| 4. candidate | d) vacancy |
| 5. skills | e) bonuses |
| 6. headhunter | f) wages |
| 7. seek | g) abilities |

Task 8. Put the words from the previous exercise into the gaps. Use the correct form of these words.

1. We have for secretaries with word-processing experience.
2. The Charity Fund 1000 people among the young unemployed to voluntary work last year.
3. There were over 100 for the marketing manager position.

4. Company employees received \$50 Christmas
5. This job requires great management and attention to details.
6. The management of the company promised to increase by the end of the year.
7. Professional search for successful candidates in multinational companies.

Task 9. Look at the files of Employment Agency on the right, and at the Jobs Offered column in a local paper on the left, and try to decide which person is best for each job. Explain why.

<p>1. Jolene Buchanan; Age 22.</p> <p>Has just got her degree as Master of Business Studies. She wants to work for a large company with good career prospects, but she does not mind where it is. She is very ambitious, and wants a job that will be a challenge.</p>	<p>A. Rep wanted for travel company.</p> <p>We are looking for someone to escort holiday-makers on Mediterranean holidays. Training and a good salary given to the right person.</p>
<p>2. Jamie MacDonald; Age 44.</p> <p>Ex-sergeant in the army, he has now retired and is looking for a local job. He is an experienced and competent person, and he wants to work locally to be with his wife and family.</p>	<p>B. Volunteers wanted to help on an archaeological site in Turkey.</p> <p>Do you want to get away from the English winter? Starting this autumn we want people to assist our archaeological team. No salary, but travel and expenses are paid.</p>
<p>3. Darren Wright; Age 19.</p> <p>School leaver. Wants a job that will allow him to travel and meet people. Does not want a desk job or anything</p>	<p>C. Caretaker wanted for Rhymington Primary to look after the premises of a large school and supervise its cleaners and gardeners. Generous salary and pension to the</p>

local. Has exam passes in Spanish, Maths and Biology.	right candidate.
<p>4. Mike Cameron; Age 20.</p> <p>Wants to take a year out from his studies and do something interesting. He is training to be a doctor, but he wants to do something completely different. The salary is not important. He can start in September.</p>	<p>D. Friday Person wanted for busy office. If you have a cheerful helpful personality and want a job that will prepare you for a business career, why not come and see us? Right in the centre of town. Start immediately.</p>
<p>5. Jackie Wallace; Age 19.</p> <p>School leaver. Capable of using office software and of doing simple accounts. Wants a local job because her mother is ill and she wants to be near her. The job must offer training and work experience. Able to start at any time.</p>	<p>E. Trainee manager wanted for a local fashion boutique. The ideal candidate will have a relevant degree, and be prepared to work long hours if necessary. We are part of the In Style fashion chain. Full training and generous salary.</p>

BENEFITS AND QUALIFICATIONS

Task 10. Which of the following benefits are the most important to you in a job and why? Give each one a score from 1 (not important) to 6 (very important)

- A high salary
- Good working conditions
- A boss you enjoy working for
- Co-workers you like
- The opportunity to travel
- Good opportunities for promotion

A **benefit** is something you received from a job.

A **qualification** is something you need to do a job.

Task 11. Look at the following list of words. Are they benefits or qualifications?

1. _____ promotion
2. _____ work experience
3. _____ medical insurance
4. _____ vacation
5. _____ bachelor/masters/degree
6. _____ salary
7. _____ driving license
8. _____ commissions
9. _____ bonus
10. _____ fluent English
11. _____ ability to make decisions
12. _____ discount on goods
13. _____ computer skills
14. _____ flexible working hours
15. _____ communication skills

Task 12. Decide which qualifications are necessary for the representatives of the following professions:

- A finance manager
- A secretary in the office
- A company lawyer
- An overseas manager
- A regional representative

Which benefits are the most important for them?

Task 13. Choose from the list given below features of character that are the most suitable for them:

Creativity, being hardworking, accuracy, being responsible, being inventive, persistency, love to travel, being able to work in a team, being able to persuade people, being sociable, being reserved.

a) Fill in the table. Add as much information as you like:

Profession	Qualification	Benefits	Features of character
------------	---------------	----------	-----------------------

--	--	--	--

Watch out

wage - wages – salary

My salary is paid on the 28th of the month. (Not "wage", "wages")

(a salary is paid monthly)

*Woman often get paid a low wage/low **wages**, especially for part-time work.*

(a wage or wages are paid daily or weekly)

Task 14. Complete the sentences below with the words *wage - wages - salary*.

1. The government announced the increase of the _____ of budget workers by 15 %.
2. The _____ of workers depend on their productivity.
3. After several strikes the management of the plant decided to raise the _____ by 3 %.
4. Office workers are paid the _____ once a month.

Task 15. Render the text into English.

Зараз на ринку праці є багато вакансій, об'єднаних спільним словом «менеджер». Серед них одна з найпоширеніших – менеджер з реклами.

Якщо Ви закінчили інститут (вища освіта є важливим фактором для роботодавців), сповнені сил та енергії – у Вас є непогана можливість отримати цікаву роботу. Найбільше потребують менеджерів з реклами засоби масової інформації.

Багато роботодавців вимагають від претендентів знання комп'ютерних програм та іноземної мови. Дуже важливим є досвід роботи – мінімум 1-2 роки.

Text B

Applying For A Job

Peter Townsled is a very qualified specialist. He has been working in the sphere of business for fifteen years and has enormous experience in sales. But unfortunately he has to change his place of work because his family is going to move to another country. So, to find a new job Peter has decided to look through the job advertisements in a local newspaper. One ad that caught his eye was the following:

Local Branch Manager

required by
Slep by Slep

We are looking for a qualified manager with several years' experience in sales and customer service.

If you have excellent communication and teamwork skills, good knowledge of English and Italian and skills of work with the Microsoft Office operating system, this job is for you.

We offer an excellent salary plus sales-related bonus.

If you have relevant experience and feel you are the right person call now and start a new career that could earn you a brighter future.

For consideration, please send your application and confidential resume with salary history and requirements to:

Mr. Peterson, Personnel Manager, Step by Step.

254MainStreet Seattle, WA 98502

Or Email: step@com.us

For enquiries phone: +31 (0)70 96798810

Task 1. Discuss the following questions:

- What attracts you in this advertisement?
- What benefits does this position offer?
- If you were Peter would you apply for this job?

Task 2. So, Peter has decided to apply for this job. But unfortunately he does not have enough information about the position so he phones the company.

Role-play the telephone call using the information below. One of you is Peter Townsled, another is Rob Peterson. Do not forget that this is a formal telephone call, so:

- Introduce yourself correctly
- Be polite
- Use formal English

- End the conversation correctly

Peter Townsled	Rob Peterson
<p>You want additional about the following:</p> <ul style="list-style-type: none"> • the company the contract job description • required qualifications • the address (ask to spell it) 	<p>You are a HRmanager.</p> <p>Answer Kris's questions information from the advertisement.</p>

Text C

Selecting The Best Candidate

Task 1. Look at the statements below. Do you agree or disagree with them? Express your opinion.

- *If you want to employ a good worker look at his handwriting.*
- *The best way to get to know your future employee better is to ask his sign of zodiac.*
- *The candidate's appearance plays a very important role.*

Task 2. Which of the approaches above would you use? Do you have any more ideas how to select the best candidate?

Task 3. Read and translate the following text.

Selection Methods

Most employers say that they wish to employ the right person for the right job.

While selecting a candidate recruiters use three main selection methods: **interviewing, checking curriculum vitae or application forms and examining references.**

Interviews are considered to be more reliable than either curriculum checks or references from past employers. Face to face contact, applicant's behavior and the way of presenting oneself give the employer valuable information about the candidate.

Some employers place great importance on academic qualifications but the link between them and success in management is not necessarily strong.

Some recruiters use handwriting as a criterion. References, also, are sometimes unreliable as they are rarely critical.

Task 4. In your opinion, what is the most reliable method of recruiting? Why?

Task 5. Complete the recruitment checklist below by adding verbs from this list. Follow the example.

check	choose	circulate	hire
interview	invite	place	select sort

1.place ... job advertisement in the newspaper.
2. through CVs and applications.
3. CVs and applications to the relevant managers in the company.
4. potential candidates by consulting with relevant manager(s).
5. candidates for the interview.
6. candidates.
5. potential candidates` references.
6. the best candidate(s).
7. successful candidate(s).

Task 6. Role-play the following situation.

<u>Student A</u>	<u>Student B</u>
Your company needs a Marketing Manager. You don't know how to select the best candidate for this position. Ask a business consultant for advice.	You are a business consultant. Give some recommendations what selection methods to use when employing a Marketing Manager.

STEP I

WRITING A CV

WHAT IS IT A RIGHT RESUME?

A resume is an introduction, one page, and one short chance at proving you are a qualified and experienced candidate who should be hired by a company. It includes all your life experiences. A resume must present a clear picture of the candidate. For this you should know what a potential employer expects. Employers look at the person's experience with a company and period of his work for a company to see if he is not a "job jumper". The person should be able to present himself in a resume. Your resume must be right, standard format, typed.

Task 7. Read Peter's CV. What mistakes has he made? Correct them.

Peter Townsled

35 Green Road

Spokane, WA 87954

Phone (503) 456-6781

Fax (503) 456-6782

E-mail petert@net.com

Work experience

1995 – 1998 Smith Office Supplies Yakima, Assistant Manager

Responsibilities

- Managed warehouse operations
- Interviewed new applicants for opening positions
Traveled locally offering on-site visits to regular customers
- Supervised bookkeeping staff

1998 – Present: Jackson Shoes Inc. ,Spokane, Manager

Responsibilities

- Provide helpful service to customers concerning shoe choices
- Design and implement computer based tools using Microsoft Access and Excel for staff
- Provide in-house training for new employees

Personal Information

Marital status: Married, two children Education

1991 – 1995 Denver University Colorado, Master of Business
Administration Professional memberships

Young Business Administration Club President 1993-1995, Denver

Additional Skills

Advanced level skills in Microsoft Office Suite, basic HTML programming,
spoken and written proficiency in English and Spanish REFERENCES
Available upon request

Task 8. Put the words from the box into the gaps.

- a) He has a lot of as a salesman.
- b) The company is..... problems with its computer system.
- c) Do you think its right to.....on animals?
- d) When there were no antibiotics patients.....a lot of pain.
- e) In my , a credit card is very useful.
- f) He had some terrible while he was traveling in the USA.
- g) We are going to employ this candidate because he is a very
..... specialist.

Task 9. Match the words from column A with the words from column B to make business expressions:

A	B
1. personal	a) time activities
2. career and background	b) background
3.data	c) experience
4. educational	d) foreign languages

- | | |
|-----------------|-----------------|
| 5. work | e) information |
| 6. career | f) achievements |
| 7. spare | g) summary |
| 8. knowledge of | h) sheet |

Task 10. Make up your own sentences with the word combinations above.

Task 11. Choose the best alternative to complete these sentences.

1. A _____ is an individualized, written summary of your personal, educational and experience qualifications.
CV/cover letter/reference/job advertisement
2. It is _____ to present you as a prospective employee.
design/designs/designed/designing
3. Not _____ needs a CV.
anyone/someone/everyone/a person
4. Applications for many clerical and sales positions also require a _____ .
Job/ CV/application/job ad
5. A CV is like a (an)_____ sales presentation.
oral/written/spoken/closed
6. It alone will not get you a _____ .
job/CV/application/want ad
7. An effective CV _____ a favourable impression of you while presenting your abilities and experience.
create/creates/creating/was created
8. Your CV _____ be used as a response to an ad.
is/was/can/won't
9. It is a fact sheet that tells a _____ employer that you are a desirable future employee.
perspective/prospect/prospective/past

Task 12. Read the article devoted to the art of writing a resume and do the exercises after it.

Ten Resume "Don'ts"

Resumes are a necessity for almost every job on the planet – accountant, teacher, CEO or municipal employee. Writing a resume is a kind of art. All the parts and the words of the resume should be carefully thought over to avoid misunderstanding and unnecessary information. But there may be hidden dangers on any stage of your resume writing.

Before saying to yourself "OK! I've done it!" check the ten resume don'ts below:

1. Appearance count – Don't try to save your money by printing your resume on a cheap copy paper instead of a good quality stock. Check for typos, grammatical errors and coffee stains. Use the spellcheck feature on your word processor and ask a friend to review the resume to find mistakes you might have missed.

2. Does size matter? – If your career warrants a two-page resume, then go ahead and create a document that reflects the full range of your experience and accomplishments. Don't reduce the type size to such a degree that your resume becomes difficult to read.

3. Truth or consequences – Don't fudge over the dates or titles on your resume to hide the fact that you have been unemployed, that you switched jobs too frequently or that you held low-level positions. If a prospective employer conducts a background check and discovers that you lied, you can kiss the job good-bye.

4. State your case – If you are seeking a job in a field which you have no prior experience, don't use the chronological format for your resume. By using a functional or skills oriented format, you can present your relevant experience and skills up front.

5. Put your best foot forward – Don't simply copy the job description jargon from your company Human Resources manual. To show that you are more qualified than the competitors for the position simply list your job responsibilities. Present specific accomplishments and achievements: percentages increased, awards won, etc.

6. No excuses – Don't include the reasons you are no longer working at each job listed on your resume. The phrases "Company was sold", "Boss was an idiot" and "left to make more money" have no place on your resume.

7. What have you done lately? – Though it is acceptable to have a two-page resume, don't list every job you have ever had. Personnel managers are

most interested in your experience from the last ten years, so focus on your most recent and most relevant career experience.

8. Target your audience – Don't mail your resume to every ad in the Sunday newspaper. If you are not qualified for a position, don't apply.

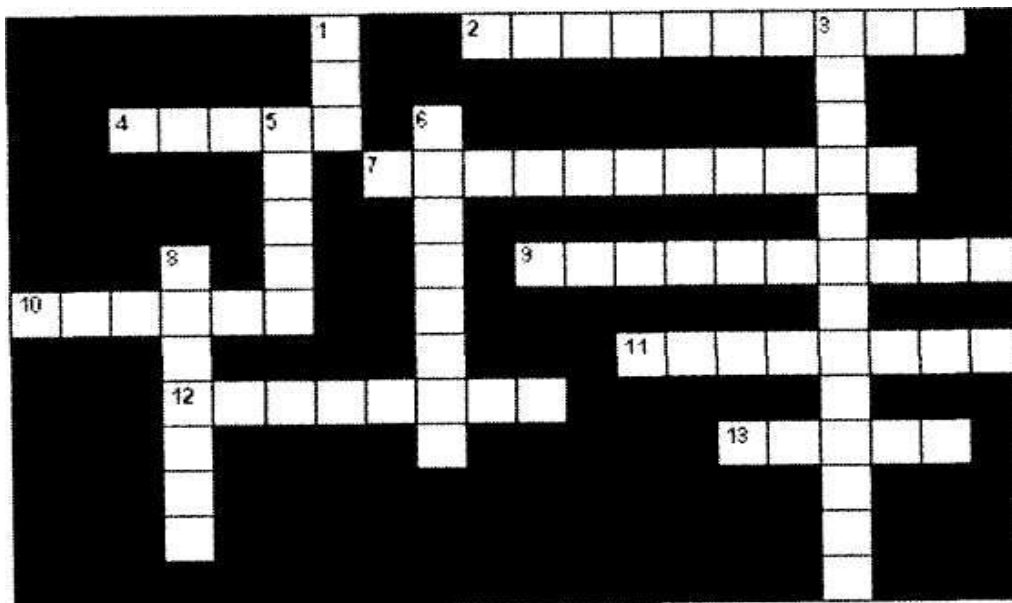
9. No extra papers, please – When you send out your resume, don't include copies of transcripts, letters of recommendation or awards, unless you are specifically asked to do so. If you are called in for an interview, you may bring these extra materials along in your briefcase for show-and-tell.

10. Don't get personal – Personal information does not belong on a resume in the United States. Don't include information on your marital status, age, race, family and hobbies.

Task 13. Analyze the resume you have already written taking into account the information above. Think of the results. Do you think the pieces of advice are really valuable?

Task 14. Work in groups. One of you is a specialist in writing a resume. Prepare a report on how to write a good resume for a group of people attending job employment centers. All the rest are young people who are eager to get a job. They know that a lot depends on their resumes. Prepare questions to ask a specialist in resume writing what to do to make the resume more attractive and competitive.

Task 15. Do the following crossword puzzle dealing with resume.



Across:

2. Listing _____ on a resume is favored by some recruiters and opposed by others.
4. Computer friendly resumes avoid _____ fonts.
7. A _____ resume emphasizes the candidate's capabilities while also including a complete job history.
9. A _____ resume focuses attention on the candidate's skills.
10. «If your resume isn't a winner, it's a _____.»—Joyce Lain Kennedy.
11. The trend in resumes today is to omit _____ data.
12. Companies often use _____ to digitize incoming resumes.
13. Computer friendly resumes use plenty of _____ space.

Down:

1. Scannable resumes emphasize _____ words.
3. A _____ resume lists the candidate's work history job by job, starting with the most recent position.
5. _____ letters are used to introduce resumes.
6. The first reader of a candidate's resume may be a _____.
8. The _____ of a letter of application should request an interview.

Task 16. Marcia Garcia tells about her educational background. Complete each sentence with one of the words or phrases from the box below. You will need to put the verbs into the right tense.

Apply graduate (verb) grant higher degree
Honors degree scholarship option PhD place
Primary school job secondary school

1. I started at _____ in London when I was 5.
2. At the age of 11 I went on to _____, also in London.
3. At 17 I _____ to University.
4. I got a _____ at Manchester to _____ Engineering.
5. In fact I was awarded a _____.
6. But at the end of the first year I changed to another _____.
7. I _____ from the University in 2003.
8. I have a first class _____ in Economics.
9. I decided to _____ at university.
10. So I did a _____ in business administration at the University of California.
11. During the course I did an _____ on small business development.
12. I found the topic so interesting that I applied for a _____ to do a doctorate on the same subject.
13. Once I had got the money I had to write a 50,000 word _____.
14. So, now I have a BA, an MBA and a _____.
15. All I need now is a _____.

Task 17. Match the words and word combinations from the box with their definitions below.

a) Career Objective b) Employment Gaps c) Resume
d) Accomplishments e) Corporate Culture
f) References g) Assessments h) Benefits i) Background Check
j) Researching Companies k) Career Planning

1. These are the achievements you have had in your career. These key points really help sell you to an employer – much more so than everyday job duties or responsibilities. _____

2. These tests ask you a series of questions and try to provide you with some sense of your personality and career interests. You shouldn't rely on the results of these tests by themselves, but the results can be a good starting point for discovering more about yourself and your interests and considering careers you may not have thought of. _____

3. Used by employers to verify the accuracy of the information you provide on your resume or job application - and beyond. Items checked include: employment verification, educational background/degrees, references, credit history, medical records, driving record, court records, criminal records, and more. _____

4. An important part of your compensation package, and part of the salary negotiation process. Note that every employer offers a different mix of benefits. These benefits may include paid vacations, company holidays, personal days, sick leave, life insurance, medical insurance, retirement and pension plans, tuition assistance, child care, and more. Can be worth anywhere from 20 to 40 percent of your salary. _____

5. An optional part of your resume, but something you should contemplate whether you place it on your resume or not. It can sharpen the focus of your resume and should be as specific as possible and written in a way that shows how you can benefit the employer. _____

6. The collection of beliefs, expectations, and values shared by an organization's members and transmitted from one generation of employees to another. It sets norms (rules of conduct) that define acceptable behavior of employees of the organization. _____

7. Are those periods of time between jobs when job-seekers are unemployed, either by choice or circumstances? Employers do not like seeing unexplained gaps on resumes, and there are numerous strategies for reducing the impact of these gaps on your future job-hunting. _____

8. A group of people who will say good things about you and who know specifics strengths that you offer. These people can be your current and past supervisors, former teachers or school administrators. _____

9. A key job-hunting tool used to get an interview; it summarizes your accomplishments, your education, as well as your work experience, and should reflect your special mix of skills and strengths. _____

10. The process of gathering information about a company, its products, its locations, its corporate culture, its financial successes. This information is extremely valuable in a job interview where you can show off your knowledge of the company, and can also help you in writing your cover letter. _____

11. The continuous process of evaluating your current lifestyle, likes/dislikes, passions, skills, personality, dream job, and current job and career path and making corrections and improvements to better prepare for future steps in your career, as needed, or to make a career change. _____

STEP II

THE LETTER OF APPLICATION

The letter of application (also called the covering letter) can be as important as the CV in that it often provides the first direct contact between a candidate and an employer. If this letter is not well written and presented, it will make a poor impression. The letter of application normally contains three or more paragraphs in which you should:

- Confirm that you wish to apply and say where you learned about the job.
- Say why you are interested in the position.
- Show what you can do for the company using your skills and experience.
- Show your desire to attend an interview and say how you can be reached.

Task 1. Read the letter for the first time and answer the following questions. Don't pay attention to the gaps.

- What position is Peter applying for?
- Why does he think he suits this position?
- How can he be reached?

Task 2. Read Peter's letter of application for the second time and complete it using the words from the box.

- | | |
|----------------------------|--------------------------|
| a) response | b) position |
| c) environment | d) qualifications |
| e) responsibilities | f) deadlines |
| g) resume | h) requirement |
| i) discuss | |

Task 3. The following phrases are often used in the letters of application. Translate them into your native language.

Useful Key Phrases

- I am writing to you in response to your advertisement for...
- As you can see from my enclosed resume, my experience and qualifications match this position's requirements.
- I would like to point out... immediately upon his return.
- During ..., I improved (furthered, extended, etc.) my knowledge of...
- I look forward to an opportunity to speak with you in person. (OR to speak with you personally)
- Please accept this letter as an expression of interest in the position of...
- I have enclosed a copy of my resume for your review.
- ...and believe I possess the right combination of....skills.
- My current position has provided the opportunity to ...
- I would welcome the opportunity to personally discuss my potential contributions to your company with you.
- I look forward to your reply.

Task 4. Put the words and word combinations from the box into the gaps.

- 1) *As you will see from my CV* 2) *for the past 15 years*
3) *I accept all the terms* 4) *I am a 25 year-old* 5) *I am eager to relocate*
6) *I am enclosing a copy of* 7) *I do in my present position*
8) *a Head Technician* 9) *for the post of* 10) *hotels and the light industry*
11) *in the employees' handbook* 12) *looking for a position*
13) *which appeared in* 14) *with the latest developments in* 15) *word*

- a)much of the workis related to health and safety related to
- b), I have been employed aswith Soft Drinks Co., Ltd.
- c) I accept all the conditions which I received.
- d) in the letter you sent me.
- e) instructor of International Safety Training Centre Ltd., the Overseas Safety Centre.
- f) I am a college graduate in an export company.
- g) I am also familiar software products such as
- h) I am answering your advertisement Cultural Heritage Interim Board ExecutiveThe Times of Malta.
- i)to your area.
- j) my curriculum vitae.

Task 5. Complete the following sentences from the letter of application.

1. I feel _____ I possess _____ the necessary _____ qualifications _____.
2. I feel _____ I would _____ like to have _____ a position _____ with greater responsibilities _____.
3. I feel _____ the salary _____ and fringe benefits _____ package quite attractive _____.
4. I have _____ a very good working knowledge _____ of French _____.
5. I have _____ been given to understand _____ that you are currently _____ seeking an Of _____ Administrator.

6. I ha ____ been to ____ that you are se ____ a Personal As__ and I would be ve ____ happy to ta__ to you ab ____ that pos ____ .
7. I have be ____ with this co ____ for the pa ____ six years si ____ graduating fr ____ college in 1999 with a cer ____ in Occupational Heal ____ and Safety.
8. I have ju ____ seen your ad ____ for a Senior Ex ____ in this mor ____ LE FIGARO.
9. I have wor ____ in En ____ for two y ____ .
10. I l__k f__rw__rd t__ m__t__ng y__ n__xt w__k.

Task 6. Write a letter of application which will be enclosed to the CV you've already made up. Make sure the information in your CV and application letter match.

STEP III

INTERVIEW

Eventually Peter has been invited to the interview. So what does "interviewing better" actually mean? It means that the candidate is well prepared and confident. He can answer the questions in a way which is acceptable to the interviewer. He knows something about his potential employer's business and the post he hopes to fill. These are really the basic components of any candidate who "interviews well".

Dealing with Interviews

Here are some useful tips how to cope with the interview.

The basic approach to an interview is to be well prepared. This means two things – preparing yourself practically for the interview, and gathering knowledge and information you can draw on during the interview. So plan and be organized!

I. Before the interview.

1. Gather information about your employer before you are interviewed – what do they do, what are their current projects, what other interests do they have? Ask staff- many companies will offer you the chance to talk about the vacancy with someone, use the opportunity to find out more about the company.

Make sure you know what the job entails – get a job description, ask someone in a similar post, ring the company to find out the details.

1. This can demonstrate your interest in the position. This is the list of documents you are recommended to have:

- copies of educational diplomas, certificates, accreditations, etc.
- awards won;
- reference letters;
- examples of work, such as projects completed, etc;
- driving license

2. How you answer during the interview plays a major part in the taking decision. It is recommended that the candidate should think beforehand how he, she would answer them.

II. The day of the interview.

1. Wear what is appropriate for the post and the company. It may vary from smart, formal wear in some instances to very formal dress in others. Avoid excessive jewelry, shorts, jeans, tee shirts, open toed shoes and very bright colors. It is advisable to cover tattoos or pierced body parts.

Try and get an insight into what the company would expect from employees to wear. What would be appropriate for a building company is very different for a public relations agency.

2. Be well neat and clean. Try to look calm and confident; simple things like deodorant can boost your confidence.

4. Be punctual.

5. It is very important to greet your prospective employer with a firm handshake, eye contact and smile. You should produce an enthusiastic, professional image from the start.

Here are some simple, but frequently broken rules:

- *Sit comfortably with both feet on the floor.*
- *Don't play with your hair or your hands.*
- *Maintain natural eye contact with the interviewer.*
 - *If there's more than one interviewer, look at who's talking.*
 - *When you're talking, shift your glance from one to the other.*
 - *Above all try to be you, try to be natural.*

III. After the interview.

Send a thank you note.

GOOD LUCK

Task 7. Match the following headlines with the corresponding paragraphs in the article.

I. Before the interview.

- a) Prepare for the questions you may be asked
- b) Research the company and the industry.

- c) Prepare a portfolio.
- d) Prepare the questions you can ask.

II. The day of the interview

- a) Don't be late!
- b) Dress accordingly
- c) Smile, be enthusiastic

Task 8. You can see a list of reasons a person may have for leaving or changing a job. Discuss them and choose the ones you think are unacceptable to give to an interviewer:

- *I don't like the job I have.*
- *There isn't much room for advancement.*
- *I was laid off because business was slow.*
- *I didn't get along with the boss.*
- *I'm bored with my job.*
- *I want to work on a job that is more interesting.*
- *My job is long way from my house. I have trouble getting to work on time.*
- *The pay is very low.*

Task 9. Imagine you are Peter Townsled. You have come to the interview with Rob Peterson, Personnel manager of Step by Step. Complete Peter's part of the dialogue using the information from Peter's CV and application letter.

Interviewer: Sit down please, Mr Townsled. We have read your CV and letter of application in answer to our advertisement. I'd like to talk to you about your qualifications for the position.

Peter:

Interviewer: Are you working?

Peter:

Interviewer: What do you do exactly?

Peter:

Interviewer: How long have you been working there?

Peter:

Interviewer: What other jobs did you have? And what did you do?

Peter:

Interviewer: Tell me about your education and any special training you've had.

Peter:

Interviewer: You speak German and French, do you?

Peter:

Interviewer: I'm sure you can learn one more foreign language quickly, can't you? Our company is going to set up a subsidiary in Italy and Spain.

Peter:

Interviewer: Do you have any special skills?

Peter:

Interviewer: Why do you want to change your job?

Peter:

Interviewer: Thank you very much for coming in to see us. It has been a real pleasure to talk with you.

Peter:

Now play the role of Rob Peterson. Answer Peter's questions.

Peter: Why do people like working at your company?

Rob:

Peter: Do you offer any benefits?

Rob:

Peter: Is there any chance for a promotion?

Rob:

Peter: How much does the job pay?

Rob:

Peter: What types of training and support can I expect?

Rob:

Peter: Describe for me a typical day in this position, please.

Rob:

Task 10. Study your role cards. Student A is an employer, Student B is an applicant. Conduct an interview and complete your cards with necessary information.

Student A

Questions to ask applicant:	You company's profile and Available Job
Could you spell your name please?	Job Description: marketing manager
What kind of experience do you have?	Job Salary: \$ 45000/year

What did you study in university?	Location: Coca cola Ukraine
Do you have any special skills?	Benefits: car, laptop, medical insurance
What are your good points and bad points?	Promotions: promotion to senior manager in Italy

Applicant information

<u>Name of Applicant:</u> <u>Experience:</u> <u>Major:</u> <u>Skills:</u> <u>Good Points:</u> <u>Bad Points:</u>

Student B

Questions to ask employers:	Your information
What company do you represent?	Your Name: Sam Spade
What kind of job do you offer?	Work Experience: 2 years working in advertising agency
What salary do you offer?	Your Major: Marketing
Where is it located?	Special Skills: English, computer
Do you offer any benefits?	Good Points: Energetic, inventive
Is there any chance for a promotion?	Bad Points: Too emotional

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Job Type

Name of a company:

Job:

Salary:

Location:

Benefits:

Promotions:

Text D. Read the article "Interview Mistakes To Avoid " and do the exercises after it.

Interview Mistakes to Avoid

The wrong move can cost you the job! You've worked hard to get to the interview stage. You passed the cover letter and resume screening process. maybe even a few telephone interviews. Now its time for the face to face interview with the employer itself. Any number of items can go wrong but you have to be in control and must have **1. (confident)** _____. Go into an interview with the **2.(feel)**_____ that you are going to **3. (impression)** _____ them so much that they will have to make you an offer.

The interview is the most stressful part of the job hunt for many **4. (person)** _____ because now they can't hide behind the cover letter and resume. The real face to face human connection between possible **5. (employ)** _____ and job candidate takes place. But for starters if you simply follow these tips below, you are on your ' way to interviews with results. A big part of a **6.(success)** _____ interview is avoiding simple mistakes. Mistakes are deadly to the job seeker and easy to avoid if you are prepared. These are the most common interview mistakes - and their antidotes.

Arriving late. Get directions from the interviewer - or a map. Wear a watch and leave home early. If the worst happens and you can't make it on time, call the interviewer and arrange to reschedule.

Dressing wrong. You make your greatest impact on the **7. (interview)** in the first 17 seconds **8. (impress)** you want to make powerfully positive. Dress right in a conservative suit, subdued colors, little jewelry (but real gold, or silver, or pearls), low heels (polished) and everything clean and neat. Hygiene includes combed hair, brushed teeth, deodorant and low-key scent. Check everything the night before, again before walking out the door and once again in the restroom just before the interview.

Play zombie. OK, you're **9. (nerve)** _____. But you can still smile, right? And make eye contact, yes? Sit up, focus on the interviewer, and start responding. **10. (enthusiastic)** _____ is what the interviewer wants to see.

No smoking, no gum, no drinking. This is all comfort stuff for you, and none of it helps you here. Employers are more likely to hire non-smokers. At a lunch or dinner interview, others may order drinks. You best not.

Research failure. The interview is not the time for research. Find out the company's **11. (produce)** _____ and services, annual sales, structure and other key **12. (inform)** _____ from the Internet, the public library, **13. (profession)** magazines or from former employees. Show that you are interested in working for the prospective employer by demonstrating **14. (know)** _____ about the company.

Can't articulate your own strengths and weaknesses. Only you can recognize your most valuable strengths and most hurtful **15. (weak)**. Be able to specify your major strengths. Your weaknesses, if such must come up, should only be turned around to positives.

Winging the interview. Practice! Get a friend, a list of interview questions and a tape **16. (record)** _____ and conduct an interview rehearsal. Include a **17. (present)** _____ or demonstration if that will be part of the real interview. Start with introducing yourself and go all through an interview to saying good-bye.

Talk, Talk, Talk. Rambling, interrupting the interviewer and answering to a simple question with a fifteen-minute reply - all of these can be avoided if you've thought through and practiced what you want to **18. (communication)** _____ the point and usually shorter.

Failure to connect yourself to the job offered. The job **19. (describe)** _____ details the company's needs – you connect your experiences, your talents and your strengths to the description. It answers the essential reasons for the interview – «How my education /experience /talents/strengths fit your needs and why I can do this job for you».

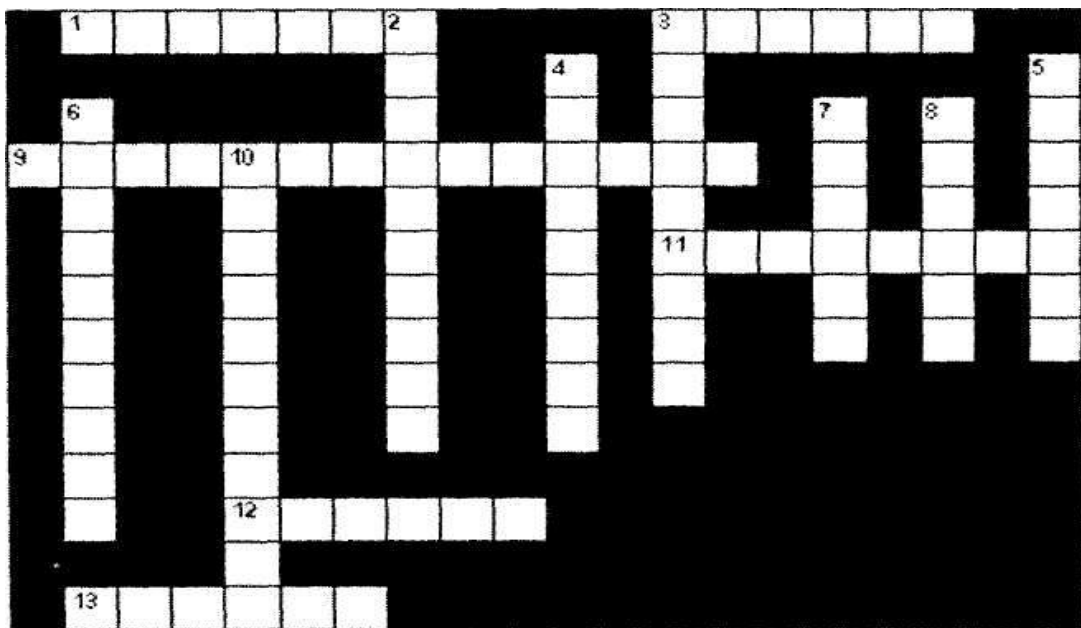
Not asking questions and asking too many. Use your research to develop a set of questions that will tell you whether this is the job and the company for you. This will help you limit and focus your questions. But don't overpower

the interviewer with questions about details that really won't count in the long run.

Asking about compensation and /or benefits too soon. Wait for the interviewer to bring up these issues – after the 20. **(discuss)** of your qualifications and the company's needs and wants.

Failure to ask for the job. When the interviewer indicates the interview is over, convey your interest in the job and ask what the next step is.

Task 1. Do the following crossword puzzle dealing with interviewing and follow up messages.



Across:

- I. It is natural for a job candidate to be _____ in an interview.
3. _____ interviews are meant to test the candidate's reactions.
9. «Tell me about yourself» is atypical _____ question.
11. In hiring interviews, recruiters try to uncover _____ information.
12. The best source of _____ information is company employees.
13. After a job interview, the candidate should always send a brief letter of _____ .

Down:

2. _____ interviews are common with companies that rule by consensus.

3. _____ interviews by telephone are intended to eliminate those who fail to meet minimum requirements.
4. In addition to the candidate's oral interview responses and resume, _____ messages communicated by the candidate are also highly important.
5. In preparation for interviews, the job seeker should practice telling _____ stories.
6. Researching an organization impresses _____.
7. The candidate should defer the discussion of _____ until late in the interview.
8. «What would your former boss say about you? » is a typical _____ question.
10. Some organizations consider candidates only when they submit a completed _____ form.

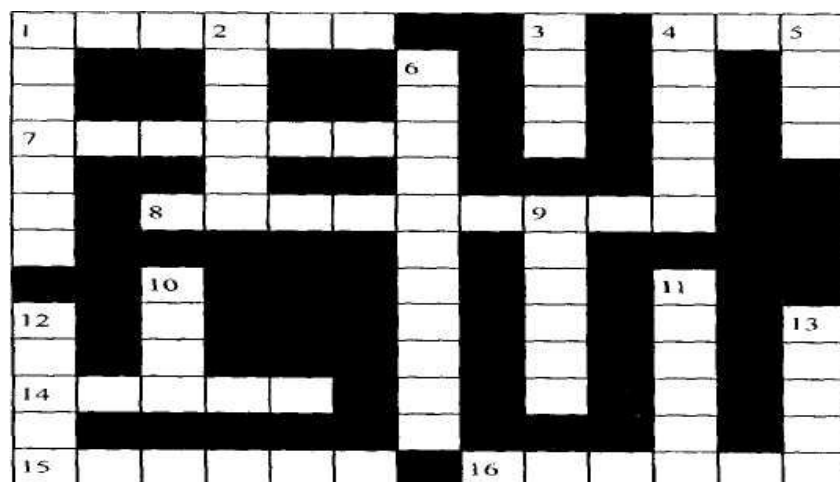
Task 2. Complete the following expressing your likes and dislikes:

1. I like/enjoy...
2. I hate/can't stand...
3. I don't like/dislike...
4. I would prefer...
5. I would rather...
6. I would prefer...

Task 3. Work in groups of 3 students. Interview a candidate and exchange your opinions about him/her.

Task 4. Discuss this situation in pairs or groups. Suppose you are in charge of hiring a new employee for your firm. You have to decide between two persons. One is a person with many years of experience in a company very similar to yours has only a high school education. The other person is a recent university graduate with a degree in a field closely related to your company's business. Which person would you choose? Why?

Task 5. Do the puzzle below. All the words in this crossword are to do with personnel.



Across

1. A job or profession, for which someone is trained and intends to follow for most of his/her life.
4. During a recession, some employees may be made redundant or laid ...
7. Someone who teaches a skill.
8. Employees, staff, workforce, management,, everyone who works for a company.
14. If you change the wording on a contract, you it.
15. Use the services of a person to perform work in return for pay.
16. If a dispute is brought to an end by negotiation, the two sides are said tothe dispute.

Down

1. A company restaurant is a
2. When a short-term contract reaches the end of its term, it is said to
3. A short-..... is drawn up showing the names of people to be interviewed for a vacant post.
4. If a doctor, fireman or maintenance worker is , he or she is available in an emergency.
5. When someone applies for a job, he or she usually fills in an application
6. Sometimes pay is-related.
9. This is usually a written statement, giving an indication that an employee wishes to terminate his/her contract.
10. Information about an employee is usually kept in a personnel
11. If a post becomes, it is normally advertised internally and in the press.
12. If an employee is promoted, he or she will usually go up one on the salary scale.
13. Employees are often organized in.....unions which represent them to the management.

Task 6. Do the test and check your knowledge of business English vocabulary. Choose the answer a ,b ,c, d

1. A job can be advertised as a -
a. free space b. work gap c. empty posting d. position vacant
2. A job which can develop into a career is said to have -
a. prospects b. aspects c. respects d. conspectus
3. A job where you work sitting down in an office is a -

- a. seat job b. floor job c. desk job d. chair job
- 4. If you get an acceptable level in an examination, you –**
a. superate b. pass c. flunk d. get over
- 5. Experience you get from doing a job is called -**
a. work experience b. job knowledge c. career practice d. employment history
- 6. A person who can do his job without any difficulty is -**
a. ambitious b. reliable c. competent d. resourceful
- 7. A person who wants to do as well as possible at work is -**
a. ambitious b. reliable c. competent d. resourceful
- 8. A person who will do as he is expected to do is -**
a. ambitious b. reliable c. competent d. resourceful
- 9. A place where people go when looking for a new job is an employment-**
a. agency b. market c. center d. point
- 10. Work done for no pay (often for a charity) is called -**
a. gratis labour b. free work c. benefit effort d. volunteer work
- 11. If you do temporary work only for while you are needed you are -**
a. pitching in b. moonlighting c. aid agencying d. helping out
- 12. The formal proof that you are able to do your job is your -**
a. ability b. experience c. work record d. qualification
- 13. The part of a business that keeps track of the money is called the -**
a. petty cash b. accounts c. ledger d. bank
- 14. The part of a business that deals with the people who work there is called -**
a. the people part b. the body count c. management d. human resources
- 15. Another word for "firing" (telling someone they must leave their job) is -**
a. hiring b. dismissal c. vacating d. promotion
- 16. Money you are given regularly to do something is an -**
a. investment b. allowance c. earning d. income
- 17. If you work evenings or weekends you work-**
a. overtime b. long hours c. reverse time d. unsociable hours
- 18. Government insurance for pensions and health is called –**
a. secure society b. socially secure c. security social d. social security
- 19. A request for a job is called a job -**
a. appointment b. application c. appliance d. appeal
- 20. A job in a company can be called a –**
a. position b. site c. postponement d. proposition
- 21. Keeping order and punishing when necessary is part of-**
a. sadism b. control-freaking c. discipline d. rigour

- 22.If you put something in a letter with the envelope, you ... it. –**
a. encrypt b. encase c. enclose d. encapsulate
- 23.Making sure that products are of a high standard is the job of –**
a. standardization b. quality control c. shop stewards d. trademarks
- 24.If you get something extra (like more money), this is a –**
a. bonus b. bargain c. betterment d. boon
- 25. Pay for working extra hours is called pay for –**
a. in time b. up-time c. overtime e d. time plus

UNIT 2

Accounting, Bookkeeping and Auditing

Text A

Task 1. Read the text and prove the statement.

Accounting is the language of business.

Task 2. Answer the following questions.

1. What qualities does a good bookkeeper need?
2. Would you like to work as a bookkeeper?
3. If not, which type of accounting do you think is the most interesting and why?
4. Who did recommend you to be a bookkeeper?

What is bookkeeping?

If you were a bookkeeper, the first task you would perform would be to divide all of the firm's paperwork into meaningful categories. Those categories would probably include the following:

- Various expense documents
- Sales documents (sales slips, cash register receipts, invoices)
- Purchasing documents
- Shipping documents
- Bank documents (checks, deposit slips)
- Payroll records

If you collected all this information, you would have several piles of papers, much like the piles that are generated in the preparation of income tax forms. If this information is not compressed somehow, it will become too unmanageable. Therefore, the bookkeeper must begin to record the data from the original transaction documents into record books called journals. Journals are the books where accounting data are first entered. The term journal comes from the French word *jour*, which means day.

There are eight steps to the bookkeeping cycle. A bookkeeper is a person that performs one or more of these steps or sometimes called AAT (accounting technicians). In large companies, for instance, the bookkeeping cycle might be divided into departments such as Accounts Receivable, Accounts Payable, or Payroll. While most often these people are referred to as "clerks", they might also be considered bookkeepers as they are "keeping

the books” for a company. In small companies, the bookkeeper may perform the entire bookkeeping process, or might just enter data to give to the “accountant”.

All bookkeeping steps are mechanical in nature. Bookkeeping is a regimented process usually occurring in monthly cycles consisting of entering transactions into the journals, making adjustments, and preparing reports. The accounts Receivable Clerk may be assigned to enter all sales on account, and all payments from the customers. The Accounts Payable Clerk’s responsibility would be to enter purchase orders and checks. Again, in a small company, both duties may be performed by the same person. The full-charge bookkeeper is someone who can do it all – including compiling the data into the General Ledger and preparing financial statements. Bookkeeping is an essential accounting tool. A small business or company may employ only one bookkeeper, who records all of the financial data by hand; large organizations may employ many bookkeepers, who use electronic and mechanical equipment for a large part of their work.

Task 3. Read the text about Andrew Smith who works in the accounting departments of a trading company.

I began my career as a bookkeeper. Bookkeepers record the company’s daily transactions: sales, purchases, debts, expenses and so on. Each type of transaction is recorded in a separate account – the cash account, the liabilities account, etc. Double-entry bookkeeping is a system that records two aspects of every transaction. Every transaction is both a debit – a deduction – in one account and a corresponding credit – an addition – in another. For example, if a company buys some raw materials – the substances and components used to make products – that it will pay for a month later, it debits its purchases account and credits the sales account and debits the customer’s account. As this means the level of the company’s stock – goods ready for sale – is reduced, it debits the stock account.

Vocabulary Notes:

cash account – рахунок, який враховує розрахунки готівкою;
liabilities account – рахунок зобов’язань;
ledger – бухгалтерська книга, журнал;
double-entry bookkeeping – двійний запис в книзі;
cash credit – кредит готівкою;
stock account – рахунок цінних паперів;
to reduce – зменшувати, знизити, скоротити.

Task 4. Match the words in the box with the definition below.

Credit ledger stock debtors creditors debit

1. suppliers who are owed money for purchases not yet paid for
2. goods stored ready for sale
3. an amount entered on the right-hand side of an account, recording a payment received
4. customers who owe money for goods or services not yet paid for
5. a book of accounts
6. an amount entered on the left-hand side of an account, recording money paid out

Task 5. Complete the sentences.

1. In order to prepare financial documents, companies do a _____ which copies all the debit and credit balances of different accounts onto a single page
2. The main account books are called _____, and the book relating to creditors is called the _____.
3. Most businesses record very frequent or numerous transaction in _____ or _____.
4. _____ shows where money comes from and where it goes: it is always transferred from one _____ to another one. Every event is entered twice – once as a credit and once as a _____.
5. Using the meaning “credit” and “debit” complete sentences.
6. If you sell something to a customer who will pay 29 days later, you _____ the sales account and _____ the supplier’s account.
7. If you buy materials from a supplier on 65 days’ credit, you _____ the purchases account and _____ the supplier’s account.
8. If you pay some bills, you _____ the liabilities account.
9. If you buy some new assets, you _____ the cash or capital account.

Task 6. Match the words in the box with the definitions below.

account accounting period credit debit
ledgers revenue suppliers transactions

1. A length of time for which financial statements *are* made, usually a year

2. A statement of transactions (money paid, received or owed)
3. An amount of money paid out, entered on the left side of an account
4. An amount of money received, entered on the right side of an account
5. Books of accounts
6. Business deals (sale or purchases)
7. Businesses that sell materials or goods to other companies
8. Money received by a business for goods sold and services provided

Task 7. Fill in the gaps using the words in the box above.

Businesses have to keep a complete and accurate record of all (1) _____. Bookkeeping is the recording of day-to-day sales and purchases, or (2) _____ received and payments made. Bookkeeping is usually performed by a bookkeeper (or book-keeper), sometimes also called an accounting clerk *or* accounts clerk.

In very simple accounting systems, bookkeepers keep a record of transactions made during the day, in the order that they take place, in journals or books of original entry. In double-entry bookkeeping, transactions *are* recorded in two journals, a (3) _____ journal for payments made, and an equivalent (4) _____ journal for payments received. Double-entry bookkeeping records the equal and opposite effects of every transaction – it increases one (5) _____, and decreases another one by the same amount. As there are two journal entries for every transaction recorded, the double-entry system provides a check against errors.

At a later date, the temporary records in journals are transferred or posted to account books or (6) _____ that summarize each type of financial transaction. Businesses often have a sales ledger, recording transactions made by customers (money that has been or will be received), a purchase ledger or bought ledger, recording the purchases made by the business from (7) _____ (money that has been or will be paid), and a general ledger or nominal ledger containing all the balance sheet accounts (assets, liabilities, and equity) and income statement accounts (revenues and expenses). All the accounts in the general ledger in which transactions can be posted are listed in a chart of accounts.

Ledgers show the beginning and ending balance of each account – how much money is in the account at a certain time. Of course, these days most books and ledgers don't exist on paper but in the form of computer software.

Bookkeepers periodically do a trial balance, a listing of the balances of all the accounts in the general ledger, to make sure that the total amount of debit balances is equal to the total amount of credit balances. At the end of an (8) _____ the totals of the accounts in the ledger are transferred to the company's financial statements – the balance sheet and the income statement

or profit and loss account. Balance sheet accounts are permanent or real accounts – their balances carry forward to the next accounting year. Income statement accounts are temporary or nominal accounts which are closed at the end of the accounting year – closing entries are made setting all the revenue and expense balances at zero.

Task 8. Are the following statements true or false?

1. A ledger is a book of original entry.
2. A chart of accounts is a list of all the accounts in a company's general ledger.
3. The total amount of credit balances should be higher than the total amount of debit balances.
4. Balance sheet accounts are closed at the end of the accounting year.
5. Revenue and expense accounts begin the financial year with a zero balance.

Task 9. Read the text and answer the questions below.

Debits and credits

Asset accounts are increased by being **debited**, and decreased by being **credited**. **Assets** are resources owned by a business that have future economic value. Asset accounts normally have **debit balances**. Examples of asset accounts are **accounts receivable** or **debtors** (sales made on credit that will be paid for in 30 or 60 days), **inventory** (the stock of raw materials, work in progress, and unsold finished products), and cash.

Liability accounts are increased by crediting, and decreased by debiting. **Liabilities** are amounts that a business will have to pay in the future, such as money owed to suppliers and lenders. Liability accounts normally have **credit balances**. Examples of liability accounts are **accounts payable** or **creditors** (money owed for purchases made on credit), notes payable (bank loans), interest payable, etc.

Revenue accounts are generally credited (except perhaps in **closing entries** and **adjusting entries**, just before financial statements are issued), and normally have credit balances. **Expense accounts** are generally debited (except perhaps in closing and adjusting entries), and are increased by debiting. They normally have debit balances.

Task 10. Fill in the gaps with *debits* or *credits*, as appropriate.

When a manufacturing company buys some materials that it will pay for a month later, it (1) _____ its purchases account and (2) _____ the supplier's account. Meanwhile, the supplier (3) _____ the manufacturer's account and (4) _____ its sales account. When the manufacturer sells an item that the customer will pay for 30 days later, it (5) _____ its sales account, and (6) _____ the customer's account. Meanwhile, the customer (7) _____ its purchases account and (8) _____ the manufacturer's account.

Task 11. Are the following statements true or false?

1. A debit will increase the balance of asset and expense accounts.
2. A credit will decrease the balance of revenue and liability accounts.
3. Accounts receivable are increased by being debited.
4. Accounts payable normally has a debit balance.
5. Revenue accounts are generally credited and expense accounts debited.
6. A closing entry might credit accounts receivable.

Text B

Task 1. Read and translate the following text.

What is accounting?

Someone has to set up the bookkeeping system, monitor it, and interpret the results. These processes are called “Accounting”. Accounting is the recording, classifying, summarizing and interpreting of financial events and transactions to provide management and other interested parties the information they need to make better decisions. The accounting process is much less mechanical and more subjective. It begins with designing a system that will benefit the business, by capturing the financial information in a useful manner without being overly burdensome to the bookkeeper. Once set up, the accountant monitors the systems to ensure it's doing what it's supposed to do. And finally, on a monthly basis usually, the accountant presents the financial statements to the business management in such a way that decisions can be made.

Since accounting requires an understanding of the bookkeeping process, accountants typically supervise the bookkeepers. In a large corporation there may be several, possibly even thousands of accountants. One will be designated as the “Controller” who oversees the entire

accounting and bookkeeping system. In a small business, one person, often a freelancer (a contract accountant or full charge bookkeeper) will perform all the phases of accounting and bookkeeping for a company. Since “Accountant” is the more prestigious title, most small business jack-of-all trades call themselves an “Accountant”.

It merits some note that a few states actually regulate the use of the title “Accountant”. In these states, the “Accountant” title is reserved for CPA’s only. This does not necessarily coincide with the definition of an accountant since most CPA’s don’t perform the role of an “Accountant” as described above and many people that perform the accountant’s roles are not CPA’s. Nevertheless the laws define it as such.

Vocabulary Notes:

expense – витрати;
slip – бланк, реєстраційна картка;
sales slip – касовий чек;
deposit slip – депозитна квитанція;
piles – гроші, кіпа;
to pile up – накопичувати;
cash pile – купа грошей;
jack of all trade – на всі рука майстер;
to merit – бути вартим уваги, заслуговувати;
freelancer – нештатний;
hand – контроль, влада;
to hang on hand – не мати збуту;
regimented – організований;
to regiment – розподіляти по групах, організовувати

Task 2. Check questions.

1. Could you define accounting to your group mate so that he or she would clearly understand what is involved.
2. What is the difference between accounting and bookkeeping?
3. What is accounting journal?
4. What does the idiom jack of all trades mean for you?

Task 3. Try to explain the following words and phrases.

On account, account for, by all accounts, call to account, of no account, of some account, on account of, on no account, into account, to put something to good account, on one's account.

Task 4. Translate the following word combinations into Ukrainian.

Check analysis, check list, check of cash, to check back, to control check, quality control, accounting control, control of interest rates, consumer credit control, currency control, financial control, monitor company performance, shipping control, credit control, to check into a company, to check balance accounts, to check in.

Tricky Words:

to check – перевірити правильність, контролювати;
to check with something – звіряти;
to check on something – впевнитися, вияснити, перевірити;
to control – керувати, регулювати, контролювати;
monitor – контролювати постійно, дивитися, звіряти

Task 5. Complete sentences with words *control*, *monitor*, *check*.

1. The chief accountant _____ all the documents to make sure that everything was in order.
2. There is still inflation in this country but it is under _____.
3. Accounting information is necessary for the management to exercise operational _____.
4. Our accountant _____ situation carefully and if anything goes wrong he takes actions immediately.
5. The monthly balance sheet has not been drawn up today because of reasons beyond our _____.
6. Despite inflation the government of this country _____ the growth of consumer goods prices.
7. Production _____ shows that there is a growth trend in some businesses.

Task 6. Translate the following sentences from Ukrainian into English.

1. Ми постійно перевіряємо і контролюємо роботу бухгалтерії.
2. Давайте звіримо цифри зі звіту нашого аудитора з цифрами в журналі.

3. Нам потрібно перевірити наявність грошей на рахунку.
4. Перевірте звіти і надайте інформацію про відповідність даних про фірму.
5. Ми контролюємо роботу по реорганізації бухгалтерського відділу.

Task 7. Number these words or expressions with their underlined equivalents in the text.

_____ accuracy	_____ Annual General Meeting	_____ Board of Directors
_____ checking	_____ deficiencies	_____ determine
_____ deviations	_____ directives	_____ implemented
_____ independent	_____ ratified	_____ shareholders
_____ standard operating Procedures	_____ subsidiaries	_____ multinational companies

The traditional definition of auditing is a review and an evaluation of financial records by a second set of accountants. An internal audit is a control by a company's own accountants, checking for completeness, (1) exactness and reliability. Among other things, internal auditors are looking for 2) departures from a firm's (3) established methods for recording business transactions. Companies whose shares are publicly traded also have to have their accounts audited by an outside company. An (4) external audit is thus a review of financial statements and accounting records by accountants not belonging to the firm.

The auditors have to (5) judge whether the accounts give a 'true and fair view' (in Britain) or a 'fair presentation' (in the US) of the company's financial position. Auditors are appointed by a company's 6) senior executives and advisors, whose choice has to be (7) approved by the (8) owners of the company's equity at the (9) company's yearly assembly. Auditors write an official audit report. 'hey may also address a 'management letter' to the directors, outlining (10) inadequacies and recommending improved operating procedures.

This leads to the more recent use of the word 'audit' as a synonym for 'control': (11) transnational corporations, for example, might undertake inventory, marketing and technical audits. Auditing in this sense means (12)

verifying that general management (13) instructions are being (14) executed in branches and (15) companies which they control

Task 8. Complete the table with words from the text above and related forms. Put a stress mark in front of the stressed syllable in each word. One has been done as an example. Use a dictionary to help you if necessary.

Verb	Noun(s)	Noun for person	Adjective(s)
	<i>'auditing</i>	auditor	
	accounts		
		advisor	
			financial
judge			
	reliability	—	

UNIT 3

Accounting Principles

There are various possible ways of recording debits and credits, valuing assets and liabilities, calculating profits and losses, and so on. But there are several widely accepted **accounting standards**, or **generally accepted accounting principles (GAAP)**, which accountants must follow in order to present a 'true and fair view' of a company's finances. Many countries now use **International Financial Reporting Standards (IFRS)** established by the International Accounting Standards Board (IASB).

Task 1. Match up these six accounting principles with their definitions.

1 The separate entity or accounting entity or economic entity assumption	A Accounts record the initial price paid for assets, and these amounts are not changed when the assets' market values change.
2 The continuity or concern assumption	B All transactions are accounted for in a single monetary unit.
3 The unit-of-measure assumption	C An enterprise is an accounting unit separate its owners, and their personal transactions.
4 Periodicity or the time-period assumption	D An ongoing business reports financial data for particular periods (years, quarters, months, etc.).
5 The historical cost principle	E Revenue is realized at the moment when goods sold or when services are provided, not when payment is received.
6 The revenue or realization principle	F The business will continue indefinitely into the future.

Task 2. Which principles do these sentences refer to?

1. This is in accordance with a company's legal status as an 'artificial person'.
2. The company's fixed assets are not for sale, so their value (the company's forced sale or break-up value) is not relevant.
3. This makes it unnecessary to estimate current market values of assets every year.
4. This means that each company has its own financial year (BrE) or fiscal

- year (AmE).
5. This requires multinational companies to convert their consolidated statements into a single currency.
 6. This is why balance sheets often contain an entry for accounts receivable or debtors: goods that have been sold, but not paid for yet.

Task 3. Match up these six accounting principles with their definitions.

1 The matching principle	A All data recorded must be verifiable and free from bias.
2 The objectivity principle	
3 The consistency principle	B Although all significant amounts have according to accounting principles, small, unimportant ones do not.
4 The full-disclosure principle	
5 The principle of materiality	
6 The principle of conservatism (or prudence)	C Financial reporting must include all significant information. D The revenues generated in an accounting period are identified with incurred, which is often before they are E The same methods (of inventory valuation, depreciation, etc.) must be used year after year. F Where alternative accounting methods are possible, you choose the one with the lower profit or lower asset amount

Task 4. Which principles do these sentences refer to?

1. This can be achieved by adding lots of explanatory notes to the financial statements, including a 'summary of significant accounting policies'.
2. This is one of the justifications for historical cost accounting, which requires no subjective assessments of replacement values.
3. This leads to the accrual (accumulation) and deferral (postponement) of revenues and expenses: revenues are reported in the period in which they were earned, and related expenses are shown even if they weren't paid in that period. This is done by making adjusting entries to the income statement and the balance sheet just before they are issued.

4. This means that large companies can round figures on their financial statements up or down to the nearest thousand euros, dollars, etc.
5. This means that inventory is recorded on the balance sheet at whichever is lower: cost price or current market price.
6. This prevents companies selecting different methods according to the inflation rate, etc.

UNIT 4

Depreciation

Task 1. Match the words on the left with the definitions on the right.

1	fixed assets	A	machines used in industry
2	intangible assets	B	not used any more, or replaced by something better
3	obsolete	C	things of value that cannot be physically
4	plant		brands, copyrights, trademarks, patents, etc.
5	to wear out	D	things a business will use for many years, to make or sell its products
6	to write off	E	to become damaged and unusable over time
		F	to reduce the value of an asset by charging part of its value against earnings or profits

Task 2. Complete the text by inserting the correct form of the verbs in the box.

allow deduct lose record reduce
replace wear out write off

Fixed assets such as buildings, plant and machinery (but not land) gradually (1) _____ value, because they (2) _____ or become obsolete. Consequently, they have to be (3) _____ when they reach the end of their useful life. The cost of buying or replacing fixed assets is not charged against a single year's profits. Instead, the value of the asset (on the balance sheet) is reduced over several years (the length of the asset's estimated useful life) by transferring part of the asset's cost to the income statement. This process is called depreciation. For intangible assets the word amortization is also used, particularly in the USA.

This only applies to significant expenditures, according to the principle of materiality, e.g. a small expense like a €100 fax machine doesn't have to be depreciated over several years.

The most common method of depreciation is the straight line method, which simply charges an equal sum each year during the asset's expected life, e.g. 5% of the asset's value (minus any secondhand or scrap value at the end of its useful life) is (4) _____ from the profits (on the income statement or

profit and loss account) each year for 20 years. Some countries (5) _____ accelerated depreciation for income tax reporting. This involves (6) _____ most of the cost of capital investments during the first years of use, and less in later years. Thus depreciation for financial reporting and income tax reporting can be different: the depreciation expense on the company's income statement is based on the matching principle, according to which costs are (7) _____ in the same accounting period as the revenue they help to earn. The amount on the tax return depends on income tax regulations. Letting companies make bigger deductions from their profits and therefore (8) _____ the amount of tax they have to pay is a way of encouraging investment and large capital expenditures.

An asset's cost minus its accumulated depreciation at any given time is known as its book value or carrying value. Because depreciation reduces a company's net income, but not the company's cash, it is called a non-cash expense.

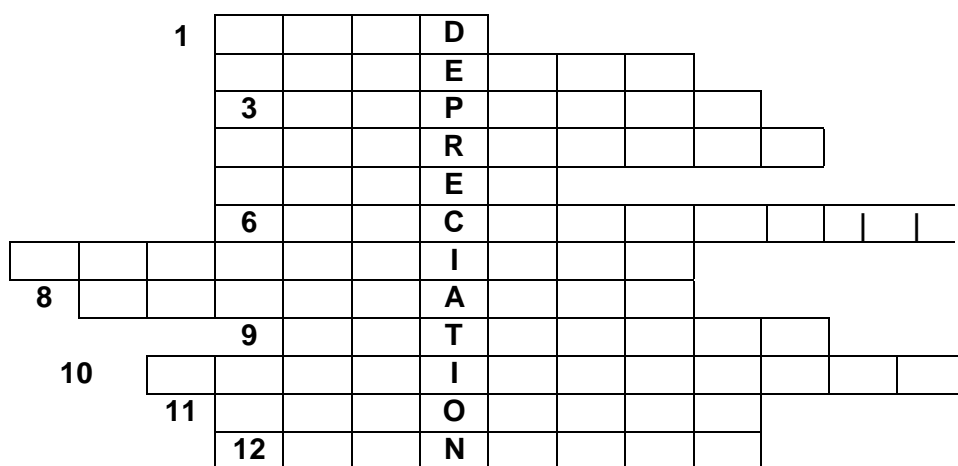
Task 3. Underline the noun in each line that cannot be combined with the verb on the left.

1. **charge against:** deductions, net income, profits, revenue
2. **distribute:** losses, net income, profits
3. **earn:** liabilities, profits, revenue
4. **incur:** expenses, losses, revenue
5. **make:** deductions, liabilities, losses, profits
6. **receive:** cash, losses, revenue
7. **replace:** assets, obsolescence, revenue
8. **write off:** costs, debts, net income

Task 4. Add the words that complete the sentences to the word box below.

1. _____ Unlike buildings, the _____ they're built on is not depreciated.
2. _____ Depreciation appears as an _____ on the income statement or profit and loss account.
3. Accelerated depreciation is designed to encourage _____ expenditure.
4. Intangible assets are depreciated or _____.
5. Buildings, plant and machinery are examples of _____ assets.
6. _____ depreciation increases every year until it reaches the asset's total cost.
7. _____ Copyrights and patents are _____ assets.

8. _____ Cost minus accumulated depreciation equals _____.
9. _____ Depreciation is an example of the _____ principle.
10. _____ The _____ method charges an equal sum each year.
11. _____ When a machine is unreliable and doesn't work, it becomes _____.
12. _____ Depreciation is _____-_____ expense because it doesn't reduce a company's bank balance.



Remember

- The verb **to deduct** means to subtract or take away an amount from a total.
- The verb **to deduce** means to reach an answer or a decision by thinking about the facts.
- The noun **deduction** means *either* an amount of something taken away from a total *or* reaching an answer or a decision by thinking about the facts, or the decision that is reached.

UNIT 5

Cost Accounting

Task 1. Read the text and do the exercise opposite.

Financial accounting provides information for people outside the company – shareholders and creditors and the tax authorities. Cost accounting provides information for use inside the company by its managers, and is part of management accounting or managerial accounting.

To calculate the cost of a product, it is necessary to consider the prime cost or direct cost of the raw materials and the labor involved, as well as the indirect expenses or overheads. Raw materials and labor and utilities like electricity are variable costs – the more you use, the more it costs, in proportion to how much you produce. But there are also fixed, indirect, factory-related costs, which don't necessarily change very much even if your production volume changes. These are called manufacturing overheads (or manufacturing support costs, or factory burden). They include things like the work of maintaining machines, supervising the factory, and storing goods, as well as depreciation of the factory equipment and building, and property or real estate tax on the factory building. So product costs consist of direct materials, direct labor, and manufacturing overheads, which have to be divided up and allocated or assigned to each product. This is so that the company knows what price to charge for a product that will make a profit, and so that inventory and cost of goods sold (COGS) can be correctly valued and reported according to generally accepted accounting principles (GAAP).

There are also non-manufacturing costs, often grouped together on the income statement or profit and loss account as selling, general and administrative expenses (SG&A). These include all the salaries involved in service departments like marketing, purchasing, selling, distribution, administration, research and development, finance, and so on. Another non-manufacturing overhead is interest expense. These expenses don't have to be assigned to products for financial reporting purposes, but companies do have to price their products in such a way as to cover them.

The simplest form of cost accounting is to calculate both fixed and variable manufacturing overheads over a given period of time and allocate them to the products manufactured during that period. This gives you the total cost of production, and is known as full costing or absorption costing.

A company making a particular quantity of goods for a specific customer can do job-order cost accounting, which involves establishing the cost of that

particular batch of goods. This price will include set-up costs – the cost of setting up machines to make a particular product, testing the machine before running it, etc. But if production involves a continuous process, like with steel or cement or microchips or cereals, you have to use process cost accounting, which determines costs over a given period of time.

Another system is activity-based costing (ABC), which allocates costs to products according to the different activities they require. The company determines how much time employees spend performing activities related to specific products – such as talking to customers about problems, chasing up suppliers, negotiating with distributors, etc. – and assigns the cost of these activities to the products that require them. ABC can also be used to allocate SG&A expenses, and make correct pricing decisions.

Many manufacturers assign to products the expected or standard costs of materials, labor and overheads, rather than actual costs. The difference between the standard cost and the actual cost of an input or output is called a variance.

British English	American English
overheads	overhead
labour	labor
management accounting	managerial accounting

Task 2. Match up the halves of the sentences.

1	The cost of a product includes	A	according to the activities they require.
2	Fixed costs don't change with	B	both prime cost and overheads.
3	Companies need to know product	C	rather than actual costs.
4	Standard costing uses estimates	D	in order to report inventory and COGS.
5	ABC allocates costs to products	E	production volume; variable costs do.

Task 3. Add the words that complete the sentences to the word box below.

1. Allocating both fixed and variable manufacturing overheads is called _____.
2. Another name for this is _____ costing.

3. For continuous production, companies generally use _____ cost accounting.
4. ABC is short for _____ costing.
5. The substances and components that make up a manufactured product are _____.
6. Many manufacturers assign expected costs to products rather than _____.
7. The cost of raw materials and labour/labor is direct cost or _____.
8. Companies filling a specific order for a specific customer can do _____-_____cost accounting.
9. The paid work that goes into making something is _____ [British spelling].
10. Another (more common) name for expected costs is _____ costs.
11. COGS stands for _____ sold.
12. The difference between an actual and a standard cost is a _____.
13. Overheads are allocated or _____ to products.
14. The abbreviation for the income statement entry for non-manufacturing costs is _____.

1					C							
	2				O							
3					S							
					T							
5					A							
					C							
7					C							
	8				O							
9					U							
	10				N							
11					T							
	12				I							
13					N							
				14	G							

UNIT 6

Inventory. Evaluating Investments and Cash Flows

Task 1. Read the text and do the exercise.

Producers (manufacturers) and sellers of products (distributors, wholesalers and retailers) have an inventory or stock of merchandise ready to sell to customers. Manufacturers also have a stock of components and raw materials, although companies increasingly use Just-in-Time (JIT) production systems (or lean production, or stockless production) in which they only buy pieces and produce products when they are needed. In these systems, they only have a small inventory or safety stock, and order replacements from suppliers when items are removed from stock.

According to the principle of conservatism, inventory is recorded on the balance sheet at the lower of cost or market value. For example, a retailer might have items in its inventory whose cost has fallen, because the supplier has reduced its price. If the retailer buys new ones it will pay a lower price, but it will also have to sell the existing inventory at a lower price, because its competitors are doing so. If so, it needs to see whether the new selling price is less than the historical cost, and if it is, reduce the value of inventory accordingly. On the other hand, if a supplier increases its price, and future merchandise bought from them will cost more, the existing inventory is reported at its purchase cost, because of the historical cost principle.

There are different ways of updating or adjusting an inventory. Under the periodic inventory system, it is adjusted only once, at the end of the financial year. Under the perpetual inventory system the inventory account is continually updated – increased with the cost of merchandise bought from suppliers, and reduced by the cost of merchandise sold to customers. Every sale results in two journal entries, one recording cash or accounts receivable, the other reducing inventory and increasing cost of goods sold (COGS).

There are different ways of moving the cost of goods from inventory to COGS: FIFO, LIFO and average. FIFO is first in, first out, which means that the oldest costs leave the inventory first, and become COGS on the income statement, while the last or most recent costs are reported as inventory on the balance sheet. LIFO is the opposite – last in, first out, which means that the newest or most recent costs are the first ones to leave the inventory. Average cost averages out the cost of all the goods available for sale – the inventory at the beginning of the year, and the goods added to it during the year. This gives an average cost that is applied to all the units sold.

1. _____ 'Lower of cost or market value' is used because of _____.
A the conservatism principle
B the cost principle
C the just-in-time system
2. _____ If market value is less than cost, a retailer will value its current inventory at _____.
A average price
B cost price
C current market price
3. _____ If a supplier raises its price, a retailer will value its current inventory at _____.
A average price
B cost price
C current market price
4. _____ The system that removes the oldest costs from the inventory first is _____.
A average cost
B FIFO
C LIFO
5. _____ The system that removes the newest costs from the inventory first is _____.
A FIFO
B LIFO
C lower of cost or market value

Task 3. Read the text and do the exercise.

Companies considering investments need to calculate the expected rate of return: the annual percentage amount of income the investment would provide. If the investment involves borrowed money, the rate of return obviously needs to be higher than the cost of capital – the cost of borrowing the money. Another consideration is the opportunity cost: the return you could get from alternative investments (including leaving the money in an

interest-paying bank account) – opportunities that will be given up if the investment is chosen.

Companies normally use a discounted cash flow to calculate the future value of an investment. This means calculating the *present* value of money to be received in the *future*. Future cash flows have to be reduced or discounted because money received in the future is worth less than money received now, for two reasons. Firstly, there will probably be inflation, which will reduce the money's purchasing power, and secondly, if you had the money now you could use or invest it to earn income immediately or in the near future. This is the time value of money: how much more it is worth having the money now rather than in the future.

Consequently the net present value (NPV) of money is the total of the expected future cash flows, discounted to their present value, minus the initial cost of the investment. This requires the business to choose a discount rate. For example, with a discount rate of 10%, receiving €1,000 in one year's time would be equivalent to receiving €909 today, receiving it after five years would be like receiving €621 today, and receiving it in 10 years' time would be like receiving a mere €385 now. (This is the contrary of earning compound interest on €1,000 deposited in *an* account paying 10% interest, which would be worth €2,594 after 10 years.)

If the projected investment would earn more than the rate selected to discount the future cash flows, the net present value is positive. The discount rate that gives an NPV of zero – so the investment would break even, and make neither a profit nor a loss – is called the internal rate of return (IRR). In other words, an investment's IRR is the interest rate at which the NPV of its costs (negative cash flows) equals the NPV of its benefits (positive cash flows). The higher a project's IRR, the better it is, so a business will normally select the investment with the highest IRR.

Task 4. Match up the halves of the sentences.

1	An opportunity cost is the cost of A doing a particular activity	(both positive and negative) minus the amount of the original investment.
2	A discounted cash flow is	B a series of future earnings
3	The discount rate selected depends on	present value.
4	NPV is the sum of the present values C series of cash flows	instead of doing something different rate of return).
5	A break-even point is the sales D	that would give a project a

6	at which The internal rate of return is the discount (interest) rate	E	of zero. the cost of capital, the level or risk, etc.
		F	total revenues equal total costs or expenses.

UNIT 7

The Balance Sheet

Task 1. Match up the following words and definitions.

bond	brand name	creditors	due	inflation
owe	own	patent	shareholders	
	trademark			

1. A fixed-term, interest-paying loan to a company (or a government)
2. A legally protected name of a company's product
3. A name or symbol put on a product that cannot be reproduced by other companies
4. A rise in prices (and the amount of money in circulation)
5. Businesses or people to whom money is owed (e.g. banks, bondholders and suppliers)
6. That will have to be paid on a certain date (adjective)
7. The exclusive right to produce an innovative new product for a fixed period
8. The owners of a company, who have bought its shares
9. To need to pay a sum of money
10. To possess something that belongs to you

Task 2. Now read the text and do the exercises.

Unlike the income statement and the cash flow statement, which report results from a period of time, the balance sheet, or statement of financial position, shows the company's financial position on a particular date, generally the last day of its financial year (which need not be the same as the calendar year). The balance sheet lists the company's assets, liabilities, and shareholders' equity or owners' equity. It informs shareholders, creditors, competitors, etc. what the company owns, and what it owes.

A business's assets consist of resources that have future economic value. These are often divided into Current assets, Property, plant and equipment, Long-term investments, Intangible assets and Other assets.

Current assets include cash (bank deposits) and other assets that will be turned into cash within one year of the balance sheet date. (The opposite is

long-term *or* non-current.) These include cash equivalents or short-term investments (e.g. money market funds and three-month Treasury bills that can easily be sold), inventory and unused supplies, pre-paid expenses or deferred expenses (expenses that have been paid in advance for future bills, such as rent or insurance premiums), and accounts receivable, amounts of money owed by customers for goods or services purchased on credit, that are expected to be paid in the coming weeks.

Property, plant and equipment means buildings, machines, vehicles, and so on, recorded at their original cost (and not adjusted for inflation), minus their accumulated depreciation. Intangible assets include patents, trademarks, brand names, and goodwill (a good reputation, loyal customers, etc.).

Liabilities consist of all the money that a company will have to pay to someone else – obligations such as taxes, debts, interest and mortgage payments, as well as accounts payable - amounts of money owed to suppliers for purchases made on credit.

Current liabilities are those that are payable or due within a year. These include accounts payable, and accrued expenses – expenses that have built up during the accounting year but will be paid after the date of the balance sheet, e.g. taxes, interest, and electricity bills. Current assets minus current liabilities gives you a company's working capital, the money it uses for everyday business expenses. Long-term liabilities, or non-current liabilities, include debts such as bank loans and bonds (notes payable), and the employees' pension fund.

Shareholders' equity (or stockholders' equity or net assets) includes share capital (money *the* company has received from issuing shares), and the company's accumulated retained earnings -profits that have not been distributed to shareholders.

The basic accounting equation is $\text{Assets} = \text{Liabilities} + \text{Shareholders' equity}$. The totals of both halves of the balance sheet (assets, and liabilities plus owners' equity) always balance because of double entry bookkeeping.

Task 3. Are the following statements true or false?

1. Balance sheets show a company's financial situation on 31 December.
2. Short-term investments are non-current assets.
3. Balance sheets include sums of money that have not yet been paid or received.
4. Assets are what you own; liabilities are what you owe.
5. A bond that will be repaid in 15 months is a long-term liability.

6. Companies cannot make a loss because assets always equal shareholders' equity.

Task 4. Are these things (a) Fixed assets, (b) Current assets, (c) Intangible assets, (d) Current liabilities, or (e) Long-term liabilities?

accounts payable _____	brand names _____	land _____
accounts receivable _____	buildings _____	patents _____
accrued expenses _____	cash _____	pre-paid expenses _____
bonds maturing in 2 years _____	inventory _____	trademarks _____

Task 5. Complete the following sentences with either *increases* or *decreases*.

- _____ Earning revenues _____ assets and _____ shareholders' equity.
- _____ Purchasing equipment with cash _____ one asset account and _____ another (cash).
- _____ Collecting an account receivable _____ one asset account (cash) and _____ another (accounts receivable).
- _____ Getting a bank loan or issuing a bond _____ assets (cash) and _____ liabilities (notes payable).
- _____ Paying dividends to shareholders _____ the cash account (assets) and _____ retained earnings (part of shareholders' equity).
- _____ Borrowing money to pay expenses _____ assets and _____ shareholders' equity.

MacKenzie & Silver PLC

Current assets

Cash and equivalents
Accounts receivable
Inventory
Other current assets
Total current assets

Non-current assets

Property, plant and equipment
Long-term investments
Total non-current assets

Balance Sheet 31 December 20

Current liabilities

Short-term debt
Accounts payable
Accrued expenses
Total current liabilities

Non-current liabilities

Long-term debt
Other non-current liabilities
Total non-current liabilities

Total liabilities

Shareholders' equity

Total assets

Ordinary shares
Retained earnings
Total

Total liabilities and Shareholders' equity

UNIT 8**The Statement of Cash Flows. The Income Statement or Profit and Loss Account****Task 1. Read the text and do the exercise.**

Third financial statement has several names: the statement of cash flows, or cash flow statement, or funds flow statement, or source and application of funds statement. As these names suggest, this statement shows the cash generated and used, or the flow of cash in and out of the business between balance sheet dates. It shows how effectively a company generates and manages cash, and is divided into three categories.

- operations – day-to-day activities
- investing – buying or selling property, plant and equipment
- financing – borrowing or issuing and repaying debt (bonds, loans), or issuing shares and paying dividends.

Changes in current assets (apart from cash) and current liabilities are reported under Operating activities; changes in long-term assets are reported under Investing activities; and changes in long-term liabilities and shareholder's equity are recorded under Financing activities.

Sources of funds include trading profits, depreciation provisions, borrowing, selling assets, and issuing shares. Applications of funds include purchasing fixed or financial assets, paying dividends and repaying loans, and, in a bad year, trading losses.

Task 2. Classify the following. Are they (a) Operating activities, (b) Investing activities, or (c) Financing activities?

Buying land for a new factory ____	Paying income taxes ____
Depreciating and amortizing assets ____	Receiving accounts payable ____
Increasing inventory ____	Replacing machines ____
Issuing shares ____	Repaying bonds ____
Paying dividends ____	Selling used vehicles ____

MacKenzie & Silver PLC**Cash flow statement (\$'000)**

Earnings

Depreciation

Other adjustments to Earnings

Net cash provided from operations

Proceeds from issuing new shares

Share dividends paid

Net cash provided from financing

Additions to property, plant and equipment

Net cash used for investing

Change in cash and equivalents during year

Cash and equivalents, beginning of year

Cash and equivalents, end of year

British English	American English
balance sheet	balance sheet or statement of financial position
creditors or accounts payable	accounts payable
debtors or accounts receivable	accounts receivable
financial year	fiscal year
overheads	overhead
profit and loss account	income statement or statement of operations
shareholder	stockholder

Task 3. Read and translate the following text.

Companies are required by law to give their shareholders certain financial information. Companies include at least three financial statements in their annual reports. In some countries, companies also issue interim financial statements every quarter (three months).

The income statement or profit and loss account or statement of operations shows revenue and expenditure – the expenses incurred in earning the revenue. It also shows any gains or losses made from the sale of assets, etc. Revenue from a company's primary business is total sales or turnover. Revenue for a period is shown even if some of the cash has not yet been received, according to the matching principle and the accrual basis of accounting. Total sales minus the cost of sales (or cost of goods sold) gives the gross profit or gross margin.

Selling, general and administrative expenses (SG&A), and sometimes research and development expenses (R&D), have to be deducted from gross profit, which gives EBITDA, or earnings before interest, tax and depreciation and amortization. Deducting depreciation and amortization gives EBIT, and deducting interest expenses on the company's debts and income tax gives a bottom line of net income or net profit. If the net amount is negative there is a net loss.

Part of the profit left after the payment of tax may be distributed to shareholders as a dividend, and the rest is retained by the company to

finance further growth, to repay debts, to allow for future losses, and so on.

Task 4. Complete this income statement by adding the following items:

Depreciation and amortization	EBIT	Gross profit
Interest expenses	Net profit	Sales revenue
	SG&A expenses	

MacKenzie & Silver PLC

1. _____
2. Cost of Sales
3. _____
4. _____
5. EBITDA
6. _____
7. _____
8. _____
9. Income tax
10. _____

SECTION III

Specialty “Banking and Finance”

UNIT 1

Insights into Finance

Text A

The Role of Finance

Task 1. Financial vocabulary covers several areas, including economics, banking, marketing, personal finance and financial planning. Here is a selection of key words. Before reading the text complete the table.

Verb	Personal noun	General noun	Adjective
1. to analyze			
2.	competitor		
3.		advice	
4. to merge	----		
5. to industrialize			
6.	trader		
7.			exporting/exported
8.	producer		
9.	supplier		
10.	consumer		
11. to guarantee			
12. to credit			
13.		debit	
14.	earner		
15.	investor		

Task 2. Try to predict the meaning of the following phrases.

1. ongoing challenge;
2. defunct auto company;
3. to siphon off money;
4. start-up money;

5. inadequate expense control

Task 3. Read the text, translate it and answer the following questions.

1. How can the position of an accountant be compared with the work of laboratory technician? Why so?
2. What are responsibilities of a financial manager?
3. Why are accounting and finance two interrelated branches of business? Explain your point of view.
4. What may happen with start-up company if the financial management is not careful and inefficient?
5. In what cases does a firm fail financially?

The Role of Finance

An accountant may be compared to a skilled laboratory technician who takes blood samples and other measures of a person's health and writes the findings on the health report (a set of financial statements). A financial manager for a business is the doctor who interprets the report and makes recommendations to the patient regarding changes that would improve health. Financial managers use the data prepared by the accountants and make recommendations to top management regarding strategies for improving the health (financial strength) of the firm.

A manager cannot be optimally effective at finance without understanding accounting. Similarly, a good accountant needs to understand finance. Accounting and finance, finance and accounting – the two go together like bread and butter.

As you may remember, financing a small business is a difficult but critical function if a firm expects to survive those important first five years. The simple reality is, the need for careful financial management is an essential, ongoing challenge a business of any size must face throughout its entire life. Financial problems can arise in any type of organization. Chrysler Corporation faced extinction in late 1970s due to severe financial problems. Had it not been for a government-backed loan of \$1 billion, Chrysler may have joined the ranks of defunct auto companies such as Packard. Similarly, obtaining start-up money for small businesses has rarely been harder than now. Bad real estate loans have siphoned off money that banks may have loaned to small businesses, and the recession has left little spare cash available for investments in small business. Three of the most common ways for any firm to fail financially are the following:

1. Undercapitalization (not enough funds to start with);

2. Poor cash flow (cash in minus cash out);
3. Inadequate expense control.

Task 4. Explain the following words into Ukrainian. Use good dictionary to help you.

1. recession;
2. bad real estate loans;
3. poor cash flow;
4. financial statement;
5. data

Task 5. Translate the following sentences into Ukrainian.

1. Loan capital can be repaid when the company had funds.
2. Problems of cash flow are causing businesses to delay payments during the recession.
3. We earn enough to cover our fixed expenses, but have nothing to invest in new machinery.
4. We have insufficient data to reach any firm conclusion.
5. We must include the advertising budget in our start-up costs.

Task 6. Match each job title on the left with the correct definition on the right (a-j).

1. tax inspector	a. The person who is responsible for an individual bank.
2. tax consultant	b. Someone who advises people on how to manage their financial affairs.
3. bank manager	c. Someone who prepares an individual's (or a company's) tax return.
4. commodity trader	d. The person who is responsible for the financial side of running a business.
5. accountant	e. A government official who checks that you are paying enough tax.
6. finance director	f. The person who finds you the best insurance policy at the best price.

7. market analyst	g. Someone who buys and sells stocks and shares for clients, and charges a commission.
8. financial advisor	h. Someone who advises you or a company on how to pay less tax.
9. insurance broker	i. Someone who comments on business and share prices in a particular sector of the economy.
10. stockbroker	j. Someone who buys and sells large quantities of goods, especially food products such as tea, coffee, and cereals, or raw materials such as wood, or metals.

Task 7. Match each word on the left with the correct definition on the right (a-j).

1. pension	a. Someone that the government collects and no one likes to pay.
2. bank	b. Where you go to borrow money or get cash.
3. tax	c. How you are charged for borrowing money.
4. dividends	d. How you can pay for a house, unless you can pay for it in a single payment.
5. shares	e. A type of investment made by a company when buying equipment.
6. inflation	f. What, in financial terms, a business hopes to make.
7. bankruptcy	g. What a company has to prepare every year for presentation to its owners and to the relevant authorities.
8. capital spending	h. The situation where a company does not have enough money or property to pay its debts, and so the company closes.
9. profit	i. The total amount of sales in a year.
10. interest	j. Rising prices, rising costs and rising wages in an economy.

11. assets	k. What you buy if you invest money in a company.
12. turnover	l. Individuals who invest their money in a company hope to receive these regularly.
13. liabilities	m. When you are old, you hope to have one of these.
14. accounts	n. The name for all the property, equipment, investments and money owned by a company (or individual).
15. mortgage	o. The name for everything that a company owes.

Task 8. Dwell on the topic: “The role and functions of a financial manager and an accountant at the firm”.

Text B

Task 1. Read and translate the text.

A Global View of Finance

When you read the financial literature, you find that there are many articles about difficulty of finding start-up funds for new businesses. You have read how venture capital firms are pulling back from making such loans; so are banks. In short, this is a very difficult time to get financing for a new business venture.

Think of how difficult it will be, therefore, for new business ventures in South Africa, Poland, Hungary, China, and other newly developing countries to get financing. The risks are great, and the managerial expertise is something limited. Yet the future growth of the whole world depends on the growth of entrepreneurship throughout the world.

What can be done to help the entrepreneurs of developing countries get the financing they need to start new ventures? One answer is for firms in developed countries to set up joint ventures with firms in developing countries. Such joint ventures will open new markets for the firms of developed countries and provide the financing needed by less developed countries (LCD's). Another answer is for venture capital firms to expand worldwide. The risk may be great, but the potential for gain is just as great. Often, the capital needs of firms in less developed countries are relatively small. Sometimes \$1,000 is all that is needed. The government could

promote such investment by giving tax breaks to those firms and individuals that provide capital for entrepreneurs in LDS's.

Everyone in the world needs to start thinking globally if we are to make optimum use of the world's resources, especially the world's land and labor resources. There is much productive talent waiting to be freed by the availability of capital (financing). By helping to provide start-up capital to farms and other businesses throughout the world, you and I, the business community, and non-profit organizations can do much to end hunger, poverty, and disease in the world.

Task 2. Give a detailed answer to the following question.

1. What can be done to help the entrepreneurs of developing countries get the financing they need to start new ventures?

Task 3. Match the words with their definitions.

- | | |
|--------------------|--|
| 1. financing | a) a sum of money that a government takes from company profits. |
| 2. joint venture | b) money that is used to start a business |
| 3. investment | c) the whole group of people who work for a living |
| 4. tax | d) the management of money for business and other activities |
| 5. labor resources | e) a person who starts a business activity, esp. one that involves financial risk |
| 6. entrepreneur | f) the purchase of property, shares, securities to sell again to make a profit or to receive money in the form of interest |
| 7. capital | g) a business activity in which two or more people or organizations work together |
| 8. funds | h) financial resources |

Task 4. Translate the following sentences into English.

1. Наші дві компанії збираються разом працювати у сумісному ризиковому підприємстві, щоб виробляти нову модель машин.
2. Уряд може скоротити податки вдвічі, тим самим даючи можливість фірмам-початківцям існувати на ринку і випускати конкурентноспроможну продукцію.
3. Одного разу було зроблено вклад підприємницького капіталу, що забезпечило більшу кількість товарів і нижчі ціни.
4. Будівельний бізнес має прибутки від відсотків, які він встановив на позики.
5. В нашій країні дуже важко знайти початковий капітал для відкриття власної справи.

Text C

Corporate Finance

Corporation need financing for the purchase of assets and the payment of expenses. The corporations can issue shares in exchange for money of property. Sometimes it is called as equity funding. The holders of the shares form the ownership of the company. Each share is represented by a stock certificate, which is negotiable. It means that one can buy and sell it. The value of a share is determined by the net assets divided by the total number of shares outstanding. The value of the share also depends on the success of the company. The greater the success, the more value the shares have.

A corporation can also get a capital by borrowing. It is called debt funding. If a corporation borrows money, they give notes or bonds. They are also negotiable. But the interest has to be paid out whether business is profitable or not.

When running the corporation, manager must consider both the outflow and inflow of capital. The outflow is formed by the purchase of inventory and supplies, payment of salaries. The inflow is formed by the sale of goods and services. In the long run the inflow must be greater than the outflow. It results in a profit. In addition, a company must deduct its costs, expenses, losses on bad debts, interest on borrowed capital and other items. It helps to determine if the financial management has been profitable. The amount of risk involved is also an important factor. It determined the fund rising and it shows if a particular corporation is a good investment.

Vocabulary Notes:

purchase – купівля, придбання;
payment of expenses – оплата витрат;

property – власність, майно;
equity funding – акціонерний засіб створення грошового фонду підприємства;
debt funding – утворення грошового фонду за допомогою позики;
negotiable – зворотний, який може бути куплений чи проданий;
net assets – вартість майна із вирахуванням зобов'язань;
bond – облігація, боргове зобов'язання;
note – боргова розписка;
interest – частка, фіксований відсоток;
to pay out – виплачувати;
to run a corporation – керувати корпорацією;
inflow – надходження (грошей);
outflow – витік;
inventory – інвентар;
supplies – ресурси;
debt – борг;
goods – товар

Task 1. Answer the following questions.

1. Why do all corporations need financing?
2. What does equity funding mean?
3. What does debt fund mean?
4. How is the value of a share determined?
5. What activities produce an inflow and outflow of capital?
6. What can happen if an enterprise has a greater outflow of capital than an inflow?
7. Why is the risk involved an important factor in determining fund raising?

Task 2. Choose the necessary word and put it in the sentence.

- 1.....funding is a financial formed by borrowing.
2. They have borrowed much money and they have to pay a big.....
3. Financing by shares is called funding.
4. That is a very profitable deal, for that purpose we need an extra
5. You can sell your shares and They are
6. The current assets of a company usually include cash and
7. As a result of this deal we'll have greater ... than outflow.
 - a) equity
 - b) negotiable
 - c) interest

- d) inventory
- e) funding
- f) inflow
- g) bond
- h) debt

Task 3. Read and translate the following dialogue.

- Mary** Its so nice to see you, Frank. Sorry, I couldn't come to your office today.
- Frank** Never mind. Have a seat. Let's start by having some coffee. Later.
- Mary** So Frank.. I guess it might be right time for me to invest in that computer company. As my stockbroker, what can you suggest?
- Frank** I am sure they are doing extremely well and they would welcome your investment.
- Mary** But why do they need my investment if they are doing so well?
- Frank** Ok. I think I should explain you a little about corporate finance.
- Mary** Go ahead. If it concerns my money I am always interested.
- Frank** If a corporate enterprise wants to expand it needs financing.
- Mary** You are right.
- Frank** So there are two basic types of financing: equity and debt.
- Mary** What's the difference between them?
- Frank** If the money is supplied by the owners of a business it is called equity funding. And the use of money supplied by loans is called debt funding.
- Mary** So as investor, what am I?
- Frank** Well, as an investor you become a partial owner of a business and receive equity. You get shares or certificates of common stock which represent your portion of ownership.
- Mary** You did right buying the stock for me. By the way, are there any documents which show the financial state of the company?
- Frank** Oh, yes. You've just reminded me. I've brought a copy of the company's Annual Report for you to look over. You should read it very carefully. And if you have something to ask do it, please.
- Mary** Thanks a lot, Frank. I will. Does this company pay dividends on its stock?
- Frank** Yes. In fact, I studied their Annual Report and I can tell that they have good management. Their business is doing well, the

- value of their stock has been rising. It can be an excellent long-term investment, I am sure.
- Mary** But if I want to sell my shares very soon?
- Frank** No problem. Undoubtedly you can make a profit on the sale. But it seems to me you'll want to keep this company in your portfolio.
- Mary** Thank you for your advice. You are wise as usual.
- Frank** Well, my advice now is to study the company's Annual Report. You need several days for that. Then we'll meet and talk again.

Vocabulary Notes:

a stockbroker – біржовий маклер;
if it concerns smth – якщо справа чогось стосується;
loan – позика;
partial owner – співвласник;
Annual Report – щорічний звіт;
to pay dividends – платити дивіденти;
long-term investment – довгостроковий внесок;
to make a profit on the sale – отримати прибуток при продажу.

Task 4. Make up a sentence according to the model.

Model: How should the company pay the expenses? (borrow from the government).
The company should pay the expenses by borrowing from the government.

1. How can we form an equity funding? (issue shares).
2. How can a business sell more shares of stock? (offer a dividend).
3. How should we know about the financial state of the company? (look over the Annual Report).
4. How should he invest his savings? (buy common stock).
5. How should they make people buy their bonds? (increase the interest).
6. How can this company make a profit? (raise investment capital).

Task 5. Answer the questions.

1. What kind of funding is preferable: equity or debt?
2. What shares of what enterprises of your city would you buy? Explain why.

3. Imagine that your business is going to get capital funds by borrowing?
What bond interest would you charge? Explain why/
4. What should you do to produce more inflow of capital?
5. How can you calculate the net assets of your enterprise?

Task 6. Translate the following sentences into English.

1. Наше підприємство потребує грошових фондів для купівлі обладнання.
2. Я надаю перевагу акціонерному засобу утворення грошового фонду підприємства. Він приваблює велику кількість капіталу.
3. Акції та облігації можуть бути куплені або продані.
4. Я хочу придбати десятивідсоткові облігації.

UNIT 2

Financial Control

Task 1. Discuss the following questions.

1) What are the advantages and disadvantages for a private individual of borrowing money from the following?

- a) a bank?
- b) a friend or colleague?
- c) a member of your family?
- d) a loan shark?
- e) a credit car company?
- f) another source?

2) Imagine you have just won \$ 300,000. You want to use it to secure your long-term financial future. How would you invest the money?

3) Do you think it is good business practice for a company to pay its bills late?

4) 'People with overdrafts are bad money managers.' Do you agree?

5) What do you think the following sayings mean? Do you agree with them?

- a) Time is money.
- b) Money is the root of all evil.
- c) A fool and his money are soon parted.
- d) Money can't buy you love.
- e) Love does much; but money does more.

Task 2. Read the first type of an interview with Rosemary Leith, co-founder of the Internet business consultancy Flametree. Com. What are the two commonest ways for business to raise finance?

I Which are the commonest ways in which businesses can raise money?

RL Business can raise money either through debt or equity. If business is raising debt they go to the bank, get a bank loan; it could be secured

or unsecured in its simplest form. If a business is raising money, through equity they can go to private investors, venture capitalists or through a public offering on the stock market.

Task 3. Now read the rest of the interview and answer these questions.

1. Are start-up companies more likely to raise money through debt or equity?
2. Why can debt be more expensive than equity?
3. Which method of raising finance did Rosemary's company choose?
4. What four factors does the process of raising money depend on?
5. What are the advantages of the way Rosemary's company raised money?

I And are some of these ways preferable to others?

RL The means that you use to raise the money depends very much on the type of business, the business stage that your business is at, and the revenue flows that come from a business. Now, you need to match them up to the type of instrument that you are using to raise the money. If you're in a start-up situation, it's very unlikely that you go and get a bank loan. You would definitely go more private investors and equity. If you're in a growth business with strong cash flow, you would probably use debt, although it can be more expensive than equity because of the interest that you need to pay to the bank or to whoever is lending you the money. In our experience – we're a small start-up company – er, we went to... for equity and to private investors.

I And how difficult has it been to raise money for business in your experience?

RL In our experience and in our type of industry, which was Internet-related, although not completely focused on Internet, it was quite difficult in the beginning to raise money. Raising money depends on the economy, it depends on the concept of your business at the start-up stage, and it also depends on having the right people in your business and having contacts with investors outside in the market. Erm, for us, er, we went to the private investor route, but in other larger businesses that are more established, I would say you could easily go to a venture capitalist or to other investors to subscribe to the equity in the company.

I Raising money can mean becoming very dependent on lenders. Has this posed any problems in your experience?

RL In our experience, we wanted to maintain control of the company. That meant that we chose equity as the vehicle to raise money and with my

business partner, we are the controlling shareholders, so our investors then are able to give us input and support, but in the decision-making, because we own the majority of the shares of the company, we are able to control the company.

Task 4. Match the following expressions with the correct definitions.

- | | |
|--------------------|--|
| 1. human capital | a) money to carry on production and keep trading |
| 2. risk capital | b) money a company has raised from investors who bought shares |
| 3. share capital | c) money invested in a project with a high chance of failure |
| 4. venture capital | d) money a company borrows to start up a new business. |
| 5. working capital | e) the perceived value of people and their skills |

Task 5. Choose the correct word to complete each sentence. Use a good dictionary to help you.

- I took out a _____ to extend the factory.
a) credit b) debt c) loan
- He offered his home as security or _____ when he borrowed from the bank.
a) collateral b) deposit c) warranty
- The _____ rate on the loan was 15 %.
a) charge b) fee c) interest
- We have a(n) _____ of \$1million to finance our three-month advertising campaign.
a) budget b) cost c) expense
- They have to pay the loan back over three years. The first _____ is due in August.
a) amount b) installment c) part
- Our state-of-the-art machinery is our major _____.
a) asset b) possession c) property

7. We want to find a partner who will take a _____ in our business.

- a) risk b) share c) stake

8. Thanks to a government _____ the firm was able to move to a new location.

- a) contribution b) subsidy c) support

9. Money owed by a company to its suppliers form part of its _____ .

- a) damages b) liabilities d) losses

10. When the bank grants a business an _____ facility, their current account can go into the red.

- a) overdraft b) overhead d) overpayment

Task 6. Scan the two articles and match them to the following statements.

1) Emerging entrepreneurs will be essential to the future prosperity of the country.

2) With banks reluctant to lend, many entrepreneurs have looked to family and friends for help providing start-up capital.

Task 7. Work in pairs. Student A reads article A; Student B reads article B. Do not read your partner's article yet.

Article A

Venturers who hope to be the business

In the past few years, a new generation of Japanese entrepreneurs has emerged, boosting hopes that venture businesses are poised to become a new catalyst for the enfeebled Japanese economy.

Japan's small business sector already accounts for more than the big corporations, such as Sony and Toyota, but a large proportion of smaller companies are subcontractors whose fortunes are totally dependent on big companies. Only now is Japan starting to develop a business environment conducive to entrepreneurial growth.

Of the three main ingredients needed to foster venture businesses – risk money, a structural framework and an entrepreneur-friendly culture – the country has attracted the first, is improving the second, but needs to move forward on the third.

“The reason why there is a business chance for us is because the social structure is changing as a result of the Internet,” says Hiroshi Mikitani, 34-year-old founder of Rakuten Ichiba, Japan’s most popular Internet shopping mall. Old skills are becoming less important than Internet expertise and money is flowing to new businesses rather than mature industries, he says, Internet entrepreneurs are also leaving the relative sanctuary of larger companies to set up on their own, something which is still rare in Japan. Meanwhile the Japanese authorities have been scrambling to make the country’s legal and structural framework more venture business friendly.

In the past, Japan’s reliance on indirect financing through banks also discouraged the development of risk capital. “The head of a big bank may know what it’s like to have difficulties in raising Y100bn but he doesn’t know what it’s like to try to raise Y500,000,” points out Masao Horiba, founder and chairman of Horiba, a leading manufacturer of measuring instruments.

However, while the money flows in and structural change increases, the critical question is whether Japanese culture can change sufficiently to support more entrepreneurs. ‘Japan’s venture capital sector is like a brand new race track. The track and stands have been built, the gamblers have arrived – but there aren’t any horses,’ says Mr. Horiba.

From the Financial Times

Article B

Businesses learn from past mistakes

As the UK looks for new ways to encourage entrepreneurship, Italy might be thought a good place for lessons. It has a highly successful scheme to help young people start businesses; entrepreneurship seems part of the culture; working for yourself commonplace. There is an assumption that if people fail – and 46 per cent do so within five years – they will learn from their mistakes and start again.

Few Italians start a business with bank support. They save their startUp capital, sometimes for years, and borrow from parents, other family members and friends. Italy has almost no merchant banks and the fragmented banking sector is tightly regulated of past banking failures. Banks have therefore become risk-averse reluctant to lend.

Of scores of entrepreneurs interviewed for the OECD evaluation, only two had successfully borrowed money from the bank under the government loan guarantee scheme, thus avoiding up to three years of saving to accumulate capital. The rest had started from their own or privately-

borrowed resources and then used growing turnover to expand. This was found to aid survival, nurturing financially conservative entrepreneurs, who did not over-extend and calculated risks carefully.

Parallel to this is an outstandingly successful government-funded scheme to encourage young entrepreneurs under 24. Highly selective, the Youth Entrepreneurship Agency approved only 1,056 projects out of 4,603 applications in the first 10 years. Successfully applicants are tutored and advised, and the survival rate is running at 82 per cent.

The agency is now allowed to take equity stakes in the most promising ventures. In addition, an unsecured 'loan of honor' – voluntarily repayable from future profits – has been introduced in southern Italy to help get over the problems of financing businesses in poorer areas where the banks really could not care less.

From the Financial Times

Task 8. Work in pairs to decide if the following statements about *both* articles are true or false.

1. In both countries entrepreneurship has always been an important part of the culture.
2. In both countries businesses usually start with finance from banks.
3. Risk money is available in Japan, but not readily available in Italy.
4. Families often provide finance for start-up companies in Italy and Japan.
5. Both governments want to promote schemes to encourage new businesses.

Task 9. Match the definitions below to words in the articles. Then use the words in sentences of your own.

Article A

1. something that causes an important change or event to happen
2. to encourage something to happen over a period of time
3. favoring people who want to start up a new businesses
4. a company paid to do part of the work of another company

Article B

5. a company's business expressed as sales of goods and services over a period of time
6. shares that one company owns in another company
7. a loan which is not guaranteed by the borrower's assets
8. a bank that deals with businesses rather than the public

Task 10. Study the order of the underlined words in the sentence from article A. Then rewrite the sentences below beginning with the words in brackets. Discuss how the meaning of the sentence is affected in each case.

Only now is Japan starting to develop a business environment conducive to entrepreneurial growth.

1. (Seldom...) We rarely have goods returned to us because they are faulty.
2. (At no time...) He never apologized for his mistake.
3. (Under no circumstances...) The budget must not be exceeded.
4. (Only by...) We will increase sales significantly by spending more money on advertising.
5. (On no account...) Private calls should not be made from the office.

Task 11. Join the halves of the sentences below. They are all from newspaper articles.

- | | |
|--|---|
| 1. She had a sound business specializing | a) on my investment. |
| 2. Self-employment may be the only alternative | b) of the risks facing European companies. |
| 3. Researchers say this results | c) of finance, beyond his grasp. |
| 4. Why do women still have limited access | d) in lower failure rates. |
| 5. Once you understand the mindset of your investors, you can profit | e) from their suggestions. |
| 6. He can see opportunities which lie, through lack | f) in renovating and refurbishing buildings. |
| 7. The document contained an assessment | g) to starvation in poorer countries. |
| 8. I want a return | h) to venture capital? |
| 9. We are very focused | i) to any further investment. |
| 10. They are strongly opposed | j) on transferring ideas from the hard world of industrial economics to the dot-coms. |

Task 12. Why do people often find it difficult to get finance to start a business? Make a list of reasons.

Text A

Task 1. Translate the following texts into Ukrainian.

Establishing financial control

Financial control means the actual revenues, costs, and expenses (including the cash flow projections) are periodically reviewed and compared with projections. Deviation can thus be determined and corrective action taken. Such controls provide feedback to help reveal which accounts, which departments, and which people are varying from the financial plans. Such deviations may or may not be justified. In either case, some financial adjustment to the plan may be made.

Government bonds versus corporate bonds

Businesses compete with government for the sale of bonds. Some local government municipal bonds are often tax-free bonds – meaning bondholders do not have to pay federal taxes on any interest earned from the bond. Bonds sold by the federal government are relatively risk free, because they are backed by the power of the government to tax us. The government makes the sale of corporate bonds more difficult by selling its own, more attractive, government bonds. This is often referred to as the “crowding out” of corporate bonds. If a firm is unable to secure a long-term loan from a lender or issue bonds to investors, it often turns to the last alternative for long-term financing: equity capital.

Regardless of whether or not a new firm can obtain venture capital funds, there usually comes a time when even more funds are required, one way to the public to obtain needed funds is to sell ownership shares in the firm (called stock) to the public. The widespread use of debt and equity is a way of obtaining capital.

Vocabulary Notes:

equities (syn. ordinary shares, equity shares, ordinary stocks) – звичайні акції;

to deplete – вичерпувати, виснажувати;

to offset – відшкодовувати

Task 2. Put the terms in the box under the correct heading, and then translate them into Ukrainian.

administrative costs	advertising costs	distribution costs	labor costs
production costs	selling costs	storage costs	

Fixed costs	Variable costs

Task 3. Costs offer all businesses a major challenge. Good cost control is essential. Read the definitions below, and then complete the phrases that follow by combining an appropriate word from the box with *cost(s)*.

analysis	centre	fixed	labor	manufacturing
operating	price	sales	selling	variable

- Usual expenses such as rent, heating, lighting, which are not changed by the volume of production. _____ costs
- Expenses which increase with increased production, e.g. labor, raw materials. _____ costs
- All costs directly related to production. _____ costs
- All costs directly related to getting someone to buy a product. _____ costs
- The cost of employing workers and staff. _____ costs
- The costs for the day-to-day running of a company or business. _____ costs
- Selling at a price which is exactly what the product has cost to make. cost _____
- The study of all likely costs associated with a product. cost _____
- A business in a chain, or subsidiary, but treated as independent for accounting. cost _____
- The total costs for all products sold. cost on _____

Task 4. Match the phrases on the left with a word or phrase on the right which means the same.

- | | |
|-----------------------|------------------------|
| 1. contribution ratio | a. turnover |
| 2. fixed costs | b. gross profit margin |
| 3. variable costs | c. overheads |
| 4. income from sales | d. direct costs |

Task 5. Match the term on the left with an appropriate definition on the right.

1. contribution	a. The number or total value of sales necessary to equal all costs.
2. capital costs	b. An individual cost center in a company's product range
3. gearing	c. Net profit available for reinvestment in the company
4. retained profit	d. Sales income less variable costs.
5. work-in-progress	e. Selling price less variable costs divided by volume of production.
6. wealth	f. Cost of buying fixed assets such as buildings, equipment, vehicles.
7. unit contribution	g. Relationship between the cost of borrowing money and the total equity capital.
8. break-even point	h. Work done which has cost the company but has not yet been sold.
9. strategic business unit	j. Net value of a company (total assets less total liabilities).

Task 6. Look at the four formulae below and then complete the spaces in the conversation below.

Contribution = sales revenue – variable costs

Profit = Total value of contributions – total costs; or

Profit = Revenue – {variable costs + fixed costs}

Break - even volume of production = fixed costs/unit contribution

Teacher: All products sold should make a contribution to the business.

Student: What is contribution?

- Teacher: It is the total selling price of all goods sold by the company, (1) _____, less (2) _____.
- Student: So, it's like margin.
- Teacher: Yes, it's the same as the gross profit margin. But, to calculate profit, you have to consider (3) _____ costs. In other words, the total value of contributions less (4) _____ and (5) _____ costs.
- Student: I see. And when you've made enough contributions, you reach your break-even point.
- Teacher: Yes, that's right. Then you start to make profit.
- Student: How do you calculate the break-even point?
- Teacher: You have to divide the (6) _____ by the (7) _____ or the contribution made by a single item that you sell.
- Student: So if you raise your price, you increase the value of the contributions.
- Teacher: Yes, but you must not raise your price so much that you lose sales. If demand is (8) _____, sales may fall.

Task 7. Here a list of 16 fixed cost items. Categorize them according to the headings given below.

accountancy fees	leasing of computers
books, newspapers	mortgage payments
car and van hire	professional indemnity insurance
car hire purchase agreements	secretary support
electricity account	salaries
employee national insurance contributions	rent
employer's liability insurance	telephone
equipment, machinery	stationery and printing

Services:

1. _____
2. _____

Employee costs:

1. _____
2. _____

Insurance:

1. _____
2. _____

Property:

1. _____
2. _____

Vehicles:

Equipment:

1. _____
2. _____

1. _____
2. _____

Miscellaneous costs:

1. _____
2. _____

Administration:

1. _____

Professional fees:

1. _____

Notes: **Miscellaneous** means anything that does not fit easily into one any of the given categories. **Miscellaneous costs**, therefore, are any other costs not already mentioned.

Task 8. Businesses have to work out the most efficient ways to produce and services at a profit. This test introduces some key terms for this aspect of managing company finances. Match the term on the left to the correct definition on the right.

Financial planning term

Definition

- | | |
|-------------------------------|---|
| 1. profitability | a) the amount of products or services a company needs to sell to cover all its costs. |
| 2. return on investment (ROI) | b) ratio of total debts to total assets. |
| 3. liquidity | c) measure of profitability obtained from dividing net income by total amount invested. |
| 4. leverage | d) ratio of total sales to total cost of inventory (goods in storage). |
| 5. break-even point (BEP) | e) ratio of cost to benefit. |
| 6. efficiency | f) measure of how well a business can meet its short term cash needs. |

Note: A key function in financial planning is to keep control of **investments** (spending). All the terms in this exercise are important in ensuring the efficiency of a business. Good planning often means making separate calculations and judgments for different activities in the same business. In this way, profitable units can be further developed. Weak units can be changed or abandoned. The correct term for these units is **strategic business unit** (SBU). A company treats each separate SBU as an individual **cost centre**.

Task 9. In an interview with a journalist, Jan Horst, a marketing consultant, speaks about pricing policies. Complete the text of the interview with words or phrases from the box.

competition	cost plus	discount	margin	marginal cost
market price	penetration strategy	skimming strategy		

Journalist: So, in terms of pricing, what mistakes do small companies often make?

Horst: They take the cost of sales, and add to it – inventing a (1) _____. This is a (2) _____ approach.

Journalist: What's the alternative?

Horst: First, fix a price somewhere near or below the competition, the (3) _____. This can get you market share, using a so-called (4) _____.

Journalist: What about (5) _____, just a bit above variable costs?

Horst: Marginal cost pricing only works if you have a lot of spare stock. It can help with a (6) _____ policy.

Journalist: And how can pricing help to build up market share?

Horst: First, a low price is essential to build up market share in many markets. This is the penetration strategy approach. Or you can have a (7) _____, with high margins to help to pay costs quickly. This is often used with hi-tech goods. They start expensive but prices come down quickly once the (8) _____ arrives.

Task 10. A key aspect of managing company finances is keeping control of operations. Operations means all aspects of organizational activity. Read the text below, then match the underlined phrases to one of the terms in the box.

Operational control brings financial rewards

Many businesses and organizations have a 1) strategic approach to management. Good operational control is essential. One important tool is

the 2) strategic business unit (SBU). With this approach, it is possible to see the individual 3) contribution that each product makes to the overall company profitability.

A further useful tool is the idea of the 4) break-even point. Using this tool, prices may be raised or cut, but with a proper understanding of the effect.

Businesses should also make sure that there is a continually low level of 5) inventory. Holding components or finished products is a waste of resources. It is better to operate a 6) just-in-time (JIT) approach. Storage is therefore kept to a minimum.

Control operations should focus on quality, service, efficiency and effective evaluation of the processes involved. There are three kinds of operational control: 7) precontrol, 8) concurrent control and 9) postcontrol.

The benefits of good operational control are shown in terms of increased profit and long term security for the business.

- a) a focus on the quality of inputs in the production process
- b) analysis of each separate product as a separate cost centre
- c) goods in storage
- d) gross profit margin
- e) planning, controlling and monitoring all the activities of the business, so that efficiency is maintained, waste is cut to a minimum, quality is enhanced, customer satisfaction improves and profitability goes up.
- f) policy of taking delivery of goods only when they can be used, and producing to order
- g) monitoring quality after the production or output of service
- h) evaluation of the conversion of inputs to outputs as it happens
- i) demonstrating the volume required at a certain price to produce the required profit

1	2	3	4	5	6	7	8	9
e								

Notes: **Pre-**, **con-** and **post-** are all prefixes. **Pre-** usually indicates before; **con-** can sometimes indicate with or at the same time; **post-** usually means after. Another common prefix is **contra-** indicating against. Examples are *premature*, *precondition*, *pre-determined*; *contemporary*, *convention*; *postpone*, *postscript*; *contravention*, *contradict*.

Task 11. Match the underlined phrases to similar phrases in the box.

budgeted income statement	capital employed	current assets
current liabilities	debtors	net income
	stock	turnover
	work-in-progress	

- A. Two documents provide the necessary information for the most important decisions about the strength of a business: a (1) forecast profit and loss account and the present balance sheet.
- B. A study of profitability must look at the relationship between:
- (2) income after all costs have been deducted and (3) total invoiced sales;
 - net income and the amount of (4) money invested in the business.
- C. A study of a company's ability to make enough cash should show:
- if the planned cash balance is satisfactory;
 - if (5) people who owe money are likely to pay on time;
 - (6) work which has been contracted but not yet invoiced or (7) finished goods which will one day be sold;
 - if the relationship between fixed assets and (8) cash or other item of value which can easily be converted into cash is satisfactory;
 - if the relationship between current assets and (9) debts due for payment is satisfactory, i.e. current assets should be much greater than liabilities.

Management should be careful with forecasts, because budgeting is not a science and forecasts cannot be exact.

Notes: Businesses often fail because of problems of **liquidity**: they cannot meet their **short-term cash** needs.

Task 12. The phrases on the left are commonly used in considerations of the financial strength of a company. Match each one to an appropriate explanation on the right. Use the grid below.

- | | |
|----------------------------|--|
| 1. company accounts | a) The description of income and expenditure in a specific accounting period. |
| 2. profit and loss account | b) Items of value which are not easily changed into cash but which the business needs. |
| 3. balance sheet | c) Documents showing income, expenditure, assets and liabilities, sales records, etc. |
| 4. opening balance | d) Major spending on large items necessary for the business, such as property or equipment. |
| 5. closing balance | e) Cash items, or items that can easily be changed into cash for the present financial year. |
| 6. capital expenditure | f) The amount of money held in cash or near cash at the end of the accounting period. |
| 7. fixed assets | g) The cost of borrowing from a bank. |
| 8. current assets | h) Money made by the company, less all costs, but before tax has been paid. |
| 9. net sales | i) The amount of money held in cash or near cash at the start of the accounting period. |

10. pre-tax profit j) The overall picture of assets and liabilities.
11. interest paid k) The profit from sales after direct costs have been deducted.

1	2	3	4	5	6	7	8	9	10	11
c										

Notes: Note the verbs **to borrow** and **to lend**. A bank lends money. That is a **loan**. A **borrower** borrows a loan. But, there is also the less common verb to loan. This is a more formal word, meaning the same as to make a loan or to lend. Example: *The bank loaned the company \$5000,000.*

Task 13. Change the underlined words or phrases in the sentences below to other words or phrases that have a similar meaning. Choose from the box.

Abbreviated accounts	capital investment	consolidated	debts
equity	extraordinary items	gross	liquid assets
	revenue	operating income	

1. Unpredictable and exceptional costs should be a separate item in the financial report.
2. The trading income needs to increase each year so that the company can make decisions to buy new plant and equipment.
3. The company accounts have been checked and approved by an independent financial expert.
4. Shareholders expect to see the short description of the company's financial position.
5. Income during the present tax year is less than last year.
6. Pre-tax earnings are down.
7. The total value of a company once all liabilities have been paid.
8. A successful company needs property and investments that can be easily converted into cash.

Notes:

- Notice the pronunciation of *debt*. The *b* is silent. The same happens with **debtor** (someone who owes money). Another common word with a silent letter is *mortgage*, where the *t* is silent. A **mortgage** is a loan taken out to buy property, or to raise money against the value of property.
- The word **plant** is used for heavy machinery, especially in the construction industry, but also in other sectors of manufacturing

UNIT 3

Money

USEFUL LANGUAGE

Saying numbers

Years

1984	nineteen eighty four
2001	two thousand and one

Decimals

16.5	sixteen point five
17.38%	seventeen point three eight percent
0.185	(nought/zero) point one eight five

Bigger numbers

3560	three thousand five hundred and sixty (BrE) sixty (AmE)
598,347	five hundred and ninety-eight thousand, three hundred and forty seven (BrE) five hundred ninety-eight thousand, three hundred forty seven (AmE)
1,300,402	one million three hundred thousand, four hundred and two (BrE) one million three hundred thousand, four hundred two (AmE)
1m	one/a million (1,000,000)
3bn	three billion (3000,000,000)
\$7.5bn	seven point five billion dollars
£478m	four hundred and seventy eight million pounds (BrE) seventy eight million pounds (AmE)

Currencies

£3.15	three pounds fifteen
\$7.80	seven dollars eighty

Task 1. Read the article below. Then write all the numbers and symbols in full, according to the way they are pronounced. For example, 1999: *nineteen ninety-nine*; £3.1m: *three point one million pounds*.

BUSINESS IN BRIEF

EuroDisney runs new project

The French Government yesterday approved a Ff4.6bn urban development project east of Paris, coordinated by EuroDisney, and designed to create 22,000 jobs by 2015.

Yule Catto takeover bid

Yule Catto, the chemicals group, launched a £240m bid for Holiday Chemical. Yule shares fell 32p (about 10%) to 274 in response to the news. Holliday's shares dropped 8p to end at 225p.

Prince invests in media and technology

The worldwide fall in stock markets last month encouraged Prince Alwaleed bin Talal to invest in media and technology companies. The Saudi prince spent \$400m on a 5% stake in News Corporation, \$300m on 1% in Motorola and \$150m on 5% of Netscape Communications.

Monet market

A beach scene painted in 1870 by French impressionist Claude Monet when he was desperately short of money made £3.8m at Christie's Auction House in London.

FT sales record

Sales of the *Financial Times* hit an all-time record in November. Worldwide sales were 12.4% up on November, last year.

New car registrations in Europe

New car registrations in Western Europe in November rose 10.4% to 991,800 from 898,400 a year ago, said the European Auto Manufacturers Association.

Task 2. Are the following statements true or false?

1. 0 is often read as 'nought' in American English. _____
2. 0 is normally read as 'zero' in American and British English in scientific contexts and for temperatures. _____
3. James Bond 007 is read as 'double oh seven'. _____
4. When talking about football results in British English we often say 'Manchester United beat Liverpool seven-zip'. _____
5. In tennis 30-0 is read as 'thirty-love'. _____
6. In English 50,127 is read as 'fifty point one two seven'. _____
7. 40 is spelt 'fourty'. _____
8. 11.66 is read as 'eleven point sixty-six'. _____
9. In British English the number 1,999 is read as 'one thousand nine hundred and ninety-nine'. _____
10. The year 1999 is read as 'nineteen ninety-nine'. _____
11. The year 2001 is read as 'twenty one'. _____

12. A billion is 1,000,000,000. _____

IMPORTANT WORDS AND PHRASES

Can't afford	= don't have enough money
How much is it worth?	= What is the value of it?
The cost of living	= how much people pay for things
A standard of living	= the level of money and comfort people have

Task 5. What can you say in these situations? Complete the sentences but do not use the words and phrases given in each first sentence.

For example: You want to tell a friend that a restaurant wasn't cheap.
The restaurant was quite expensive.

1. You want to know the value of your friend's gold ring.
How much is _____?
2. A friend wants to go to an expensive restaurant but you don't have enough money.
I'm afraid I _____.
3. You want to borrow some money from a friend.
Could you _____?
4. You want to know how much a friend paid for her dictionary.
How much _____?

Task 6. How quickly can you answer these questions? Write down answers to all of them in one minute, then go back and check. If possible ask someone else the same questions.

1. Is the currency in America called the dollar?
2. Is a five-pound note worth less than a fifty-pence piece?
3. If you lend something to someone, do they borrow it?
4. If you waste money, do you use it well?
5. Is 'sterling' a currency?
6. If you 'can't afford' something, do you have enough money for it?
7. Does 'cost of living' mean the same as 'standard of living'?
8. If someone tells you a hotel is reasonable, is it very expensive?

Text A

What is Money?

Sophocles, the ancient Greek playwright, had very strong opinions about the role of money. As he saw it, “Of evils upon earth, the worst is money. It is money that sacks cities, and drives men forth hearth and home; warps and seduces native intelligence, and breeds a habit of dishonesty.”

In modern times, people may still be seduced by the power of money. Nevertheless, it is hard to imagine an economy functioning without money. Money affects not only morals and ideas, but also the way an economy works.

The basic function of money is to enable buying to be separated from selling, thus permitting trade to take place without barter. If a person has something to sell and wants something else in return, it is not necessary to search for someone able and willing to make the desired exchange of items.

In addition to being a means of exchange, money is also a means of measuring the value of men's labor. In economies, money is the standard by which the value of things is judged. Money can be anything that is generally accepted in payment for goods and services. From the earliest times precious metals, such as gold and silver, along the copper, have been the most popular forms of money. But they were not the only forms. There were societies that favored things such as tobacco, fish hooks, shells and, of course, various forms of paper for their money.

The principle difference between a barter economy and a money economy is that in a barter economy you must find someone who has what you want and wants what you have. In a money economy people can sell what they have to anyone and use the money to buy what they want. Money, therefore, is the medium that enables exchanges to be made easily.

As it was said, money is used for buying or selling goods, for measuring value and for storing wealth. Almost every society now has a money economy based on coins and paper bills of one kind or another.

A coin is a piece of metal, usually disc-shaped, which bears lettering, designs or numbers showing its value. The use of metal for money can be traced back to more than 2,000 years before the birth of Christ. But standardization and certification in the form of coinage, as referred to by Aristotle, did not occur until the 7th century BC.

Until the eighteenth and nineteenth centuries, coins were given monetary worth based on the exact amount of metal contained in them, but most modern coins are based on face value – the value that governments choose to give them, irrespective of the actual metal content. Coins have been made of gold, silver, copper, aluminum, nickel, lead, zinc, plastic and in China even from pressed tealeaves. The use of paper money in Western civilization began in the Middle Ages. The major forms of money in those

days, gold and silver coins, were inconvenient to carry and liable to be stolen.

In time, the goldsmiths' receipts became very popular with merchants and travelers who had to move large sums of money. As their use spread, the earliest form of paper money in Western Europe came into being.

Most governments now issue paper money in the forms of bills, which are really "promises to pay". Paper money is obviously easier to handle and much more convenient in the modern world. Checks and credit cards are being used increasingly, and it is possible to imagine a world where "money" in the form of coins and paper currency will no longer be used.

Vocabulary Notes:

playwright – драматург;

evil – зло, лихо;

sack – грабувати, віддавати на пограбування;

hearth and home – домашнє вогнище;

warp and seduce – розбещувати та спокушати;

lettering – напис;

BC (before Christ) – до нашої ери;

copper – мідь;

lead – свинець

Task 1. Match pairs of equivalents:

a). paper currency

b). accepted in payment for goods

c). search for necessary items

d). store wealth

e). want smth in return

f). medium of exchange

g). monetary worth based on amount of metal

h). of evils upon earth

i). irrespective of the actual content

1. відокремлений від продажу

2. засіб обміну

3. мати на собі написи та малюнки

4. безвідносно до фактичного вмісту

5. виникати, поставати

6. прийнятий для сплатування за товар

7. віддавати перевагу різним формам грошей

8. шукати необхідні види товару

9. грошова вартість, що ґрунтується на кількості металу

- | | |
|----------------------------------|--|
| j). separated from selling | 10. розписка в отриманні, що надавалась майстром золотих справ |
| k). bear lettering and design | 11. хотіти щось в обмін |
| l). favor various forms of money | 12. обіг паперових грошових знаків |
| m). based on face value | 13. з усіх бід на землі |
| n). goldsmith's receipt | 14. зберігати матеріальні коштовності |
| o). come into being | 15. обґрунтований номінальною вартістю |

Task 2. Which words or expressions in the text mean:

- | | |
|---|-------|
| a). increase in economic well-being resulting from specialization and exchange | _____ |
| b). physical and mental exertion that human beings put into production activities | _____ |
| c). economy in which the three basic questions are answered by custom, or how things have been done in the past | _____ |
| d). basic assumption of economic theory | _____ |
| e). makers do what is best for themselves | _____ |
| f). limiting production activities to one or a few goods and services that one produces best in order to exchange for other goods | _____ |
| g). actions by government to reduce changes in output, employment, and prices | _____ |
| h). market value of assets | _____ |
| i). anything generally accepted as a medium of exchange | _____ |

Task 3. Translate the following phrases into Ukrainian.

his mind is well stored with knowledge
the harvest has been stored

against receipt
receipts and expenditures
receipt of money
receipt of payment

bank receipt
deposit receipt
budget receipts
government receipts
gross receipts

turn one's mind to smth
turn one's hand to smth

of value
of no value
value of currency
take on a value
get good value for one's money
go down in value

Task 4. Match pairs of equivalents.

- | | |
|---------------------------------|---------------------------------|
| 1. звернутися по допомогу | a). base coin |
| 2. заглядати в записи | b). be referred to by smth |
| 3. коїти лихо, заподіяти збитки | c). universal medium of payment |
| 4. заробляти гроші | d). medium of circulation |
| 5. направити за інформацією | e). evil comes from evil |
| 6. засіб платежу | f). medium of payment |
| 7. фальшива монета | g). make money |
| 8. бути згаданим ким-небудь | h). refer to smb for help |
| 9. лихо породжує лихо | i). do evil |
| 10. засіб грошового обігу | j). refer to smb |
| 11. загальний засіб платежу | k). refer to one's notes |

Task 5. Insert a preposition wherever necessary.

1. You would have to engage ____ private barter in order to get the goods and services you want.
2. Most people offer to pay ____ goods ____ a check rather than cash.
3. If there were no money, goods would have to be exchanged ____ barter.
4. The major difficulty ____ barter is that each transaction requires a double coincidence ____ wants.
5. People can sell their output ____ money and subsequently use the money to buy what they wish ____ others.

6. ____ facilitating transactions, money makes possible the benefits ____ specialization and the division ____ labor, which ____ turn contribute ____ the efficiency ____ the economic system.
7. As time went ____ , notes issued ____ private banks became less common, and central banks took control ____ the currency.
8. The central banks issued ____ currency that was fully convertible ____ gold.
9. During the period between the world wars, almost all ____ the countries ____ the world abandoned ____ the gold standard; their currencies were thus no longer convertible ____ gold.
10. Suppose that firms and households find it convenient to keep their money holding ____ cash instead ____ a fixed number ____ dollars.
11. The real sector is concerned ____ production, allocation ____ resources, and distribution ____ income, determined ____ relative prices.
12. Traditionally in economics, money has referred ____ any generally accepted medium ____ exchange.

Task 6. Complete the sentences using the words from active vocabulary.

1. The use of money greatly simplifies market _____.
2. Money is also a useful _____ of value, that is, a mechanism for transforming current _____ into future purchases.
3. The first paper money _____ by the federal government consisted of \$ 10 million.
4. _____ turn out to be more convenient than cash, because they _____ trips to bank.
5. Traveler's checks can be used directly in market _____ , just like good old-fashioned cash.
6. Another popular way of _____ money is to buy shares of money-market mutual funds.
7. We shall also _____ all depository institutions as "banks", even though there are important _____ among them.
8. The currency in _____ comes from the Bureau of Engraving and Printing in Washington, D.C.
9. A _____ of exchange is anything that will be widely accepted in a society in exchange for goods and services.
10. Gold and silver was _____ because their supplies were relatively limited.

Task 7. Decide whether the following statements are true or false. If the statement is wrong, give the correct information.

1. Sophocles was absolutely sure that money, the greatest invention of human being, would contribute to native intelligence development and societies flourishing.

2. Money is anything that is generally accepted in payment for goods and services.

3. In a barter economy people can sell whatever they want to anyone and buy everything they need.

4. Now a money economy is based on coins and paper bills of one kind or another.

5. Standardization and certification of money in the form of coinage can be traced back to the 7th century B.C.

6. Western civilization began to use paper money in the Middle Ages. The major forms of money were receipts which were very popular with merchants and travelers for their safety and convenience.

Task 8. Read the text, using a dictionary if you need it. Then write a few lines saying which suggestion you think the most useful is and why. Can you add any suggestions of your own?

Twenty Ways of Saving Money

1. Save money on holidays by exchanging homes with a foreign family.
2. Learn to do your simple plumbing and electrical repairs.
3. Knit your own sweaters.
4. Drive smoothly without sudden stop and starts – it uses less petrol.
5. Don't drive when you can walk.
6. Telephone people at times when you know they are busy – your conversations will be shorter.
7. Put your telephone in an uncomfortable noisy place.
8. Form a group with other people to share the shopping – you won't have to drive to the shops very often, and you'll save money by buying in bulk.
9. Invite people to tea or coffee instead of dinner.

10. Borrow books from the public library instead of buying them
11. Buy fewer newspapers and magazines you probably don't read them all anyway.
12. Don't use a dishwasher or washing machine without a full load.
13. Take showers instead of bath.
14. Buy cheap throwaway shoes for rough wear (expensive shoes need expensive mending).
15. Don't send sheets to the laundry – use non-iron sheets and wash them yourself.
16. Be careful about turning lights off when they are not needed.
17. Eat less meat and more vegetables (cheaper and healthier).
18. If you have a garden, grow your own vegetables.
19. Make your own jam and marmalade.
20. Learn to do your own hair.

Text B

Task 1. Read and translate the following text into Ukrainian.

Functions of Money

Money has three basic functions. It serves as a medium of exchange, as a measure of relative value, and as a store of value.

As a *medium of exchange*, money enables two individuals to exchange without having to barter; that is the carpenter doesn't have to build a step for the grocer every time he wants a carton of milk. The carpenter can build steps or anything else for anybody, receive money for his services, and use the money to purchase milk from the grocer. The grocer can in turn use the money received from the carpenter and others to purchase a suit from the tailor.

As a *measure of relative value*, money allows two dissimilar items to be purchased on similar bases. It is in terms of money that we think of value. How many cartons of milk should the grocer pay for a suit? If asked that question, you might ask, how much is a carton of milk worth? And how much is the suit worth? You would want to define the exchange in terms of the relative value of the two items and would use the value in dollars (money) to determine how many cartons of milk it should take to buy a suit. Money helps to think of different things in terms of a common value base.

As a *store of value*, money makes it possible for us to hold onto the value over time. If the grocer would have to hold the value of his milk in milk, he could not hold it for long because it would spoil. If he sells the

milk and gets money for it, he can hold the money until he wishes to purchase something.

Task 2. Answer the following questions.

1. Why do people accept money?
2. Dwell on the functions of money.
3. Dwell on different kinds of money.
4. What currency can be used as the unit of account?

Task 3. Translate into English using the active possible.

1. Існує декілька функцій грошей. По-перше, гроші є засобом платежу або обігу; гроші можна використовувати при покупці та продажу товарів та послуг. Гроші виступають також мірою вартості. Суспільство вважає, що зручно використовувати грошову одиницю в якості масштабу для порівняння відносних вартостей різноманітних ресурсів та благ. Гроші служать засобом збереження. Оскільки гроші є найбільш ліквідним товаром, то є таким, котрий можна без проблем продати, бо вони є дуже зручною формою збереження багатства.
2. Гроші, які, насправді, є борговими зобов'язаннями держави, комерційних банків та ощадних установ, мають вартість завдяки товарам та послугам, які здобуваються за них на ринках.

Text C

The Development of Money Systems

Until about 10.000 years ago, all human beings were hunter-gatherers, providing for their wants and needs with foods that were freely provided in nature. The Neolithic agricultural revolution changed all that. People gradually abandoned their nomadic life of hunting and food gathering and settled down to tend crops and domesticated animals. Along with permanent settlement the agricultural revolution brought surplus production.

Farmers could produce substantially more than they needed for survival. The agricultural surplus allowed the creation of new occupations. Freed from having to grow their own food, people formed new classes-artisans, soldiers, priests, government officials – as they turned their talents to performing specialized services and producing goods other than food. They also produced more than they themselves needed and traded the excess to obtain other goods and services.

The exchange of goods and services in early societies commonly took place by simple mutual agreement among neighbors. In the course of time, however, trading became centered in particular gathering places called markets.

The earliest market economies depend to some considerable extent on barter, the trading of goods directly for other goods.

Barter was common in the earliest societies that flourished before the invention of money and in medieval villages and survived in isolated cases into more recent times. However, barter can be costly process in terms of the time spent searching out satisfactory exchanges. Barter, was a very unsatisfactory system because people's precise needs seldom coincided. People needed a more practical system of exchange, and various money systems developed based on goods which the members of a society recognized as having value. Cattle, grain, teeth, shells, feathers, skulls, salt, elephant tusks, and tobacco have all been used.

Precious metals gradually took over because, when made into coins, they were portable, durable, recognizable, and divisible into larger and smaller units of value. The evolution of money has made trading easier. Money eliminates the inconvenience of barter by allowing the two sides of the barter transaction to be separated.

Farmers who have wheat and want hammers do not have to search for individuals who have hammers and want wheat. They take money in exchange, then find people who wish to trade hammers, and offer money for the hammers.

Vocabulary Notes:

nomadic life – кочове життя;
artisan – ремісник;
priest – священик;
neighbor – сусід;
precise – точний, визначений, певний;
feather – пір'я;
tusk – ікло, бивень;
hammer – молоток

Task 1. Answer the following questions:

1. What changes occurred in the lives of human beings as a result of the Neolithic agricultural revolution?
2. What were the preconditions for creation of new occupation?

3. What forced people to start trading?
4. How did trading occur in early societies?
5. How did the process of trading change in the course of time?
6. Why is barter considered to be a costly process and very unsatisfactory system?
7. What new systems of exchange were developed?
8. Is it possible to say that evolution of money made people's life easier and forced economy to function?

Task 2. Match pairs of equivalents.

- | | |
|--|---|
| 1. надлишкова продукція | a) human being |
| 2. в окремих випадках | b) domesticate animals |
| 3. вирошувати с/г культури | c) trade the excess |
| 4. залежати в значній мірі від бартеру | d) make trading easier |
| 5. певні потреби рідко співпадають | e) surplus production |
| 6. взаємна згода між сусідами | f) search out satisfactory exchange |
| 7. забезпечувати потреби в їжі | g) in isolated cases |
| 8. приручати тварин | h) mutual agreement among neighbors |
| 9. з часом | i) tend crops |
| 10. відмовитись від кочового життя | j) provide for one's needs with foods |
| 11. людина | k) be common |
| 12. бути розповсюдженим | l) in terms of |
| 13. полегшити процес торгівлі | m) depend to some considerable extent on barter |
| | n) in the course of time |
| | o) precise needs seldom coincide |
| | p) abandon (one's) nomadic life |

Task 3. Which items in the text mean:

- | | |
|--|-------|
| 1. excess over what is required | _____ |
| 2. a piece of business performed | _____ |
| 3. written statement of charges for goods and services | _____ |
| 4. paper money and coins issued by federal government | _____ |
| 5. money received during a given period | _____ |

6. goods or services sold to buyers
in another country _____
7. the exchange of one good or service
for another _____
8. give hope, courage; support _____

Task 4. Give English equivalents to the following words and expressions:

1. здоровий глузд;
2. не безглуздо;
3. в точному значенні слова;
4. у відомому розумінні;
5. у всіх значеннях;
6. ні в якому відношенні;
7. заробляти гроші;
8. заробляти на життя;
9. робити успіхи;
10. надавати (можливість);
11. найпростішим способом;
12. з точки зору;
13. мовою чисел;
14. в грошовому виразі;
15. дійти згоди з будь-ким;
16. співвідношення імпорتنих та експортних цін;
17. на умовах

Task 5. Express the meaning of underlined words or word combinations by the word from active vocabulary.

1. The Fulton Fish Market in New York City is a modern example of a place where goods are bought and sold in the everyday sense.
2. Much early economic theory explained price way of acting in just such markets.
3. Without money, you would have to engage in primitive direct exchange of one good for another in order to get necessary things.
4. Change from one condition to another in the formerly communist countries makes necessary two major adjustments.
5. Wheat produced anywhere in the world can be bought almost anywhere else in the world, and the price of a given grade of wheat has a tendency to be nearly uniform.

6. The use of money greatly simplifies market negotiations.
7. It's a lot easier to barter money for eggs at the supermarket than to go into the country and cut hay and lay sod every time you crave some eggs.
8. An excess over what is required results, and the prices of these factors are forced down.
9. Monopolies that are set up by some nations to take part in international trade are also monopolistic.
10. From the earliest times metals of great value, such as gold and silver, along with copper, have been the most popular forms of money.
11. The Monetary Control Act in 1980 called for an end to some regulations, as this process removed the competitive advantage of some associations.
12. Markets stimulate economic efficiency by placing resources to their best use.
13. The origins of money go far back in antiquity.
14. Gold and silver had tendency to have high and stable prices.

Task 6. Complete the sentences.

1. (Фактично), every society is faced with the problems of scarcity and choice.
2. (Проте), there is another important part of the cost.
3. The government has been involved, (в деякій мірі), in economic decision-making.
4. (До деякої міри), a theory allows you to see the forest (натомість) the trees.
5. The process of transition is (таким чином) of great interest to a wide-ranging set of countries and people.
6. (Більш того), the cost for many goods and services has increased substantially.
7. (Хоча) concern about production is important, it seems that some experts undervalued the reality of the changing marketplace.
8. There is (таким чином) tremendous variety in the strategies and outcome of transition across countries.
9. (Крім того), privatization should be seen as the beginning of a process of reorganizing the ownership and incentive structure of firms.
10. (Проте) reforms accelerated, foreign trade improved dramatically.
11. (Оскільки) definite accounts can be spent as cash; they are counted as part of our money supply.

12. (Те, що) we want to know is (скільки) purchasing power consumers have, (оскільки) this will affect their ability to purchase goods and services.
13. It is the planners with guidance from the country's political leadership, (що) decide (хто) will receive the goods and services produced.
14. (Таким чином) it is necessary to earn more just to maintain your present living standard.

Task 7. Give Ukrainian equivalents to the following proverbs and sayings.

1. Money makes money.
2. Money makes the mare go.
3. A penny soul never came to two-pence.
4. In for a penny, in for a pound.
5. A penny saved is a penny earned.
6. Of two evils choose the less.
7. Buy now; pay later.
8. A fool and his money are soon parted.
9. Neither a borrower nor a lender be.

Task 8. Read these sayings about money and discuss them giving your point of view whether you agree or disagree with them.

1. After good health, money is the most important thing in life.
2. Money can't buy happiness.
3. Money is the root of evil.
4. Look after the pennies and the pounds will look after themselves.
5. Some people seem to get the idea they are worth a lot of money just because they have it.
6. Money talks, and it's nearly always saying "Goodbye".

UNIT 4

Types of Companies

Task 1. Answer the following questions. What types of companies do you know?

Text A

Types of Companies in the USA and Great Britain

Task 2. Read and translate the text.

Company is a business organization selling goods or services. In the United States Limited Company with Limited liability is called corporation. In Great Britain “corporation” has another meaning. It is not a Limited Company but a local government body. Public Corporation in Great Britain is an organization that operates the nationalizing branch of industry and belongs to the government.

Company is a body corporate created by royal charter or by a specific Act of Parliament. A Company will not exist until it has received its certificate of incorporation. Incorporation is the act of forming a company by carrying out the necessary legal formalities. A Company is a legal person separate and distinct from the people who own it, usually with limited liability.

Liability of members may be limited by shares, or by guarantee, or may be unlimited. Where the word “Limited” does not appear, the organization is not a company in the legal sense. The phrase “one- man company” is often used to describe a small private company, where control is effectively in the hands of one person. By law there must always be more than one member.

In the United Kingdom under the Companies Act 1985 there are three classes of companies:

1. limited private company;
2. unlimited private company;
3. public limited company.

A public limited company (plc) is a company limited by shares or guarantees which has a share capital and which states in its memorandum association. Companies limited by guarantee are companies the liability of those members is limited by the amount they guarantee. Such companies are normally formed for charitable or educational purposes.

Company limited by shares is the commonest type of company. The principle characteristics of a company limited by shares are:

1. It can contract as a person separate from its members;
2. That the liability of the members is limited to the nominal value of the shares they have taken up.

A plc may have an unlimited number of shareholders and may offer shares for public subscription.

The name of a public company must end with the words “public limited company” (plc). All public companies must have a nominal share capital of the “authorized minimum”- at present 50.000 pounds. The minimum number of members is two. The Companies Act (1980) defined a private company as any company not being a public limited company. A private company may be limited or unlimited and may be formed specifically as a private company or become one by default. All new unlimited or guarantee companies are private companies. The minimum for all companies is now two members.

Private Limited Companies are debarred from offering their shares or debentures to the general public and to do so constitutes a criminal offense. For this purpose offers to members or to employees, offers to the families of members or employees, offers under an employee’s share scheme are not offers to the public. One other privilege enjoyed by private companies is that they need only one director, whereas the minimum for a public company is two. Other benefits include the freedom to commence business without having to satisfy the detailed requirements demanded of public companies.

Also we can speak about an exempt private company. What is it? That is the form of private company. It observed the following conditions:

1. No company or other body corporate could be the holder of any shares;
2. No person other than the holder could have any interest in any of the company’s shares;
3. Number of persons holding debentures had to be fifty or less.

An exempt private company had certain privileges, apart from those of a private company.

1. It was exempt from filing an annual balance sheet and profit and loss account;
2. It could make loans to directors; the books might be audited by a partner or an employee or a servant or an officer of the company;
3. It was exempt from filing printed copies of certain resolution or agreements.

Now let’s speak about corporation. After name of corporation the letters “Inc” are placed (incorporated). It means that such company is

registered as corporation. After receiving certificate of incorporation, this organization becomes a legal entity.

Private Limited Company in England is equal to Close Corporation in the United States. In the U.S the difference between public and private limited companies is insignificant. The corporation taxes in Great Britain for small companies are lower than in the U.S.

Vocabulary Notes:

Company limited by shares and guarantee – компанія з обмеженою відповідальністю і запорукою;

Limited company – компанія з обмеженою відповідальністю;

Unlimited company - компанія з необмеженою відповідальністю

Task 3. Answer the questions.

1. What is the main difference between corporation in Great Britain and the United States?
2. What is “incorporation?” When can we speak about corporation as a legal entity?
3. What are the principal characteristics of a company limited by shares and guarantee?
4. How many classes of companies do you know? Name them.
5. What are the peculiarities of a public limited company?
6. How did the Companies Act define a private company?
7. What types of private companies are you familiar with? Describe them.
8. What are the advantages of private companies?
9. What do you know about an exempt private company?

Task 4. Translate the following sentences from Ukrainian into English:

1. Для того, щоб зареєструвати компанію засновники складають її статут і реєструють його в державній установі.
2. Відмінності між компаніями з обмеженою відповідальністю закритого і відкритого типів в США незначні.
3. В Великобританії для малих компаній встановлено нижчі корпоративні податки.
4. Згідно з корпоративним актом в Великобританії існує три типи компаній: приватна компанія з обмеженою відповідальністю, приватна компанія з необмеженою відповідальністю, відкрите акціонерне товариство.

5. Зареєстрована компанія є юридичною особою і може бути або компанією з обмеженою відповідальністю відкритого типу, або приватною компанією.

Task 5. Complete the sentences using appropriate words and expressions below.

market research, set up, to expand, company directors, prospects, employed, consider, employ, management, full-time, employer, running, insurance, board of directors

1. They had to conduct _____, then advertise the product.
2. The company was _____ just after the war.
3. Once again, _____ have awarded themselves a massive pay increase.
4. The companies are hoping _____ their operations abroad.
5. In ten years, Jeff went from working in the mailroom to _____ the company.
6. _____ companies say they investigated 43,000 cases of fraud last year.
7. The company is run by a _____.
8. The shareholders demanded a change in _____.
9. The shoe factory is the largest _____ in this area.
10. Steve's still looking for _____ employment.
11. Many economists _____ full employment an unrealistic goal.
12. Kelly is _____ as a mechanic.
13. He had a number of servants in his _____.
14. The employment _____ for graduates in computer science are excellent.

Task 6. Match appropriate terms and explanations.

1. an internet company	1). profit sharing
2. a company that is owned by a large company	2). subsidiary
3. a big company that has offices in different countries	3). employment
4. to become an employee	4). management
5. a company stops doing business because it has lost too much money	5). to maximize profits
6. the person in charge of a large public organization	6). employer
7. the activity of controlling and	7). multinational
	8). to join a company
	9). director general
	10). a company goes bankrupt
	11). dot-com

organizing the work that a company or organization does 8. a person, company, or organization that employs people 9. the condition of having a paid job 10. available to be bought 11. to get as much profit as possible 12. a system by which all the people who work for a company receive part of its profits	12). for sale
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Task 7. Translate the following terms into Ukrainian using appropriate translations below them.

Affiliated company, assurance company, auction company, bank holding company, building company, capital-intensive company, carrying company, closed company, closed-end investment company, competitive company, consulting company, consumer finance company, controlled foreign company, controlling company, cooperative company, defunct company, distributing company, finance company, foreign company, group company, incorporated company, industrial company, insurance limited company, integrated company, international company, investment company, joint stock company, leasing company, life insurance company, limited company, listed company, management company, manufacturing company, marketing company, multidivisional company, multy-industry company, multinational company, no-liability company, open-end investment company, public relations company, registered company, regulated company, retailing company, shelf company, shipping company, trading company, transport company, trucking company, trust company, unlimited company, unregistered company, vendor-company.

Дочірня компанія, інвестиційна компанія закритого типу, страхова компанія, компанія закритого типу, аукціонна компанія, компанія з вантажних перевезень, банківська холдингова компанія, капіталомістке підприємство, будівельна компанія, торговельна компанія, конкурентна компанія, консультативна компанія, компанія споживчого кредиту, змішана компанія, закордонна компанія, фінансова компанія, компанія-дистриб'ютер, неіснуюча компанія, кооперативна компанія, підконтрольна закордонна компанія, материнська компанія, інкорпорована компанія, промислова компанія, страхова компанія з обмеженою відповідальністю, об'єднана

компанія, міжнародна компанія, інвестиційна компанія, акціонерне товариство, багатонаціональна компанія, багатогалузева компанія, компанія з декількома відділами, маркетингова компанія, компанія обробної промисловості, компанія управління, компанія, акції якої котируються на біржі, компанія з обмеженою відповідальністю, лізингова компанія, компанія для страхування життя, компанія-постачальник, незареєстрована компанія, компанія з необмеженою відповідальністю, довірча компанія, транспортна компанія, компанія вантажного автотранспорту, компанія без відповідальності, інвестиційна компанія відкритого типу, компанія громадських зв'язків, зареєстрована компанія, компанія, діяльність якої регулюється державою, компанія роздрібної торгівлі, судноплавна компанія, неактивна компанія.

Task 8. Match the beginnings and the ends of the sentences.

1. The cost of company's shares is its	1). headquarters
2. The main building or location of a large organization is its	2). department stores
3. Retailing is the business of selling products to the	3). head office
4. The people who have a stake in the business are called	4). market share
5. The percentage of sales a company has in a particular market is its	5). takeover
6. A name, sign, or design used on a product to show it is made by a particular company is a	6). subsidiary
7. Large shops which sell a wide variety of products are called	7). trademark
8. The employees in a particular country or business are called the	8). turnover
9. Main offices of a company are called	9). stakeholders
10. A company which is more than 50% owned by a parent company is called a	10). profit
11. The money a company makes after taking away its costs is its	11). workforce
	12). share price
	13). annual report
	14). patent
	15). general public

12. The right to make or sell an invention is a	
13. Listed companies, whose shares are sold on the stock exchange, have to present their accounts to the public in an	
14. The amount of money a company receives from sales in a particular period is called its	
15. The act of getting control of a company by buying more than half of its shares is called a	

Task 9. Read the presentation and answer the following questions.

1. When did the company start?
2. Where is their head office located?
3. What does the company sell?
4. What can you say about the customers of the company?
5. What is the annual turnover of the company?
6. How many people are employed in the company?
7. What about its overseas stores?
8. What can you say about career opportunities?
9. What are the plans for the future?

Good morning everyone. Thanks for coming to my presentation. My name's Marta Rodriguez. I'm Personnel Director of Tara Fashions. I'm going to talk to you today about our company. First, I'll give you some basic information about Tara Fashions. Then I'll talk about our overseas stores. After that I'll outline the strengths of the company. Next I'll talk about career opportunities with Tara. And finally I'll mention our future plans. I'll be pleased to answer any questions at the end of my talk.

Let me start with some basic facts about Tara. The company started in 1978. We are a family-owned business and our head office is in Cordoba, Spain. We sell clothes for men and women, and our customers are mainly fashion-conscious people aged 20 to 35. We have 15 stores in Spain. All of the stores are very profitable.

Right, those are the basic facts.

Let me add a few figures. We have an annual turnover of about \$260 million. Our net profits last year were approximately \$16 million. We have a workforce of just over 2,000 employees. So those are the numbers. Now

about our overseas stores. We have 4 large stores in France and another 10 in other European countries. We are planning to open 5 new stores next year. What are our strengths? We keep up with fashion trends. If we spot a trend, we can bring out a new design in 15 days. And we get it to the stores very quickly. We deliver to stores twice a week. And we sell our designs at the right price.

OK, now what about career opportunities? It's quite simple. If you are ambitious and fashion-conscious, we have opportunities in all areas of our business. We will welcome you with open arms.

Finally, a few words about our new project. We are planning to open a new store in New York next year – on Fifth Avenue. This will give us a foothold in the US market. We're very excited about this new development.

Well, thanks very much for listening to my talk. Are there any questions?

Task 10. Read the interview with Yvonne Thompson. What do you think about his point of view?

I What advice do you give to people starting their own companies?

YT When you're starting your own company, you have to be very confident. You have to be very determined. You have to know what it is you're doing. You need to research the business – or the business arena that you're intending to go into. You need to research your competitors and benchmark your service or your product against your competitors. You need good family backup. You need good backup from your friends. And probably the most important thing is that you need a good mentor, and that needs to be a business mentor as well as a personal mentor. You need a really good business plan. Again, you need to make sure that whatever you put on your business plan, you need to check it on a regular basis, whether it's weekly, monthly, six months or every year and you need to gauge where you are with what your business plan says. You need a very good relationship with your bank and your bank manager. But to me the most important thing is a really good marketing campaign, because if you don't have a marketing campaign that ensures that your customers know where you are, you won't have a business for very long.

Task 11. Complete the following passage using the words from the box.

pollution, consumer society, packaging, recycled, environment

It is often said that we live in a _____ ; we consider it important to buy products and services. Companies need to be aware of the impact of this on the _____, the natural world around us. Many companies use _____ (boxes, bottles, etc) which has been _____, that is made using old materials. _____, such as smoke in the air, can be reduced if companies use trains instead of road transport.

Text B

A Matter of Choice

Task 1. Read and translate the text.

In 1967, John Kenneth Galbraith's *The New Industrial State* argued that the USA was run by a handful of big companies who planned the economy in the name of stability.

These were hierarchical and bureaucratic organizations making long runs of standardized products. They introduced "new and improved" varieties with predictable regularity; they provided their workers with lifetime employment and they enjoyed fairly good industrial relations with the giant trade unions.

That world is now dead. The US's giant corporations have either disappeared or been transformed by global competition. Most have shifted their production systems from high-volume to high-value, from standardized to customized. And they have flattened their management hierarchies. Few people these days expect to spend their lives moving up the ladder of a single organization. Dramatic changes are taking place. But where exactly are they taking us? Where is the modern company heading?

There are three standard answers to this question. The first is that a handful of giant companies are engaged in a "silent takeover" of the world. The past couple of decades have seen a record number of mergers. The survivors, it is maintained, are far more powerful than nation states.

The second school of thought argues almost the opposite: it says that big companies are a thing of the past. For a glimpse of the future, look at the Monorail Corporation, which sells computers. Monorail owns no factories, warehouses or any other tangible assets. It operates from a single floor that it leases in an office building in Atlanta. Freelance workers are designing the computers while demand is still low.

The third school of thought says that companies are being replaced by "networks". Groups of entrepreneurs form such a network to market an idea. They then sell it to the highest bidder and move on to produce another

idea and to create another firm, with the money being supplied all the time by venture capitalists.

Another way to look at the future of the company is to focus on the environment that will determine it. That environment is dominated by one thing: choice. Technology and globalization open up ever more opportunities for individuals and firms to collect information and conduct economic activity outside traditional structures. While the age of mass production lowered the costs of products at the expense of limiting choices, modern “flexible” production systems both lower costs and increase choice. Consumers have more choice over where they spend their money. Producers have more choice over which suppliers to use. Shareholders have more choice over where to put their money. With all that choice around, future companies will have to be very flexible in order to quickly adapt to the changing environments if they are to survive.

Task 2. Answer the questions to the text.

1. What were US corporations in the past?
2. What changes have occurred to those corporations?
3. What types of future companies does the author mention?
4. What will future companies have to be if they are to survive?

Task 3. Decide if the statements are true or false. If false, correct them.

1. The US's small corporations have either disappeared or been transformed by global competition.
2. The companies' production system has been shifted from high-value to high-volume.
3. The companies' management hierarchies have been flattened.
4. Many people these days expect to spend their lives moving up the ladder of a single organization.
5. Monorail Corporation owns no factories, warehouses or any other tangible assets, it sells robots.
6. Technology and globalization don't open up more opportunities for individuals.
7. Modern “flexible” production systems both lower costs and increase choice.
8. Producers have more choice over where they spend their money.
9. Consumers have more choice over which suppliers to use.
10. Shareholders have more choice over where to put their money.

Task 4. Match the words with the definitions.

1. company	1). inflexible system of administration
2. bureaucracy	2). permanent jobs
3. lifetime employment	3) a legally registered business
4. mass-production	4). someone who starts a company, arranges business deals and takes risks
5. entrepreneur	5). the creation of a new company by joining two separate companies
6. merger	6). rivalry between businesses that are operating in the same market
7. expense	7). system of authority within an organization
8. consumer	8). something belonging to an individual or business that has value or the power to earn money
9. opportunity	9). a situation with future potential
10. competition	10). a person who buys products or services
11. hierarchy	11). money spent
12. asset	12). produced in large quantities

Task 5. Complete the sentences using the words above.

1. The company has recently sold some of its _____ to an Australian investor.
2. The _____ is getting tougher every year.
3. _____ have always played a key role in the economy.
4. Many Swedish firms have very flat _____.
5. The _____ will have to be approved by the authorities.
6. Japan represents a great _____ for our new brand.
7. We have significantly reduced our _____ over the last five years.
8. Many companies have moved their _____ overseas to cheaper markets.
9. Nokia is committed to providing _____ with the information they need.

Task 6. Read the information about two companies. Then make notes on the companies.

Employees:_____
Turnover:_____
Products:_____
Current projects_____
Other information?_____

We're a multinational company with a quarter of a million employees and there are over a hundred and twenty subsidiaries worldwide. The group has a turnover of thirty one thousand, six hundred and twenty six million ECUs and our holding or parent company is located in the Netherlands.

About half our sales are to the consumer market and half are to the professional and industrial markets. Altogether we manufacture and sell over a million different electrical products.

The group is also working in joint ventures with other partners. For example, we're expanding our activities in China at the moment, developing business ventures with the People's Republic.

We have a turnover of over sixty-two billion dollars and there are two hundred and fifteen thousand employees worldwide. We manufacture and sell advanced information processing products and we're the market leader in micro electronics, data storage, communications and many other fields. It's the most exciting industry in the world and it's changing fast. And we're changing too. We're throwing out bureaucracy and developing a new company culture. We're introducing new systems that encourage speed, risk taking and personal leadership.

Task 7. Read and translate the information. After reading answer the following questions.

1. What is meant by the SWOT analysis?
2. Is this analysis important and why?

All business organizations need to have a framework to help them to analyze their current position and then to use that information to help them to prepare for the future. There are many different ways that they can do this. Probably the best known is what's called the SWOT analysis. This very neatly divides the problem into four areas. It's normally represented as a square divided into four parts. At the top you have the S for strengths and the W for weaknesses. And then on the bottom line you have the O for opportunities and then T for threats. The idea is that if you analyze a

business using these four criteria, then you should have the basic information to allow you to map out what the best strategy might be.

Under strengths, you would put the things that it does well, and then under weaknesses, the things that it doesn't do quite so well. That leaves two spaces: one for opportunities that the company is in a position to exploit, and one for threats – the dangers that it will be exposed to in its markets in the future.

Task 8. Read and translate the information. After reading answer the following questions.

1. What is a brand?
2. What are functions of brands?
3. What must brands be to be successful?

Brand strategy is the driving force behind a business, there's no doubt about it. Brands are what all businesses are trying to create and build on. Successful brands are a company's most valuable asset. You see, your brand is the unmistakable symbol you need to make sure it has all the characteristics of a successful brand.

First of all, it needs to be distinctive, you know, it has to stand out in the crowd, not be easily confused with competing brands. Then, it needs to be easy to memorize, so complicated images, too many colors and sophisticated names are out.

The next thing is that the brand name must be easy to pronounce and, if possible, in several languages. Your brand also has to fit the image of the product. I mean, there's no point in coming up with a wonderful concept if it doesn't have anything to do with the actual product.

Finally, it is important that the brand communicates the right emotional appeal to your target customer.

Once established, a successful brand will almost never let you down. Other things may change: positioning, packaging, whatever, but the brand will remain the same. Take for instance, Chanel's "No 5" perfume. It is still the best-selling perfume in the world. Imagine,. With all the competition that's out there – the thousands of perfumes that have come onto the market since its launch and there it still is – right at the top! A perfume named "No 5"! Not very inspiring, you might think, but the brand is *Chanel*. The name speaks for itself. That's the power of a brand. Well, No 5 may have been helped a little by the famous remarks from Marilyn Monroe in the 60s when she said she slept in nothing but Chanel No 5. There's nothing like a celebrity endorsement to push up sales.

Task 9. Read and translate the interview with Nigel Portwood, President and Chief Executive Officer at Pearson Education. After reading answer the following questions.

1. What main steps should a company take to make a successful acquisition?
2. What needs to be done to ensure the successful integration of the new business?
3. How can you measure the success of your acquisition?

I You were involved in a very large acquisition recently. What are the essential preparatory steps for a successful acquisition?

NP The first step is to ensure that you have a strategy, a very clear strategy. You need to know where you want to compete, which markets; how you want to compete; and how you will get competitor advantage over the other players in the market. From that strategy you should understand which other companies in the market will help you achieve your objectives. Your other alternative, of course, is not to buy another company, but just to try and build a successful position on your own, through investment. But, assuming that you can find a candidate that you would like to acquire, the next essential step is to analyze that company – to understand its products, where it get its sales from who its customers are, and what its cost structure is. You then need to think how, if you own that company, you would invest in it, and what the financial consequences of that would be. Because the third step is to essentially work out how much this company is worth, and you need to worry about two prices there. The first is it worth to the current owners, and the second is what is it worth to you? And the difference should be driven by the synergy that you see, that is, the benefits that you can bring to the company through your ownership. And er, we all spend lots of time analyzing the projections for the company to try and arrive at a valuation. And the final step, of course, is just working out your tactics as to how you are going to buy this company – whether it be your pricing tactics or the way in which you approach the current owners.

I And once the acquisition has happened. What needs to be done to ensure the successful integration of the new business?

NP The first thing you should do, even before you take ownership, is to plan what you do when you ... when you take ownership of the company. And that means working out exactly how you are going to combine that company with your own. So, through every single function, you need to have a plan as to what you do with the people, what you do with the facilities, what you do with the assets, er, how you handle the customers

and, it can't be said too much, that you must pay absolute attention to the detail in that process. The second thing that you should do is worry about the people. So, who are the most important managers and staff that you need to keep on-side during this process, because this will be a time of uncertainty for them and you do not want to lose them. And the third er, step towards a successful integration is to make sure that you move quickly. Too many companies take too long to plan and to implement and, once you lose momentum, er, the uncertainty around this process can cause you problems.

I And how do you know whether an acquisition has been a success or not?

NP Well it hopefully will be driven from my answers to the first two questions. If you ... if you've chosen your company correctly, if you've analyzed the company correctly and if you've planned your integration properly, then you should have a basis upon which to measure the success of your acquisition, so you should be able to see whether it's met your strategic objectives. Did what you expected to happen actually play out? Do you have a stronger competitive position as a result of this acquisition? Did you get the cost savings out that you expected? Did the sales of the company continue as you had projected? And, therefore, was the price a sensible price to pay?

Task 10. Read and translate the following information. After reading make up four questions to it.

Telecommunication giant Nokia was established in Nokia, its namesake. The now billion-dollar company was founded by Fredrik Idestam in 1865 as a pulp mill for manufacturing paper. Finnish Rubber Works Ltd (founded 1898) set up a factory in Nokia in 1904. These two companies and Finnish Cable Works Ltd amalgamated in 1967 forming Nokia Corporation. Different branches of this conglomerate were split into several companies or sold off around 1990. The Rubber Works still operates in Nokia as Nokian Tyres and the paper mill as Georgia-Pacific Finland Oy. The telecommunication company Nokia no longer has any operations in the town of Nokia.

Much to the amazement and dismay of foreign tourists, the company Nokia has extremely little presence in Nokia. Despite having been founded in Nokia, Nokia has its headquarters in Espoo and its main factories in Salo, both hundreds of kilometres south of Nokia. Almost every year, tourists come to Nokia expecting to find a great mobile phone museum, but the only connection to the company is the Nokia mansion, which is

sometimes used for private parties for the company's executive staff. The town has repeatedly been asked to commemorate the company it gave birth to, but it has always declined, saying Nokia mobile phones were never actually produced in Nokia.

Today's Nokia is famous for its spa, factory shops, waterways, and events. Nokia also enjoys good road and air connections. From a religious perspective, Nokia is most well known for the charismatic Nokia Revival which began in 1990, and continues to the present through the work of Markku Koivisto and Nokia Missio.

Text C

Recycling

Task 1. Read and translate the text.

The term “recycling” can imply various methods of reprocessing secondary materials and reusing all sorts of products: household, waste packaging materials, even industrial waste. Either the government or local trade associations may organize such schemes. The aim, however, is one and the same – to create a survivable society. In Japan recycling is no whim or fad, but generally accepted part of everyday life.

From ancient times until about half a century ago recycling in Japan was a part of every-day life. Clothing was mended, patched and worn almost endlessly. When bathrobes wore out and became too thin they were used for pajamas, then cut up for nappies and finally used as rags. Every market had stalls selling clothing and the same piece of clothing was sometimes worn by several successive generations. In the early decades of the 20th century toilet paper and serviettes were made from old newspapers and magazines, which were bought up by waste-paper collectors who sold it for reprocessing. Beer bottles and large sake bottles were constantly recycled. The latter were first used for bottling the best soya bean sake, then for sake of a lower quality, next for sauce and finally for frying oil. For a long time such basic forms of consumer recycling were considered quite normal. Later new goods began making their appearance: toilet paper made from pure pulp, bottles of a shape that made them unsuitable for re-use, and tinned beer. Although beer bottles are still reused they are an exception from the trend of recent decades of not re-using containers.

There is a general rule which states that the amount of a country's waste is proportional to its gross product, implying that a larger amount of rubbish is proof of a higher standard of living. The worldwide drive for

saving resources calls for new ways to be found of curbing the rate at which the amount of waste increases. The bulk of waste is burnt and the resultant debris used for infill. But as fewer sites need filling the cost of reprocessing waste increases and the problem becomes more acute. The only solution is to cut the amount of rubbish produced whilst increasing the proportion which can be recycled.

One reason why paper, empty bottles and scrap metal have been widely recycled in Japan is that it has been financially advantageous. Nowadays the greatest obstacle to industrial recycling is the excess of expenditure over income. In addition to certain obligatory recycling, an economic system must be provided which would make it financially advantageous to re-use materials.

We have already mentioned that recycling was once a common sense matter in Japan. Looking at basics, it is easy to see that the whole of our eco-system functions on the principle of constant recycling. Sea water evaporates to form clouds which fall to earth in the form of rain. Grass and trees convert carbon dioxides, taken in from air and water, into the oxygen so essential to animal life. Plants are a vital link in the food chain, supporting animal life and contributing to the constant enrichment of the soil. However, the earth's recycling system is ruined by petroleum hydrocarbons and other pollutants, which harm the environment and which do not revert to soil. In other words it is extremely important that all efforts be directed at restoring the natural balance of the planet's ecological system.

The individual consumer must have a way of life that is based on an awareness of the need to recycle. The modest efforts of individuals will, on a national scale, produce a massive combined force. And yet it won't really matter how much less rubbish is produced by the individual because, as long as manufacturers pursue a policy of mass production and bulk sales of consumer goods the role of recycling will be insignificant. For recycling to take root as a social system, individuals, employers and government must recognize the importance of conserving the environment of our planet Earth.

Task 2. Answer the questions to the text.

1. What does the term "recycling" imply?
2. What do you know about recycling in Japan?
3. What can you say about the earth's recycling system?

Task 3. Match pairs of equivalents.

1. ... the term recycling can imply ...	1). ...сприймалися як норма життя
2. ... were considered quite normal ...	2). ...пляшки спеціального дизайну не придатні для рециркуляції ...
3. ... bottles of a shape that made them unsuitable for re-use ...	3). ... під терміном рециркуляція можна розуміти ...
4. ... an exception from the trend of recent decades of not re-using containers ...	4). ... виключення в тенденції, що спостерігається останні десятиліття уникати повторного використання вмістищ ...
5. ... the world-wide drive for ...	5). ... шкодити навколишньому середовищу ...
6. ... it has been financially advantageous ...	6). ... це було вигідно ...
7. ... a common sense matter ...	7). ... спонукання у всьому світі ...
8. ... harm the environment ...	8). ... питання здорового глузду ...

UNIT 5

Banking and Insurance

Text A

Task 1. Read and translate the following text into Ukrainian.

How Banks Work

Essentially, banks and other financial institutions such as trust companies, credit unions provide:

1. A safe place to keep your money.
2. Services to help you manage your money.
3. Loans and mortgages.

It is important to realize that financial institutions do not just hold your money in a safe place. They make money by:

1. Investing your money, for which they pay you interest.
2. Lending you money, for which they charge you interest.
3. Providing you with credit cards, usually in the form of a credit card. The interest rate on credit cards on your unpaid balance is quite a lot higher than on a conventional loan.

Vocabulary Notes:

loan – позика;

on loan – у позику;

mortgage – іпотека, застава, заставна;

interest rate – відсоткова ставка

Task 2. Discuss the following questions.

1. What do banks provide?
2. How do banks make their money?

Task 3. Insert the missing letters into the words.

1. The person to whom a cheque is written. p _ _ _ _
2. Money provided by a bank to a customer, for an agreed purpose. l _ _ _
3. A bank which offers a full range of services to individuals and companies. c _ m _ _ _ _ _ l b _ _ _

4. A type of bank with a strong local or regional identity, mainly used by small, private investors, who get interest on their deposits.

s _ _ _ _ _ b _ _ _ _

5. An instruction from one bank to another bank asking it to make a payment to a supplier.

_ _ _ k d _ _ _ _

6. An agreement that an account can remain in debit up to a certain amount for an agreed time period.

o _ _ _ _ _

7. The time taken from when a cheque is presented to a bank to when the receiving account is credited.

c _ _ r _ _ e

8. Fees charged by a bank for services provided.

_ _ n _ c _ _ _ _ s

9. An instruction from a customer to a bank to make a regular payment to a creditor. Instructions to alter the dates or the payments must come from the customer.

s _ _ _ _ _ g o _ _ _ r

10. A computer printout sent by a bank to a customer, showing recent activity on his/her account.

s _ _ _ _ _ t

11. The lowest level of interest that a bank charges for lending money.

b _ _ _ r _ _ _

12. Conducting banking services from a computer using the bank's website.

l _ _ _ _ _ t b _ _ _ _ _

Notes: A **payee** is someone who is paid. A **payer** pays someone else. A similar contrast exists between **employee** and **employer** and between **franchisee** and **franchiser**. Verbs exist in all these cases: **pay**, **employ**, **franchise**.

Text B

Task 1. Read the text and translate it into Ukrainian.

Easy Money

Britain's high street banks are extremely profitable – and widely criticized for their poor performance. What's going on? Asks **George Graham**

Andrew Buxton, chairman of Barclays, ought to have looked a troubled man as he presented his bank's annual results last week. In the last year, Barclays had lost a chief executive, dropped £205m on rash trading in the bond markets, another £153m on bad loans to Russian customers, and had let its operating costs run out of control.

Yet Barclays somehow managed to make profits of £1.9bn.

In the same year, Lloyds TSB reported a 14 per cent increase in its pre-tax profits to £3.29bn, equivalent to an after-tax return on shareholders' equity of 33 per cent. And other British banks made similar profits.

So where do these profits come from? And why have they not been lost to the competition from other institutions?

The first part of the answer lies in the condition of the UK economy at large. In principle, bank profits are built for the most part on the volumes of loans they make and the deposits they collect; the margins between the interest rates for these two sides of their balance sheet gives them their profits (or losses). But in a mature market such as the UK, it is hard for a very large bank to expand loan and deposit volumes much beyond the level of the economy as a whole, and even harder to widen net interest margins.

The biggest factor in bank profits has therefore been the level of bad debts. In 1992, when banks' accounts showed the worst of the effects of the last UK recession, the seven principal banks set aside £6.45bn of bad debt provisions between them. Last year, the total for the same group is estimated to have been around £2.6bn.

The other side of British bank's profitability reflects interplay between technology-based efficiency gains and customer inertia. Banks have become more efficient over the past decade, stripping out costs as new computer systems and telecommunications networks have enabled them to set up industrial-scale processing plants for tasks that used to be handled by clerks in the back of each branch.

Branches are expensive to run, and the network has been whittled down from a peak of 21,800 branches in 1985 to around 15,000 today. Each branch, too, has fewer staff.

One of the most frequent complaints is the disappearance of the human touch in the bank branch. Yet customers have reaped most of the benefits of the bank's efficiency gains – cash dispensed at the touch of a button by machines, instant account balances, transfers and even loans available over the telephone.

However, British banks remain years behind their French rivals in electronic banking. Nor is the UK's money transmission system the most consumer-friendly in the world. Customers in New Zealand and Canada get deposits credited instantaneously, while in the UK they must wait days.

Competition in financial services has been steadily increasing since the 1980s. Yet the British consumer is more likely to swap a wife (or husband) than a bank. With such undemanding customers, leading banks could have years of fat profits ahead of them.

Task 2. Discuss the following questions.

1. How do banks make their profits?
2. What factors determine the profitability of a bank?

Task 3. Mark these statements T (true) or F (false) according to the information in the text. Find the part of the text that gives the correct information.

1. Barclay's profits were higher than those of Lloyds TSB.
2. Banks in the UK can make more profit by charging higher interest on loans.
3. The provision for bad debts for the main UK banks was much higher in 1992.
4. The banks do not employ as many clerks as they did in the 1980s.
5. Customers prefer to deal with machines rather than talk to bank staff.
6. British banks are the most advanced in the world.
7. British banks face a lot of competition from other institutions offering financial services.
8. The British don't complain very much about the service they receive from their banks.

Task 4. Which of the following reasons are given in the text to explain the British banks' profitability?

- j) trading in bond markets
- k) reduction in the number of branches
- l) effective management
- m) reduction in the level of bad debts
- n) interest from loans to overseas customers
- o) large-scale processing of transactions
- p) competitive interest rates attracting more customers
- q) British customers preferring to stay with the same bank
- r) the strength of the economy

Task 5. Which of the following examples of improved banking technology are mentioned either directly or indirectly in the text?

- a) ATMs
- b) smart cards
- c) credit cards
- d) telephone banking
- e) electronic banking

Task 6. Match these terms with their definitions.

- | | |
|------------------------------|---|
| 1. net interest margin | a) money reserved to cover bad debts |
| 2. provisions | b) profit as a percentage of shareholders' capital |
| 3. return on equity | c) difference between interest income and interest payments |
| 4. money transmission system | d) method of transferring funds from one person to another |

Task 7. Replace the underlined items with words or phrases from the text that have a similar meaning.

1. Banks are affected by the state of the UK economy in general.
2. The UK has a very established loan market.
3. It's difficult for a large bank to increase loan and deposit volumes.
4. The UK's seven principal banks set aside about £6.5bn of bad debt provision.
5. Banks have closed thousands of branches over the last ten years.
6. Many routine banking tasks are dealt with by computer.
7. A bank branch is expensive to operate.
8. Technologically, British banks are behind their French competitors.
9. Few people change banks in Britain.
- 10 Most UK banks still make huge profits.

Task 8. Choose the best explanation for each of these words or phrases from the text.

1. troubled
 - a) worried
 - b) pleased
2. rash trading
 - a) trading without enough care and consideration
 - b) trading in large volumes
3. let its operating costs run out of control
 - a) allowed its costs to go over the budget
 - b) allowed its costs to be checked by external auditors
4. customer inertia

- a) customers don't want to move or change anything
- b) customers expect a lot of improvements in service

5. stripping out costs

- a) adding to costs
- b) removing costs

6. reaped most of the benefits

- a) collected most of the benefits
- b) lost most of the benefits

Task 9. Find a word or phrase in the text that has a similar meaning.

- 1. total amount or quantities _____
- 2. system of local offices spread around the country b _____ n _____
- 3. highest level recorded over a period p _____
- 4. designed so as to be maximum benefit to the consumer c _____ -f _____
- 5. when the value of a deposit is added to an account balance c _____
- 6. banks with the biggest share of the market l _____ b _____

Task 10. Match the first half of each sentence with the most appropriate second half. Notice the words that are used in each sentence to mark a contrasting idea. (These words are in italics).

- 1. Barclays Bank had troubled years
 - 2. Banks make a profit on their net interest margin
 - 3. British banks have introduced a range of technically-advanced services
 - 4. Canadian customers get deposits credited instantaneously
- a) *while* UK customers have to wait a few days.
 - b) *yet* it managed to make a lot of profit.
 - c) *but* it is difficult for them to widen their margins.
 - d) *but* they are still behind the French in electronic banking.

Task 11. How do British banks differ from banks in Ukraine in the way they make their profits?

Task 12. Complete the sentences below with a word or phrase from the box.

bank draft; cash point; cheque book; debit card; direct debit; electronic funds transfer (EFT); home-banking; night safe; paying-in slip; PIN number (personal identification number); standing order; statement; withdrawal receipt;

1. If I want my bank to transfer money to another bank I ask for a _____.
2. A plastic card that I can use to pay for goods in shops that means that money is immediately transferred to the shop's bank is called a _____.
3. Banks normally send out a _____ every month. It is complete record of all transactions on the named account.
4. When someone pays cash or cheques into a bank, they complete a _____.
5. If you need cash urgently, you can usually get some – even at night – from a _____.
6. When you use your bank to get cash, you have to know your _____.
7. Most people who have a bank account can pay for goods and services by using a _____, or if it is a regular payment, they may set up a _____.
8. A _____ is an agreement to pay a creditor a sum of money on a regular basis, where the creditors can alter the dates or amounts of the payment.
9. Some banks operate a _____ facility where you can deposit cash.
10. If you take money from your account you normally get a _____.
11. The instant movement of money from one account to another using computers and the telephone network is called _____.
12. Carrying out simple banking operations such as checking your account, making transfers or payments from home, either by phone or using a computer is _____.

Notes: American Express, VISA and Mastercard are **credit cards**. You pay at the end of the month and so get up to one month's credit from the card issuer. With a **debit card**, your account is debited immediately.

Task 13. Choose the correct phrase from the alternatives in italics to create eight true sentences about economic management.

1. Most people think *politicians/bankers* are better than *politicians/bankers* at running an economy.
2. Independent central banks have a good record on controlling *inflation/public opinion*.
3. Freedom to control monetary policy/banking regulations means being able to change *exchange rates/political opinion*.

4. *Low interest rates/high interest rates* help to control inflation/small banks.
5. High interests rates often cause *small banks/central banks* to fail.
6. In developing countries, central banks cannot help small banks because of the risk of *low inflation/hyper-inflation*.
7. Newly independent central banks are limited by their agreements with *the International Monetary Fund/ the United Nations*.
8. Any risk of inflation can mean disinvestment/new investment on the part of *investment fund holders/national governments*.
9. If an economy is experiencing major falls in the price of goods and a lack of demand, as well as falling employment, this is called a *recession/stagflation*.

Notes:

- National economies are controlled by central banks, governments, and international financial interests. Economies are also affected by investment decisions by large private companies, multinational corporations, trade agreements, exchange rates, currency speculations, and the state of the regional, national and international economy.
- The difference between **recession** and **stagflation** is the rapidly falling prices under stagflation. **Hyper-inflation** is extremely high levels of (rising prices and wages).

Text C

Task 1. Read and translate the following text into Ukrainian.

The Role of Banks

The following story is going to explain the role of banks. In the past most societies used different objects as money. Some of these were valuable because they were rare and beautiful, others – because they could be eaten or used. Early forms of money like these were used to buy goods. They were also used to pay for marriages, fines and debts. But although everyday objects were extremely practical kinds of cash in many ways, they had some disadvantages, too. For example, it was difficult to measure their value accurately, divide some of them into a wide range of amounts, keep some of them for a long time, use them to make financial plans for the future. For reasons such as these, some societies began to use another kind of money, that is, precious metals.

People used gold, gold bullion, as money. Those were dangerous times, and people wanted a safe place to keep their gold. So they deposited it with goldsmith, people who worked with gold for jewellery and so on and also had a guarded vault to keep it safe in. and when people wanted some of their gold to pay for things with, they want and fetched it from the goldsmith.

Two developments turned these goldsmiths into bankers. The first was that people found it a lot easier to give the seller a letter than it was to fetch some gold and then physically hand it over to him. This letter transferred some of the gold they had at the goldsmith's to the seller. This letter we would nowadays call a cheque. And, of course, once these letters or cheques, became acceptable as a way of paying for goods, people felt that the gold they had deposited with the goldsmith, was just as good as gold in their own pockets. And as letters or cheques, were easier to carry around than gold, and a lot less dangerous, people started to say that their money holdings were what they had with them plus their deposits. So a system of deposits was started. The second development was that goldsmiths realized they had a great deal of unused gold lying in their vaults doing nothing. This development was actually of greater importance than the first.

Now let's turn to the first bank loan ever and see what happened. A firm asked a goldsmith for a loan. The goldsmith realized that some of the gold in his vault could be lent to the firm, and of course he asked the firm to pay it back later with a little interest. Of course, at that moment the goldsmith was short of gold, it wasn't actually his gold, but he reckoned it was unlikely that everyone who had deposited gold with him would want it back the same time, at any rate – not before the firm had repaid him his gold with a little interest. He thought it safe enough.

Now let's turn to the question of reserves. Reserves are the amount of gold that is immediately available in the vault to meet depositors' demands. People originally deposited \$100 of gold with the goldsmith. The goldsmith lent \$10, leaving himself with \$90. As a banker he was relying on the fact that not everyone would want their gold back at the same time. If they had gone, he couldn't have paid out. His reserves of \$90 were not enough.

Vocabulary Notes:

rare – рідкісний;

finer – штрафи;

to measure their value accurately – точно виміряти їх цінність (вартість);

to divide into a wide range of amounts – розділити на багато частин;

precious metals – дорогоцінні метали;

gold bullion – золотий злиток;

to deposit with – берегти, вкладати;

a goldsmith – золотих справ майстер;
worked with gold for jewellery – робити золоті прикраси;
a guarded vault – охоронювальне сховище;
to fetch – приносити, доставати;
to transfer – переводити, передавати;
once these letters or cheques, became acceptable as a way of paying for goods – щойно ці листи або чеки почали прийматися при сплаті за товари;
their money holdings – гроші, які їм належали, якими вони володіли;
a bank loan – банківська позика;
a little interest – невеликий відсоток;
to reckon – вважати, припускати;
at any rate – у будь-якому випадку;
a transaction – угода;
to owe – бути винним;
assets and liabilities – активи і пасиви;
to write (*syn.* to draw, to issue, to make out) a cheque – виписувати чек;
his assets failed – *тут* його активи знизились;
initial loan – первинна позика;
the amount of gold that is immediately available in the vault – запаси (кількість) золота, які завжди знаходяться (і можуть бути негайно одержані) в сховищі банку;
the reserve ratio – резервна норма;
to make a profit through his interest charges – отримувати прибуток за рахунок виплати відсотків.

Task 2. Translate into English.

1. Про діяльність комерційного банку можна судити (зрозуміти) за допомогою балансового звіту, в якому активи дорівнюють пасивам.
2. У комерційного банку дві функції – приймання грошових вкладів та видача займів.
3. Банкір переслідує дві суперечливі одна одній цілі. Одна ціль – прибуток. Комерційні банки, як і інші підприємства, прагнуть до прибутку. Тому вони надають кредити і скуповують цінні папери, урядові облігації та акції компаній. Ці операції в балансі показані як основні активи, що приносять прибуток комерційним банкам. З іншого боку комерційний банк повинен прагнути до безпеки. Для банків безпека забезпечується ліквідністю, а саме такими ліквідними активами як готівка. Тому банкіри прагнуть до балансу між обережністю та прибутками.

4. Фінансові посередники – це інститути, які збирають заощадження населення і надають їх позичальнику. Фінансові посередники можуть бути поділені на три групи – банківські, страхові та інвестиційні інститути. Банківські інститути складаються з комерційних банків, ощадних банків і т.п. для них характерне прийняття вкладів від населення та організацій.

Task 3. Look through these words and phrases and learn them by heart.

Bank Organization

Compete, market, management, executive, organization, line, division, function, operate, responsible, report, board, branch, correspondent, capital

Vocabulary Notes:

Compete

to compete in smth – конкурувати в чомусь;
competition – конкуренція;
competitive pressure – конкурентний тиск;
competitive advantage – конкурентна перевага;
competitor – конкурент;
syn. rival
to be competitive – бути конкурентоспроможним;

Market

market segmentation – сегментація ринку;
market niching – пошуки найбільш сприятливого положення на ринку (для певної фірми);

Management

effective management – ефективне керівництво будь-чим;
top (senior) management – найвище керівництво;
syn. heads of departments – начальники відділів;
management (managerial) personnel – адміністративно-управлінський персонал;
managerial staff – старший керуючий персонал;
ant. staff – службовий персонал, рядові службовці;
to manage – керувати;
syn. to run a bank

Executive

chief executive – президент (компанії, банка), директор;
top executive – керівники вищого рангу;
senior executive – старший адміністратор, керівник вищого рангу;
syn. **officer** – посадове лице;

Organization

bank organization – організаційна структура банку;
functional (line) organization – функціональна (лінійна) структура банку;
staff organization – організаційна схема підпорядкованості;
organization chart – схема організаційної структури;

Line

line of activity – род, сфера діяльності;
product line – предметно-виробнича спеціалізація;
line and staff – лінійний і (функціональний) штатний (про керуючий персонал);
line (operational personnel) – персонал із підрозділу, оперативні працівники;
ant. **managerial personnel**
line division – оперативний підрозділ;
syn. **operative (operating) division**

Division

bank division – керівництво банку;
bank department – відділ банку;
line division – лінійне (оперативне) керівництво;
to head a division (department) – очолювати керівництво (відділ);

Function

functions (pl.) – посадові обов'язки, функції;
routine functions – повсякденні обов'язки;
staff functions – функції центрального апарату;
marketing functions – діяльність по забезпеченню збуту (продукції);
function (sing.) – функція, призначення;
deposit function – банківська функція по прийманню депозитів;
loan function – функція по видачі займів;
to perform a function – здійснювати функцію;

Operate

to operate (intr.) – діяти, виконувати операції;

bank operation – банківська операція;

syn. **transaction**

banking facilities – банківські операції, банківські послуги;

to monitor operations – здійснювати контроль за операціями;

syn. **to control (supervise) operational activity**

operating (operative) divisions (departments) – оперативні керівництва, відділи;

syn. **line divisions**

to realize (conduct) an operation – здійснювати операцію;

Responsible

to be responsible for smth – відповідати за когось;

to accept responsibility for – взяти на себе відповідальність;

Report

to report to smb – звітувати перед кимось, підпорядковуватись комусь;

Board

board of directors – рада директорів, правління;

to be on the board – бути членом правління;

Branch

branch bank – відділ банку;

branch office – відділ (компанії), філіал;

ant. **head office** – головна контора;

branch banking – система банків, яка має філіали;

branch network – мережа філіалів (відділів);

nation-wide network of branch offices – мережа відділів банку по всій країні;

Correspondent

correspondent banking – система кореспондентських відношень;

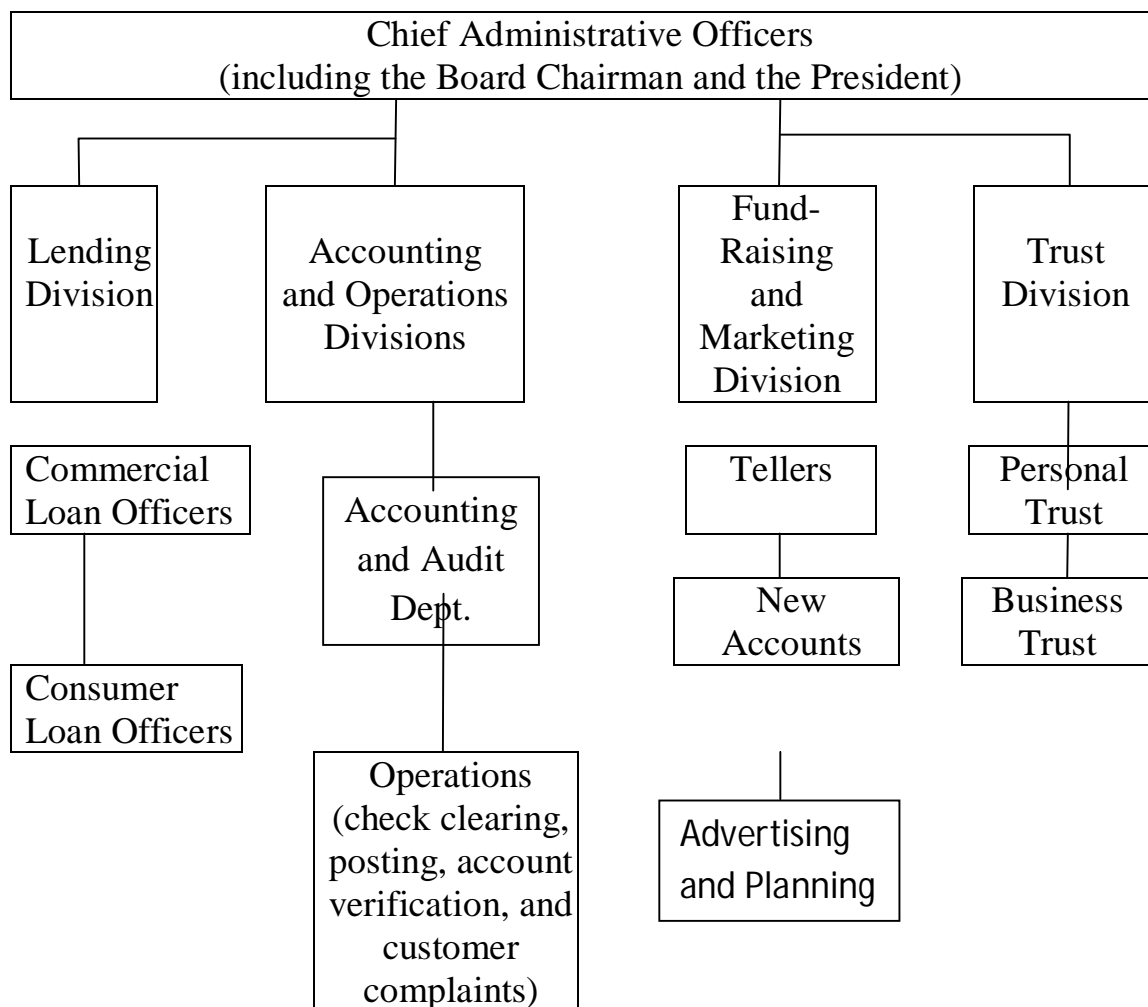
syn. **correspondent relationship**

Capital

to raise capital (funds) – мобілізувати капітал, кошти.

Task 4. Look through an organization chart and explain it.

Organization Chart for a Small Community Bank



Task 5. Look through these words and phrases and learn them by heart.

New Services in Banking

Banking, services, estate, realty, trust, indenture, administer, fiduciary, mortgage, covenant, letter of credit, to pay off

Banking

retail banking – операції банків з широкою клієнтурою;

wholesale banking – операції банків з великими промисловими підприємствами;

banking business – банківська справа, банківські операції;

banking services – банківські послуги;

syn. **bank services**

banking facilities – банківські послуги (операції);
deposit banking – депозитні операції банків;
banking institution – установи банківського типу;
syn. **financial institution** – кредитно-фінансовий заклад;
depository (thrift, savings) institution – депозитний заклад;
lending institution – кредитний заклад;
ant. **institutional investor** – інституціональний інвестор, небанківський кредитний заклад;

Service

full service – повний комплекс обслуговування;
syn. **large service menu** – широкий вибір послуг;
syn. **mix of services** – асортимент (номенклатура) послуг;
service fee – винагорода за послуги;
large (small) scale services – послуги, які банки надають великим фірмам (невеликим фірмам та населенню);
personal services – послуги приватним особам;
commercial services – послуги фірмам;
trust services – трастові послуги, довірливі послуги;
cash management services – послуги за контролем та регулюванням грошових операцій (в банку, фірмі);
investment services – послуги з керівництва інвестиціями;
agency services – посередницькі (агентські) послуги;
insurance services – страхові послуги;
real estate services – послуги з керівництва нерухомістю за дорученням;

Indent(ure)

under indenture – по контракту;

Covenant – договір, окрема стаття договору

to agree to a covenant – прийти до угоди з усіх зобов'язань, які впливають з договору;
to adhere to a covenant – притримуватись домовленостей;

Trust

trust agreement – договір про заснування трасту (зазвичай письмовий);
trust indenture – контракт між власником акцій та компанією, що їх випускає;
trust deed – доручення на управління власністю;

trust operations – довірливі послуги (операції), трастові послуги (операції);

trust division (department) – трастове керівництво, траст-відділ;

trustor – особа, що заснувала траст; довіритель;

trustee – довірена особа, опікун; установа, яка орудує майном на користь іншої особи;

trustee under indenture – довірена особа з облігаційного займу;

to act as a trustee – діяти в якості довіреної особи;

to appoint (to designate) a trustee – призначити довірену особу;

Estate

syn. **assets** – майно, активи;

trust estate – майно, кероване за дорученням;

estate statement – встановлення довірливої власності на майно, розпорядження всім майном клієнта;

Realty

realty company – компанія, яка займається операціями з нерухомим майном;

syn. **real estate company**

real estate – нерухоме майно;

real estate brokerage – брокерські операції з нерухомості;

Administer

to administer an estate – розпоряджатися (керувати) майном;

syn. **to manage an estate**

trust administration – розпорядження (керування) власністю на довірливій основі;

trust administrator – опікун;

Fiduciary (n); (attr.)

fiduciary relationship – майнові відношення довірливого характеру;

to act as a fiduciary – діяти в якості довіреної особи (трансагента);

Mortgage

mortgage loan – позика під нерухомість;

syn. **real estate loan**

real estate mortgage – заставна під нерухомість;

to borrow on mortgage – отримувати позику під заставу нерухомого майна;

to redeem a mortgage – викупати заставну;

to mortgage property – закладати майно;

Letter of credit

to issue a letter of credit – відкривати акредитив;

syn. **to open a letter of credit**

terms of a letter of credit – умови акредитива;

Pay off

to pay off smb – розраховуватися з кимось;

pay off bonds – погасити облігації;

syn. **to retire a bond at maturity** – погасити облігацію з настанням строку

Text D

Task 1. Read and translate the text into Ukrainian.

**What The European Bank for Reconstruction and Development
(EBRD) in Ukraine**

The European Bank for Reconstruction and Development (EBRD) has become one of the leading investors in the private sector. Set up with the specific aims of assisting the transition towards a market economy, the Bank works with various partners. For example, the Bank works with foreign investors and local entrepreneurs, with the financial sector, and works to remove infrastructure bottlenecks, which hamper private sector development. It is succeeding in its endeavors.

The projects it finances include financial institutions, telecommunications, energy-saving, power generation, transport construction, manufacturing and agriculture.

The EBRD has been participating in Ukraine's development since December 1991 and it opened its office in Kiev in May 1993. With its key mandate of helping to foster the transition to an open market-oriented economy, the Bank has been keen to assist Ukraine in its initial steps towards independence, nationhood and the market system. But the Bank cannot work alone. It relies on the government to create the framework within which a market economy will prosper. Since the recent election of President Kuchma, it appears that the tide is turning towards reform. The recent agreement with the IMF is testimony to this. With this new commitment to reform, the Bank in all its activities seeks to encourage the transition process.

Meeting the needs of private-oriented industries and small and medium enterprises is important for the development of a vibrant local private sector. Recognizing this, the Bank has at the heart of its business strategy a strong emphasis on its activities in the financial sector. This is because an essential ingredient to the functioning of any efficient private sector must be a sound financial system. Without the basic financial infrastructure in place, transition cannot succeed.

The EBRD therefore works closely with domestic financial institutions. The Bank seeks to increase the availability of much needed equity finance for the local private sector by investing in various venture capital funds in the region.

Vocabulary Notes:

leading investor – лідуючий інвестор, вкладник;
set up – засновувати, організовувати;
to remove infrastructure bottlenecks – усувати недоліки (вузькі місця) інфраструктури;
endeavor – спроба, зусилля, прагнення;
benefit – користь, прибуток;
to foster – заохочувати, сприяти;
venture capital – „ризиковий” капітал; капітал, які інвестується у проекти з підвищеним рівнем ризику

Task 2. Complete the words below to match the given meanings.

1. Payment made by an insurer. i_d _ _ _ _ _
2. A document which is evidence that someone has insurance. i _ _ _ _ _ e c _ _ _ _ _ e
3. Covered by an insurance policy. i _ _ _ _ d
4. Possibility that something might happen. r _ _ _
5. The amount charged for insurance. p _ _ _ _ m
6. Payment to help someone who has suffered loss or injury. c _ _ p _ _ s _ _ _ _ _
7. Insurance protection. c _ _ _ _
8. A small part of the total loss which should be paid by the insured person when she/he makes an insurance claim. e _ _ _ _ s
9. A type of insurance which pays out on the death of the insured, or at a specific pre-determined time. l _ _ _ a _ _ _ _ _ n _ _
10. A person whose job is to find appropriate insurance at an appropriate price. b _ _ _ _ _

11. A description of what happened and a request to an insurer to meet the costs resulting from the event. _ _ _ _ m
12. Someone other than the insured who suffers loss or injury in an accident. t _ _ _ _ p _ _ _ _
13. A document issued by an insurance company describing the type of insurance offered and requesting payment. s _ _ _ _ _ e
14. A document describing an insurance agreement. p _ _ _ _ y
15. The period for which an insurance policy is effective. t _ _ _

Note: Notice the verbs **claim** (from an insurance company or policy) and **claim damages against** someone. **Damages** here means compensation for harm or injury. *Damages* is a plural and uncountable word. Where *damage* is singular it means damage or harm to a thing (not a person). It is also uncountable. Another meaning of *claim* is much more common and non-technical. This is to state that something is a fact, for example *The scientist claimed that chimpanzees think in a similar way to humans*. There is also the noun, **claim**. Examples: *The claim was rejected by a local zoo keeper*.

Task 3. Antonio Alessandro has sent a claim form to his insurer after a fire at his restaurant. He receives the reply below. Complete the text with appropriate words from the box.

<div style="display: flex; justify-content: space-around;"> claim compensation comprehensive cover estimate </div> <div style="display: flex; justify-content: space-around;"> indemnity legal costs loss adjuster no claims bonus policy </div> <div style="text-align: center;"> premium </div>
<p style="text-align: center;">Bridge Insurance Ltd 124 Kew Gardens Road, London SW2 5HB Tel: 0207 433 8211 Fax: 0207 433 5633</p> <p>Antonio Alessandro Ristorante Colosseo 120 Riverside Road London EC23 5 TR 2 March 2002</p> <p>Dear Mr Alessandro Re: Policy number DR 239981 R, Claim Ref. DR4381 Thank you for your (1) _____ relating to the fire at your restaurant. We confirm that your policy is (2) _____ and therefore covers fire. Our (3) _____, Peter Carrow, will visit you on 7 March to see the</p>

damage.

You will receive (4) _____ for all damage to the building and equipment. You should supply an (5) _____ from two firms for the repairs. You will also receive (6) _____ for loss of business, though you will have to make a separate claim. In addition, you (7) _____ also provides (8) _____ for any (9) _____ which may arise. Finally, we would like to inform you that your (10) _____ will rise by 10 % as your (11) _____ will be affected by this incident.

Yours sincerely

Janina Piontek

Janina Piontek

Claims Manager

Note: The normal conventions of greetings and farewells in letters are:

Dear Mr/Mrs/Ms Bailey (named addressee) *Yours sincerely*

Dear Sir (unnamed addressee) *Yours faithfully*

We normally use the name of the addressee if we know it.

UNIT 6

Financial Markets

Task 1. Answer the following question.

What financial markets do you know?

Text A

Financial Markets

Task 2. Read and translate the text.

To answer the questions of what, how and for whom to produce we look at three major financial markets: the stock market, the bond market and the futures market (where everything from frozen pork bellies to US Treasury bonds are traded).

Stock markets are one of the institutions that serve as financial intermediaries. Stock markets help channel savings into investment. Although most people immediately think of Wall Street when they hear “stock exchange” the stock market is highly dispersed. There are 17 different stock exchanges in the United States and over a hundred additional exchanges in other countries.

What people buy and sell on the stock exchanges are ownership shares of corporations. A corporation tends to be the largest type of enterprise, with average asset values measured in millions of dollars.

The ownership of corporation is defined in terms of stock shares. Each share of corporate stock represents partial ownership of the business. People holding shares of corporations hope to realize a financial gain from these assets. As part owners, shareholders are entitled to any profits the corporation makes.

Shareholders do not necessarily receive their share of the company's profit in cash. The corporation may choose to retain earnings or pay them out to shareholders as dividends. There are two motivations for buying and holding stocks – the expectation of dividends and anticipated capital gains.

Stock prices depend upon demand and supply in financial markets. If demand for the stock increases the stock's price will tend to rise. Similarly, an increasing reluctance of owners to sell would push the stocks higher.

The bond market operates much like the stock market. The major differences are in the kind of paper traded. In the stock market people buy and sell shares of corporate ownership. In the bond market people buy and

sell promissory notes (“IOUs” – I owe you). A bond is a written promise to repay a loan. The borrower may be a corporation (“corporate bonds”), local governments (“municipal bonds”), the federal government (“treasure bonds”) and other institutions.

A bond is issued when an institution wants to borrow money. The company had great ideas but not enough resources to start production. Previously, the problem was solved by issuing stock. A second alternative for raising necessary funds – is to borrow money. The advantage of borrowing funds is that we can keep control of the company. Lenders are not owners. On the other hand, if we borrow, we have to pay the lenders back, with interest.

Thus the bond market also functions as a financial intermediary; transferring available savings (wealth) to those who want to acquire more resources (invest). The critical issue here is the “price” of the bond. At low rates of interest no one is willing to lend funds to the company. The increased willingness to lend funds is reflected in an increased demand for bonds. This increased demand will push up the price of the bond. As bond prices rise their implied effective interest rate (yield) falls.

In futures markets people buy and sell things that are to be “delivered” in the future at prices agreed on today. Futures markets make life easier for the farmer and consumer.

Vocabulary Notes:

stock market – фондова біржа;
bond – облігації, бони;
futures market – ф’ючерсний ринок;
intermediary – посередник;
stock exchange – фондова біржа;
asset – майно;
corporate stock – акціонерний капітал;
holding – володіння (акціями), утримування, закріплення; тримання;
gain – вигода, користь, нажива;
retain – утримувати, підтримувати, зберігати;
demand and supply – попит і пропозиція;
reluctance - неохота, небажання, відраза

Task 3. Answer the questions to the text.

1. What major financial markets do you know?
2. What are stock markets?

3. What do stock prices depend on in financial markets?
4. What is a bond? What do you know about it?
5. What are futures markets?

Task 4. Fill in the blanks with appropriate words:

1. Stock markets are one of the institutions that serve as	a) to borrow
2. What people buy and sell on the stock exchanges are ... of corporations.	b) promissory notes
3. A ... tends to be the largest type of enterprise.	c) dividends
4. The corporation may choose to retain earnings or pay them out to shareholders as	d) corporation
5. In the bond market people buy and sell	e) financial intermediaries
6. A bond is issued when an institution wants ... money.	f) demand and supply
7. The advantage of borrowing funds is that we can ... of the company.	g) ownership shares
8. Stock prices depend upon ... in financial markets.	h) keep control

Task 5. Read and dramatize the following dialogue:

A.: Hello, old chap! Haven't seen you for ages. How are you getting on? You look tired.

B.: I've got a problem to solve. I invented a laser scanner that could detect all mechanical, structural or electrical defects in airplanes.

A.: Clearly, this idea has great potential to save lives and reduce the anxieties of travelers.

B.: Yes, and it also might make me a millionaire.

A.: But, to produce Air Scanners you need a manufacturing plant, workers and materials. You will also have to obtain a patent to protect your invention from would-be competitors.

B.: Besides, I shall need a research and development lab for continuous testing and improvement as well as a marketing department to demonstrate and sell the scanners.

A.: I see, from a broader economic perspective, what you have here is a resource allocation problem. At present, all of society's land, labor and capital are devoted to the production of other goods and services. Your immediate problem is defined in far simpler terms – hard cash. To acquire real resources – the land, labor and capital that can produce air scanners; you must have some means of payment.

B.: That is the problem of raising start-up funds. I could ask my relatives and friends for a loan, or even go door-to-door in the neighborhood.

A.: This method of raising funds is not likely to achieve your goals. Fortunately for you and other budding entrepreneurs most households save some fraction of their income. This flow of saving creates an enormous pool of loanable funds. Your problem is how to tap that pool to get enough funds to start building Air Scanners.

B.: I know that financial intermediaries make the job of acquiring start-up funds.

A.: A true “start-up” company like Air Scanners has nothing more than a good idea, a couple of dedicated employees and Big Plans.

B.: I cannot but mention that to fund these plans, the company can sell shares of itself. The individuals who buy the newly issued stock are putting their savings directly into the corporation's accounts. When our corporation is formed, I shall inform you. You may buy corporation's shares and become an owner.

A.: And I shall stand to profit from the corporation's business or take my lumps if the company fails.

B.: I must say because the company is incorporated, you are at a risk only for however much money you pay for your shares.

A.: You've got a point here. I have to go. And let's hope for the best.

Task 6. Read the following passage about how to advertise items online. Complete it using the words:

attention, interest, action, desire

I don't think selling online is really that different from selling anywhere else actually – because in both cases you are aiming to persuade customers to buy. So you have to get the _____ of the buyer. Now on an auction site that is critical because there are so many other goods listed that you have got to make your product or service stand out from the rest of the pack. So you really need a good title for the ad that's going to describe what you are selling. Remember to keep it short and to include the keywords that buyers will be using when they search.

Once you've done that, then you have to arouse their _____ in what you are selling. So you need to write a good description of what it is you are offering. Something that's going to make them want to acquire your products. Photos are a must! You should put in maybe four different shots of the product. That'll give buyers the impression that they have actually seen it up close.

So you still haven't sold anything so far but you can help the process along by adding some sort of promotional offer – a discount on shipping or something. Give the buyer the impression you are giving them something extra for free. That builds on the _____.

The next stage is the _____ stage which is when your customer actually bids. But remember – even when you've sold your item, you still need to close the sale and that means: one – getting your money, and two – converting the buyer into someone who is going to remember you and even become a repeat customer. And the more of those you have, the easier it'll be for you to build a solid customer base with long-term relationships.

Have you ever bought or sold something on the internet? What is different about buying things in an online market?

Text B

The Foreign Exchange Market

Task 1. Read and translate the text.

The Foreign exchange market enables companies, fund managers, banks and others to buy and sell foreign currencies, if necessary in large amounts. Capital flows arising from trade in goods and services, international investment and loans together create this demand for foreign currency. The sums involved are very large with estimated global turnover in all currencies currently in the region of \$880 billion each day. Typical wholesale deals are for amounts of \$1 mn – \$5 mn though much larger transactions are often done.

Foreign exchange trading may be for spot or forward delivery. Generally speaking, spot transactions are undertaken for an actual exchange of currencies (delivery or settlement) two business days later (the value date). Forward transactions involve a delivery date further into the future, possibly as far as a year or more ahead. By buying or selling in the forward market a bank can, on its own behalf or that of a customer, protect the value of anticipated flows of foreign currency from exchange rate volatility.

Unlike some financial markets, the foreign exchange market has no single location – it is not dealt across a trading floor. Instead, trading is via telephone, telex and computer links between dealers in different centers and, indeed, different continents. London is the world's largest foreign exchange center. Banks here trade around \$300 billion each day in foreign currencies.

London's leading position arises partly from the large volume of international financial business generated here – insurance, Eurobonds, shipping, commodities and banking. London also benefits from its geographical location which enables us to trade not only with Europe throughout the day, but also with the US and the Far East, whereas their time difference makes it difficult for those two centers to trade with each other. When banks in London begin trading at 8 a.m. they can deal with banks in Tokyo, Hong Kong or Singapore whose trading day is just ending. From about 1 p.m. onwards, London banks can trade with banks in New York; before they close at 5 p.m. their counterparties may be in Los Angeles or San Francisco. The foreign exchange market trades 24 hours a day.

Broadly speaking, there are three types of participants in the market: customers, banks and brokers. Customers, such as multinational corporations, are in the market because they require foreign currency in the course of their cross border trade or investment business. Some banks participate as market makers: that is their dealers will at all times quote buying or selling rates for currencies – dollars to the pound, D-marks to the dollar and so on. Other banks or corporations telephone them, ask for their rates, and may then buy or sell. The market makers earn a profit on the difference between their buying and selling rates, but they have to be ready to change their prices very quickly so that they avoid holding a depreciating currency, or being short of a rising currency. The third type of participants, the brokers, act as intermedia. They are specialist companies with telephone lines to banks throughout the world so that at any time they should know which bank has the highest bid (buying) rate for a currency, and which the lowest offer (selling) rate. By telephoning a broker it should, therefore, be possible for banks to find the best dealing rate currently available. The broker does not deal on own account but charges a commission for the services.

Task 2. Answer the questions to the text.

1. What is the Foreign exchange market?
2. What can you say about the market location?

3. Where is the world's largest foreign exchange center situated?
4. What do you know about the market participants?

UNIT 7

Price and Demand

Task 1. Read and translate text.

PRICE AND DEMAND

The following text will *introduce you to the topic of the effect of price and income on demand quantities.*

The Price Responsiveness of Demand

Tabl.1. presents some hypothetical numbers for the relation between ticket price and quantity demanded, other things equal.

Tabl.1. The Demand for Football Tickets

PRICE (£/ ticket)	Quantity of tickets demanded
12,50	0
10,00	20
7,50	40
5,00	60
2,50	80
0	100

Fig. 2 plots the demand curve, which happens to be a straight line in this example.

Ticket price (£)

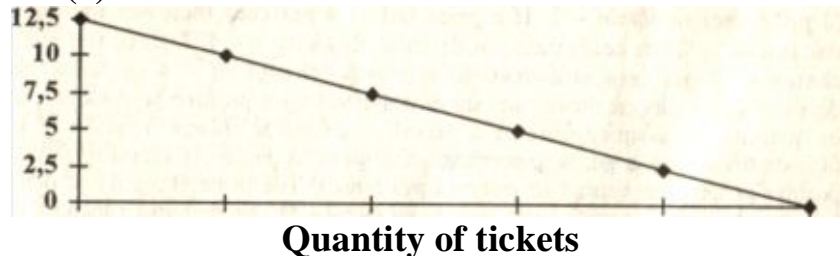


Figure 2. The Demand for Football Tickets

For given prices of related goods and consumer incomes, higher ticket prices reduce the quantity of tickets demanded.

How should we *measure the responsiveness* of the quantity of tickets demanded to the price of tickets? One *obvious measure* is the *slope of the demand curve*. The *downward slope* of the demand curve shows that quantity demanded increases as the price of a good falls. Each price cut of £ 1 leads to 8000 extra *ticket sales per game*.

Suppose, however, that we wish to compare the price responsiveness of football ticket sales with the price responsiveness of the quantity of cars demanded: clearly, £ 1 is a *trivial* cut in the price of a car and will have a *negligible effect* on the quantity of cars demanded.

When commodities are measured in different units it is often best to *examine the percentage change*, which is *unit-free*. This suggests that we think about the effect of a 1 per cent price cut on the quantity of cars and football tickets demanded. Similarly, it is not the absolute number of cars or tickets we should examine but the percentage change in quantity demanded. Not only does this solve the problem of comparing things measured in different quantity units, it also *takes account of* the size of the market. Presumably an *extra sale of 8000 tickets* is more important when ticket sales are 4000 than when they *number 40000*.

Thus we *reach the definition of the price elasticity of demand*, which economists use to measure responsiveness to price changes.

The *price elasticity of demand* is the percentage change in the quantity of a good demanded *divided by* the corresponding percentage change in its price.

Although we shall *shortly* introduce other demand elasticities – the *cross price elasticity* and the income elasticity – the *(own) price elasticity* is perhaps *the most frequently used* of the three. Whenever economists speak of the demand elasticity they mean the price elasticity of demand as it *has been defined above*.

If a 1 per cent price increase reduces the quantity demanded by 2 per cent, the demand elasticity is -2 . Because the quantity *falls* 2 per cent, we *express* this as a change of -2 per cent, then divide by the price change of 1 per cent (a price rise) *to obtain* -2 . If a price fall of 4 per cent increases the quantity demanded by 2 per cent, then the demand elasticity is $-1/2$, since the quantity change of 2 per cent is divided by the price change of -4 per cent. Since demand curve slopes down, we are either dividing a *positive percentage change* in quantity (a quantity rise) by a *negative percentage change* in price (a price fall) or dividing a negative percentage change in quantity (a quantity fall) by a positive percentage change in price (a price rise). The price elasticity of demand tells us about *movements along a demand curve* and the demand elasticity must be a negative number.

For further brevity, economists sometimes omit the minus sign. It is easier to say the demand elasticity is 2 than to say it is -2. Whenever the price elasticity of demand is expressed as a positive number, it should be understood (unless there is an explicit warning to the contrary) that a minus sign should be added. Otherwise, we should be implying that demand curves slope upwards, a rare but not unknown phenomenon.

Vocabulary Notes:

to introduce smb to the topic of – познайомити когось з темою;
the effect of smth on smth – вплив чогось на щось;
hypothetical numbers – уявлені, гіпотетичні числа;
the relation between – співвідношення між;
quantity demanded – потрібна кількість;
the plot the demand curve – викреслювати криву попиту;
for given price – для даної ціни;
to measure the responsiveness of smth to smth – виміряти здатність, реагувати (реакція) на;
obvious measure – очевидна міра;
ticket sales per game – продаж квитків на гру;
trivial (syn. minor, slight) – незначний;
a negligible effect – незначний, невеликий ефект;
to examine smth – проаналізовувати, розглядати;
the percentage change – відсоткова зміна;
unit-free – той, що не залежить від характеру одиниць (в яких вимірюються товари);
this suggests (syn. to imply) – це передбачає;
similarly – схожим образом;
to take account of – враховувати, брати до уваги;
presumably (syn. probably) – можливо, ймовірно;
extra sale – додаткові продажі;
to number – нараховувати;
to reach the definition – підвести до визначення;
the price elasticity of demand – цінова еластичність попиту;
to divide by – розділити на;
cross price elasticity – перехресна еластичність цін;
income elasticity – еластичність за прибутком;
the (own) price elasticity – власна цінова еластичність;
the most frequently used – найчастіше вживаний;
as it has been defined above – згідно визначенню, згаданому вище;
to express smth – виражати щось;

to obtain – отримувати;
a positive percentage change – позитивна (плюсова) відсоткова зміна;
a negative percentage change – негативна (мінусова) відсоткова зміна;
movements along a demand curve – рух вздовж кривої попиту;
for further brevity – для лаконічності;
to omit the minus sign – випустити знак мінуса;
it's easier to say – легше сказати;
unless there is an explicit warning to the contrary – якщо тільки не мається точної вказівки на зворотне;
to add – додати, скласти;
adding, addition – додавання, доповнення;
addendum – додаток, доповнення;
a rare but not known phenomenon – рідкісне, але феномен, який зустрічається

Task 2. Suggest the Russian equivalents.

the effect of price and income on demand quantities; the downward slope of the demand curve; movements along a demand curve

Task 3. Replace the parts in italics by synonyms.

a minor cut; a slight effect; to consider the size of the market; probably; a clear warning

Task 4. Fill in the gaps with the words and expressions from the text.

1. How should we measure ____ of the quantity of tickets demanded to the price of tickets?
2. Clearly, £ 1 is a ____ cut in the price of a car and will have a negligible effect on the quantity of cars demanded.
3. It is not the absolute number of cars or tickets we should examine but ____ in quantity demanded.
4. ____ of demand is the percentage change in the quantity of a good demanded divided by the corresponding percentage change in its price.
5. The price elasticity of demand tells us about movements along ____ and the demand elasticity must be a negative number.
6. For further brevity, economists sometimes ____ the minus sign.

Task 5. Check your grammar.

*Shorten the following sentences without changing their meaning, like this:
Nobody likes prices, which are constantly rising.*

Nobody likes constantly rising prices.

- A demand curve, which slopes.
- John is a person who works very hard.
- We must develop a policy, which fixes prices better. Interest rates, which rise will damp down demand.
- An economy, which is rapidly expanding can get out of control.
- Let's look at the information, which corresponds to this in tabular form.

*Shorten the following sentences without changing their meaning, like this:
The quantity, which we require is 5000 units.*

The required quantity is 5000 units.

- A demand curve, which has been drawn inaccurately.
- A price, which has been fixed.
- We can see changes in the price of goods, which are related to each other.
- The prices, which we have been given should be seen as hypothetical.
- If we don't use a model, which has been simplified we shall get bogged down.
- Ours is a company, which is managed well.
- An economy, which is poorly run leads to problems in society.
- That is a theory, which is now out of date.
- On the evidence available, that is a conclusion, which is not justified.

Task 6. Explain in English.

different units; percentage change; unit-free; absolute number

Task 7. Answer the following questions.

1. What does the downward slope of the demand curve show?
2. Give the definition of the price elasticity of demand. Explain it in your own words
3. Name the three types of the demand elasticity as mentioned above.
4. Explain in your own words how to calculate demand elasticity.
5. Explain why economists sometimes omit the minus sign and how negative and positive numbers should be distinguished.

UNIT 8

Injections and Withdrawals

Task 1. Answer the following question. What do you know about injections and withdrawals?

Text A

Injections

Task 2. Read and translate the text.

An injection is simply an addition to the circular flow of income, which does not arise from the spending of households. It was unrealistic to assume earlier that there would be no such additions. These additions or injections will, of course, increase the size of the circular flow and thus the level of activity in the economy. There are three recognized ways in which funds can flow into an economy. They can be generated through:

1. Investment
2. Government spending
3. Export sales

Investment is expenditure on productive capital goods. That is, goods which can be used to produce other goods and services. Thus, investment is usually held to be expenditure on factories, machinery and other physical assets. It is important to realize that economics use the word investment in a different context to the layman. An economist referring to investment does not mean the purchase of paper financial assets such as stocks or shares. Clearly, if the ownership of a company's shares is transferred from one UK citizen to another there is no overall impact on the economy.

Investment can be categorized into net investment and gross investment.

Net investment is investment, which actually increases the nation's stock of capital goods. It is such investment that enables the economy to grow. However, some investment is necessary to replace capital stock that is worn out or obsolete. This loss of value of assets is called depreciation. When this replacement is added to the net investment the total achieved is termed gross investment.

You should note that investment increases the circular flow since it comprises extra spending that has got originated in the circular flow. The main influences on the amount of investment that takes place are:

the rate of interest since firms often have to borrow to undertake the investment;

the firm's expectation about the future behavior of the economy. If they believe the economy will boom and the level of economic activity will increase, then they are more likely to enjoy increased sales. They may well decide to invest in new machinery or in a new factory.

On the other hand, if the level of investment declines then there will be less injections than previously into the economy and the rate of growth of economic activity (or the national income) will fall. Economic statistics show us that over the last few decades the level of gross investment in the UK economy has fluctuated. This will have been one of the factors affecting the level of national income and the environment in which businesses operate.

Government expenditure takes many forms and, particularly over the last 50 years or so, has been a very substantial total. This heading covers spending by both central government and local authorities. Government spending results in an injection of funds into the circular flow.

Let us take as an example a decision by the Department of Transport to build a new motorway. This will lead to a variety of spending, which would not have taken place otherwise. The authorities will have to employ surveyors, lawyers, accountants and construction workers and will have to purchase large quantities of construction materials. All of the spending generated in this way will be a addition or an injection to the circular flow.

Government spending can, of course, take many other forms. Major financial items are the provision of health and social security benefits. The latter tends to put money directly into the hands of people who need it badly and who are, therefore, likely to spend all or most of it in the near future. If it so wishes the government can use its own expenditure to rapidly affect the level of injections and thus the circular flow. Pursuing such policies, however, can have undesirable side-effects.

Exports are an injection because they result in income entering the UK's circular flow as a result of the spending decisions of foreign households, firms and governments. Notice that this spending by foreign households is a loss (or withdrawal from) their domestic circular flows.

Britain is a major trading nation and, as such, can be described as an open economy. It exports approximately one-third of all the goods and services it produces. The amount of the UK imports varies but over time will be roughly the same proportion. The UK's trade is recorded in the balance of payments figures, which are published monthly and then collected into annual accounts. If you look at the UK's trade figures you

will see that rarely, if ever, does the value of exports equal the value of imports.

The balance of payments accounts are split into two broad sections: the current account, which records imports and exports of goods and services; and the capital account, which records international monetary flows in and out of the UK, such as foreign loans and investment in the UK.

Exports have always been important to the UK economy and are indisputably an engine of economic growth. They provide domestic employment not only in the exporting industry but also in the industries, which supply components and raw materials to that industry. Exports bolster the circular flow and promote employment in a range of industries. They also stimulate innovation and competition and generate a satisfying standard of living. Most of the world's most prosperous economies are successful exporters, notably Japan and Germany. Few isolated economies have been economically successful.

Vocabulary Notes:

injection - ін'єкція, вливання (напр. грошей в економіку);
they can be generated through – це може відбуватися шляхом ...;
assets – майно, активи;
net investment – чиста інвестиція;
gross investment – валове капіталовкладення;
depreciation – знецінювання (грошей), амортизація, зношування;
to term – називати;
rate of interest – процентна ставка;
this will lead to a variety of spending – це призведе до найрізноманітніших витрат;
major financial items – основні статті витрат;
social security benefits – пільги соціального забезпечення;
pursuing such policies – проведення такої політики;
withdrawal – вилучення;
roughly – приблизно;
annual accounts – щорічні звіти;
the balance of payments accounts are split into – статті платіжного балансу діляться на ...

Task 3. Answer the following questions.

1. What is an injection?

2. What is expenditure?
3. What are net and gross investments?
4. What are the main influences on the amount of investment? Can you add anything else?
5. Speak on government expenditure and its forms.
6. What have you learnt about the UK's exports and imports?
7. Why are exports an engine of economic growth?

Task 4. Fill in the gaps with the words and expressions from the text.

1. An injection is simply an addition to _____, which does not arise from the spending of households.
2. Investment is _____ on productive capital goods.
3. An economist referring to investment doesn't mean the purchase of _____, such as _____ or _____.
4. Some investment is necessary to replace capital stock that is _____ or _____.
5. Economic statistics show us that the level of _____ in the UK economy _____ over the recent years.
6. A decision to build a new motorway will lead to _____, which would not have taken place otherwise.
7. Major financial items are the provision of _____ and _____.
8. The amount the UK imports varies but _____ will be roughly the same proportion.
9. If you look at the UK's trade figures you will see that _____ does the value of exports equal the value of imports.
10. Exports _____ the circular flow and _____ employment in _____ of industries.

Task 5. Give explanations in English.

physical assets, paper financial assets, stock, shares, capital goods, capital stock, social security benefits, the balance of payments accounts

Text B

Withdrawals

Task 1. Read and translate the text.

Withdrawals (or leakages) are that part of the circular flow, which are not passed on as spending with UK firms. This is income, which individuals, firms or governments take out of the circular flow with the likely result that the level of economic activity in the economy declines. The three forms that withdrawals can take are:

1. Savings
2. Imports
3. Taxation

Both businesses and individual citizens can take the decision not to spend all of the income that they receive. A number of factors are thought to determine the level of savings at any one time. Interest rates obviously influence the saver's decision since they represent the return on his or her savings. Many economists believe that decisions to save are taken in response to periods of economic uncertainty: the more worried people are about interest rates, job security and so on, the more they are likely to save. Alternatively, there is evidence that when money is losing value quickly, as in a period of inflation, people tend to purchase consumer durable goods such as televisions and washing machines.

Another factor is social change. Previous generations placed great store by saving in order to carry out major purchases; this is less common today perhaps due to the ready availability of credit.

You will know that expenditure by UK inhabitants on goods and services imported from abroad will remove those funds from the domestic circular flow and will cause a decrease in the level of economic activity. Periodically, the UK has spent too freely on imports and earnings from exports have been insufficient to cover this. Many factors encourage us to purchase imports: some are favorable to the economy in the long term, whilst others are harmful. If imports of raw materials increase due to the growth of a domestic industry, then indicates an expanding economy, which should sell more exports in the future in order to pay for the increased expenditure. However, if the imports are the consequence of UK citizens preferring foreign goods on grounds of, for example, price or quality, then the impact may be harmful as jobs are lost in domestic industries.

Funds are withdrawn from the circular flow in the form of taxation by the government. It levies two types of tax:

1. Direct taxes, such as income tax, corporation tax (on profits) and other taxes on income or wealth;
2. Indirect taxes, such as VAT and customs and excise duties, which are levied on spending by all of us.

If the authorities withdraw funds through taxation and then fail to spend this tax revenue, the circular flow will reduce the level of activity in the economy.

Taxation policy has been substantially altered by the Conservative government in the 1980s and early 1990s. It has reduced direct taxes because of the belief that taxation of this kind reduces the incentive to work and so dampens the spirit of enterprise in the economy. Indirect taxes, such as VAT, have been increased to make up for some of the revenue lost from direct taxes. The government has thus transferred the tax burden from direct to indirect taxes. The total burden of taxation has hardly altered.

Vocabulary Notes:

leakage – витік;
which are not passed on as – які розглядаються не як ...;
with the likely result that – в результаті чого може ...;
to place great store by – надавати велике значення;
insufficient to cover – недостатній для покриття витрат;
income tax – податок на приріст вартості;
VAT (value added tax) – податок на додану вартість;
excise duty tax – акцизний збір

Task 2. Answer the following questions.

1. What are withdrawals?
2. What forms can withdrawals take?
3. Why do people save?
4. What is the reason for purchasing imports?
5. What two types of tax do you know?

Task 3. Fill in the gaps with the words and expressions from the text.

1. Interest rates influence the saver's decision since they represent _____ on his savings.
2. Previous generations _____ saving in order to carry out major purchases.
3. Expenditures on goods and services imported from abroad _____ those funds from _____ and will cause _____ in the level of economic activity.
4. If imports of raw materials increase due to the growth of _____, then this indicates _____.
5. Funds are withdrawn from the _____ by the government, which _____ two types of tax.

6. Indirect taxes include VAT and _____.
7. Direct taxes reduce _____ to work and so dampen _____ in the economy.
8. The government has transferred _____ from direct to indirect taxes.

Task 4. Find English explanations.

the return on one's savings; taxes (direct, indirect, income, corporation, on wealth, VAT); excise duties; the tax revenue

SECTION IV

Insights into English Grammar

UNIT 1

Present Tenses

Present Forms			
Present Simple	Present Continuous	Present Perfect	Present Perfect Continuous
<i>Affirmative</i> I work_ You work_ He works	<i>Affirmative</i> I am working You are working He is working	<i>Affirmative</i> I have worked You have worked He has worked	<i>Affirmative</i> I have been working You have been working He has been working
<i>Negative</i> I don't work You don't work He doesn't work	<i>Negative</i> I'm not working You aren't working He isn't working	<i>Negative</i> I haven't worked You haven't worked He hasn't worked	<i>Negative</i> I haven't been working You haven't been working He hasn't been working
<i>Interrogative</i> Do I work? Do you work? Does he work?	<i>Interrogative</i> Am I working? Are you working? Is he working?	<i>Interrogative</i> Have I worked? Have you worked? Has he worked?	<i>Interrogative</i> Have I been working? Have you been working? Has he been

			working?
permanent situations or states He lives in a caravan. permanent truth or laws of nature Water boils at 100 C.	temporary situations She is working in Paris this week. changing or developing situations. Mary is putting on weight.	recently completed actions He has cut the grass. (the action is complete. The grass is now cut. – evidence in the present)	actions started in the past and continuing up to the present. He has been washing his bike for an hour.
repeated/habitual actions He always does his homework	frequently repeated actions with “always”, “constantly”, “continually” expressing annoyance or criticism He’s always asking stupid questions.	complete past actions connected to the present with stated or unstated time reference. He has sold his car. (Now he has no car.) He has just bought a bike. (stated time reference)	past actions of certain duration having visible results or effects in the present He has been fighting. That’s why he’s got a black eye.
reviews/sports commentaries/ dramatic narratives Pavarotti sings wonderfully in this opera.	actions happening at or around the moment of speaking The baby is sleeping at the moment	personal experiences/changes which have happened I have learnt a lot this year.	to express anger. Irritation, annoyance, explanation or criticism Someone has been lying to me
timetables/program	fixed	emphasis on	Present Perfect

rammes (future meaning) The race starts at 3.00. in exclamatory sentences Here comes the bride!	arrangements in the near future I'm seeing Rachel tonight.	number He has read three novels this week. She has interviewed seven students this morning.	Continuous is normally used with for, since or how long to put emphasis on duration She has been waiting since 4 o'clock.
Time expressions usually used with Present Forms			
Present Simple	Present Continuous	Present Perfect & Present Perfect Continuous	
Every day / week / month / year, usually, sometimes, always, rarely, never, often, in the morning / evening / afternoon, at night, on Mondays etc	Now, at the moment, at present, nowadays, today, tonight, always, still etc	Just, ever, never, already, yet (negative & questions), always, how long, so far, recently, since (= from a starting point in the past), for (= over a period of time), today, this week / month etc	

Stative Verbs

Stative verbs express a permanent state rather than an action and do not have continuous forms. These are:

Verbs of the senses: feel, hear, see, smell, taste etc.

!!! Feel and hurt can be used in either continuous or simple forms.

Verbs of feelings and emotions: adore, appreciate, detest, dislike, enjoy, forgive, hate, like, loathe etc.

Verbs of opinion: agree, believe, expect (=think), see (=understand), suppose, understand etc.

Other verbs: appear (seem), belong, concern, depend, fit (=be the right shape and size for smth), have (=possess), know, mean, owe, own, possess, need, prefer, require, want, weigh, wish, keep (=continue), seem etc.

Some stative verbs (be, love, see, smell, taste, think etc) have continuous forms but there is a difference in meaning.

STATE	ACTION
He thinks he's really clever. (= he believes)	I'm thinking about his offer. (= I'm considering)
What does it taste like? (= What is its flavor?)	He's tasting the food to see if it's good. (= he's testing the flavor)
He has two houses. (= he owns; he possesses)	She's having lunch. (= she's eating)
The silk shirt feels soft. (= it has a soft texture)	Ann is feeling the cat's fur. (=she's touching)
Do you see what I mean? (= Do you understand?)	I'm seeing Paula tonight. (= I'm meeting)
Your perfume smells of apples. (= it has the smell)	She is smelling the roses. (=she's trying the smell of)
I love/enjoy good films. (= I like in general)	I'm loving/enjoying this film. (= I like specifically)
It looks as if it's going to rain. (= it appears)	He is looking at the painting. (= he's viewing it)
He appears to be working. (= he seems to be)	The opera singer is appearing on stage tonight. (= he will make an appearance)
The box is heavy. It weighs a lot. (= its weight is)	He is weighing the potatoes on the scales. (= he is finding out the weight of)
Luciano is naughty. (= his character is bad.)	Suzy is being very naughty. (= she is misbehaving)
These shoes fit me perfectly.	We are fitting a new carpet in the

(=They are the right size).	hall. (= laying)
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Task 1. Use either the simple present or the present progressive of the verbs in parentheses.

1. I can't afford that ring. It (*cost*) _____ too much.
2. Look. It (*begin*) _____ to rain. Unfortunately, I (*have, not*) _____ my umbrella with me. Tom is lucky. He (*wear*) _____ a raincoat.
3. I (*own, not*) _____ an umbrella. I (*wear*) _____ a waterproof hat on rainy days.
4. As a rule, I (*sleep*) _____ until 6 o'clock in the morning, and then I (*get*) _____ up and (*study* for my classes.
5. Shhh. Grandpa (*take*) _____ a nap in the living room. We (*want, not*) _____ to wake him up. He (*need*) _____ his rest.
6. Right now I (*look*) _____ at Janet. She (*look*) _____ angry. I wonder what's the matter. She (*have*) _____ a frown on her face. She certainly (*have, not*) _____ any fun right now.
7. Right now I (*look*) _____ around the classroom. Yoko (*write*) _____ her book. Carlos (*bite*) _____ his pencil. Wan-Ning (*scratch*) _____ his head. Ahmed (*stare*) _____ out the window. He (*seem*) _____ to be daydreaming, but perhaps he (*think*) hard about verb tenses. What (*you, think*) _____. Ahmed (*do*) _____?
8. I (*want*) _____ to figure out the meaning of this saying: "The pen is mightier than the sword." I (*know*) _____ that "mightier" (*mean*) _____ more powerful," but what's a "sword"? What ("sword," *mean*) _____?
9. Right now Martha is in the science building. The chemistry experiment she (*do*) _____ is dangerous, so she (*be*) very careful. She (*want, not*) _____ to spill any of the acid. She (*be, always*) _____ careful when she does a chemistry experiment.

Task 2. Complete the sentences by using either the simple present or the present progressive of the verbs in the list. Include any words given in parentheses. Use each verb only once.

belong fail scream tape
bite fight shine try
bleed mean shrink whisper
blow own sleep

1. It's a gray day today. The sun (*not*) isn't shining.

2. The bank lent us money for a down payment, so now we (*own*) own the house we used to rent.
3. Shhh! I _____ to concentrate. I can't hear myself think with all that noise going on.
4. This book is mine. That one _____ to Pierre.
5. Shhh! The baby _____. We don't want to wake him up.
6. A: Juan! What's the matter with your hand? It _____.
B: I just cut it when I was using a knife. It's not serious. I'll wash it and put a bandage on it.
7. A: My marks in school are terrible this term. I _____ three of my courses.
B: Maybe you can improve your grades before the end of the term if you start studying harder.
8. That sweater won't fit you if you wash it in hot water. Wool _____ in hot water.
9. Look at Joan. She _____ her fingernails. She must be nervous.
10. The children can't get their kite high up in the air because the wind (*not*) _____ hard enough today.
11. My two children don't get along. It seems they (*always*) _____ about something. Is that typical of siblings?
12. Alice and John! Why (*you*) _____ to each other? If you have
13. Kareem has his tape recorder on his desk. He _____ the professor's lecture.

Task 3. Fill in with Present Simple or Continuous.

1. A: I 1) _____ (think) about visiting Jane this afternoon.
B: I wouldn't bother. I 2) _____ (think) she's away on holiday.
2. A: Mr Jones 3) _____ (have) a telephone message from his wife.
B: Can it wait? He 4) _____ (have) a business meeting and don't want to disturb him.
3. A: The police 5) _____ (still/look) for fingerprints left in the room.
B: It 6) _____ (look) as if they won't find the criminal.
4. A: I 7) _____ (love) breathing in clear, country air!
B: So do I. I 8) _____ (love) every minute of this walking trip.
5. A: I 9) _____ (see) my boss about a pay rise this afternoon.
B: I 10) _____ (see). That's why you're wearing a suit and tie.
6. A: Why 11) _____ (you/taste) the soup? Is there anything wrong with it?

- B: Yes – it 12) _____ (taste) too sweet. I think I've used sugar instead of salt.
7. A: Why 13) _____ (you/feel) he baby's forehead. Mum?
B: I think she's got a temperature. She 14) _____ (feel) rather hot.
8. A: John 15) _____ (be) a very rude person, you know.
B: I know. Sheila 16) _____ (be) very rude these days too, although she's usually polite.
9. A: It 17) _____ (look) as if it's doing to rain this afternoon.
B: I know. I 18) _____ (look) for my umbrella to take out with me.
10. A: Why 19) _____ (you/smell) the inside of your car?
B: Because it 20) _____ (smell) of petrol and I want to check for leaks.

Task 4. Choose either the present simple or present progressive in the following sentences.

1. Something _____ (smell) very good.
2. We _____ (eat) dinner at seven o'clock tonight.
3. He _____ (practice) the piano every day.
4. They _____ (drive) to school tomorrow.
5. I _____ (believe) you.
6. Maria _____ (have) a cold.
7. George _____ (swim) right now.
8. John _____ (hate) smoke.
9. Jill always _____ (get) up at 6.00 a.m.
10. Jerry _____ (mow) the lawn now.

Task 5. Complete the sentences with the present simple or present progressive tense of the verbs in brackets.

1. I _____ (think) you already _____ (know) my views on the matter.
2. I'm tired of working in an office. I _____ (think) of changing my job.
3. I just _____ (smell) your roses. They _____ (not smell) wonderful?
4. I gradually _____ (forget) all the physics I ever learnt at school.
5. You _____ (see) that house over there? No, not there! You _____ (not look) where my finger (point).
6. I _____ (not hear) anything. You just _____ (imagine) things.
7. The court _____ (hear) this particular part of the evidence in private.
8. I just _____ (taste) the cocktail to see if there's enough gin in it. How it _____ (taste) to you?

9. I _____ (think) my daughter _____ (see) too much of that young man these days, and I _____ (not approve) of it.
10. Don't take his remarks too seriously. He's so upset that I _____ (not think) he really _____ (know) what he _____ (say).
11. The monument _____ (stand) on a hill overlooking the town.
12. You _____ (realize) that you _____ (stand) on my toe?
13. The town _____ (have) a population of 50,000.

Task 6. Put the verbs in brackets into the present simple or the present progressive tense.

1. Cuckoos _____ (not build) nests. They _____ (use) the nests of the other birds.
2. You can't see Tom now: he _____ (have) a bath.
3. He usually _____ (drink) coffee but today he _____ (drink) tea.
4. What she _____ (do) in the evenings? She usually _____ (play) cards or (watch) TV.
5. I won't go out now as it _____ (rain) and I _____ (not have) an umbrella.
6. The last train _____ (leave) the station at 11.30.
7. He usually _____ (speak) so quickly that I _____ (not understand) him.
8. Ann _____ (make) a dress for herself at the moment. She _____ (make) all her own clothes.
9. Hardly anyone _____ (wear) a hat nowadays.
10. I'm afraid I've broken one of your coffee cups. Don't worry. I _____ (not like) that set anyway.
11. I _____ (wear) my sunglasses today because the sun is very strong.
12. Tom can't have the newspaper now because his aunt _____ (read) it.
13. I'm busy at the moment. I _____ (redecorate) the sitting room.
14. The kettle _____ (boil) now. Shall I make the tea?
15. You _____ (enjoy) yourself or would you like to leave now? ~ I _____ (enjoy) myself very much. I _____ (want) to stay to the end.
16. How you _____ (get) to work as a rule? ~ I usually _____ (go) by bus but tomorrow I _____ (go) in Tom's car.
17. Why you _____ (put) on your coat? ~ I _____ (go) for a walk. You _____ (come) with me? ~ Yes, I'd love to come. You _____ (mind) if I bring my dog?
18. How much you _____ (owe) him? ~ I _____ (owe) him £5. ~ You _____ (intend) to pay him?

19. You _____ (belong) to your local library? ~ Yes, I do. ~ You _____ (read) a lot? ~ Yes, quite a lot. ~ How often you _____ (change) your books? ~ I _____ (change) one every day.
20. Mary usually _____ (learn) languages very quickly but she _____ (not seem) able to learn modern Greek.
21. I always _____ (buy) lottery tickets but I never _____ (win) anything.
22. You _____ (like) this necklace? I _____ (give) it to my daughter for her birthday tomorrow.
23. I won't tell you my secret unless you _____ (promise) not to tell anyone. ~ I _____ (promise).
24. You always _____ (write) with your left hand?
25. You _____ (love) him? ~ No, I _____ (like) him very much but I _____ (not love) him.
26. You _____ (dream) at night? ~ Yes, I always _____ (dream) and if I _____ (eat) too much supper I _____ (have) nightmares.
27. The milk _____ (smell) sour. You _____ (keep) milk a long time?
28. These workmen are never satisfied; they always _____ (complain).
29. We _____ (use) this room today because the window in the room is broken.
30. He always _____ (say) that he will mend the window but he never _____ (do) it.
31. You _____ (know) why an apple _____ (fall) down and not up?
32. You _____ (write) to him tonight? ~ Yes, I always _____ (write) to him on his birthday. You _____ (want) to send any message?
33. Tom and Mr Pitt _____ (have) a long conversation. I _____ (wonder) what they _____ (talk) about.
34. You _____ (believe) all that the newspapers say? ~ No, I _____ (not believe) any of it. ~ Then why you _____ (read) newspapers?
35. This car _____ (make) a very strange noise. You _____ (think) it is all right? ~ Oh, that noise _____ (not matter). It always _____ (make) a noise like that.

Task 7. Put the verbs in brackets into the present simple or the present progressive tense.

1. What Tom _____ (think) of the Budget? ~ He _____ (think) it most unfair. ~ I _____ (agree) with him.

2. What this one _____ (cost)? ~ It _____ (cost) forty pence.
3. You _____ (hear) the wind? It _____ (blow) very strongly tonight.
4. You _____ (see) my car keys anywhere? -No, I _____ (look) for them but I _____ (not see) them.
5. He never _____ (listen) to what you say. He always _____ (think) about something else.
6. This book is about a man who _____ (desert) his family and _____ (go) to live on a Pacific island.
7. You _____ (understand) what the lecturer is saying? ~ No, I _____ (not understand) him at all.
8. What you _____ (have) for breakfast usually? ~ I usually _____ (eat) a carrot and _____ (drink) a glass of cold water.
9. When the curtain _____ (rise) we _____ (see) a group of workers. They _____ (picket) a factory gate.
10. Why you _____ (walk) so fast today? You usually _____ (walk) quite slowly. ~ I _____ (hurry) because I _____ (meet) my mother at 4 o'clock and she _____ (not like) to be kept waiting.
11. I _____ (wish) that dog would lie down. He _____ (keep) jumping up on my lap. ~ I _____ (think) he _____ (want) to go for a walk.
12. You _____ (recognize) that man? ~ I _____ (think) that I have seen him before but I _____ (not remember) his name.
13. Look at that crowd. I _____ (wonder) what they _____ (wait) for.
14. This message has just arrived and the man _____ (wait) in case you _____ (want) to send a reply.
15. Stop! You _____ (not see) the notice? ~ I _____ (see) it but I can't read it because I _____ (not wear) my glasses. What it _____ (say)? ~ It _____ (say) "These premises are patrolled by guard dogs".
16. She always _____ (borrow) from me and she never _____ (remember) to pay me back.
17. You _____ (need) another blanket or you _____ (feel) warm enough?
18. It _____ (save) time if you _____ (take) the path through the wood? ~ No, it _____ (not matter) which path you take.
19. I _____ (save) up because I _____ (go) abroad in July.
20. I _____ (think) it is a pity you don't take more exercise. You _____ (get) fat.

Task 8. Fill the spaces in the following sentences by using for or since.

1. We've been fishing _____ two hours.
2. I've been working in this office _____ a month.
3. They've been living in France _____ 1970.

4. He has been in prison _____ a year.
5. I've known that _____ a long time.
6. That man has been standing there _____ six o'clock.
7. She has driven the same car _____ 1975.
8. Things have changed _____ I was a girl.
9. The kettle has been boiling _____ a quarter of an hour.
10. The central heating has been on _____ October.
11. That trunk has been in the hall _____ a year.
12. He has been very ill _____ the last month.
13. I've been using this machine _____ twelve years.
14. We've been waiting _____ half an hour.
15. Mr Pitt has been in hospital _____ his accident.
16. He hasn't spoken to me _____ the last committee meeting.
17. I have been very patient with you _____ several years.
18. They have been on strike _____ November.
19. The strike has lasted _____ six months.
20. It has been very foggy _____ early morning.
21. They have been quarrelling ever _____ they got married.
22. I've been awake _____ four o'clock.
23. I've been awake _____ a long time.
24. We've had no gas _____ the strike began.
25. I've earned my own living _____ I left school.
26. Nobody has seen him _____ last week.
27. The police have been looking for me _____ four days.
28. I haven't worn low-heeled shoes _____ I was at school.
29. He has been under water _____ half an hour.
30. That tree has been there _____ 2,000 years.

Task 9. Put the verbs in brackets into the present perfect or the present perfect progressive tense. (In some cases either could be used.)

1. We _____ (walk) ten kilometres.
2. We _____ (walk) for three hours.
3. You _____ (walk) too fast. That's why you are tired.
4. I _____ (make) sausage rolls for the party all the morning.
5. How many you _____ (make)? ~ I _____ (make) 200.
6. That boy _____ (eat) seven ice-creams.
7. He _____ (not stop) eating since he arrived.
8. The driver _____ (drink). I think someone else ought to drive.
9. I _____ (pull) up 100 dandelions.
10. I _____ (pull) up dandelions all day.

11. What you _____ (do)? ~ We _____ (pick) apples.
12. How many you _____ (pick)? ~ We _____ (pick) ten basketfuls.
13. I _____ (sleep) on every bed in this house and I don't like any of them.
14. He _____ (sleep) since ten o'clock. It's time he woke up.
15. He _____ (ride); that's why he is wearing breeches.
16. I _____ (ride) all the horses in this stable.
17. What a lovely smell! ~ Mary _____ (make) jam.
18. The students _____ (work) very well this term.
19. I only _____ (hear) from him twice since he went away.
20. I _____ (hear) from her regularly. She is a very good correspondent.
21. I _____ (grease) my car. That's why my hands are so dirty.
22. I _____ (polish) this table all the morning and she isn't satisfied with it yet.
23. I _____ (work) for him for ten years and he never once _____ (say) "Good morning" to me.
24. He _____ (teach) in this school for five years.
25. I _____ (teach) hundreds of students but I never _____ (meet) such a hopeless class at this.

Task 10. Complete these statements with the present perfect progressive form of each verb in parentheses.

Diana: _____ (study) a lot their semester, too. This week I _____ (write) a term paper. My roommate _____ (help) me. But we _____ (not work) all the time. We _____ (have) a good time, too. We _____ (play) tennis and _____ (relax).

Jim: So you _____ (enjoy) yourselves these days. I _____ (not relax) much. I _____ (think) about a vacation for a while. My wife _____ (work) hard these days, too. She _____ (not take) time for herself. She _____ (type) for extra money and she _____ (babysit), too.

Task 11. Arrange these words into the present perfect or the present perfect progressive sentences.

Well, Julio, how do you feel?

Just/ your tenth straight no-hitter/ you/ pitch/ look letter/ You/ never.

Strike out a lot of ballets/ lately/ You/.

You/ not walk any ballets/ recently/.

win twenty games/ their season/ And you learn/already.

They/ a bad game/ not play/ yet/.

Task 12. Put the verbs in brackets into the correct tense: present perfect simple or present perfect progressive.

1. Peter: You _____ (telephone) for ages. You not nearly _____ (finish)?
Jack: I _____ (not get) through yet. I _____ (try) to get our Paris office but the line _____ (be) engaged all morning.
2. Ann _____ (fail) her driving test three times because she's so bad at reversing. But she _____ (practice) reversing for the last week and I think she _____ (get) a bit better at it.
3. Tom: I often _____ (wonder) why Bill left the country so suddenly.
Peter: Actually, I just _____ (find) out.
4. He _____ (play) the bagpipes since six o'clock this morning. He only just _____ (stop).
5. Why you _____ (not bring) me the letters for signature? You _____ (not type) them yet?
6. Tom _____ (looking up absent-mindedly as Mary comes in): You _____ (sunbathe)? Mary (crossly): Don't be ridiculous! It _____ (rain) all day!
7. A pair of robins _____ (build) a nest in the porch since last week. I _____ (watch) them from my window since they began.
8. The police _____ (not find) the murderer yet, but the dead man's brother _____ (be) in the station all day. The police say that he _____ (help) them with their enquiries.
9. They _____ (pull) down most of the houses in this street, but they _____ (not touch) the old shop at the corner yet.
10. Tom is convinced that there is gold in these hills but we _____ (search) for six months and _____ (not see) any sign of it.
11. I _____ (wait) for the prices of the houses to come down before buying a house, but I think I _____ (wait) too long and the prices are beginning to go up again.
12. Peter _____ (be) a junior clerk for three years. Lately he _____ (look) for a better post but so far he _____ (not find) anything.
13. I _____ (do) housework all morning and I _____ (not finish) yet. ~ I _____ (do) mine already. I always start at 6 a.m.

14. I just ____ (pick) ten pounds of strawberries! I ____ (grow) strawberries for years but I never ____ (have) such a good crop before.
15. What you ____ (do) with the corkscrew? The point is broken off. ~ I'm afraid I ____ (use) it to make holes in this tin.
16. She just ____ (sell) two of her own paintings. ~ She's lucky. I ____ (paint) for five years and I ____ (not sell) a single picture yet.
17. They are throwing crockery at each other in the next flat. ~ This ____ (happen) before? ~ Well, they ____ (have) a good many rows but this is the first time they ____ (throw) crockery.
18. What you ____ (do) with my typewriter? I can't find it anywhere. ~ Tom just ____ (go) off with it. He says he'll bring it back when he ____ (finish).
19. He ____ (work) for Crow Brothers for forty years and never once ____ (be) late. The firm just ____ (present) him with a gold watch as a sign of their appreciation.
20. We ____ (mend) sheets all morning but we only ____ (do) three, and now the sewing machine ____ (break) down so we'll be even slower with the next one.

UNIT 2

Past Tenses

Past Simple	Past Continuous	Past Perfect	Past Perfect Continuous
<i>Affirmative</i> I worked You worked He worked	<i>Affirmative</i> I was working You were working He was working	<i>Affirmative</i> I had worked You had worked He had worked	<i>Affirmative</i> I had been working You had been working He had been working
<i>Negative</i> I didn't work You didn't work He didn't work	<i>Negative</i> I wasn't working You weren't working He wasn't working	<i>Negative</i> I hadn't worked You hadn't worked He hadn't worked	<i>Negative</i> I hadn't been working You hadn't been working He hadn't been working
<i>Interrogative</i> Did I work? Did you work? Did he work?	<i>Interrogative</i> Was I working? Were you working? Was he working?	<i>Interrogative</i> Had I worked? Had you worked? Had he worked?	<i>Interrogative</i> Had I been working? Had you been working? Had he been working?
past actions which happened one immediately	action in the middle of happening at a stated past time	past action which occurred before another action or before a stated past	action continuing over a period up to a specific time in

after other He got in the car, started the engine and drove off.	I was living in Spain this time last year.	time He had spent all his money by the end of the month.	the past She had been trying to get a visa for months before she gave up.
past habit or state He used to walk/walked to work every day. complete action or event which happened at a stated past time She passed her exam last week.	past action in progress interrupted by another past action. The longer action is in the Past Continuous, the shorter action is in the Past Simple. I was playing football when I broke my ankle.	complete past action which had visible results in the past He was delighted because he had found a new job.	past action of certain duration which had visible results in the past Her filings hurt because she had been playing the guitar all day.
complete past actions not connected to the present with a stated or implied time reference Elvis Presley made lots of records.	two or more simultaneous past actions of certain duration He was cooking while she was sleeping. Background description to events in a story / description They were travelling to Swansea...	the Past Perfect is the past equivalent of the Present Perfect There was no pudding left; he had eaten	the Past Perfect Cont. is the past equivalent of the Present Perfect He stayed in bed that day because he had been feeling ill all week.
Time Expressions usually used with Past Forms			

Past Simple	Past Continuous	Past Perfect	Past Perf. Continuous
Yesterday, last week etc, (how long) ago, then, just now, when, in 1992 etc	While, when, as, the moment that etc	For, since, already, after, just, never, yet, before, by the time etc	For, since

Task 1. Use the simple past or the past progressive of the verbs in parentheses.

1. I am sitting in class right now. I (*sit*) _____ in class at this exact same time yesterday.
2. I don't want to go to the zoo today because it is raining. The same thing happened yesterday. I (*want, not*) _____ to go to the zoo because it (rain) _____.
3. I (*call*) _____ Roger at nine last night, but he (*be, not*) _____ at home. He (*study*) _____ at the library.
4. I (*hear, not*) _____ the thunder during the storm last night because I (sleep) _____.
5. It was beautiful yesterday when we went for a walk in the park. The sun (*shine*)_____. A cool breeze (*blow*)_____. The birds (*sing*)_____.
6. My brother and sister (*argue*) _____ about something when I (*walk*) _____ into the room.
7. I got a package in the mail. When I (*open*) it, I (*find*)_____ a surprise.
8. While Mrs. Emerson (*read*) _____ the little boy a story, he (*fall*) _____ asleep, so she (*close*) _____ the book and quietly (*tiptoe*)_____ out of the room.
9. A: Why weren't you at the meeting?
B: I (*wait*) _____ for an overseas call from my family.
10. A: How (*you, break*) _____ your arm?
B: I (*slip*) _____ on the ice while I (*cross*) _____ the street in front of the dorm.
11. A: I'm sure you met Carol Jones at the party last night.
B: I don't remember her. What (*she, wear*) _____.

12. It was my first day of class. I (*find, finally*) _____ the right room. The room (*be, already*) _____ full of students. On one side of the room, students (*talk, busily*) _____ to each other in Spanish. Other students (*speak*) _____ Japanese, and some (*converse*) _____ in Arabic. It sounded like the United Nations. Some of the students, however, (*sit, just*) _____ quietly by themselves. I (*choose*) _____ an empty seat in the last row and (*sit*) _____ down. In a few minutes, the teacher (*walk*) _____ into the room and all the multilingual conversation (*stop*)_____.

Task 2. Complete the sentences with the past simple or the past progressive of the verbs in brackets. The adverbs in italics should be put in their correct position.

1. Who was that girl you _____ (talk) to when I _____ (pass) you in the street?

2. He _____ (sleep) soundly when he _____ (awaken — passive) by a noise. He _____ (go) downstairs to find out what _____ (happen). He _____ (know) something must be wrong because the dog _____ (bark) furiously.

3. He _____ (not take) my remarks seriously. In fact, he _____ (think) I _____ (joke).

4. The men _____ (drink) together when an argument _____ (break out). The men soon _____ (come) to blows, and the publican _____ (call) the police. The situation just _____ (begin) to get out of hand, when the police _____ (arrive) and _____ (take) the two men to the police station. While they _____ (get) out of the police car, one man _____ (make) a break for it, and _____ (succeed) in getting away. They still _____ (look) for the man two hours later.

5. What _____ (go on) in your house when I _____ (call) on you last night? I _____ (ring) the bell three times, but you _____ (not answer) the door. Judging by the noise that _____ (come) from the sitting room I _____ (think) you must be having a party.

6. I _____ (look) for you in the theatre all evening. Where you _____ (sit)?

7. When I _____ (leave) the airport, John and his wife still _____ (talk) to the customs official. They _____ (seem) to have some difficulty over their passports.

Task 3. Put in the past simple or past progressive. Note where both forms are possible.

TUG OF WAR WITH A HEDGEHOG

Mrs May, our District Nurse, (drive) _____ home at 3 a.m. one night after an urgent visit to a sick patient. She (drive) _____ along a deserted country lane, when she (see) _____ a new kind of animal. She (stop) _____ her car and (get out) _____. The animal (be) _____ clearly visible in the blaze of her headlights. It (look) _____ like a hedgehog with a tall white hat. It (cross) _____ the road without paying any attention to Mrs May. When Mrs May (go) _____ close to it, she (notice) _____ that there was a plastic yoghurt pot on the hedgehog's head. The poor creature had got its head stuck in the plastic pot. Her instincts as a nurse (tell) _____ her she would have to rescue it, so she (pull) _____ the pot off the hedgehog's head. Mrs May (think) _____ the hedgehog (look) _____ rather sad, when she (notice) _____ that the pot was half full of strawberry yoghurt. She (give) _____ it back to the hedgehog. The creature (seize) _____ it, (put) _____ it on its head again, and triumphantly (continue) _____ its journey across the road

Task 4. Use either the past simple tense or the past progressive in the following sentences as appropriate.

1. Jane _____ (eat) dinner when his friend called.
2. At three o'clock this morning, Eleanor _____ (study). When Garry arrived, the Johnsons _____ (have) dinner, but they stopped in order to talk to him.
3. John _____ (go) to France last year.
4. When the teacher _____ (enter) the room, the students were talking.
5. While Joan was writing the report, Henry _____ (look) for new information.
6. We _____ (see) this movie last night.
7. At one time, Mr Roberts _____ (own) this building.
8. John _____ (write) a letter to his family when his pencil _____ (break).

Task 5. Insert the past simple or the past progressive.

1. When we _____ (to open) the window, it _____ (to rain).
2. It _____ (to get) dark when we _____ (to reach) home.
3. You _____ (to find) these examples in the book at the previous lesson.
4. I _____ (not to forget) to lock the door this morning.

5. The pupils _____ (to work) in the field.
6. We _____ (to arrive) ten minutes later.
7. We _____ (to see) the men in the boat which _____ (to near) the harbor.
8. Ann still _____ (to look) out of the window when I _____ (to enter).
9. She _____ (to lie) in bed. She _____ (to say) she _____ (not to feel) well.
10. The train _____ (to pass) a big town in the night and so we _____ (not to see) it.

Task 6. How did it happen?

1. How did Alice hurt herself? (play soccer). Example: She hurt herself while she was playing soccer.
2. How did Martin burn himself? (iron his clothes)

3. How did Helen cut herself? (slice onions)

4. How did Jennifer meet her husband? (fix a flat tyre)

5. How did Martin break his arm? (skate)

6. How did you lose your wallet? (ride my bicycle)

7. How did Jeff meet his wife? (swim at the beach)

8. How did Bob get a black eye? (fight with his brother)

9. How did your children burn themselves? (make breakfast)

10. How did Martha trip and fall? (dance)

Task 7. Past simple or past progressive?

1. I _____ (mend) my sails one day when a man I had worked with before _____ (walk) up and _____ (ask) me if I'd like to have a drink.
2. I _____ (think) he probably had more than just a friendly drink in mind, so I _____ (stop) what I _____ (do), _____ (wipe) off my hands, and _____ (follow) him to the local drink shop.

3. It _____ (be) there that I _____ (find) out that he _____ (recruit) people to work on Necho's project.
4. Nowadays, everybody knows about our journey, but then, it _____ (sound) a bit strange.
5. At first I thought the man _____ (try) to play a trick on me.
6. But the more he _____ (talk), the better it _____ (sound) — a real adventure.
7. I _____ (get) tired of the same old sea routes year after year.
8. Besides, I _____ (think) it would be a great trading opportunity; the route to Carthage, across Greek waters, _____ (get) more and more dangerous.
9. You may not believe this, but it _____ (only take) me a few minutes to decide; I _____ (sit) there in that shop with a cup in my hand, and I _____ (make) a decision that would change my life — and lots of other people's lives as well.
10. There were times on my journey when I _____ (have) doubts about my decision.
11. Once while we _____ (be) pushed south-west by the monsoon winds, I _____ (nearly be) washed off the deck by a big wave.
12. And one day during the long sail south, one of the men _____ (try) to convince the rest of us that we were under a magic spell when a dead black bird _____ (fall) on the deck; believe me, we _____ (be) scared.
13. But there were some good times, too: we _____ (have) to stop and collect supplies on the west coast, and we _____ (stay) there for a long time, in one of the most beautiful places I've seen
14. One evening while I _____ (sit) under a tree with the wind in my face and a luscious big mango to eat, I almost _____ (decide) to stay there for the rest of my life.
15. But of course I _____ (not stay); I _____ (know) that I would get tired of it soon enough, and besides, my wife and children _____ (wait) for me back in Tyre.

Task 8. Put the verbs in brackets into the correct tense: the past simple or the past progressive.

1. Peter and Ann _____ (decide) to redecorate their sitting-room themselves.
2. They _____ (choose) cream paint for the woodwork and apricot for the walls.

3. When John _____ (look) in to see how they _____ (get) on, Ann _____ (mix) the paint, and Peter _____ (wash) down the walls.
4. They _____ (be) glad to see John and _____ (ask) if he _____ (do) anything special that day
5. He hastily _____ (reply) he _____ (go) to the theatre and _____ (go) away at once, because he _____ (know) they _____ (look) for someone to help them.
6. They _____ (begin) painting, but _____ (find) the walls _____ (be) too wet.
7. They _____ (work) in silence for some time.
8. Just as they _____ (start) the third wall, the doorbell _____ (ring).
9. It _____ (be) a friend of Peter's who _____ (want) to know if Peter _____ (play) golf the following weekend.
10. He _____ (stay) talking to Peter in the hall while Ann _____ (go) on painting.
11. At last he _____ (leave).
12. Peter _____ (return), expecting Ann to say something about friends who _____ (come) and _____ (waste) valuable time talking about golf.
13. But Ann nobly _____ (say) nothing.
14. Then Peter _____ (think) he would do the ceiling.
15. He just _____ (climb) the step ladder when the doorbell _____ (ring) again.

Task 9. Put the verbs in brackets into the past simple or the past progressive.

1. I _____ (walk) along Piccadilly when I _____ (realize) that a man with a ginger beard, whom I had seen three times already that afternoon, _____ (follow) me.
2. To make quite sure, I _____ (walk) on quickly, _____ (turn) right, then left and _____ (stop) suddenly at a shop window.
3. In a few minutes the man with the beard _____ (appear) and _____ (stop) at another shop window.
4. Whenever I _____ (stop) he _____ (stop), and whenever I _____ (look) round he _____ (be) still there.
5. He _____ (look) a very respectable type and _____ (wear) very conventional clothes and I _____ (wonder) if he was a policeman or a private detective.
6. I _____ (decide) to try and shake him off.

7. A 74 bus _____ (stand) at the bus stop just beside me.
8. Then the conductor _____ (come) downstairs and _____ (ring) the bell; just as the bus _____ (move) off, I _____ (jump) on it.
9. The man with the beard _____ (miss) the bus but _____ (get) into another 74, which _____ (follow) the first.
10. Both buses _____ (crawl) very slowly along Knightsbridge.
11. Every time the buses _____ (pull) up at a stop, the man (look) out anxiously to see if I _____ (get) off.
12. Finally, at some traffic lights, he _____ (change) buses and _____ (get) into mine.
13. At Gloucester Road Underground, I _____ (leave) the bus and _____ (buy) a ticket at a ticket machine.
14. As I _____ (stand) on the platform waiting for a Circle Line train, my pursuer _____ (come) down the stairs.
15. He _____ (carry) a newspaper and when we _____ (get) into the same compartment, he _____ (sit) in one corner reading it, and I _____ (read) the advertisements.

Task 10. Put the verbs in brackets into the correct tense: the past simple or the past progressive.

1. He _____ (sit) on the bank fishing when he _____ (see) a man's hat floating down the river. It _____ (seem) strangely familiar.
2. It _____ (snow) heavily when he _____ (wake) up. He _____ (remember) that Jack _____ (come) for lunch and _____ (decide) to go down to the station to meet him in case he _____ (lose) his way in the snowy lanes.
3. When I _____ (reach) the street I _____ (realize) that I _____ (not know) the number of Tom's house. I _____ (wonder) what to do about it when Tom himself _____ (tap) me on the shoulder.
4. As the goalkeeper _____ (run) forward to seize the ball a bottle _____ (strike) him on the shoulder.
5. I _____ (look) through the classroom window. A geometry lesson _____ (go) on. The teacher _____ (draw) diagrams on the blackboard.
6. Most of the boys _____ (listen) to the teacher but a few _____ (whisper) to each other, and Tom _____ (read) a history book. Tom _____ (hate) mathematics; he always _____ (read) history during his mathematics lesson.
7. Everyone _____ (read) quietly when suddenly the door _____ (burst) open and a complete stranger _____ (rush) in.

8. I ____ (go) to Jack's house but ____ (not find) him in. His mother ____ (say) that she ____ (not know) what he ____ (do) but ____ (think) he probably ____ (play) football.

9. This used to be a station and all the London trains ____ (stop) here. But two years ago they ____ (close) the station and ____ (give) us a bus service instead.

10. She ____ (promise) not to report me to the police but ten minutes later I ____ (see) her talking with a policeman and from the expression on his face I am sure she ____ (tell) him all about it.

11. I ____ (pick) up the receiver and ____ (dial) a number. To my surprise I ____ (find) myself listening to an extraordinary conversation. Two men ____ (plan) to kidnap the Prime Minister.

12. I ____ (meet) Paul at the university. We ____ (be) both in the same year. He ____ (study) law, but he ____ (not be) very interested in it and ____ (spend) most of his time practicing the flute.

13. The train just ____ (start) when the door ____ (open) and two panting passengers ____ (leap) in.

14. "What you ____ (do) between 9.00 and 10.00 yesterday?" ____ (say) the detective. "I ____ (clean) my house," said Mrs Jones. "I always clean my house on Saturday mornings."

15. My neighbor ____ (look) in last night and ____ (say) that he ____ (leave) the district and (go) to Yorkshire, to a new job. I ____ (say) that I ____ (be) very sorry that he ____ (go), and ____ (tell) him to write to me from Yorkshire and tell me how he ____ (get) on.

16. They ____ (build) that bridge when I ____ (be) here last year. They haven't finished it yet.

17. The dentist's waiting room was full of people. Some ____ (read) magazines, others just ____ (turn) over the pages. A woman ____ (knit); a child ____ (play) with a toy car. Suddenly the door ____ (open) and the nurse ____ (say), "Next, please."

18. The house next to yours ____ (be) full of policemen and police dogs yesterday. ~ What they ____ (do)? ~ I ____ (hear) that they ____ (look) for drugs. ~ They ____ (find) any? ~ Yes, I believe one of the dogs ____ (discover) some cannabis.

19. Peter ____ (tell) me yesterday that he ____ (make) his own £5 notes ~ Don't believe him. He just ____ (pull) your leg.

20. A traffic warden just ____ (stick) a parking ticket to my windscreen when I ____ (come) back to the car. I ____ (try) to persuade him to tear it up but he ____ (refuse).

21. Ann works in the branch where the big robbery ____ (take) place. ~ She actually ____ (work) there at the time of the raid?

22. When Ann _____ (say) that she _____ (come) to see me the next day, I _____ (wonder) what flowers she would bring. She always brings flowers.

23. While I _____ (wonder) whether to buy the dress or not, someone else _____ (come) and _____ (buy) it.

24. He always _____ (borrow) from me (he borrowed more often than was reasonable) but when I once _____ (ask) him to lend me something, he _____ (say) he _____ (not have) got it before he even _____ (know) what I _____ (want) to borrow.

25. I _____ (go) home on foot and all the time I _____ (have) the impression that I _____ (be) followed (passive). But though I _____ (turn) round several times, I never _____ (see) anybody.

Task 11. Put the verbs in brackets into the past simple or the past progressive tense.

1. I lit the fire at 6.00 and it _____ (burn) brightly when Tom came in at 7.00.

2. When I arrived the lecture had already started and the professor _____ (write) on the overhead projector.

3. I _____ (make) a cake when the light went out. I had to finish it in the dark.

4. I didn't want to meet Paul so when he entered the room I _____ (leave).

5. Unfortunately when I arrived Ann just _____ (leave), so we only had time for a few words.

6. He _____ (watch) TV when the phone rang. Very unwillingly he _____ (turn) down the sound and _____ (go) to answer it.

7. He was very polite. Whenever his wife entered the room he _____ (stand) up.

8. The admiral _____ (play) bowls when he received news of the invasion. He _____ (insist) on finishing the game.

9. My dog _____ (walk) along quietly when Mr Pitt's Pekinese attacked him.

10. When I arrived she _____ (have) lunch. She apologized for starting without me but said that she always _____ (lunch) at 12.30.

11. He always _____ (wear) a raincoat and _____ (carry) an umbrella when he walked to the office.

12. What you _____ (think) of his last book? ~ I _____ (like) it very much.

13. I _____ (share) a flat with him when we were students. He

always _____ (complain) about my untidiness.

14. He suddenly _____ (realize) that he _____ (travel) in the wrong direction.

15. He _____ (play) the guitar outside her house when someone opened the window and _____ (throw) out a bucket of water.

16. I just _____ (open) the letter when the wind _____ (blow) it out of my hand.

17. The burglar _____ (open) the safe when he _____ (hear) footsteps. He immediately _____ (put) out his torch and _____ (crawl) under the bed.

18. When I _____ (look) for my passport I _____ (find) this old photograph.

19. You looked very busy when I _____ (see) you last night. What you _____ (do)?

20. The boys _____ (play) cards when they _____ (hear) their father's step. They immediately _____ (hide) the cards and _____ (take) out their lesson books.

Task 12. Put the verbs in brackets into the past simple or past progressive tense.

1. Mr Smith never _____ (wake) up in time in the morning and always _____ (get) into trouble for being late; so one day he _____ (go) to town and _____ (buy) an alarm clock.

2. To get home he _____ (have to) go through a field where a bad-tempered bull usually _____ (graze).

3. This bull normally _____ (not chase) people unless something _____ (make) him angry. Unfortunately, as Mr Smith _____ (cross) the field, his alarm clock _____ (go) off.

4. This _____ (annoy) the bull, who immediately _____ (begin) to chase Mr Smith.

5. Mr Smith _____ (carry) an open umbrella as it _____ (rain) slightly. He _____ (throw) the umbrella to the ground and _____ (run) away as fast as he could.

6. The bull _____ (stop) and _____ (begin) to attack the umbrella. While he _____ (do) this Mr Smith escaped.

7. When he _____ (awake) she _____ (sit) by the window. She _____ (look) at something in the street, but when he _____ (call) her she _____ (turn) and _____ (smile) at him.

8. Why you _____ (interrupt) me just now? I _____ (have) a very interesting conversation with Mr Pitt.

9. The murderer _____ (carry) the corpse down the stairs when he _____ (hear) a knock on the door.

10. When I _____ (look) through your books I _____ (notice) that you have a copy of Murder in the Cathedral.

11. As they _____ (walk) along the road they _____ (hear) a car coming from behind them. Tom _____ (turn) round and _____ (hold) up his hand. The car _____ (stop).

12. When I _____ (arrive) at the station Mary _____ (wait) for me. She _____ (wear) a blue dress and _____ (look) very pretty. As soon as she _____ (see) me she _____ (wave) and _____ (shout) something, but I couldn't hear what she _____ (say) because everybody _____ (make) such a noise.

13. The prisoner _____ (escape) by climbing the wall of the garden where he _____ (work). He _____ (wear) blue overalls and black shoes.

14. She said that he car _____ (travel) at 40 k.p.h. when it _____ (begin) to skid.

15. She said that she _____ (not like) her present flat and _____ (try) to find another.

Task 13. Put the verbs in brackets into the present perfect or the past simple tense. In some sentences the present perfect progressive is also possible.

1. This is my house. ~ How long you _____ (live) here? ~ I _____ (live) here since 1970.

2. He _____ (live) in London for two years and then _____ (go) to Edinburgh.

3. You _____ (wear) your hair long when you were at school? ~ Yes, my mother _____ (insist) on it.

4. But when I _____ (leave) school I _____ (cut) my hair and _____ (wear) it short ever since.

5. Shakespeare _____ (write) a lot of plays.

6. My brother _____ (write) several plays. He just _____ (finish) his second tragedy.

7. I _____ (fly) over Loch Ness last week. ~ You _____ (see) the Loch Ness monster?

8. I _____ (not see) him for three years. I wonder where he is.

9. He _____ (not smoke) for two weeks. He is trying to give it up.

10. Chopin _____ (compose) some of his music in Majorca.

11. When he _____ (arrive)? ~ He _____ (arrive) at 2.00.

12. You _____ (lock) the door before you left the house?

13. I _____ (read) his books when I was at school. I _____ (enjoy) them very much
14. I can't go out because I _____ (not finish) my work.
15. I never _____ (drink) whisky. ~ Well, have some now.
16. I _____ (write) the letter but I can't find a stamp.
17. The clock is slow. ~ It isn't slow, it _____ (stop).
18. Here are your shoes; I just _____ (clean) them.
19. I _____ (leave) home at 8.00 and _____ (get) here at twelve.
20. I _____ (do) this sort of work when I _____ (be) an apprentice.

Task 14. Put the verbs in brackets into the present perfect or past simple tense.

1. Where is Tom? ~ I _____ (not see) him today, but he _____ (tell) Mary that he'd be in for dinner.
2. I _____ (buy) this in Bond Street. ~ How much you _____ (pay) for it? ~ I _____ (pay) £100.
3. Where you _____ (find) this knife? ~ I _____ (find) it in the garden. ~ Why you _____ (not leave) it there?
4. I _____ (lose) my black gloves. You _____ (see) them anywhere? ~ No, I'm afraid I _____. When you last _____ (wear) them? ~ I _____ (wear) them at the theatre last night. ~ Perhaps you _____ (leave) them at the theatre.
5. Do you know that lady who just _____ (leave) the shop? ~ Yes, that is Miss Thrift. Is she a customer of yours? ~ Not exactly. She _____ (be) in here several times but she never _____ (buy) anything.
6. He _____ (leave) the house at 8.00. ~ Where he _____ (go)? ~ I _____ (not see) where he _____ (go).
7. He _____ (serve) in the First World War. ~ When that war _____ (begin)? ~ It _____ (begin) in 1914 and _____ (last) for four years.
8. Who you _____ (vote) for at the last election? ~ I _____ (vote) for Mr Pitt. ~ He _____ (not be) elected, _____ (be) he? ~ No, he _____ (lose) his deposit.
9. You _____ (like) your last job? ~ I _____ (like) it at first but then I _____ (quarrel) with my employer and he (dismiss) me. ~ How long you _____ (be) there? ~ I _____ (be) there for two weeks.
10. I _____ (not know) that you _____ (know) Mrs Pitt. How long you _____ (know) her? ~ I _____ (know) her for ten years.
11. That is Mr Minus, who teaches me mathematics, but he _____ (not have) time to teach me much. I only _____ (be) in his class for a week.

12. I _____ (not know) that you _____ (be) here. You _____ (be) here long? ~ Yes, I _____ (be) here two months. ~ You _____ (be) to the Cathedral? ~ Yes, I _____ (go) there last Sunday.

13. You ever _____ (try) to give up smoking? ~ Yes, I _____ (try) last year, but then I _____ (find) that I was getting fat so I _____ (start) again.

14. You _____ (see) today's paper? ~ No, anything interesting _____ (happen)? Yes, two convicted murderers _____ (escape) from the prison down the road.

15. Mary _____ (feed) the cat? ~ Yes, she _____ (feed) him before lunch. ~ What she _____ (give) him? ~ She _____ (give) him some fish.

Task 15. Complete these sentences with the present perfect, the present perfect progressive, or the past simple form of each verb in parentheses.

T.: Chris, how are you? I _____ (not see) you in ages! What _____ you _____ (do) this semester? , Ch.: I _____ (play) a lot of tennis.

T.: Really? How long _____ (be) interested in tennis?

Ch.: I _____ (start) years ago. I guess I _____ (be) about ten years old. And I _____ (practice) for the college team for month.

T.: But _____ you _____ (not play) on the college basketball team last semester?

Ch.: Yes, I did. But when the season _____ (end), I _____ (get) interested in baseball team this spring, but we _____ (not have) any games in the last few days, so I _____ (think) about swimming too. Of course there's also the soccer team, the football team, the hockey team, the bowling team.

Task 16. Supply the past simple or the past perfect simple. Show when both are possible.

1. They _____ the gates before I _____ there (lock, get).

2. By the time we _____ the party _____ (arrive, finish).

3. I _____ the shop as soon as I _____ the contents of the box. (ring, check)

4. After we _____ it on the phone, I _____ him a letter about it. (discuss, write)

5. We _____ a good rest when our guests _____ (have, all leave).

6. When she _____ the office this morning, Jim _____ (ring, already go out).

7. Before we . Tim to the theatre, he ____ a stage play before, (take, never see)

8. I ____ the carpet when the dog ____ in and ____ himself, (just clean, come, shake)

9. He ____ to do the job in an hour, but he still ____ by 10 o'clock, (promise, not finish)

Task 17. Put in the past perfect simple or progressive or the past simple. Give alternatives where possible.

COOKING THE BOOKS?

Old Mr Williams was very concerned. He and his wife were pensioners and he (spend) ____ the whole morning looking for the pension books. He (look) ____ everywhere, but he (not be able) ____ to find them. Meanwhile his wife (be) ____ busy. She (cook) ____ all morning. She (prepare) ____ a delicious meal. She (make) ____ soup, followed by a lovely pie, which she (bake) ____ in the oven. Mr Williams (always enjoy) ____ his food, but he clearly wasn't enjoying his lunch. "What's the matter, Tom?" his wife asked. Mr Williams (have to) ____ confess that he (lose) ____ their pension books. "I know", Mrs Williams (say) ____ with a twinkle in her eye. "I've got them". "You've got them?" "Yes — and guess where I (find) ____ them!" Mr Williams suddenly remembered. "In the oven! I (put) ____ them there for safe-keeping." He (smile) ____ with relief as she (fish) ____ them out of her apron pocket!

Task 18. Complete the sentences with the present perfect progressive or the past perfect progressive of the verbs in the list:

ask, expect, fly, give, learn, listen, look, operate, point out, say, see, wait, work

1. At last you're here! I ____ for you for over twenty minutes.
2. He knows quite a lot of English. He ____ it for six years.
3. She finally said "Yes". He ____ her to marry him for years.
4. I think I need a break. I ____ solidly for the last three hours.
5. You ____ to a word I ____, have you?
6. For some time now, world leaders ____ the necessity for agreement on arms reduction.
7. The police, who ____ trouble during the civil rights demonstration, were surprised by the eventual absence of violence.

8. The manager went down with pneumonia. He _____ unwell for several days.

9. The chairman said that the Board of Directors _____ serious thought to the possibility of entering the American market.

10. At the inquiry into the plane crash, the pilot said in evidence that he _____ this type of aircraft for ten years.

11. I know why you're having nightmares. You _____ too many horror films recently.

12. The new one-way scheme _____ for just over twelve months, and traffic has improved considerably as a result.

UNIT 3

Future Tenses

Future Forms			
Future Simple	Be going to	Future Continuous	Future Perfect
<i>Affirmative</i> I will work You will work He will work	<i>Affirmative</i> I am going to work You are going to work He is going to work	<i>Affirmative</i> I will be working You will be working He will be working	<i>Affirmative</i> I will have worked <i>Negative</i> I won't have worked <i>Interrogative</i> Will I have worked?
<i>Negative</i> I won't work You won't work He won't work	<i>Negative</i> I'm not going to work You're not going to work He's not going to work	<i>Negative</i> I won't be working You won't be working He won't be working	
<i>Interrogative</i> Shall/Will I work? Will you work? Will he work?	<i>Interrogative</i> Am I going to work? Are you going to work? Is he going to work?	<i>Interrogative</i> Will I be working? Will you be working? Will he be working?	action finished before a stated future time They will have finished building their house by May
decision taken at the moment of speaking (on-	actions intended to be performed in	actions in progress at a stated future	Future Perfect Continuous

<p>the-spot decisions)</p> <p>It's cold in here. I'll turn on the heating.</p>	<p>the near future</p> <p>I'm going to buy some new clothes next week.</p>	<p>time</p> <p>I'll be skiing in the Alps this Christmas.</p>	
<p>hopes, fears, threats, offers, promises, warnings, predictions, requests, comments etc, esp. with: expect, hope, believe, I'm sure, I'm afraid, probably etc</p> <p>I hope he'll like his birthday present.</p>	<p>planned actions or intentions</p> <p>Now that she's rich, she's going to travel round the world</p>	<p>actions which are the result of a routine (instead of Present Continuous)</p> <p>I'll be going to the bank tomorrow. (I go there every Friday – it's part of my routine)</p>	
<p>actions or predictions which may (not) happen in the future</p> <p>She'll probably win.</p> <p>actions which we cannot control and will inevitably happen</p> <p>The baby will be born after Christmas.</p>	<p>evidence that something will definitely happen in the near future</p> <p>It looks like the plane is going to take off now.</p> <p>I think I'm going to be sick!</p>	<p>when we ask politely about people's arrangements to see if they can do smth for us or because we want to offer to do smth for them.</p> <p>Will you be driving into town this afternoon? Can you give me a lift?</p>	<p><i>Affirmative</i></p> <p>I will have been working</p> <p><i>Negative</i></p> <p>I won't have been working</p> <p><i>Interrogative</i></p> <p>Will I have been working?</p>

<p>things we are not yet sure about or we haven't decided to do yet</p> <p>Maybe I'll buy a car.</p> <p>Note: Shall is used with I/we in questions, suggestions, offers or when asking for advice</p> <p>Shall we play tennis?</p>	<p>things we are sure about or we have already decided to do in the near future</p> <p>They are going to offer the job to Ann.</p>		<p>duration of an action up to a certain time in the future</p> <p>By this time next month he will have been studying the piano for 2 years.</p>
Time Expressions used with:			
Future Simple & be going to	Future Perfect	Future Perfect Continuous	
tomorrow, tonight, next week / month, in two / three etc days, the day after tomorrow, soon, in a week . month etc	before, by, by then, by the time, (until is used only in negative sentences with this tense)	by ... for	

Task 1. Put in *be going to* or *will*.

1. Look out — we _____ crush!
2. "There's the doorbell." "I _____ go".
3. We promise that if you vote for us we _____ double your income in twelve months.
4. Would you excuse us? I _____ have a bath.
5. If you say that again I _____ hit you.
6. The next train to arrive at platform six _____ be the delayed since thirty-two service for Bristol.
7. I wonder what she _____ do with that hammer.

8. "Can somebody answer the phone?" "I _____."

Task 2. Use *will* / *be going to* or the simple present. (In this exercise, both *will* and *be going to* are possible when a future tense is necessary, with little or no difference in meaning.)

1. I'm going to eat lunch at 12:30. After I (*eat*) _____, (*take, probably*) _____ a nap.
2. I'll get home around six. When I (*get*) _____ home, I (*call*) _____ Sharon.
3. I'm going to watch a TV program at nine, but before I (*watch*) _____ the program, I (*write*) _____ a letter to my parents.
4. Gary will come soon. I (*wait*) _____ here until he (*come*) _____.
5. I'm sure it will stop raining soon. As soon as the rain (*stop*) _____, I (*walk*) _____ to the store to get some film.
6. I'm a junior in college this year. After I (*graduate*) _____ with a B.A. next year, I (*intend*) _____ to enter graduate school and work for an M.A. Perhaps I (*go*) _____ on for a Ph.D. after I (*get*) _____ my Master's degree.
7. I (*listen*) _____ to English language tapes while I (*sleep*) _____ tonight. Do you think it will help me learn English faster?

Task 3. Put the verbs in brackets into the future progressive or will + infinitive

1. Jack usually gives me a lift home, but we both _____ (come) home by train tomorrow as his car is being repaired.
2. He says he _____ (meet) us at the bus stop, but I'm not sure he (_____ forget) to turn up.
3. Don't ring now; she _____ (watch) her favorite TV program. ~ . All right. I _____ (ring) at 8.30.
4. I wonder what I _____ (do) this time next year. ~ I expect you still _____ (work) at the same office.
5. I'd like to double-glaze the bedroom windows. ~ All right. I _____ (get) the materials at once and we _____ (do) it this weekend.
6. Wait a bit. Don't drink your tea without milk. The milkman _____ (come) in a minute.
7. What are you doing next weekend? ~ Oh, I _____ (work) as usual. I'm always on duty at weekends.
8. Air hostess: We _____ (take) off in a few minutes. Please fasten your seat belts.
9. He _____ (come) if you ask him.
10. I arranged to play tennis with Tom at nine tonight. ~ But you _____ (play) in semi-darkness. You won't be able to see the ball.
11. I _____ (get) you some aspirins if you like. The chemist's still

_____ (be) open. ~ No, don't bother. The office boy _____ (go) out in a minute to post the letters; I _____ (ask) him to buy me some.

12. It _____ (be) very late when she gets home and her parents _____ (wonder) what's happened.

13. I never _____ (be) able to manage on my own. ~ But you won't be on your own. Tom _____ (help) you. Look — his name is bracketed with yours on the list. ~ Oh, that's all right. But Tom _____ (not help) me: I _____ (help) Tom. He always takes charge when we're on duty together.

14. I _____ (write) postcards every week, I promise, and I _____ (try) to make them legible. If necessary I _____ (type) them.

15. Typist: Are you in a hurry for this letter, Mr Jones? Because I _____ (type) Mr White's letters at four o'clock and if yours could wait till — Mr Jones: I'd like it a little earlier than four if possible. Typist: All right. I _____ (type) it for you now.

Task 4. Put the verbs in brackets into the future perfect tense.

1. I hope they _____ (repair) this road by the time we come back next summer.

2. By the end of next week my wife _____ (do) her spring cleaning and we'll all be able to relax again.

3. Yes, I make jam every week. I _____ (make) about 200 kilos by the end of the summer.

4. In two months' time he _____ (finish) his preliminary training and will be starting work.

5. He spends all his spare time planting trees. He says that by the end of next year he _____ (plant) 2,000.

6. I'll be back again at the end of next month. ~ I hope I _____ (pass) my driving test by then. If I have, I'll meet your train.

7. Come back in an hour. I _____ (do) my packing by then and we'll be able to have a talk.

8. When he reaches Land's End he _____ (walk) 1,500 miles.

9. He's only 35 but he's started losing his hair already. He _____ (lose) it all by the time he's 50.

10. His father left him £400,000, but he lives so extravagantly that he _____ (spend) it all before he's 30.

11. By the end of next year I _____ (work) for him for 45 years.

12. Everywhere you go in central London you see blocks of flats being pulled down and huge hotels being erected. In ten years' time all the private residents _____ (be driven) out and there'll be nothing but one vast hotel after another.

13. Our committee is trying to raise money to buy a new lifeboat. By the end of the year we _____ (send) out 5,000 letters asking for contributions.

14. By the end of my tour I _____ (give) exactly the same lecture 53 times.

15. A hundred people have died of starvation already. By the end of the week two hundred _____ (die). When are you going to send help?

Task 5. Put the verbs in brackets into the future perfect tense.

1. In a fortnight's time we _____ (take) our exam.
2. I _____ (finish) this book by tomorrow evening.
3. By this time tomorrow we _____ (have) our injections.
4. By the end of next year I _____ (be) here twenty-five years.
5. I'll still be here next summer but Tom _____ (leave).
6. I _____ (finish) this job in twenty minutes.
7. By next winter they _____ (build) four houses in that field.
8. When we reach Valparaiso we (sail) all round the world.
9. At the rate he is going he _____ (spend) all his money by the time he is twenty-one.
10. By this time next year I _____ (save) £250.
11. By the time we get to the party everything _____ (be) eaten.
12. The train _____ (leave) before we reach the station.
13. If I continue with my diet I _____ (lose) 10 kilos by the end of the month.
14. By the end of my university course I _____ (attend) 1,200 lectures.
15. By the end of this week my illness _____ (cost) me £100.
16. By the time that he leaves school his parents _____ (spend) £25,000 on his education.
17. By the end of the term I _____ (read) all twelve volumes.
18. When you come back I _____ (finish) all the housework.
19. The police _____ (hear) of the theft by this time.
20. We _____ (drink) all that wine by the end of the year.

UNIT 4

Passive Voice

Present Simple	They serve dinner at 6.00.	Dinner is served at 6.00.
Present Continuous	They are serving dinner now.	Dinner is being served now.
Past Simple	They served dinner.	Dinner was served .
Past Continuous	They were serving dinner.	Dinner was being served .
Future Simple	They will serve dinner.	Dinner will be served .
Present Perfect	They have served dinner.	Dinner has been served .
Past Perfect	They had served dinner.	Dinner had been served .
Future Perfect	They will have served dinner.	Dinner will have been served .
Present infinitive	They should serve dinner.	Dinner should be served .
Perfect infinitive	They should have served dinner.	Dinner should have been served .
-ing form	He likes people serving his dinner.	He likes his dinner being served .
Modals + be + p.p.	You must serve dinner.	Dinner must be served .

Task 1. Rewrite in the passive.

1. The fact that the new scheme raised such a storm of disapproval means that no one can have explained it properly to the public.

2. His father warned him not to let others lead him astray.

3. The chairman of the committee complained that they were taking up too much time in discussing trivialities.

4. People put down the boy's rudeness to his parents' having spoiled him.

5. Not until later did they discover that someone had stolen the picture.

6. Never before had they sent anyone to prison for that particular crime.

7. They could make the law effective only in this ("Only in this way")

8. People said that no one could reach any agreement on this question.

9. The army put down the rebellion and declared martial law.

10. He wanted them to treat the information as confidential.

11. Had they told me that someone was to bring up the subject of finance at the next meeting, I wouldn't have mentioned it.

12. He dislikes his fellow-workers thinking him a fool.

13. The public having ignored him for many years, the writer suddenly became famous. ("After ...")

14. Should someone prove beyond doubt that an accident caused the fire, the police will, naturally, release the man the' are at present holding on suspicion of arson.

15. On their informing him that the police wanted him, the man realized that his accomplice had betrayed him.

Task 2. Rewrite in the active sentences in passive. Where the agent is not stated, a suitable subject for the sentence or clause should be inferred from the context.

1. The fire was finally got under control, but not before extensive damage had been caused.

2. Don't let yourself be depressed by your failure.

3. In view of the widespread concern that is felt by the community at the plan for a main road to be built through the village, it has been decided by the local Council that a special inquiry should be held.

4. The house had been broken into, and two thousands pounds' worth of jewellery had been stolen.

5. Only after it had been subjected to searching laboratory tests by the scientists was the new vaccine put on the market by the Company.

6. The plan hadn't been at all well thought out by the leader.

7. It ought to have been made quite clear to the shareholders before the annual meeting was held that they would not be allowed to vote for a new board by proxy.

8. Your lawyer's advice should have been obtained before any decision was made by you for the matter to be taken further.

9. He needn't have been caused so much distress by being told by the army authorities that his brother had died in action, as it was later discovered that a mistake had been made as to the missing man's identity.

10. Information about the source from which the startling news had been obtained was withheld by the reporter.

Task 3. Rewrite the sentences in the passive omitting the words in brackets.

1. (Everyone) knows this fact very well.

2. (They) opened the theatre only last month.

3. (People) will soon forget it.

4. (You) must write the answers in ink.

5. (Someone) has taken two of my books.

6. (We) have already filled the vacancy.

7. What should (one) do in such case?

8. Did (they) say anything interesting?

9. Did (no one) ever make the situation clear to you?

10. (One) should keep milk in a refrigerator.

11. I don't think (anyone) can do it.

12. (They) would undoubtedly have killed him if he hadn't promised to co-operate.

13. (You) must finish the work by 7.

14. (They) are now manufacturing this type of computer in many countries.

15. (No one) could possibly have known the secret.

16. Has (someone) made all the necessary arrangements?

17. Fortunately (no one) had said anything about it.

18. (We) will execute all orders promptly.

19. (The police) kept the man in custody.

20. Does (someone) clean all the rooms regularly?

Task 4. Complete the sentences with a passive construction using the verbs given and the forms suggested.

1. Much of London _____ (destroy) by fire in the 17th century.
(Past simple).

2. The men who _____ (bite) a snake _____ (give) a serum. (Past

perfect, Past simple).

3. A leader should be a man who can respect. (Infinitive).

4. Many slums _____ (demolish) to make way for new buildings.
(Present progressive).

5. The police _____ (instruct) to take firm action against hooligans.
(Present perfect).

6. He _____ (save) from bankruptcy by the kindness of a friend.
(Past simple).

7. A cease-fire _____ (expect) _____ (declare) later this week.
(Present simple, Infinitive).

8. A great deal of research _____ (do) into the possible causes of cancer. (Present progressive).

9. The worker claimed that he _____ (victimize) by his employers.
(Past progressive).

10. The tenant _____ (evict) for not paying his rent. (Past simple)

11. It _____ (think) that the Government would do something to help. (Past perfect).

12. Three hundred new houses _____ (build) by the end of next year. (Future perfect).

13. Because of a strike work on the building had to _____
(discontinue). (Infinitive).

14. The witness strongly objected to _____ (cross-examine).
(Gerund).

15. _____ (threaten) by a blackmailer he immediately informed the police. (Perfect participle).

16. I'm not accustomed to _____ (treat) in that way. (Gerund).

17. The passengers ought to _____ (inform) that the train _____
(withdraw) from service. (Perfect infinitive, Past perfect).

18. Customers _____ (ask) to ensure that they _____ (give) the correct change before leaving the shop, as mistakes cannot afterwards _____ (rectify). (Present simple, Present perfect, Infinitive).

19. Was he very upset at _____ (not offer) the job? (Gerund).

20. The man was sent to prison for six months, _____ (find) guilty of fraud. (Perfect participle).

Task 5. Use the passive forms to make correct sentences.

1. computer — many offices/ they — in schools, too.

2. pocket calculator — in all kinds of shops/ they — quite cheaply today.

3. more radio and TV programs — 20 years ago/ much more money — on these programs, too.

4. fantastic photos — underwater/ of course special cameras — for such photos.

Task 6. Change the following sentences from active to passive voice.

1. Somebody calls the president every day.

2. John is calling the other members.

3. Martha was delivering the documents to the department.

4. The other members have repealed the amendment.

5. The delegates had received the information before the recess.

6. The teacher should buy the supplies for this class.

7. Somebody will call Mr Watson tonight.

8. The fire has caused considerable damage.

9. The company was developing a new procedure before the bankruptcy hearings began.

10. John will have received the paper by tomorrow.

Task 7. Complete this report with the correct active or passive forms.

SIR BILLY DIES AT THE AGE OF 81

Sir William Butlin, founder of the famous "Butlin's" holiday camps, _____ (die) yesterday morning at the age of eighty one. No further information about the cause of his death _____ (give) yet. "Billy Butlin" — as he _____ (call) by everyone here in Britain — _____ (be) born in South Africa in 1899. When Billy _____ (be) eleven years old, his parents _____ (emigrate) to Canada. Billy _____ (leave) school at the age of

twelve and _____ (give) a job in a department store. At fifteen he _____ (join) the Canadian army and _____ (send) to France, where he _____ (fight) in World War I.' After sometime as a travelling entertainer, he _____ (open) his first small holiday camp at Skegness in Lincolnshire in 1936. It _____ (be) so successful that soon other camps _____ (open) by "Sir Billy" at Clacton-on-Sea in Essex and at Filey in Yorkshire. After World War II his holiday-camp empire _____ (grow) so quickly that soon the camp _____ (visit) by over one million people every year. Today especially families with children _____ (enjoy) a holiday at a Butlin's camp. Sir William Butlin _____ (be) a man who _____ (give) much of his money to charity. One of the first charity walks _____ (organize) by him in February 1969. Hundreds of people _____ (walk) from John o'Groats in the north of Scotland to Land's End in Cornwall and thousands of pounds _____ (give) to charity. It _____ (expect) that the holiday camp tradition which _____ (establish) by Billy Butlin _____ (continue) in the future, so that many more Butlin holidays can _____ (enjoy) by families from all over Britain.

Task 8. Put the transitive verbs into the passive voice. Do not mention the agent unless it seems necessary.

1. The milkman brings the milk to my door but the postman leaves the letters in the hall.

2. In future, perhaps, they won't bring letters to the houses, and we shall have to collect them from the Post Office.

3. People steal things from supermarkets every day; someone stole twenty bottles of whisky from this one last week.

4. Normally men sweep this street every day, but nobody swept it last week.

5. The postman clears this box three times a day. He last cleared it at 2.30.

6. Someone turned on a light in the hall and opened the door.

7. Women clean this office in the evening after the staff have left; they clean the upstairs offices between seven and eight in the morning.

8. We never saw him in the dining-room. A maid took all his meals up to him.

9. Someone left this purse in a classroom yesterday; the cleaner found it.

10. We build well over 1,000 new houses a year. Last year we built 1,500.

11. We serve hot meals till 10.30, and guests can order coffee and sandwiches up to 11.30.

12. Passengers leave all sorts of things in buses. The conductors collect them and send them to the Lost Property Office.

13. An ambulance took the sick man to hospital. (Mention ambulance.)

14. We kill and injure people on the roads every day. Can't we do something about this?

15. Dogs guard the warehouse. The other day a thief tried to get in and a dog saw him and chased him. (A thief who ...)

16. The watchman called the police. The police arrested the man.

17. Tom had only a slight injury and they helped him off the field; but Jack was seriously injured and they carried him off on a stretcher. (Tom, who had ..., but Jack, who was ...)

18. You can't wash this dress; you must dry-clean it.

19. They are demolishing the entire block.

20. He recommends fitting new tyres. (Use should)

21. He suggested allowing council tenants to buy their houses.

22. Men with slide rules used to do these calculations; now a computer does them.

23. The court tried the man, found him guilty and sent him to prison.

24. The hall porter polishes the knockers of all the flats every day.
~ Well, he hasn't polished mine for a week.

25. They are repairing my piano at the moment.

26. Passengers shouldn't throw away their tickets as inspectors may check these during the journey.

27. They invited Jack but they didn't invite Tom.

28. The guests ate all sandwiches and drank all the beer. They left nothing.

29. Has someone posted my parcel?

30. Why did no one inform me of the change of plan?

Task 9. Put the transitive verbs into the passive voice. Do not mention the agent unless it seems necessary.

1. They haven't stamped the letter.

2. They didn't pay me for the work; they expected me to do it for nothing.

3. He escaped when they were moving him from one prison to another.

4 She didn't introduce me to her mother.

5. A frightful crash wakened me at 4 a.m.

6. When they have widened this street the roar of the traffic will keep residents awake all night.

7. They threw away the rubbish.

8. A Japanese firm makes these television sets.

9. An earthquake destroyed the town.

10. A machine could do this much more easily.

11. Visitors must leave umbrellas and sticks in the cloakroom.

12. We ask tenants not to play their radios loudly after midnight.

13. We can't repair your clock.

14. We cannot exchange articles which customers have bought during the sale. (Articles ...)

15. We have to pick the fruit very early in the morning, otherwise we can't get it to the market in time.

16. The police shouldn't allow people to park there.

17. They are watching my house.

18. The examiner will read the passage three times.

19. Candidates may not use dictionaries.

20. You need not type this letter.

Task 10. Put the following into the passive, mentioning the agent where necessary.

If there is an indirect and a direct object, make the indirect object the subject of the passive verb.

Example: They gave her a clock. She was given a clock.

The gerund after certain verbs is replaced in the passive by should be + past participle:

They advised employing part-time workers.

They advised that part-time workers should be employed.

1. They feed the seals at the zoo twice a day.

2. Who wrote it? _____

3. Compare clothes which we have washed with clothes which any other laundry has washed.

4. He expected us to offer him the job.

5. They showed her the easiest way to do it.

6. Lightning struck the old oak. _____
7. Titian couldn't have painted it as people didn't wear that style of dress till after his death. _____
8. A jellyfish stung her. _____
9. The author has written a special edition for children. _____
10. Judges used to carry sweet herbs as a protection against jail-fever. _____
11. What did he write it with?-He wrote it with a matchstick dipped in blood. _____
12. An uneasy silence succeeded the shot. _____
13. Did the idea interest you? _____
14. The lawyer gave him the details of his uncle's will. _____
15. Beavers make these dams. _____
16. They used to start these engines by hand. Now they start them by electricity. _____
17. Most people opposed this. _____
18. Students are doing a lot of the work. _____
19. The Prime Minister was to have opened the dry dock. _____
20. They recommended opening new factories in the depressed area. (Use should.) _____
21. The closure of the workshops will make a lot of men redundant. _____
22. Anyone with the smallest intelligence could understand these instructions. _____
23. We will not admit children under sixteen. _____
24. Boys of sixteen to eighteen are to man this training ship. _____
25. A rainstorm flooded the gypsies' camp. _____

Task 11. Turn the following sentences into the active voice. Where no agent is mentioned one must be supplied.

School notice: This door must be kept shut. Students must keep this door shut.

1. Why don't you have your eyes tested? (... get an optician to ...)

2. This speed limit is to be introduced gradually.

3. The runways are being lengthened at all the main airports.

4. It is now 6 a.m. and at most of the hospitals in the country patients are being wakened with cups of tea.

5. Byron is said to have lived on vinegar and potatoes.

6. By tradition, any sturgeon that are caught by British ships must be offered to the Queen. _____
7. This notice has been altered. _____
8. The owners went away last March and since then their houseboat has been used continuously by squatters. (Use a progressive tense and omit continuously.) _____
9. The damaged ship was being towed into harbor when the towline broke.

10. Have a lift put in and then you won't have to climb up all these stairs.

11. Last year a profit of two million pounds was made in the first six months but this was cancelled by a loss of seventeen million pounds which was made in the second six months.

12. Evening dress will be worn. _____
13. The ship was put into quarantine and passengers and crew were forbidden to land. _____
14. Someone will have to be found to take her place.

15. He was made to surrender his passport.

16. This rumor must have been started by our opponents.

17. My paintings are to be exhibited for the first time by New Arts Gallery.

18. This scientific theory has now been proved to be false.

19. The car which was blown over the cliff yesterday is to be salvaged today.

20. The house where the dead man was found is being guarded by the police to prevent it from being entered and the evidence interfered with.

UNIT 5

Conditionals

	If-clause (hypothesis)	Main clause (result clause)	Use
Type I real present	If + any present form (Present S., Present Cont., Present Perf.)	Future / Imperative can / may / might / must / should + bare infinitive Present Simple	true or likely to happen in the present or the future
	If you finish work early, we'll go for a walk. If you have finished your coffee, we can pay the bill. If you're ill, see a doctor! If you burn yourself, it hurts.		
Type II unreal present	If + Past Simple or Past Continuous	Would / could / might + bare infinitive	untrue in the present also used to give advice
	If I had money, I would travel round the world. (but I don't have money – untrue in the present) If I were you, I would take an umbrella. (advice)		
Type III unreal past	If + Past Perfect or Past Perfect Continuous	Would / could / might + have + past participle	Imaginary situation contrary to facts in the past; also used to express regrets or criticism
	If we hadn't left so early, we would have missed the plane.		

Conditional sentences have two parts: the if-clause (hypothesis) and the main clause (the result clause).

If you post the invitations today, they will arrive on time.

if-clause main clause

There are three types of conditionals. Type I – true in the present, Type II – untrue in the present and Type III – imaginary, contrary to facts in the past. For the usage of the verb form in conditionals, see the chart above.

If the weather is nice, we'll go swimming. (true – it's possible)

If I were a bird, I could fly. (untrue in the present – I am not a bird.)

If I had been invited to the party, I would have gone. (imaginary in the past – I wasn't invited, so I didn't go.)

When the if-clause precedes the result clause, we separate the two clauses with a comma.

If you work hard, you will succeed. But: You will succeed if you work hard.
(no comma)

Conditionals are usually introduced by **if**, **unless** (= **if not** – normally used with 1st type conditionals). The following expressions can be used instead of “**if**”: **providing**, **provided (that)**, **as long as**, **in case**, **on condition (that)**, **but for** (= **without**), **otherwise**, **or else**, **what if**, **supposing**, **even if**, **only if**

If you don't reserve a ticket, you won't get a seat.

Unless you reserve a ticket, you won't get a seat. (not: Unless you don't reserve...)

You will get a seat providing / provided (that) / as long as / only if you reserve a ticket.

Only if you reserve a ticket, will you get a seat. (When we begin the sentence with “only if”, we invert the subject and the verb of the result clause.)

Reserve a ticket, otherwise / or else you won't get a seat.

What if it rains, will you still go for a picnic with him?

Supposing it rains, will you still go for a picnic with him?

Will you still go for a picnic with him even if it rains?

But for him, I wouldn't have been able to survive. (If it hadn't been for him – without his help)

Future tense is not normally used with an if-clause.

Unless you leave early, you will be late. (not: Unless you will leave...)

If you pay, you will get a receipt. (not: If you will pay...)

We can omit “if”. When we omit “if” should, were and had (Past Perfect) come before the subject.

If he should turn up, tell him to wait for me. => Should he turn up, tell him to wait for me.

If I were you, I would speak to her. => Were I you, I would speak to her.

If he had known, he would have told us. => Had he known, he would have told us.

After “if” we normally use were instead of was in all persons in Type II conditionals in formal situations. Was is mainly used in spoken English.

If I were / was you, I wouldn't buy such an expensive dress.

Task 1. Write conditional sentences using the given fact in your conditional clause and adding a suitable completion.

1. It looks as if those shoes in the window are my size.

2. Don't drop that vase! _____

3. It looks like being fine tomorrow. _____

4. My father has suggested that I change my job. _____

5. It seems that we'll be late for the theatre. _____

6. Don't lose my library book! _____

7. You may meet some friends of mine in London. _____

8. He expects to pass his exam. _____

9. I anticipate getting a rise in salary next year. _____

Task 2. Refer the following sentences of real condition to the future and change the verb form:

1. You do not see the square if you look out of the window. _____

2. Eric comes to school by bus if he is late. _____

3. We see old things if the history museum is open. _____

4. If Alf can repair his bicycle, he goes cycling. _____

5. Irene does not go to the theatre if she cannot get a ticket.

Task 3. Use the correct verb form instead of the infinitive in brackets in the following sentences of real condition:

- A.** 1. If the weather _____ (to be) fine next weekend, we _____ (to go) to the country.
2. I always _____ (to help) you this year if you _____ (to need) help.
3. I _____ (to help) you tomorrow if you still _____ (to need) help
4. If my parents _____ (not to work) on Saturday, we all _____ (to go) skiing
5. Granny sometimes _____ (not to hear) if little Eddie _____ (to call) her.

- B.** 1. Mother _____ (to be) very tired tomorrow, she _____ (to go) home by tram.
2. I _____ (to be) always at home if you _____ (to ring) me up this summer.
3. If Father _____ (to leave) for the south, Mother _____ (to start) preparations
4. The children _____ (to wear) shorts in summer if it _____ (to be) hot.
5. If the days _____ (to be) sunny in spring, we _____ (to work) in the garden.

Task 4. Complete the following sentences.

1. Dad, if you carry on like this, I'll _____
2. We can go out for dinner if _____
3. If you help me a bit, _____
4. The house will soon be very dirty, if _____
5. If you drop out of school, Marvin _____
6. You'll get into a good college, if _____
7. You'll soon be in trouble if _____
8. Why don't you visit Mom if _____

Task 5. Rewrite the sentences using if.

1. Give him a little encouragement and he'll work really hard.

2. Take a pill and you won't be seasick.

-
3. Remember your wife's birthday or she'll be upset.
-
4. Send her some roses and she'll forgive you.
-
5. Put on some suntan oil or you'll get sunburnt.
-
6. Tell me the truth at once or I'll never trust you again.
-
7. Just say you are sorry and we can forget the whole incident.
-
8. Be firm with the children or they'll misbehave.
-
9. Practice speaking English regularly or you'll never become really fluent.
-

Task 6. Complete the sentences making them conditional.

1. We'll just manage to catch the train if _____
2. If I see him again I _____
3. I will accept your explanation only if _____
4. If my bank manager lends me the money _____
5. What will happen if _____?
6. If you don't hear from me by next Friday _____
7. If your work continues to improve _____
8. _____ only if you promise not to tell anyone else.
9. Look up the answer in the key only if _____
10. What will he say if _____?
11. If the worst should come to the worst _____
12. Give me time and _____

Task 7. Put the verbs into the correct tenses.

1. If I see him I _____ (give) him a lift.
2. The table will collapse if you _____ (stand) on it.
3. If he _____ (eat) all that he will be ill.
4. If I find your passport I _____ (telephone) you at once.
5. The police _____ (arrest) him if they catch him.
6. If he _____ (read) in bad light he will ruin his eyes.
7. Someone _____ (steal) your car if you leave it unlocked.
8. What will happen if my parachute _____ (not open)?

9. If he _____ (wash) my car I'll give him £10.
10. If she _____ (need) a radio she can borrow mine.
11. If you _____ (not go) away I'll send for the police.
12. I'll be very angry if he _____ (make) any more mistakes.
13. If he _____ (be) late we'll go without him.
14. She will be absolutely furious if she _____ (hear) about this.
15. If you put on the kettle I _____ (make) the tea.
16. If you give my dog a bone he _____ (bury) it at once.
17. If we leave the car here it _____ (not be) in anybody's way.
18. He'll be late for the train if he _____ (not start) at once.
19. If you come late they _____ (not let) you in.
20. If he _____ (go) on telling lies nobody will believe a word he says.

Task 8. Put the verbs in brackets into the correct form.

1. I'll look for your notebook and if I _____ (find) it I _____ (give) you a ring.
2. If you _____ (smoke) in a non-smoking compartment the other passengers _____ (object).
3. I'll wash the glasses in this nice hot water. ~ No, don't. If you _____ (put) them into very hot water they _____ (crack).
4. If you _____ (see) Tom tell him I have a message for him.
5. If he _____ (win) he _____ (get) £1,000; if he _____ (come) in second he _____ (get) £500.
6. If you _____ (feel) too hot during the night turn down the central heating.
7. Tom: Jack is a translator; he translates 1,000 words a day and gets £100 a week, which he says isn't enough to live on. Bill: Well, if he _____ (want) more money he _____ (have) to do more work. Advise him to translate 2,000 words a day.
8. If you _____ (finish) with your dictionary I'd like to borrow it.
9. Jack _____ (in canoe): Watch me! I'm going to stand up! Tom _____ (on the bank): He's an idiot! If he _____ (stand) up in the canoe it _____ (capsize).
10. The lift wasn't working when I was here last. If it still _____ (not work) we _____ (have) to use the stairs.
11. I shan't wake if the alarm clock _____ (not go) off.
12. I shan't wake unless I (hear) the alarm.
13. If you'd like some ice I _____ (get) some from the fridge.
14. He's only sixteen but he wants to leave school at the end of the term. ~ If he _____ (leave) now he _____ (be) sorry afterwards.
15. I expect it will freeze tonight. ~ It _____ (freeze) tonight the roads

_____ (be) very slippery tomorrow.

16. That book is overdue. If you _____ (not take) it back to the library tomorrow you _____ (have) to pay a fine.

17. Unless Tom _____ (take) his library book back tomorrow he _____ (have) to pay a fine.

18. You'd better take the day off if you _____ (not feel) well tomorrow.

19. If a driver _____ (brake) suddenly on a wet road he _____ (skid).

20. If you _____ (like) I _____ (get) you a job in this company.

21. If you _____ (like) a job in this company, I'll get you one.

22. My dog never starts a fight. He never growls unless the other dog _____ (growl) first.

23. You can use my phone if yours _____ (not work).

24. If you _____ (not know) the meaning of a word you may use a dictionary.

25. If Jack _____ (refuse) to help we'll have to manage without him.

26. If Jack _____ (not help) we'll have to manage without him.

27. (Tom is putting his coat on.) Ann: If you _____ (go) out would you buy me some cigarettes?

28. Henry can't count. ~ Why you _____ (employ) him as a cashier if he can't count?

29. The police will test the knife for fingerprints. If your fingerprints are on it you _____ (be) charged with murder.

30. Tom: I hate my job. Peter: If you _____ (hate) it why you _____ (not change) it?

Task 9. Part 1: Reply to the following sentences as shown in the example:

If Tom meets us at the station we'll be all right. But what'll we do if he doesn't meet us?

1. If he pays me tonight I'll have enough money for the tickets. _____

2. If I get a work permit I'll stay for another six months. _____

3. If I pass this exam I'll go to the university next October. _____

4. If he agrees to let me go on working after marriage I'll marry him (Use refuse). _____

5. I'm going to say to the boss, "I can't work with Smith Either I go or he goes. You'll have to choose between us."

6. If I can find a cheap room I'll stay a fortnight.

7. Your parachute should open after ten seconds.

8. Provided you remember the password you'll be in no danger. (Use forget.)

9. Tell the police the truth. I'm sure they'll believe you.

10. If the baby is a girl we're going to call her Ann.

11. If we get a lift we'll be in time. _____

12. If London airport is clear of fog we'll land there.

13. If Tom helps us the job will only take half an hour.

14. I haven't got a key but Jack will let us in if he is at home.

15. If the ice is thick enough we'll be able to walk across the river.

16. The sands are quite safe as long as you don't walk on them when the tide is coming _____

17. If it's fine tomorrow we'll go for a walk.

18. Driver (having just changed a wheel): We'll be all right provided we don't have another puncture.

Part 2. Rewrite the following sentences replacing would like by like and making any necessary changes.

*If you'd like to wait you can wait here.// you like you. can wait here or
You can wait here if you like.*

1. If you'd like a copy of the book I can get you one. (If you like I...)

2. If you'd like me to ask if there are any vacancies I will. (If you like I'll ...)

3. If you'd like to see the photographs I'll bring them round tonight.

4. If you'd like me to give you a hand I will.

5. If you'd like to watch the procession from my balcony you can.

6. If you'd like to see London from the air I'll arrange a helicopter trip for you. _____
7. You knitted a very nice sweater for Tom. ~ Yes, if you'd like me to knit you one I will. _____
8. If you'd like to borrow my car you can. _____
9. I'll come back and finish it tomorrow if you'd like me to.

10. If you'd like Ann to type it again I'll ask her to.

11. If you'd like an application form I'll get you one.

12. If you'd like me to go with you I will.

13. I'll paint the front door blue if you'd like that.

14. If you'd like to leave the washing-up till tomorrow you can.

15. If you'd like to postpone the trip till next week we'll do that.

16. If you'd like me to ask him to our next party I will.

17. If you'd like to meet the President I will arrange it.

18. If you'd like to go sailing tomorrow we will.

Task 10. Put the verbs in brackets into the correct form. Conditional sentences: Type 2.

1. Of course I'm not going to give her a diamond ring. If I _____ (give) her a diamond ring she _____ (sell) it.
2. *Tom*: I woke up to find the room full of smoke; but I knew exactly what to do. *Ann*: If I _____ (wake) up to find the room full of smoke I _____ (have) no idea what to do.

3. *Ann*: I couldn't live without Tom. If he _____ (go) off with another girl I _____ (pine) away and die. But I have complete confidence in Tom.
4. *Husband*: But I'm not going on a diet. Why should I go on a diet? *Wife*: If you _____ (go) on a diet you _____ (lose) weight.
5. If someone _____ (say), "I'll give you £500 to go into court and swear that this statement is true," what you _____ (do)?
6. If we _____ (work) all night we _____ (finish) in time; but we have no intention of working all night.
7. You must never blow out a gas light. Do you know what _____ (happen) if you _____ (blow) out a gas light?
8. If I _____ (see) a tiger across Hyde Park I _____ (climb) a tree. ~ That _____ (not be) any use. The tiger _____ (climb) after you.
9. If I _____ (come) across two men fighting with knives I _____ (call) the police. ~ But this a very peaceful area.
10. *Ann*: All your clothes are years out of date. Why don't you throw them away? *Mary*: Don't be ridiculous! If I _____ (throw) my clothes away I _____ (have) to ask my husband for £1,000 to buy new ones.
11. *Ann*: If you _____ (ask) him for £1,000 what he _____ (say)?
12. *Mary*: He _____ (be) too horrified to speak at first. But when he'd recovered from the shock, he probably _____ (start) talking about a divorce.
13. If someone _____ (ring) my door at 3 a.m. I _____ (be) very unwilling to open the door.
14. If I _____ (see) a python in Piccadilly I _____ (assume) it had escaped from a circus.
15. *Tom*: The plane was on fire so we bailed out. *Ann*: I don't think I _____ (have) the nerve to do that even if the plane _____ (be) on fire.
16. We train the children to file out of the classroom quietly, because if a whole class _____ (rush) at the door someone _____ (get) hurt.
17. Why don't you buy a season ticket? ~ Because I lose everything. If I _____ (buy) a season ticket I _____ (lose) it.
18. Why don't you bring your car to work? If I _____ (have) a car I _____ (bring) it to work.
19. *Jack*: They get £150 a week. *Tom*: They can't get £150 a week. If they _____ (do) they _____ (not be) striking for £120.
20. *Ann*: George is fourteen. *Tom*: He must be older than that. He's in a full-time job. If he _____ (be) only fourteen he still _____ (be) at school.

Task 11. Rewrite these sentences, using an if construction.

1. She is very shy; that's why she doesn't enjoy parties.

-
2. He doesn't take any exercise; that's why he is so unhealthy.
-
3. I haven't the right change so we can't get tickets from the machine.
-
4. They speak French to her, not English, so her English doesn't improve.
-
5. He doesn't work overtime, so he doesn't earn as much as I do.
-
6. My number isn't in the directory so people don't ring me up.
-
7. The police are not armed so we don't have gun battles in the streets.
-
8. The shops don't deliver now, which makes life difficult.
-
9. He's very thin; perhaps that's why he feels the cold so much.
-
10. We haven't any matches so we can't light a fire.
-
11. It's a pity we haven't a steak to cook over our camp fire.
-
12. I'm fat; that's why I can't get through the bathroom window.
-
13. He doesn't help me, possibly because I never ask him for help.
-
14. I can't drive so we can't take the car.
-
15. We have no ladder so we can't get over the wall.
-
16. My friend advised me to sell it. (My friend said, "If I ... you I ...)
-
17. I haven't much time so I read very little.
-
18. They don't clean the windows so the rooms look rather dark.
-
19. He never polishes his shoes, so he never looks smart.
-
20. He doesn't pay his staff properly; perhaps that's why they don't work well. _____

Task 12. Put the verbs in brackets into the correct tenses. Conditional sentences: Type 2.

1. If I had a typewriter I _____ (type) it myself.
2. If I _____ (know) his address I'd give it to you.
3. He _____ (look) a lot better if he shaved more often.
4. If you _____ (play) for lower stakes you wouldn't lose so much.
5. If he worked more slowly he _____ (not make) so many mistakes.
6. I shouldn't drink that wine if I _____ (be) you.
7. More tourists would come to this country if it _____ (have) a better climate.
8. If I were sent to prison you _____ (visit) me?
9. If someone _____ (give) you a helicopter what would you do with it?
10. I _____ (buy) shares in that company if I had some money.
11. If he _____ (clean) his windscreen he'd be able to see where he was going.
12. If you drove your car into the river you _____ (be able) to get out?
13. If you _____ (not belong) to a union you couldn't get a job.
14. If I _____ (win) a big prize in a lottery I'd give up my job.
15. What you _____ (do) if you found a burglar in your house?
16. I could tell you what this means if I _____ (know) Greek.
17. If everybody _____ (give) f l we would have enough.
18. He might get fat if he _____ (stop) smoking.
19. If he knew that it was dangerous he _____ (not come).
20. If you _____ (see) someone drowning what would you do?

Task 13. Change the following sentences of real condition into sentences of unreal condition.

1. If the storm is over, we shall have a pleasant walk.

-
2. If it grows cold, they start heating the rooms.

-
3. He will let me know if he goes to Moscow.

-
4. Harold will be late if he walks so slowly.

-
5. The dog will catch the stick if it is thrown into the river.

-
6. If it snows, the streets will be cleared of snow.
-

7. If the weather keeps dry, we have to water the flowers.

8. We shall not see anything if the night is very dark.

9. The child was not able to sleep if he had a high temperature.

10. The room will look warmer if the walls are painted yellow.

Task 14. Supply the correct form of the missing verbs.

1. If she _____ (be) here now, she _____ (give) us some advice.
2. If he _____ (fail) in his present job, he _____ (think) about another career.
3. If you _____ (can play) a musical instrument, you _____ (help) with the school orchestra.
4. If they _____ (have) the right qualifications, they _____ (be able to) apply for better jobs.
5. If she _____ (can have) some lessons, she _____ (improve) her performance.
6. If we _____ (run) our own business, we _____ (be) more independent.
7. If John _____ (go) to his home town, he _____ (visit) his mother.
8. If Susan _____ (borrow) your book, she _____ (return) it.
9. If Frank _____ (want) advice, he _____ (ask) his bank manager.

Task 15. Put in Type 2 conditionals throughout.

LYING IN THE SUN

Two tramps, Eugene and Sergio, were lying in the sun.

E.: What (we/doing) _____, if the sun (not shining) _____?

S.: Well, (we/not be) _____ lying here for a start. But that's not the important question. The important question is: What (we/do) _____ if (we/be) _____ rich?

E. If (we/be) _____ rich, we (can/travel) _____ everywhere.

S. True, but we travel everywhere already.

E. Yes, but not in style. If (we/have) _____ money, our chauffeur, James, (can/drive) _____ us round in our Rolls. Imagine, if (we/be) _____ in that position! (We /return) _____ to our fine mansion in the country.

S.: Yes, the butler (put out) _____ fresh clothes for us, the cook (prepare) _____ a fine meal for us. We _____ not just be eating carrots all the time.

E.: Yes. If (we/own) _____ a house like that, (we/also have) _____ a fine swimming-pool.

S.: Yes! Yes! If (we/have) _____ a fine swimming-pool, (we can/swim) _____ as much as we liked.

E.: If (we/be) _____ really rich, (we can/lie) _____ in the sun!

S.: But we are lying in the sun!

Task 16. Fill in the blanks

Example:

Paul really wants to get a raise. If he didn't want to get a raise he wouldn't work overtime every night.

1. Timmy is afraid of the dark. If _____ he _____ right now. 2. Nancy and Julie want to win the Boston Marathon. If _____, _____ every day before and after work. 3. Michael's father is president of the company. If his father _____, Michael certainly _____ at his boss right now. 4. Peter wants to be just like his big brother. If _____, _____ every weekend. 5. My parents are away this afternoon. If _____, _____ all the ice cream in the refrigerator right now. 6. I hate being the oldest child in my family. If _____, I _____ have to _____ all the time. 7. There's a police car in front of us. If _____, I _____ so slowly right now.

Task 17. What would you do if?

1. If I won a \$1,000,000 _____
2. If I were an English teacher _____
3. If I could travel anywhere in the world _____
4. If I were the President of _____
5. If I were year old again _____
6. If I could have any job I wanted, _____
7. If today were the last day of my life _____

Task 18. Open the brackets.

1. If you _____ (learn) your words well, you _____ (not have to) be afraid of the vocabulary test.
2. If your brother _____ (drive) more carefully, the accident _____ (not happen).
3. If Tina _____ (call), tell her I _____ (ring) her back later.
4. I think life _____ (be) very boring if we _____ (have) nothing to do.
5. If I _____ (live) in Australia, I _____ (probably be) a sheep farmer.
6. The train has left. If you _____ (get up) earlier, we _____ (not miss) it.

7. Take my advice! If you _____ (give up) smoking, you _____ (feel) a lot better.
8. If you (_____ think) this exercise was too difficult, you _____ (have to) read the grammar rules once more.

Task 19. Write what you would do or could do.

— if you were a king/queen, a politician, a famous sportsman/sportswoman, an excellent painter, James Bond, the head master/headmistress of your school, a baker, a bird ...

— if you had a million dollars, a motorbike, magic powers, a time machine.

Task 20. Open the brackets.

1. Sabine: If somebody _____ (see) us with our dictionary, they _____ (call) us crazy.
2. Scott: I don't think it _____ (be) so nice if adults _____ (be) at the party.
3. Uwe: We _____ (never learn) all these words if Sabine _____ (not bring) her dictionary.
4. Gillian: If a teacher _____ (tell) me all these English words, I _____ (forget) them at once.
5. Colin: If my friend Nick _____ (know) about all this, he _____ (take) part in the exchange, too.

Task 21. Finish the sentences.

If I could have a dinner with a celebrity _____

If air travel were less expensive _____

If everyone in the world spoke the same language _____

If countries opened their borders to everyone _____

If I could take six month's paid vacation starting tomorrow, _____

Task 22. Complete the sentences following the pattern of Type 2 conditionals.

1. Perhaps he _____, if you spoke to him.

2. If you changed your job you _____
3. If you went to see a doctor he _____
4. If we bought a house in the country, we _____
5. If they came to see us in London, we _____
6. If you took the shoes back to the shop they _____
7. If you read the book a second time you _____

Task 23. Complete the sentences following one of the pattern for conditionals of Type 2.

1. What _____ if you were in my shoes?
2. If _____, I wouldn't think of changing my job.
3. How would you react if _____?
4. If only you would read more carefully _____
5. Do you think I would be telling you this if _____?
6. I wouldn't buy the picture even if _____
7. Even if he knew the truth what _____?
8. If only he would admit he was wrong _____.
9. I'd much rather you _____
10. It might only add to our difficulties if _____.

Task 24. Write conditional sentences based on the given fact.

1. He didn't give me his number, so I couldn't telephone him.

2. As the sun was in the right direction, the photographs came out very well. _____
3. The shop didn't pack the goods properly, so they got damaged.

4. He didn't remember what had been said because he wasn't paying attention. _____
5. He wasn't able to answer all the questions, so he didn't pass the examination. _____

Task 25. Finish the sentences in such a way that it means exactly the same as the one printed before it.

1. It's my opinion that you should take more exercise. If I _____
2. Without his wife's constant support he would never achieved his ambition. If he _____

3. But for his presence of mind there might have been a serious accident If it _____
4. Considering all the problems it's a miracle we succeeded. If one _____
5. Without proper lessons you could pick up a lot of bad habits. If you _____
6. It would be a waste of everyone's time to discuss the question any further. It _____ if we _____
7. Follow the instructions carefully and you won't have any problems. As long as _____
8. For us to have given up at that stage would have been an admission of total defeat. If we _____

Task 26. Complete the sentences.

1. We would have flown-to California _____
2. If I had read more about the history of California _____
3. We would have stayed in San Francisco longer _____
4. If I had known about the famous hydrant _____
5. We would have taken photos of all the sights ...
6. I wouldn't have been so tired when we got to Yosemite ...
7. If the adverts had said something about the noise from traffic ...

Task 27. Complete the statements.

1. Simon scored 30 points in the basketball match against Bad Essen. Simon couldn't have scored 30 points if _____. If he hadn't scored 30 points, _____
2. Uwe was allowed to take part in a cookery lesson. Uwe might not have taken part in a cookery lesson if _____. If he hadn't been allowed to take part in a cookery lesson, _____.
3. On the coach to Longleat Marion remembered a funny story from her English book about an English family's trip to Longleat. She told her English friends the story. Marion wouldn't have remembered the story if _____. If Marion hadn't remembered the story _____

Task 28. Put in Type 3 conditionals throughout.

BOTH RIGHT AND BOTH WRONG

The black car screamed round the corner on the wrong side of the road and passed a white car doing exactly the same thing in the other direction. Both

drivers stopped and got out of their cars. "If I _____ (be) on my side of the road, you _____ (kilt) me," driver A shouted. "But you weren't on your side of the road, driver B shouted back. "If you _____ (driving) more carefully, you _____ (not be) on the wrong side of the road." "If I _____ (know) what was round the corner, I _____ (keep) to my side of the road, driver A said. "If you _____ (know) what was round the corner, you _____ (not driving) so carelessly." Suddenly, both men stopped shouting and driver A said, very quietly, "If we both _____ (not be) on the wrong side of the road, we _____ (be) dead now." Without speaking a further word, both men shook hands and drove away.

Task 29. Put the verbs in brackets into the correct tenses. Conditional sentences: Type 3.

1. If I had known that you were in hospital I _____ (visit) you.
2. The ground was very soft. But for that, my horse _____ (win).
3. If you _____ (arrive) ten minutes earlier you would have got a seat.
4. You would have seen my garden at its best if you _____ (be) here last week
5. But for his quickness I _____ (be) killed.
6. I shouldn't have believed it if I _____ (not see) it with my own eyes.
7. If he had slipped he _____ (fall) 500 metres.
8. If he had asked you, you _____ (accept)?
9. If I _____ (had) a map I would have been all right.
10. If I _____ (know) that you were coming I'd have baked a cake.
11. I _____ (offer) to help him if I had realized that he was ill.
12. If you had left that wasp alone it _____ (not sting) you.
13. If I _____ (realize) what a bad driver you were I wouldn't have come with you.
14. If I had realized that the traffic lights were red I _____ (stop).
15. But for the fog we _____ (reach) our destination ages ago.
16. If you had told me that he never paid his debts I _____ (not lend) him the money.
17. If you _____ (not sneeze) he wouldn't have known that we were there.
18. If you _____ (put) some mustard in the sandwiches they would have tasted better.
19. The hens _____ (not get) into the house if you had shut the door.
20. If he had known that the river was dangerous he _____ (not try) to swim across it.

Task 30. Put the verbs in brackets into the correct tenses.

1. If he _____ (not take) his gloves off he _____ (not get) frost bitten.
2. She was sent to prison only because she refused to pay the fine; if she _____ (pay) the fine she _____ (not be) sent to prison.
3. He didn't tell me that he was a vegetarian till halfway through the meal. If he _____ (tell) me earlier I _____ (cook) him something more suitable.
4. I had no map; that's why I got lost. If I _____ (had) a map I _____ (be) all right.
5. Why didn't you say that you were short of money? If I _____ (know) I _____ (lend) you some.
6. It's lucky he had his torch with him. If he _____ (not have) it he _____ (fall) down the cellar steps.
7. The job is much worse than I expected. If I _____ (realize) how awful it was going to be I _____ (not accept) it.
8. It was the drug, not the disease, that killed him. He would still be alive today if he _____ (not take) that drug.
9. This room's freezing because the fire has only just been lit. ~ If it _____ (be lit) this morning, as I suggested, the room would be warm enough to sit in now.
10. I overslept; that's why I'm half an hour late; and if my phone _____ (not ring) at nine o'clock I might still be in bed.
11. It was rather a dull game so I left before the end; if I _____ (wait) another five minutes I _____ (see) Chelsea scoring a really exciting goal.
12. The paraffin heater was perfectly safe. There _____ (not be) a fire if the children _____ (not knock) it over.
13. It's a pity he never patented his invention. If he _____ (patent) it he _____ (make) a lot of money.
14. The fog came down suddenly and I suppose they didn't know which way to turn; if only they _____ (have) a map and compass with them they _____ (not be) drowned.
15. He asked his parents for a loan but he didn't say what he wanted the money for, so they refused. I think if he _____ (tell) them that he wanted to open a restaurant they _____ (agree).
16. The accident was mainly Tom's fault. He was driving much too close to the car in front. If he _____ (be) further away he _____ (be able) to stop in time.
17. The launching of the rocket was delayed half an hour by bad weather. If the weather _____ (be) good they _____ (launch) it at 8.30 instead of at 9.00.
18. Why did you throw away those newspapers? I hadn't finished with

them. ~ I'm sorry. If I _____ (know) you were still reading them I _____ (not throw) them away.

19. I'm sorry you didn't tell me that dogs were allowed in the hotel; if I _____ (know) I _____ (bring) my dog. He _____ (enjoy) the walk.

20. Most people _____ (attend) the union meeting if they had had longer notice of it.

Task 31. Rewrite these sentences using an if construction.

You didn't tell me we had run out of bread, so I didn't buy any.

If you had told me we had run out of bread I'd have bought some.

1. I didn't see the signal, so I didn't stop.

2. I didn't know your number, so I didn't ring.

3. She didn't know you were in hospital, so she didn't visit you.

4. We only came by bus because there were no taxis.

5. She didn't speak to him, possibly because she was so shy.

6. Landlord: She threatened to set fire to her flat; that's the only reason I asked her to leave.

7. We didn't visit the museum because we hadn't time.

8. I only came up the stairs because the lift wasn't working.

9. We didn't listen carefully; perhaps that's why we made this mistake.

10. We got a lift, so we reached the station in time.

11. You washed it in boiling water; that's why it shrank.

12. We missed the train because we were using an out-of-date timetable.

13. His own men deserted him; that's the only reason why he failed.

14. They were driving very quickly. That's why the accident was so terrible.

15. It was raining. That's the only reason I didn't take the children to the beach.

16. When I bought this house I didn't realize that in summer planes skimmed the roof every five minutes. (if I (knew) ... I (not buy) etc.)

17. Tom's father was on the Board. That's the only reason he got the job.

18. He wasn't looking where he was going. That's why he was run over.

19. I don't like country life, perhaps because I wasn't brought up in the country.

20. I didn't know he was so quarrelsome. I'm sorry now that I invited him.

Task 32. Put the verbs in brackets into the correct forms. Conditional sentences: mixed types.

1. I've hung out the clothes. It's lovely and sunny; if it _____ (stay) like this they _____ (be) dry in two hours.

2. French is essential in this job. All the telephonists speak it. If they _____ (not know) French they _____ (not understand) half the callers.

3. How did you do in the car rally? ~ We came in last actually; but only because we got lost. If we _____ (not got) lost we _____ (come) in somewhere in the middle. We certainly _____ (not be) last.

4. I wasn't really surprised that we got lost because I knew that the navigator couldn't map-read. ~ But if you _____ (know) that why you _____ (take) him as navigator?

5. This flat would be all right if the people above us _____ (not be) so noisy.

6. A group of spectators, including myself, left the stand just before the end of the game. When we were half way down the stairs a goal was scored and there was a great cheer from the spectators. If there _____ (not be) a goal the crowd _____ (not cheer)

7. If the crowd _____ (not cheer) we _____ (not run) back up the stairs to see what had happened.

8. If we _____ (not run) back we _____ (not crash) into the rest of the spectators on their way down, and there _____ (not be) this frightful accident.

9. If the pain _____ (return) you'd better take another pill.

10. If you aren't going to live in the house why you _____ (not sell) it? If I _____ (have) a house I couldn't use I _____ (sell) it at once.
11. No, I didn't know any Russian at that time. ~ But if you _____ (not know) Russian why you _____ (offer) to give him Russian lessons? ~ Because I knew that he _____ (refuse). He always rejected my offers.
12. Tell him to bring his bicycle inside. If he _____ (leave) it outside someone _____ (steal) it.
13. Why do people always wear dark clothes at night? If pedestrians _____ (wear) light colored clothes drivers _____ (see) them much more easily.
14. She must have loved him very much because she waited for him for fifteen years. If she _____ (not love) him she _____ (not wait) so long.
15. He looked so small and weak that nobody asked him to do anything. If he _____ (look) strong he _____ (be) expected to dig all day like everyone else.
16. The government are talking of pulling the village down to make room for an airport. ~ If they _____ (start) doing it the village people _____ (resist)?
17. If you are catching an early train tomorrow you _____ (like) to have breakfast at 7.00?
18. We'll have to break the ice on the pond; otherwise the ducks _____ (not be able) to swim. And if they _____ (not be able) to swim they _____ (not be able) to get food. (Use can/could forms where possible.)
19. When he left school he became a fisherman. His family didn't like it at all. They _____ (be) much happier if he _____ (become) a greengrocer like his father.
20. They still say that if he _____ (go) into the green grocery business when he left school he _____ (be) comfortably off now instead of being poor.
21. But he says that if he _____ (have) his life again he _____ (make) the same choice.
22. So many parcels and no baskets! If I _____ (know) that we were going to buy so much I _____ (bring) a basket.
23. No one bathes here. The water is heavily polluted. If you _____ (bathe) in it you _____ (be) ill for a fortnight.
24. I can hear the speaker all right but I wish I could see him too. ~ If he _____ (stand) on a barrel we all _____ (see) him and that _____ (be) much better.
25. Look at poor Tom trying to start his car by hand again! If I _____ (be) Tom I _____ (get) a new battery.

26. I expect you'll see Jack at the lecture tonight. If you _____ (do) you please _____ (remind) him about tomorrow's meeting?
27. The headmaster decided that Peter was the culprit and expelled him from the school. A more intelligent man _____ (realize) that Peter couldn't have been guilty. (if the headmaster had been more intelligent he ...)
28. But I blame the real culprit even more. If he _____ (admit) his guilt Peter _____ (not be) expelled.
29. The only thing I haven't got is a balcony. If I _____ (have) a balcony I _____ (grow) plants in pots. Then my flat (be) perfect!
30. Jack rang while you were out. ~ Oh dear! If I _____ (know) he was going to ring I _____ (stay) at home.

SECTION V

Functions

Topic 1

ADVISING

1. *in my opinion, if I were you, it's worth + verb + -ing. etc.*

In my opinion, it would be better to take on temporary staff.

If I were you, I'd take the train; it's faster.

It's worth trying to get an upgrade.

My advice would be to have a day-off.

In your shoes, I'd make a strong complaint.

Why not do some lateral thinking? (всесторонний подход к вопросу).

2. *you'd better*

If you think you won't understand **you'd better** use an interpreter.

'd is an abbreviation of *had* and not *would*. Note that the verb following 'd better is used without *to*:

You'd better ask her permission before you go ahead.

You'd better not use the software without a site license.

3. Using the imperative

Be nice to her.

Think about it first.

Remember to take your passport.

Make sure you take enough money.

If the situation is dangerous the advice is more like a warning:

Be careful.

Check your tyres before setting off on a long journey.

4. Using a negative form with *don't*

These statements offer advice in the form of a command:

Don't get discouraged.

Don't be afraid to take risks.

The examples below function more as a warning:

Don't do anything without telling your boss first.

Don't buy shares in BKI – they're about to go into liquidation

Practice

A. Giving advice

Complete the second sentence so that it means more or less the same as the first.

1. You'd better hurry or you'll miss the plane.

If you _____.

2. In my opinion, it would be better to sell your shares now.

My advice _____.

3. It's not a good idea to drive through the city centre during rush hour.

Don't _____.

4. Why don't you see a doctor if you're feeling ill?

You'd _____.

5. I don't think it's advisable to tell her the bad news yet.

You'd _____.

6. In my opinion, you ought to declare your overseas investments to the tax authorities.

If I _____.

7. It's a good idea to ask for a second opinion.

It's worth _____.

B If I were you...

You work for a firm of consultants that deal with personnel and training issues. What would be your advice in the following situation?

Mr Mudd has been working in the same bank for 20 years and in Customer Relations for the past 15. He has had some temporary postings in other sections and once worked as a replacement in another branch. His

job involves applying rules to routine cases and although his performance is competent and reliable, he is unwilling to take the initiative.

His work is basically that of a clerk but because of his length of service he earns quite a lot more than other, younger employees who do much the same kind of work. He recently turned down the opportunity to train to become a branch manager, saying 'I'm happy in my job and I enjoy working in a team. I don't want to be in charge.'

1 Making plans

We most often use the present progressive for plans made before the time of speaking:

I'm meeting Carlos for dinner
tomorrow evening. Next week

I'm visiting a
supplier in Warsaw.

It is also possible to use the verbs plan and intend in either the present simple or present progressive:

I plan to / am planning to have everything ready by June.

She intends to /is intending to return to work after she's had the baby.

2 Making arrangements

I'm going to go freelance shortly.

We're going to talk about staffing levels at the next opportunity.

3 Talking about unfulfilled plans

We use mean to or want to in the present perfect progressive when we have forgotten to do something we were planning to do or we have not had the chance to do it yet

I've been meaning to get in touch with Katya but I
haven't got round to it. I know he's been wanting
to talk to you about it.

Topic 2

PLANNING AHEAD

1. Making plans

We most often use the present progressive for plans made before the time of speaking:

I'm meeting Carlos for dinner tomorrow evening.

Next week **I'm visiting** a supplier in Warsaw.

It's also possible to use the verb *plan* and *intend* in either the present simple or present progressive:

I plan to / am planning to have everything ready by June.

She **intends to / is intending to** return to work after she's had the baby.

2. Making arrangements

To speak about a definite arrangement for the future we can use *going to* + verb:

I'm going to go to freelance shortly.

We're going to talk about staffing levels at the next opportunity.

3. Talking about unfulfilled plans

We use *mean to* or *want to* in the present perfect progressive when we have forgotten to do something we were planning to do or we have not had the chance to do it yet:

I've been meaning to get in touch with Katya but I haven't got round to it.

I know he's **been wanting** to talk to you about it.

4. Setting out to do something

We use the expression *to set out to do something* when we decide to do something and make plans for it to be achieved:

We set out to be the number one player in the industry.

She set out with the intention of becoming chief executive.

5. Describing arrangements

We can use the future progressive to describe the plans and arrangements we have made:

I'm in Munich next week and **I'll be seeing** Herr Rostel then.

When you're in London next month you'll **be staying** at the Birkbeck Hotel.

For plans which we expect to be completed before a deadline we use the future perfect:

By this time next year we'll **have completed** the reorganization.

Practice

A Making arrangements

A London-based consultancy called MarkUp is planning, a seminar called *The Effective Global Manager*. The seminar organizer has received a copy of the provisional program drawn up by a colleague who has made notes. Expand these notes into full questions.

Location	Grosvenor House Hotel, Park Lane
Date	Monday 18-20 March
Provisional program	<i>Which printer? No of copies?1</i>
Sunday 17 March	
Delegates arrive at City Airport	<i>Transport?2 Evening entertainment?3</i>
Monday 18 March	
Opening address	<i>Who?4</i>
The changing business environment	Simon Kelly
Lunch	
Cross-cultural communication	Pieter Oet
Communicating assertively	Dwight Wayne
Cocktail and dinner	<i>and then?5</i>
Tuesday 19 March	
Plenary session	Rob Weir <i>Which room?6</i> <i>What subject? 7</i>

Re-engineering the corporation	Philip Price
Lunch	<i>What about vegetarians?</i> ⁸
The learning manager	Gavin Tudor
Workshops	Various – how many rooms? ⁹
	What size? ¹⁰ equipment? ¹¹
Wednesday 20 March	
Strategies, staff and systems	Lara Ford
Lunch	
Financial skills	Michael Reynolds
Transfer to airport	<i>Time?</i> ¹²

Example: Who is going to print the program?
How many copies will you be needing?

Trends

We can describe trends in English in different ways. For example:

- | | |
|----------------------------|--|
| 1. Verbs of change | Profits are falling . |
| | Unemployment is rising in many areas. |
| 2. Prepositions | Our business grew by 10% last year. |
| | Sales grew to \$5.8 million. |
| 3. Different tenses | In recent months our profits have risen dramatically. |
| | In January we were making a loss. |
| | We've been going through a difficult period. |

Topic 3

DESCRIBING TRENDS

1. Present trends

When we describe a trend, we describe a changing, developing situation. Therefore, to describe ongoing we use either the present progressive or the present perfect progressive.

People **are living** longer.

The number of single-parent families **is increasing**.

People **are eating** more and more convenience foods and drinking more wine than ever before.

The proportion of a family's income spent on entertainment **has been rising**.

2. Trends that began in the past and have reached an end-point

We use the present perfect when a trend has come to completion:

The re-engineering of our firm **has created** a flatter hierarchy.

The European consumer **has become** more sophisticated.

3. How long?

If you want to say how long a trend has lasted, you can use a number of time expressions.

We use *during* or *in*, *from* and *until* with periods in the past:

During the late 1990s companies were getting ready for the Y2K bug.

The world slumped into depression **in** the 1930s.

From the mid-1980s government spending tended to go down.

Things were going well **until** the Asian stock market crash.

Time up to the present can be expressed using *for*, *since* and *over*:

We've been targeting a different market segment **for** the last two years.
(for + duration)

They've been heading for a fall **since** last February. (since + point in time)

We've increased our market share **over** the last five years. (from five years ago up to now)

Practice

A Trends in consumer relationships

Read the extract and decide whether the trends described have reached an end-point or are still developing. Then choose a suitable form for the verbs in brackets. There may be more than one possible answer.

In the days before mass marketing, the local bank manager knew the names and ages of his customers' children, the corner shop knew which brand of breakfast cereal to stock for local families and businessmen bought their suits tailor-made.

But all that 1 (change). Today, under the onslaught of cost-cutting, rationalization and automation, many people2 (never see) their bank manager, an impersonal supermarket checkout 3 (replace) the cozy corner shop and most people 4 (never have) a suit made to measure.

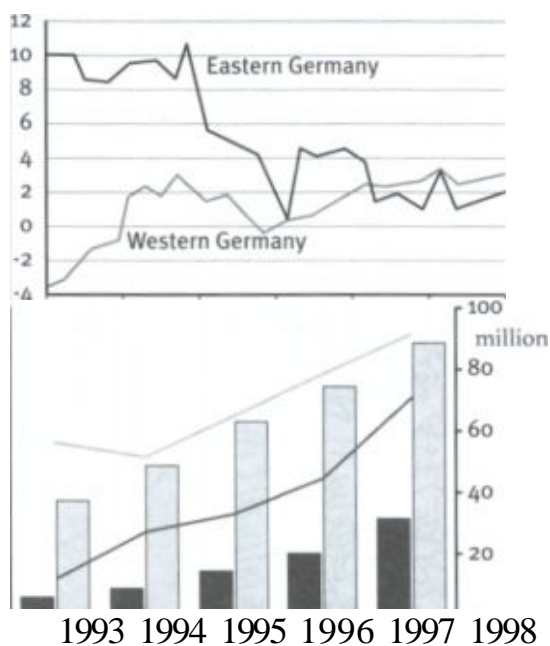
Further radical change is under way. More and more companies5 (realize) that the conventional mass-production model on which consumer marketing6 (base) no longer works.

Instead of focusing narrowly on crosscutting measures and improving efficiency, more and more market leaders 7 (re-examine) their business strategies and deciding that customer services and customer relationship management are the keys to future growth.

Increasingly, companies 8 (take) a holistic view of their customer relationships and focusing on the lifetime value of those relationships. It costs five to eight times more to acquire a customer than it does to retain an existing one. Consequently customer relationship management – CRM for short - 9 (become) one of the hottest new fields of consultancy.

B Describing trends

Write sentences describing the trends in the graphs below. Use one or more of the time expressions on the previous page.



1993 1994 1995 1996 1997 1998
GDP growth (annual % change)
penetration

Japan's Internet user

Task 3. These verbs describe change. Complete the table with the verb forms and (where possible) the noun form.

Infinitive	Past simple	Past participle	Noun
1. decline	declined	declined	a decline
2. decrease			
3. drop			
4. fall			
5. fluctuate			
6. gain			
7. improve			
8. increase			
9. jump			
10. level off			
11. lose			
12. plummet			
13. recover			
14. rise			
15. rocket			
16. stabilize			

Task 4. Tick the type of change expressed by the adverbs in the table.

	Type of change				
	small	large	very large	fast	slow
considerably		v			
dramatically					
enormously					
gradually					
quickly					
rapidly					
sharply					
significantly					
slightly					
substantially					
vastly					

Topic 4

FORECASTING AND SPECULATING

1. Forecasting

We use *will* to make predictions about the future:

In the future everybody **will** be famous for 15 minutes. (Andy Warhol)

A manned spacecraft **will** land on Mars in the next 20 years or so.

We use *likely to* if we think something is probably going to happen and *bound to* if we are 100% certain:

My memory's getting worse so I'm **likely to** forget.

He hasn't done any work at all. He's **bound to** fail his examination.

2. Speculating

We use *if + past simple + conditional* to make a hypothesis about the future:

If I **knew** how the stock markets were going to react, I **would** get rich.

If work **was** such a splendid thing, the rich **would** keep more of it for themselves.

We use modal verbs to make deductions about present situations:

He left an hour ago and it's not far so he **will/must** be there by now. (100% certain)

He left 45 minutes ago and it's not far so he **should** be there by now. (reasonably certain)

He left 30 minutes ago and it's not far so he **may/might** be there by now. (possible but uncertain)

He only left 15 minutes ago and it's quite far so he **can't/won't** be there yet. (impossible)

3. Speculating about the past

We use *if + past perfect + conditional* to make a hypothesis about the past:

If he **had got** better grades at school he **would have gone** to university.

If I **hadn't been** in the right place at the right time I **wouldn't have got** the opportunity.

Must and *can't* are also used to make suppositions about the past:

The door was locked so the thieves **must have got in** through the window.

I wasn't there myself but the atmosphere **must have been** electric.

He says he met me in Brussels but he **can't have** – I've never been there.

She looked so surprised when I arrived, she **can't have been expecting** me.

Practice

A Forecasting

What is in store for you, your company and your country? Write sentences using *bound to*, *likely to* or *unlikely to* about the following.

1. a pay rise
2. a takeover
3. redundancy
4. promotion
5. a change of government in the next six months

B Speculating

Match the sentence halves and complete the blanks with *must* or *can't*.

<ol style="list-style-type: none"> <u>1</u>. She looks so young; 2. She can speak English and Spanish perfectly; 3. She know what's in the report; 4. She have friends in high places; 5. She know Berlin pretty well; 6. She have much of a social life, 	<ol style="list-style-type: none"> a). she come from a bilingual family. <u>b</u>). she ..<i>can't</i>.. be a day over 30. c). she works 60 hours a week. d). she lived there for three years. e). she hasn't had a copy. f). because she's survived three major scandals.
---	--

C Making hypotheses

What can you infer about these situations?

1. The director suddenly bought a huge block of shares when everybody else was selling theirs. Then the share price soared by 25%.
2. The fish in the canteen smelt strange yesterday and subsequently a number of employees have not reported for work.
3. She insists that he spoke to her in Urdu but he's never learnt a word of Urdu in his life.
4. There is an unexplained loss of £1.5 million in the company accounts and the finance director has been absent from work for the last eight days.

Topic 5

DESCRIBING A COMPANY

Read this extract from Nestle Management Report 1999 and note how the information is organized:

Nestle, whose head office is in Vevey on the shores of Lake Geneva, is the world's largest food company. Although it is Switzerland's biggest industrial enterprise, only 2% of sales are generated in Switzerland. We are a truly global company employing 230,929 people on every continent. Consequently, our management and staff reflect a truly international outlook.

Nestle now produces the world's favorite brands in 509 factories worldwide. In over 130 years of growth and diversification, we have never lost sight of our core business: improving the quality of people's lives through high-quality, nutritious, and convenient prepared foods and beverages. Today, Nestle brands are present on almost every supermarket shelf, and some products - like NESCAFE, NESTLE, NESTEA, BUTONI, MAGGI AND FRISKIES -are sold in more than 100 countries.

Geography: multinational, head office in Switzerland

Employees: 230,929 people on five continents

Activity: the world's largest food company, producing global brands

Production

facilities: 509 factories worldwide

Financial

information: market capitalization 112,032 million Swiss francs

Other useful phrases include:

Geography: We are based in / located in / situated in ..

Employees: We employ (n) people / there are (n) people on the payroll

Activity: Our firm specializes in / produces / manufactures / supplies

Type: a joint venture

a subsidiary

a holding company

Position: is the leading company in its field

ranks number one in the market for...

is a major player / operates in many different markets

is a group ranking among the world's top 20

recently established

well-established

with a long tradition of success

Financial

information: achieving annual turnover of \$(n)

accounts for (n)% of sales

generates profits of (n)

Practice

A HMV

Complete the following extract using these words.

operates worldwide the world's foremost comprises leading

HMV Media Group pic(1) HMV, one of(2) specialist music retailers, and Waterstones and Dillons, the two(3) brands in the UK book retailing market. The group(4) in many different markets with over 470 stores(5), generating sales of over £1 billion.

B Wieden & Kennedy

Complete the following extract using these words.

headquarters range world-class employs headquartered located operations
--

Wieden & Kennedy is a(1) advertising agency,(2) in the USA with(3) all over the globe. Its clients(4) from Coca-Cola to Microsoft and Nike. Wieden & Kennedy's European(5) is(6) in Amsterdam and (7) approximately 120 people.

C Sita

Using the information in the box write a description of Sita as the first paragraph for the job advertisement below.

<i>Geography:</i>	Geneva-based; present in 225 countries (900+ locations)
<i>Staff:</i>	5,000+
<i>Activity:</i>	telecommunications (70,000 customer connections)
<i>Position:</i>	largest communications network
<i>Revenues:</i>	£1 billion

INTERNATIONAL TAX MANAGER

.....
.....
.....
.....

SITA provides a one-stop for all mission-critical business-to-business communications and information needs.

Our client is seeking to recruit a tax specialist who has a strong track record in practice and/or commerce/industry.

Topic 6

CONFIRMING INFORMATION

Question tags are used when we expect the person we are speaking to to agree with us or confirm that we are saying is right. They are most often used in spoken English.

Form Tags are formed using an auxiliary and the pronoun referring to the subject. The tag is almost always contracted.

Affirmative main clause	Negative tag
It's hot today, You were there, You're Canadian, She can drive, You will stay in touch,	isn't it? weren't you? aren't you? can't she? won't you?

Negative main clause	Positive tag
The meeting isn't today, She wasn't present, They're not coming, She shouldn't know, She couldn't get there,	is it? was she? are they? should she? could she?

If the main clause does not have an auxiliary or the verb *to be*, we use *do*, *does* or *did* in the tag:

You **agree** with me, **don't** you? She **gave** you her number, **didn't** she?
You **don't like** raw fish, **do** you? He **doesn't drink** alcohol, **does** he?

When *have* is used for states (e.g. possession) both *do* and *have* are used for the tag in British English but *do* is normal in American English.

You have a motorbike, don't you / haven't you?
Your father has a yacht, doesn't he / hasn't he?

The tag for *I am* is *aren't I*?

I'm not late, **am** I?

I'm late, **aren't** I?

Uses 1. Asking a real question

If we really want an answer to the question, the voice goes up at the end of the question.

2. Asking for agreement

If the question is not a real one, we use falling intonation.

3. Making offers or suggestions

I'll get you a drink, **shall I?** Let's pencil in Thursday, **shall we?**

4. Agreement

'It's hot today, isn't it?' 'Yes, it is.'

'The meeting isn't today, is it?' 'No, it isn't'

Practice

A Confirming decisions

The people taking part in the conversation below are trying to remember what was said during a recent meeting. Complete the dialogue using appropriate question tags.

A What did we say Janice was going to do?

B Janice was going to revise the estimates^{1?}

C I think so. And she said she would talk to Aziz about it,^{2?}

A Are you sure?

B Perhaps. But Bill wanted to change the procedure^{3?}

C He didn't say that.....^{4?}

B I thought he did. But it wouldn't work^{5?} We agreed on that,^{6?}

A I can't remember, to be honest. We should have taken notes^{7?}

B Yes, it's terrible.....^{8?} We'd better have the meeting again
.....^{9?}

A OK, let's make it first thing Monday morning,^{10?}

C OK by me.

B A conversation at a cocktail party

Complete the following conversation which takes place at a cocktail reception held at an embassy.



A Hello, you're Mick Harvey¹?

B That's right. How do you know my name?

A You were the commercial attaché in Egypt.

B That's right. Oh yes, and you were working for Amoco.....²?

A Yes, but I left six months ago.

B The weather's wonderful³?

A Too hot for me. Is that the
ambassador over there?

B Yes. You've met him.....⁴?

A No, actually I haven't.

B Well, I'll introduce you.....⁵?

Topic 7

GETTING THINGS DONE

1. If we arrange for something to be done by someone else, we say that we get or have them done for us. Have is slightly more formal:

<i>Subject</i>	<i>get/have</i>	<i>Object</i>	<i>Past participle</i>
We	are getting	our offices	redecorated.
Could you	have	this payment	authorized by the accounts department?
They	get	their catalogue	printed in Mexico.
We've always	had	the machines	assembled on another site.

2. We can use *have* followed by an object + base form of the verb if we want to emphasize who does or did the work we arranged:

I always **have** my secretary **check** my spelling.

I **had** the maintenance people **test** the air conditioning.

She **had** the catering staff **prepare** a meal for the guests.

If we want to use *get* we use an object + to-infinitive:

I always **get** my secretary **to check** my spelling.

I **got** the maintenance people **to test** the air conditioning.

She **got** the catering staff **to prepare** a meal for the guests.

3. There are a number of verbs that describe action undertaken to make sure something is done:

attend to contend with cope with deal with follow up (on)
handle process see to tackle take care of

Mrs Baker **deals with** all requests for product information.

It's my job to **see to** all routine maintenance work.

There are a lot of things to **attend to** before the trade fair.

You should allow three working days for your order to be **processed**.

It is our policy to **follow up on** all customer complaints.

Her assistant is ill and I don't know how she is **coping with** the extra workload.

A Getting things done

Rewrite the sentences using *have* or *get*. Decide whether or not you want to emphasize who does or did the work.

1. All our export risks are insured.

We.....

2. The garage services my car every 15,000 kilometers.

I.....

3. A specialist agency translates all the company documentation and manuals. (two possible answers)

We.....

We.....

4. We've asked the contractors to build a new extension. (two possible answers)

We're.....

We're.....

5. The legal department drew up the contract on my instructions. (two possible answers)

I.....

I.....

B Arranging for things to be done

React to the statements below using the word in brackets, as in the example.

Example:

My passport expires soon. (renew)

I need to have it renewed.

1. The printer only works sporadically. (fix)

2. Mrs Baxter is going on a training course. (replace)

3. The outside windows are incredibly dirty. (clean)

4. I'm not sure the figures are entirely accurate. (check)

Topic 8

REQUESTING AND OFFERING

1. Making a request

Here are some ways of making requests, according to the degree of politeness:

impolite

Get me another glass. I want another glass. Another glass, OK?

neutral

Can I have another glass, please? I'd like another glass, please? Is it all right, if I have another glass?

slightly more polite

Could I have another glass, please? May I have another glass, please?

very polite

I was wondering if I could have another glass. Could you possibly give me another glass, please? Do you mind if I have another glass?

Would you mind my having another glass?

2. Excepting a request

Yes, sure. Fine. No problem. Go ahead. Certainly

3. Offering

Would you like to...? Would you like me to...? Shall I...?

Accepting offers

Thank you very much.

That's very kind of you.

Declining offers

No, that's all right, thank you.

No, don't bother. / I can manage.

Practice

A polite request

The following short dialogues are not very polite. Rewrite them to make them sound more acceptable.

Examples: I want to speak to Mrs Gosso.

Could I speak to Mrs Gosso, please?

She isn't here. What do want to speak to her for? **wrong**

I'm afraid she isn't here. Would you like to leave a message?

- 1 A I want to leave early.
 B No way.
- 2 A Want a lift?
 B Yes.
- 3 A Give me \$50 until tomorrow.
 B I haven't got any money.
- 4 A Want a glass of sherry?
 B No.
- 5 A Bring me the bill.
 B Ок.
- 6 A Tell me the way to the station.
 B No idea where it is.

B. Doing someone a favor

Rearrange this jumbled dialogue between two colleagues and put these expressions into the blanks

could you possibly I was wondering if I'm afraid go ahead
I'll Shall I

B Well _____ 1 I can't tomorrow. I'm not coming in to the office.

A _____ 2 Write it down for you?

B Yeah, _____ 3

A _____ 4 you could phone these people in Spain for me. My Spanish is atrocious

B Sure. _____ 5 do it first thin.

B Yes. Otherwise I'll forget! When do you want me to phone them?

A Well, _____ do it the day after tomorrow?

A Could I ask you a favor?

B No problem. Just tell me what you want me to say.

A Tomorrow.

Topic 9

DESCRIBING PROCESSES

Focusing on information

When describing a process, we focus more on what is done than on who does it. For this reason, the passive is commonly used, as in the passage below on recycling.

Recyclable materials **are recovered** from municipal refuse by a number of methods, including shredding (cutting and tearing things into long, thin strips), separating metals with a large magnet, screening and washing. Another method of recovery is the wet pulping process. Incoming refuse **is mixed** with water and **ground** into a pulp in a machine called the wet pulper, which resembles a large kitchen disposal unit. Large pieces of metal are pulled out by a magnetic device before everything from the pulper **is loaded** into a centrifuge called a liquid cyclone. Here the heavier materials which cannot be burnt, such as glass, metals and ceramics, **are separated** out and **sent** on to a glass- and metal-recovery system. Other, lighter materials go to a paper-fibre-recovery system. The final residue **is** either **burnt** or **is used** as landfill.

Mixing active and passive verb forms

It is also possible to mention what actions people or things perform in a process as well as focusing on the action itself. So there is a mixture of active and passive.

Creating a news story

Whenever a disaster happens somewhere in the world, reporters and photographers are sent there to interview people and take pictures. The news reports are sent by e-mail or over the phone and the rolls of film rushed back to the office to be developed.

Then other journalists type up the stories and the pictures are scanned into the computer. Designers work on the stories and photos on-screen in order to get the layout right. The computer prints out the page of news onto a piece of clear film which is laid on a light-sensitive plate and exposed to a brief flash of light.

A plate is made for each page of the newspaper, wrapped around a roller on the printing press and coated with ink. When all the pages have been

printed they are put together in the right order. The finished newspapers are finally tied into bundles and delivered to news-stands.

Practice

A Active or passive?

Complete this passage using either active or passive forms of the verb.

Manufacturing resource planning - MRP - is a process which(1) (integrate) marketing, production and sales. MRP(2) (rely) upon a fully integrated process and(3) (coordinate) by a master scheduler, who(4) (ensure) that each of the three phases(5) (manage) cost-effectively and efficiently.

In MRP, all the projections, estimates and forecasts have to(6) (synthesize) in a production plan into concrete stages and mixes of products, whose manufacture has to(7) (schedule) as cost-effectively as possible, using just-in-time and electronic data interchange systems. Each stage in the production process(8) (give) a separate coding. Thus all arriving raw materials or bought-in parts(9) (check) for quality and will not(10) (use) until set standards have(11) (meet). Similarly, finished goods may not(12) (warehouse) until quality checks have(13) (fulfil). At each stage all materials and items(14) (give) unique production batch codings for identification in case of a defect occurring. In this way a computer database(15) (build up) of each and every production run. In the case of a product recall, any defect problems may (locate) quickly and the public relations damage will therefore17) (limit).

Topic 10

REPORTING WHAT PEOPLE SAY OR THINK

Uses

1. Informing

Would you like to **tell** her that she is being made redundant?

NL Industries **said** it **intended** to cut debt and increase capacity.

Indonesian police **told** reporters they were questioning three former central bank directors.

Note that *tell* and *told* are followed by an object (*tell her, told reporters, etc.*).

2. Instructing

I don't like autocratic bosses who **tell** employees **to work** harder.

She **told** him **to improve** his performance.

The court **told** the firm **to pay** £750,000 in compensation.

When *tell* and *told* are used in this way they are followed by an object + infinitive.

3. Reporting the speaker's attitude and intention

Note how the reporting verbs are used in the following extract:

Wim Duisenberg, president of the European Central Bank, yesterday **declared** the introduction of the euro a success. He **acknowledged** that Target, the new cross-border real-time payment system for the Eurozone, had had some teething troubles. But he **insisted** that all the main technical systems had coped well during last week's transition to the single currency.

He also forecast a potential conflict with European governments when he **warned** politicians against adopting an explicit exchange rate policy for the euro.

4. Some reporting verbs are followed by an object + infinitive

“If I were you I’d keep quiet.”

She **advised her colleague** to keep quiet.

“Don’t sell your shares yet.”

He **warned me** not to sell my shares yet.

“Don’t forget to take your passport.”

Others are followed by an infinitive:

“I’ll send you a cheque.”

“We’ll sue you if you cancel.”
cancelled.

“I’ll give you a lift if you like.”

He **reminded her** to take her passport.

He **promised** to send her a cheque.

They **threatened** to sue us if we

She **offered** to give me a lift.

Note that *suggest* and *recommend* are followed by two possible structures:

“You could hire more temporary staff.”

She **suggested that he hire** more temporary staff.

She **suggested hiring** more temporary staff.

Practice

A The minutes of a meeting

Read this extract from a meeting and the minutes of the meeting. Choose the reporting verb which most accurately reflects what each speaker said.

Robert Dunne Right, let's start. The main item on the agenda is whether we reorganize our operations in France. I'd like to hear your views about this. Can you put us in the picture, John?

John Marsh Yes. As you all know, we set up a regional centre in Lille two years ago. We hoped it would be a base for expansion into other areas of France and Benelux. Unfortunately, I have to say that it hasn't been a success. It hasn't made the kind of impact we expected and, as I see it, it's going to be very difficult to get much of a return on our investment.

Robert Dunne Thank you, John. How do you feel about this, Gillian?

Gillian Hall Well, if you remember I told everybody at the time that I was not in favor of Lille as a location. We should never have set up there. If you want to gain a foothold in the French market you've got to be in the capital.

Robert Dunne Thank you, Gillian. What's your reaction, Mark? Do you think Gillian's right?

Mark Atkins No, I don't agree at all. Benelux is a big market and Lille is right from a geographical point of view. I really think we need to give them more time.

Gillian Hall Well, you've got a point, but what about the rest of France? You've got to be in Paris, like I said.

Penny Mure I think the local staff are useless, they haven't done what they're employed to do. They never reply when I try to get in touch with them.

Robert Dunne Is that true?

Gillian Hall Yeah, that's happened to me on several occasions.

John Marsh Look. Why don't we bring in a French consultancy to analyse the situation for us? We obviously need more information about what is going on.

Robert Dunne OK, I'll look for a suitable firm of consultants in the next few days. If we don't do something quickly we'll just lose out to our competitors.

invited pointed out confirmed disagreed raised reminded advised warned complained outlined suggested offered acknowledged
--

Mr Dunne(1) the issue of operations in France and the siting of the regional centre in Lille and(2) comments from the review committee. Mr Marsh(3) the reasons for choosing Lille and(4) that it had not been a success. Ms Hall(5) the meeting that she had never been in favour of Lille and(6) that it was important to have a presence in Paris in order to gain a foothold in France. Mr Atkins(7) and(8) the committee to allow the Lille centre to continue for the time being. Ms Mure(9) and Ms Hall(10) that the staff in Lille were apparently incompetent. Mr Marsh(11) that they hire a consultancy to investigate and Mr Dunne(12) to look for a suitable firm and(13) that there was a risk of losing market share if they didn't act swiftly.

Topic 11

MANAGING A CONVERSATION (1)

1. Introducing a topic

We very often use questions as an invitation to someone to develop a conversation. For example:

Did anyone see the film on television last night?

Have you heard about the change in plan?

We can also make an obvious statement such as:

You'll never guess what happened to me yesterday.

2. Changing topic

If you want to change the direction of a conversation you can say:

By the way, Jim phoned.

While I think of it, Jim phoned.

While we're on the subject of motivation, what kind of incentives do you offer?

This is on a completely different subject, but Jim phoned.

3. Attentive listening

When listening to another speaker, we usually react to what is being said by using various noises and expressions of encouragement and cooperation:

uh-huh right oh, really oh dear is that so?

yeah mmm I see yes, of course that's great

If we don't respond like this, we give the impression that we are not listening or are bored and the speaker may ask a question to check that we are following.

4. Echoing

Another way of showing that you are listening is to repeat a key word or phrase from what the other speaker has just said. For example:

A So, anyway, I said that I couldn't possibly accept 5%.

B Five per cent?

A Yeah, 5%, it's just not enough.

A ... and I was going to phone her before she got back from Japan.

B Before she got back?

A Yeah, because I needed a decision quickly.

Practice

A Introducing a topic

Introduce a topic of conversation that will elicit these answers.

1.

Yeah, she told me yesterday.

2.

No, I didn't, but I heard that it was very good.

3.

No, I haven't. What's happening?

4.

No. What went wrong?

B Changing a topic

You are in conversation and would like to change the topic. Write what you would say.

Speech bubble (what you hear)
want to

1.
.... and so James went back and got
at the
the stuff that he'd forgotten and
everything turned out OK.

Thought bubble (what you

say)
Did James arrange for overtime
weekend?

2.
.... and I think that I'll probably
have to go to China and see what's
happening for myself.

Did you hear what happened in
Beijing?

3.
.... and there seems to be a real
another
change in spending patterns before
the Christmas period, so we'll
probably need to think about that.

Sandra wants to move into
section.

C Echoing

Unscramble these jumbled fragments of two conversations.

A And if you book before the end of the month you get a 10% reduction.

C Well, I thought there was something wrong with the system.

A Yeah, that's what it said on the leaflet.

D Something wrong?

B Before the end of the month?

C Yeah, but it was working all right in the morning.

Managing a conversation (2)

5. Following the conversation

If we are having difficulty understanding, it is appropriate to ask for repetition or clarification:

Sorry, I don't quite follow you. What was that again?

What was that you said about...? I didn't get that bit about...

6. Keeping going

In conversation we need time to plan what we are going to say. In order not to hesitate too much and allow other people to intervene before we want them to, we use short expressions to gain thinking time:

Well, as I was saying... Anyway... I mean ... And that's not all...

So you see ... And as you probably know...

If we cannot think of a precise word and want to avoid hesitation, we use vague, imprecise language such as:

a kind of... a sort of... ...or something it's a bit like a... and stuff like that

If we do not want to lose a turn, we use rising intonation to signal that we have not finished.

7. Turn taking

We sense that someone is about to finish what they are saying when they use falling intonation:

.... and so I think we've got to move fast or we're going to lose out to the competition.

In more formal contexts, such as a meeting, it is possible to claim a turn by saying:

Sorry to interrupt but... If I may, I'd like to comment on that.

Excuse me ... If I can just come in here ...

8. Ending a conversation

The end of a conversation has to be “negotiated” so that no one is left talking:

“Well, I think that's all for now. I'd better be going.”

“Right. So, I'll see you on Wednesday, then.”

“OK. Yeah, Wednesday. Well, I'll let you get back to what you were doing.”

“Right. OK, Have a good trip.”

“Thanks. Bye.”

“Bye.”

Practice

A sort of / kind of

Look at the ways *sort of* and *kind of* are used in the following speech extracts. Match them with the approximate “translations” (a, b or c) below.

1. ...and I think you know when some people are speaking English it's **kind of** like having a hot potato in your mouth ...
2. ... and if you didn't agree with him he got **kind of** angry.
3. ... er, no, it doesn't take that long to get authorisation, er, it's only **sort of** three or four months, I think.
4. ... and she didn't like living there and had a **kind of** nervous breakdown.
5. ... and Management by Objectives is a technique which has **sort of** gone out of date.
 - a) about
 - b) it seems
 - c) in a way

B Conversational acts

Match the words in bold with their functions (a-e) below.

1. It's not really good enough, is it?
2. Sorry to interrupt, but don't you think that's a little unreasonable?
3. “Shall we meet again next Monday?”

“Yes.”

“**Right.**”
4. ... and don't, **for heaven's sake**, believe everything you read in the press.

5. ... and he's got this thing about status and thinks that secretaries should be more than secretaries and **anyway** that's what he thinks. I think he sees them more as Personal Executive Assistants or something.

- a) claiming a turn
- b) stressing what the speaker himself says
- c) keeping going
- d) inviting feedback from the listener
- e) acknowledging a response

Negotiating

Negotiating involves a number of separate stages. Some useful language is given below for each stage.

1. Stating aims

What we need to decide is ...
Can we agree on an overall procedure?
We would like to reach agreement on ...
What we hope to achieve is ...
Let's establish some common ground.
We'd also like to discuss

2. Imposing conditions

We couldn't order that quantity **unless** you were prepared to ...
We can place a firm order only **on condition that** you pay within a week.
We can do business with you **provided that** you give us an open account.

3. Focusing the discussion

The key issue here is ...
One thing I want to look at is ...
What we need to talk about now is ...
We now come to the most important phase of our discussion.

4. Rejecting suggestions

That really isn't on.
I can't go along with that.
That's out of the question.
I'm afraid that's not acceptable.

5. Bargaining

If we give you extra discount will you increase the size of the order?

If you offered an extended guarantee we could see our way to reducing the price.

We might be able to make a concession if you do the same.

6. Summarizing

Have I got this right?

We've agreed to ...

As we agreed, you will take care of... and we will...

If there are areas which you have not reached agreement on you can say:

There are one or two outstanding points / issues we still need to discuss.

7. Ending the negotiation

I think we've covered everything.

OK. It's a deal.

We can shake on that

A Negotiating an agreement

The government is encouraging firms to reduce the length of the working week in order to encourage job creation. But the implementation of a shorter working week is not easy and involves some tough bargaining.

The conversation below is the beginning of a negotiation between an employer and a union representative. Complete the dialogue by putting the missing extracts in the right position. (The dialogue reads diagonally.)

Employer

Union representative

So we're here to reach agreement on the proposed changeover from 40 hours to a 35-hour working week.

1

Yes, and we can only reach agreement if we pay for 35 hours rather than 40.

I'm afraid that's out of the question. My members cannot possibly accept a reduction in salary.

2

3

I don't see that happening without considerable investment in new machinery.

4

- | |
|---|
| <p>a). Well, we seem to be getting nowhere. Let's see if we can establish some common ground.</p> <p>b). That may be the case, but the company couldn't survive if we paid people the same wages for fewer hours.</p> <p>c). I'm sorry, but I disagree. We can make productivity gains. If fewer people did the same amount of work in 35 hours there wouldn't be a problem.</p> <p>d). Right, and the key issue is remuneration.</p> |
|---|

Topic 12

PRESENTING FIGURES

1. Whole numbers

We say *three hundred, six thousand, eight million*, etc. (There is no *s* at the end of these words.) But we add *s* for approximate numbers:

hundreds **of** people

millions **of** dollars, etc.

For figures over 100, British English, unlike American English, uses *and* between the hundreds and the tens:

327 BrE: three hundred **and** twenty-seven; AmE: three hundred twenty-seven

653 BrE: six hundred **and** fifty-three; AmE: six hundred fifty-three

We say *one thousand* rather than *a thousand* before a number of hundreds. The word *thousand* is not followed by *and* unless the figure is less than 1,100, 2,100, etc.

1,348 one thousand three hundred and forty-eight. (NOT *a thousand and three hundred)

1,001 one thousand and one

6,087 six thousand and eighty-seven

2. Decimals

If we have to use a decimal we say *point*. Each figure is said separately:

	0.35	0.5	6.75
BrE/AmE	zero point three five	zero point five	six point seven five
BrE	nought point three five oh point three five	nought point five oh point five	

3. Fractions

Fractions are expressed using ordinal numbers:

a third a quarter a half two-fifths three-quarters, etc.

1:4 is pronounced *a ratio of one to four* or *one in four*.

4. Pronunciation

Many figures are pronounced individually:

A Boeing 757 (seven five seven)

Flight BA 316 (three one six)

Your code number is 4215 (four two one five)

When speaking about money, we say the currency unit after the figure if it is a whole number:

\$ 75 seventy-five dollars

¥200,000,000 two hundred million yen

\$75.50 seventy-five dollars fifty cents (or seventy-five dollars fifty)

€16.50 sixteen euros fifty cents

Practice

A Saying figures aloud

Write down these figures the way they are said.

1. 0.45
2. 1.85
3. \$759
4. ¥125m
5. 1/3
6. 2/5
7. 1:3
8. 2001
9. Your account number is 342 5461
10. Your personal identification number is 3749

B In your situation?

Answer these questions.

1. What proportion of your time do you spend in leisure activities?
2. On average, how many children are born to each couple in your country?
3. What is the average take-home pay in your country?
4. What is the present rate of interest on a bank savings account?
5. What is the rate of inflation in your country?
6. What is the ratio of men to women at the workplace?

Topic 13

DOCUMENTS AND CORRESPONDENCE

Part 1. Correspondence

Applying for the job

Task 1. Read and translate.

People apply for the job by sending in a letter of application or covering letter (*US* cover letter) and a curriculum vitae or CV (*US* resume).

Resume is a short written account of your education and your previous jobs that you send to an employer when you are looking for a new job; = CV *BrE*

Covering letter is a letter that you send with documents or a package that gives information about its contents.

Task 2. Brenda Denholm decides to apply for the job at Patagonia. Study her CV carefully to see how she has presented the information about herself. Where do you think each of the following headings should be placed?

References	Work experience	Education and qualifications	Telephone number
Present address	Date of Birth	Name	Marital status
Current salary	Other information		

Curriculum vitae

1. _____ 16 February 19__
2. _____ Brenda Denholm
3. _____ 42 Hanover Street,
Edinburgh EH2 5LM, Scotland
4. _____ 051 962 9913
5. _____ Single
6. _____

- 1980-1985 Broadfield School, Brighton
A levels in German (A), English(B), History(B) and Geography©.
- 1985-1987 Hiltop Further Education College,
Kenwood Road, London NW7 3TM
Diploma in Business Studies.
7. _____ Johnson Bros. Plc, 51-55 Baker Street, London WLA
LAA
- Oct '87-Dec '88 **Type of Company:** Retail Chain Stores
Post: Junior Secretary
Responsibilities: Secretarial work including typing;
shorthand; correspondence; copying reports and
minutes from shorthand notes; tabulating data; filing;
answering customers' calls; mail distribution; and
general office duties.
- Jan '89-present National Auto Importers Ltd., Auto House, Sidmouth
Street, London WCLH 4GJ
Type of Company: Car importers
Post: Secretary to Assistant Director
Responsibilities: Dealing with all correspondence;
taking minutes at meetings and writing up Assistant
Director's reports; receiving customers and suppliers;
dealing with home and overseas enquiries; making
decisions on behalf of A.D. in his absence; and
representing the company at various business functions.
8. _____ While working I have attended various evening courses
for Italian and French, and have also been on a special
Information Technology course at The City College.
My interests include tennis, badminton, swimming, and
reading.
9. _____ Mr B. Williams, Assistant Director, National Auto
Importers Ltd., Auto House, Sidmouth Street, London
WCLH 4GJ.
- Mrs T. R. Bradley, Senior Lecturer, Business Studies
Dept., Hiltop Further Education College, Kenwood
Road, London NW7 3TM.
10. _____ &16,000 per annum

Task 3. Read and translate the covering letter.
Covering letter for CV

Your Ref: KH 205/9

Mrs J. Baudoin
Personnel Officer

International Computing Services PLC
City Road
London EC3 4HJ

16 July 19__

42 Hanover Street
Edinburgh
EH2 5LM
Scotland

Dear Mrs Baudoin,

I would like to apply for the position advertised in *The Guardian* on 14 July for a Personal Assistant to the Sales Director.

As you see from my c.v., much of the work I do in my present position is that of a PA. I deal not only with the routine work of a secretary, but also represent the Assistant Director at small meetings and functions, and am delegated to take a number of policy decisions in his absence.

Your advertisement asked for knowledge of languages. I have kept up my French, and learnt Italian for the past two years at evening classes, and have regularly visited Belgium and Italy with the Assistant Director, acting as an interpreter and translator for him.

I am also familiar with the latest developments in Information Technology, having just completed a one-month course at The City College, in addition to previous day release courses I attended when I was with Johnson Bros.

I am particularly interested in the situation you are offering, as I would like to become more involved with an IT organization. I am quite familiar with many of the software products that ICS manufacture for office technology.

As well as my secretarial skills and experience of running a busy office, I am used to working with technicians and other specialized personnel in the field of computers. I have a genuine interest in computer development and the people involved in the profession.

Please let me know if there is any further information you require. I look forward to hearing from you.

Yours sincerely,

Signature

Brenda Denholm (Mrs)

Encl. c.v.

Task 4. Write the following points in the same order as in the letter above.

1. present duties;
2. the position you want to apply for;
3. reasons for applying for the vacancy and the qualities you can offer the company;
4. any information which is relevant to the advertised position.

Task 5. Using the headings below write a c.v. for yourself.

Curriculum vitae

Age:

Date of Birth:

Nationality:

Home Address:

Tel.No.:

Business Address:

Tel.No.:

Marital Status:

Education:

Qualifications:

Experience:

Interests:

Task 6. Write a covering letter for the job you would most like to have to accompany your CV.

Task 7. Interview your friend asking him questions so that you can write his CV.

Writing emails

Task 1. Read and translate.

Electronic mail is a means of sending and receiving messages – internally, nationally, or internationally. It is relatively low in cost, and does not require a trained operator. Email is also fast, relatively reliable, and messages can be sent or picked up anywhere in the world, and stored in the mailbox until they are retrieved. This can be particularly advantageous for users who are communicating across international time zones. Because of the brevity, rapidity and relative informality of emails, it is important to check that all information has been given and that the tone is appropriate.

Emails are usually shorter than other forms of communication and the language is simple and concise.

The tone for emails to superiors or people outside the company should be formal. But ‘in-house’ emails between colleagues can be semi-formal.

Opening and closing

Semi-formal emails usually start with *Hello* or *Hi* and close with *Best wishes* or *All the best*.

Formal emails start with *Dear Mr/Ms* or *Dear Sir/Madam* and *Yours sincerely* or *Yours faithfully* are used to close.

Exchanging information

Are you going to Monday's Production meeting at 11am?

Could you mail me the sales figures for last month by 5pm?

Here is the brochure on the new product you asked for (see attachment).

I'm sending you the board's recommendations with this mail.

Please note that today's appraisal meetings have been cancelled. They will be rescheduled for the same times next Friday.

I'm writing to invite you to attend this year's conference. It will be held ...

Replying to emails

Thank you for your email.

I got your mail, thanks.

Sorry I didn't get back to you yesterday but...

Thanks for the information about the appraisal meetings. I'll make a note of it.

We would like to offer our sincere apologies for ...

The delay was due to circumstances beyond our control.

We can guarantee that ...

We can promise that...

Let me personally assure you that...

Task 2. Read and translate the email. Match the following components to the corresponding sections of the email.

1. person/people who will receive a copy without other people knowing
2. date (and time)
3. information about the content of the email
4. name and job title
5. closing
6. opening
7. body of the email
8. name of the person/people the email is addressed to
9. person/people who will also receive the mail though it is not addressed directly to them
10. name of the person sending the email
11. files, documents, etc. sent separately rather than included in the actual message or body of the email

Formal email

From: Sarah Bates, Personal Assistant	a
To: Tom Peterson	b
Cc: Alan Hickson, Production Manager	c
Bcc: Katia Belmondo, Managing Director	<u>d</u>
Sent: 12 January 200_ 14:52	e
Subject: Request for dispatch confirmation	f
Attachment: Invoice doc	g
Dear Mr Peterson	h
Thank you for your mail. I have checked with Mr Hickson, our Production Manager, and I can confirm that the 200 cases you ordered left our warehouse yesterday and should arrive at their destination by tomorrow at the latest. Please let me know if there is any delay.	
I am sending a copy of the invoice as requested, in the attached file.	i
Yours sincerely	j
Sarah Bates	k
Personal Assistant	

Task 3. Complete the email with an appropriate form of the verbs in the box.

instruct	keep up	wait	agree	exceed	do
----------	---------	------	-------	--------	----

Semi-formal email

From: Pierre Bernard, Sales manager
To: Jack Wood, Sally Maryfield, Jeffrey Potter, Andrea Wolf
Cc: Charles Baker, Senior Accountant
Sent: 15 November 200_ 09:32
Subject: Congratulations to the Sales Team!

Hi Team
 I'm sure you all _____ that the annual Sales meeting was a great success. This was clearly due to the excellent organization involved and I thank you for all your hard work. As you know, we still _____ for the final figures from some of our regional sales reps, but it looks very likely that we _____ our targets in every area. So, well _____.
 To show her appreciation, Ms Belmondo _____ the Accounts Department to award you all an extra 5% bonus.
 _____ the good work!

Best wishes
 Pierre

Task 4. As Chief Executive of a company write an email inviting the overseas sales managers to attend this year's conference. Inform them of the dates, the purpose of the conference and the details of the location.

Part 2. Financial Documents

Task 1. Match each word on the left with the correct definition on the right:

1. balance sheet	a). A document which represents a
2. business plan	part of the total stock value of a

<p>3. tender 4. profit and loss account 5. cash budget 6. insurance certificate 7. letter of credit 8. contract 9. share certificate</p>	<p>company and which shows who owns it. b). A document which states that a named person or company has paid for protection against accidental loss or damage of goods or property. c). A description of the ways a new business hopes to make money, showing possible income and expenditure. d). A formal agreement for the exchange of goods or services in return for payment. e). An official notification from a bank that it will lend money to a customer. f). A formal letter with an offer to supply goods or services, containing a description of the project, including costs, materials, personnel, time plans, etc. g). A plan of cash income and cash spending for a specific period of time. h). A formal description of a company's financial position at a specified moment. i). A formal description of income and costs for a time period that has finished.</p>
--	--

Bill of Exchange

Task 1. Read and translate.

A bill of exchange is a signed document ordering someone to pay someone else a particular amount of money.

A bill of exchange is an order sent by the drawer (the person asking for the money) to the drawee (the person paying) stating that the drawee will pay on demand or at a specified time the amount shown on the bill. If the drawee accepts the bill, he will sign his name on the face of it and date it.

The bill can be paid to a bank named by the drawer, or the drawee can name a bank he wants to use to clear the bill. If the drawee is willing to pay as directed in the draft, he writes on the paper, and, generally, across the face of it, the word “accepted”, together with his name, and, very likely, the name of his bank, where the amount will be paid:

In its altered form the draft is returned to the drawer. When the bill is due it is presented to the paying bank.

A sight draft or sight bill is paid “at sight”. A bill paid “after date” or ‘after sight’ can be paid on or within the number of days specified on the bill. Therefore, “30 days after sight” means that the bill can be paid 30 days after it has been presented.

A dishonored bill is one that is not paid on the due date. In this case the exporter will protest the bill, i.e. he will go to a lawyer, who will, after a warning, take legal action to recover the debt.

Overseas bills in the UK are known as foreign bills, and those used within the UK as inland bills.

Task 2. Read and translate the bill of exchange.

B/E No. 1751

9th April 20...

30 days after sight pay to the order of
Union Mines, Ltd London
Nine hundred and twenty pounds only
value received payable at the current rate of exchange for Banker’s
sight drafts on London

To John Gordon & Co.,
Claygate,
London

Signed W.Wilson
Managing Director

*Accepted payable at
The Sheffield Bank,
Claygate,
London
John Gordon

* This is written across the front of the bill.

Vocabulary Notes:

bill of exchange – переказний вексель; вексель; тратта
drawer – векселедавець
drawee – платник
on demand – за вимогою
to clear – оплатити
due – що підлягає виплаті
due date – строк виплати боргу
sight draft (sight bill) – пред'явницька тратта
dishonored-bill – опротестований вексель
foreign bill – закордонна тратта

Task 3. Write a bill of exchange and answer the following questions.

1. Who is the drawer and the drawee in your bill of exchange?
2. How much is it for?
3. When must the draft be paid?

Task 4. Read the information about cheques and write a bearer cheque.

A cheque is defined as a bill of exchange drawn on a bank and payable on demand.

The holder of a bearer cheque can receive its value in cash from the bank on which it is drawn.

The following is a form of a bearer cheque:

No. ...	
London, ...20...	
Brown's Bank Limited	
Pay to Mr. W. James or bearer	
the sum of fifty pounds only.	
50-0-0	
John White	Stamp

Task 5. Translate the following terms using appropriate translations below them.

Bad cheque; backdated cheque; bank cheque; blank cheque; cancelled cheque; crossed cheque; foreign cheque; international cheque; marked cheque; negotiable cheque; open cheque; out-of-date cheque; outstanding cheque; pension cheque; personal cheque; postdated cheque; returned cheque; stopped cheque; traveller's cheque; uncrossed cheque.

Чек, датований заднім числом; закордонний чек; неоплачений чек; відкритий чек; недійсний чек; незаповнений чек; банківський чек; кросований чек; чек, який передається за індосаментом; чек із секретною позначкою; іменний чек; пенсійний чек; міжнародний чек; опротестований чек; прострочений чек; неперекрыслений чек; припинений чек; дорожній чек; повернений чек; чек, датований пізнішим числом.

Balance Sheet. Profit and Loss Account.

Task 1. Match the words or phrases on the left with the correct definition on the right.

1. overdraft 2. intangible assets 3. fixed assets 4. liquidity 5. depreciation 6. current assets 7. dividend 8. liabilities 9. liquid assets	a). The notional fall in value of equipment over time. b). The money paid to shareholders out of profits. c). Any investments, cheques, bank deposits, stock or work-in-progress that can easily be converted into cash. d). Assets which can be used to make immediate payments. e). Regular costs and money owed. f). Property, land and equipment which is not normally intended for immediate sale. g). Brand names, patents, rights, trademarks and licenses which may be the major part of a company's wealth. h). The total amount borrowed from
--	--

	a bank. i). The ability of a company to pay suppliers, employees, shareholders, tax authorities, etc.
--	--

Task 2. Look at the example of a balance sheet. Replace the underlined words or phrases with a word or phrase below the balance sheet with a similar meaning.

Wilson industries plc		
Balance sheet as at 31 December 2003		
ASSETS		\$000
<i>Fixed assets</i>		
(1) <u>Property</u>	420	
Buildings	180	
(2) <u>Equipment</u> and machinery	100	
Total fixed assets		700
<i>Current assets</i>		
Raw materials (3)		
Work-in-progress (3) <u>goods held in storage</u>	200	
Finished goods (3)		
Debtors	90	
Cash in bank	60	
Total current assets		350
<i>Current liabilities</i>		
(4) <u>People owed money</u>	80	
(5) <u>Money owed to the bank</u>	50	
(5) <u>Money owed to the government</u>	35	
Total current liabilities		165
(7) <u>Net current assets</u>		185
Net assets		885
CAPITAL		
(8) <u>Money invested in the company and represented by shares</u>		
(9) <u>Shares paying a variable dividend to shareholders</u>	500	

(10) Shares paying a fixed dividend to <u>shareholders</u>	300	
(11) <u>Shares held in a special fund used to pay off</u> <u>creditors if the company goes into</u> <u>liquidation</u>	85	
Total		885

working capital, stock tax, bank overdraft, capital reserves, creditors, land, ordinary shares, plant, preference shares, share capital

Task 3. Fill in the missing words (1-3). Choose from the following:

overheads pre-tax profit expenses

FBL plc PROFIT AND LOSS ACCOUNT for the year ending 31 December 2003			
\$000			
Sales income		2,4650	
Cost of sales			
Materials	870		
Labour	790		
		1,660	
Gross profit margin			990
(1) _____			
Salaries	220		
Capital expenditure	120		
Distribution	140		
Advertising	85		
Administration	80		
Bank loans, interest payments	38		
(2) _____			
Rent	12		
Heat, light, telephone	11		

Miscellaneous	8		
Depreciation	55		
		769	
(3) _____			221

Business plan

Setting up a successful business requires careful preparation and planning but also involves a degree of risk-taking. There are a number of questions that all entrepreneurs must ask themselves concerning the products or services that they intend to sell, the competition that they will face, the structure of the business itself and the sources of finance that they will need to open their new venture. This means that all of these parameters must be defined in a **business plan**: a document that shows how the entrepreneur will organize his or her business, how much he or she expects to sell and where the capital will come from. Once this information has been put down on paper, the entrepreneur can then choose an appropriate form for the company, **register** it with the authorities and open for business.

Task 1. Read these extracts and decide which sections of the checklist they come from.

- a). At first I will be concentrating on getting the business into profit. But if I am successful I would then consider looking for other sites in the city area and expanding the management team. Eventually it might be possible to set up shops in different locations around the country.
- b). The Tea Set. Initially the business will be registered as a limited company with ten shareholders.
- c). In a street with pedestrian access only, which leads into the main shopping area and market square in a town of 70,000 inhabitants. The shop is also close to the station, which is used by several thousand commuters daily. The surface area is 45 square meters at a rent of 1000 euros per month.
- d). Retail outlet selling a wide range of specialist teas and tea-related giftware. Sales will be made direct to customers and also by mail order.
- e). I plan to advertise on local radio and in the local press and free press. This will be complemented by flyers distributed directly through letterboxes to residents in the area.
- f). I have already worked as an employee in two different companies, where I was involved in both marketing and customer service at junior management level.

g). It is not easy to give a precise estimate but it would seem to be essentially passing trade within the shopping area. The target consumer is middle-aged and with a comfortable income. There is no competition in the area as the concept for this type of shop is new and comparable products are not currently available in other outlets.

h). Two full-time sales staff for the shop. One personal assistant to do secretarial work and general office administration.

Business plan checklist

1. Details of the business

Name of business

Type of business (limited company, partnership etc.)

2. Personal details

Relevant work experience

3. Personnel

Number of people/job function

4. Product/service

Description

5. Market

Describe your market.

Who are your customers?

Is your market growing, static or in decline?

Who are the main competitors?

What are the advantages of your product or service over the competition?

6. Marketing

What sort of marketing or advertising do you intend to do?

7. Premises/machinery/vehicles

Where do you intend to locate the business and why?

What sort and size of premises will you need?

What machinery/vehicles do you require?

8. Objectives

What objectives do you have for the business?

Task 2. Work in small groups. You have decided to set up your own business together and have approached the bank for advice. They have asked you to prepare a business plan. Decide what type of business you are going to set up, then discuss each of the points listed in the business plan. When you have finalized all the details of your business, prepare a written plan to give to the bank.

SECTION VI

Test Files

TESTS ON GRAMMAR

Test 1

Task 1. Find the correct variant.

1. He did not need _____.
A. too many advice C. much advice
B. much advices D. many advices
E. many advice
2. We didn't buy _____.
A. very coffees C. much coffee
B. much coffees D. many coffee
E. a lot of coffees
3. How _____ does he smoke a day?
A. very cigarettes C. much cigarette
B. much cigarettes D. many cigarettes
E. many cigarette
4. There isn't _____ left.
A. much foods C. many foods
B. much food D. many food
E. too many foods
5. He hasn't got _____ about economics.
A. much knowledges C. many knowledges
B. much knowledge D. many knowledge
E. a lot of knowledges
6. I introduced _____ to Bill as soon as I saw him.
A. himself C. myself
B. me D. each other
7. I bought _____ bottled water before the trip.
A. a lot of C. twelve
B. a few D. many

8. She was lonely because she had _____ friends at first.
A. little C. few
B. a little D. a few
9. Frank's _____ astronaut. There are six of them on this mission.
A. – C. an
B. a D. the
10. – I've just rented _____ video.
_ Great! Which one?
A. the C. a
B. some D. any

Task 2. Each sentence has four underlined words or phrases. The four underlined parts of the sentence are marked A,B,C,D. Circle the letter of the one underlined word or phrase which is not correct.

1. I myself don't eat chilly but it's the most popular spice in a world.
A B C D
2. A money isn't everything – the job itself has to be interesting.
A B C D
3. Ben has to save a few money so that he can go to school in the autumn.
A B C D
4. I met an accountant and a lawyer at your party and an accountant said
he'd help me.
A B C D
5. We didn't know one another names before Maria introduced us.
A B C D
6. The news are starting so let's watch TV in the living room.
A B C D
7. There are a lot of food in the fridge so help yourself.
A B C D
8. Do your families come for christmas or do you celebrate by yourself?
A B C D

Test 2

Task 1. Circle the latter of the correct answer to complete each sentence.

1. We are going to be late for the concert. Can you walk....?
A. a lot faster
B. a bit faster
C. the fastest
2. I want you to read ... passage of the text.
A. the next
B. the nearest
C. next
3. Eight o'clock is not a very convenient time for me. Ten o'clock is ...
A. more convenient
B. less convenient
C. the most convenient
4. Who is ... among your friends?
A. the oldest
B. older
C. as old
5. Tim is not at all talkative; he always keeps his thoughts to himself. He is ... guy I've ever met
A. the most reserved
B. more reserved
C. reserved
6. There are not so many hot days this July. In fact there are ... of them this summer.
A. the least
B. less
C. fewer
7. The dog started to run. It ran ... and soon disappeared in the distance.
A. faster and faster
B. the faster and the faster
C. the fastest
8. I like skiing ... as skating.
A. more
B. as much
C. as more

9. Last Wednesday my friend didn't come late to work. I came ...
A. latter
B. the last
C. later
10. This building is very high. Actually it's ... building in the town.
A. more higher
B. the highest
C. higher
11. Leo drives a car well, but Collin does it ...
A. the best
B. better
C. as well
12. The boys felt ... than the girls about losing the game
A. bad
B. the worst
C. worse
13. Philip is so quiet and obedient. He is ... child I have ever met.
A. well-behaved
B. the best-behaved
C. better-behaved
14. Write the report first. It's more important ... your other work.
A. than
B. as
C. from
D. then
15. Sorry we're late. Your house is much ... than we thought.
A. far
B. the furthest
C. further
D. the further

Task 2. Each sentence has four underlined words or phrases. The four underlined parts of the sentence are marked A, B, C and D. Circle the letter of the one underlined word or phrase that is NOT CORRECT.

1. The harder Sylvia tries, less she succeeds.
A B C D
2. This has been the best day than my whole life!
A B C D
3. We're always amazing by John's incredible travel stories.
A B C D
4. We took a lot of photos because she was such a sweetly little baby.
A B C D
5. Out new car is hard to drive than our old one.
A B C D
6. Patrick doesn't run quickly as Lee but he can run further.
A B C D
7. You did much more better in the last test than in this one.
A B C D
8. What's the more popular of all the new TV shows?
A B C D
9. The more I practice the piano, the most skilled I get.
A B C D
10. The rubbish in the street is more disgusted than the potholes.
A B C D

Test 3

Task 1. Translate the following sentences into English.

1. Її зараз тут нема, вона вдома. 2. Її не було вчора ввечері вдома. 3. Він один з найкращих лікарів нашої лікарні. 4. Його завдання в тому, щоб зібрати матеріал з приводу цього питання до 1 травня. 5. Він знаходиться зараз в Криму. 6. Він буде радий вас бачити. 7. Я повинен був зустрітися з ним о 8 годині вечера. 8. Вона буде там о 5 годині. 9. У мене нема словника. 10. У мене вчора була дуже цікава розмова з професором. 11. Ви вчора обідали в ресторані? 12. Чи є у вас червоний олівець? 13. У мене не було часу провідати його вчора. 14. Його брат інженер. 15. Я маю вставати тепер дуже рано.

Task 2. Explain the usage of the verbs to be, to have and to do in the following sentences and translate them into Ukrainian.

1. It has been raining since morning. 2. The translation will be finished tomorrow. 3. The task of our representative was to ship the goods immediately. 4. She was in Kyiv during the war. 5. I was to have finished my work yesterday. 6. The goods are to be delivered next week. 7. I had finished my work by five o'clock. 8. He had a large library. 9. Has he got a good English dictionary? 10. The goods will have to be sent by airplane. 11. I have my hair cut at this hairdresser's. 12. Don't open the window. 13. Do write me a few lines. 14. Did he see him yesterday? 15 He will do his work in the evening.

Test 4

Task 1. Which tenses do we use to talk about the following?

- A. things that are happening now, these days
- B. things that are always true
- C. things that happen often, usually, always, never etc.
- D. things that are changing
- E. plans for the future

Task 2. Write the correct verb forms.

- 1. 'What's that terrible noise?' 'Katy the violin.' (practice)
- 2. Do you know anyone who Russian? (speak)
- 3. I wonder if Wayne is ill – he thinner and thinner. (get)
- 4. Oak trees much more slowly than pine trees. (grow)
- 5. She can't come to the phone right now – she a bath. (have)
- 6. She to church with her brother on Sundays. (usually go)
- 7. Unemployment at an alarming rate. (rise)
- 8. you to the meeting next Tuesday? (go)
- 9. your brother ever at the weekends? (work)

Task 3. Write the correct verb forms.

- 1. As usual, Roger while I to get some work done. (phone; try)
- 2. What time you up this morning? (get)
- 3. I Jenny while I up Blake Street. (see; walk)

4. I undressed when I a strange sound in the kitchen. (get; hear)
5. He the last twenty years of his life in Tahity. (spend)
6. I to Chris on the phone this morning and the line suddenly dead. (talk; go)
7. Anna the newspaper when I into the office this morning. (read; come)
8. We as soon as Tom the tickets. (leave; get)

Task 4. Choose the correct forms.

1. *I'm doing/I'll do* my exams next week.
2. Look at those clouds. *It's raining/It's going to rain* soon.
3. John and Sally *are going to/will* get married.
4. Look! That police car *is going to stop/will stop* outside our house.
5. People probably *aren't going to be/won't be* very different in the year 3,000.

Test 5

Task 1. Only one of these rules is true. Which one?

When we give the time of a past event:

- A. the Present Perfect is used when the time is finished; the Simple Past is used when it is not finished
- B. the Present Perfect is used when the time is not finished; the Simple Past is used when it is finished
- C. the Present Perfect is used for longer periods of time; the Simple Past is used for shorter periods
- D. the Present Perfect is used for repeated actions; the Simple Past is used for actions that are not repeated

Task 2. Choose the right tense.

1. *I am writing/have been writing* letters for the last two hours.
2. *I am training/have been training* for a ski competition at the moment.
3. How long *are you working/have you been working* for a driver?
4. At last! *I'm waiting/I've been waiting* for you since ten o'clock.
5. *I know/I've known* her for years.
6. Why *are you looking/have you been looking* at me like that?

Task 3. Make sentences by putting together situations and reasons.

Situations

1. I couldn't get a job
2. I couldn't get into the house
3. I couldn't write
4. I decided to have a sandwich
5. I didn't know what to do
6. I felt really stupid
7. I had to walk
8. I kept singing
9. I smiled at everybody in the street
10. I was angry
11. I was frightened
12. I was tired
13. I was very hungry
14. I was worried

Reasons

1. I had failed all my exams.
2. I had fallen in love again.
3. I had just won \$1 million.
4. I had lost all my money.
5. I hadn't eaten for two days.
6. I hadn't filled in a form.
7. I'd been working all day.
8. I'd broken my pen.
9. I'd forgotten the name of my hotel.
10. I'd lost my keys.
11. my boss had just been very rude to me.
12. somebody had stolen my bike.
13. the last bus had gone.
14. the police had come for my sister.

Test 6

Task 1. Find the correct variant.

1. His car is not in the garage. He. have taken it to work.
A. must C. ought to
B. should D. could
2. Ann had a nervous breakdown but, fortunately, she. give the police a good description of the mugger.
A. could C. might
B. was able to D. had to
3. The chairman sent his apologies that he. be with us this evening.
A. might not C. couldn't
B. wasn't able to D. may not
4. You look starving. You. eat something.

- A. can
B. had better
- C. might
D. need to
5. I am absolutely sure: what he says. be true.
A. must not
B. might not
C. should not
D. can't
6. The phone's ringing! I'm sure that it. be my mother wondering where I was yesterday.
A. has to
B. must
C. should
D. may
7. Paul says it's possible that he. be late because of traffic jam.
A. ought to
B. should
C. is able to
D. may
8. His breath smells of alcohol and he. walk straight. He. be drunk.
A. can't. must
B. isn't able to. can
C. can't. should
D. may not. has to
9. Let's bet on that horse. I've been told there is some chance it. win the race.
A. should
B. was able to
C. could
D. must
10. Children, on no account you. leave the hotel without letting me know.
A. must
B. should not
C. have to
D. could not
11. After dinner you. go out but it's absolutely necessary that you. come back by ten thirty.
A. can. may
B. need to. must
C. can. should
D. are able to. . . have to
12. My father was so sick that I. take him to hospital at once.
A. shall
B. must
C. had to
D. need to
13. Every day he. get up at seven thirty and go to work.
A. need to
C. must

B. can

D. has to

14. They are the worst team in the league. They. any of the games so far this season.

A. haven't been able to win

C. couldn't have won

B. couldn't win

D. were not able to win

15. There is a scar on his chest. He. an injury.

A. must have

C. had to have

B. must have had

D. might have

16. I ask you a question?

A. Shall

B. Can

C. Will

17. Both students and staff. use the swimming pool.

A. shall

B. might

C. can

18. -We have nothing to do.

- we go and see a film?

A. Shall

B. May

C. Can

19. It. be wise to buy a new car, but I am not sure about it!

A. should

B. might

C. has to

20. -These bags are so heavy!

- I help you carry them?

A. Could

B. Should

C. Do

21. you come to my party on Sunday?

A. Shall

B. May

C. Would

22. I have a car. I. take Daisy to the station.

A. should

B. shall

C. can

Test 7

Task 1. Choose the correct variant.

1. If people were a little more tolerant ...

A. our world would have been a better place.

B. our world would be a better place.

C. our world will be a better place.

2. Plants die if you (not/water) them.

A. won't water

B. don't water

C. wouldn't water

3. If my father had locked his car properly ...

A. his car would never have been stolen.

B. his car will not be stolen.

C. his car would not be stolen.

4. If I had one million dollars, I (probably/buy) a yacht.

A. would probably buy

B. will probably buy

C. probably bought

5. If you (be) at a loose end last month, you (pass) your exam. But you failed it.

A. hadn't been

B. wouldn't have been

C. were not

D. would have passed

E. would pass

F. will pass

6. If the ozone layer peels off a little more we ...
- A. we ran a much higher risk of attracting skin cancer.
 - B. would run a much higher risk of attracting skin cancer.
 - C. will run a much higher risk of attracting skin cancer.
7. I would never feel comfortable on a plane if ...
- A. I know it's the pilot's maiden trip.
 - B. I knew it's the pilot's maiden trip.
 - C. I would know that it's the pilot's maiden trip.
8. A dogs will never bite you if ...
- A. you will look it straight in the eyes, I'm told.
 - B. you look it straight in the eyes, I'm told.
 - C. you looked it straight in the eyes, I'm told.
9. The first thing I will do is drive to Spain if ...
- A. I would get my driving license.
 - B. I got my driving license.
 - C. I get my driving license.
10. If John hadn't responded in such an aggressive manner he ...
- A. would never have a black eye.
 - B. won't have a black eye.
 - C. would never have had a black eye.

Test 8

Task 1. Change these sentences from passive to active.

- 1. This house was built by my father.
- 2. The cooking is usually done by Ralph.
- 3. The club is used by teenagers.
- 4. The French class will be taught by Mr Simmonds.
- 5. When I last saw him he was being chased by a large dog.
- 6. I'm being picked up by a taxi at six o'clock.

Task 2. Change these sentences from active to passive.

1. Somebody has invited Jane to a party.
2. Mrs Pettifer will do the cooking for us.
3. When I last saw him, a policeman was questioning him.
4. They've discovered gold in Eastern Canada.
5. Nobody ever cleans that car.
6. I could see that somebody had opened my letters.
7. They say he is somewhere in Germany.
8. We expect that the rate of inflation will rise.
9. Has anybody asked Peter?
10. The directors are still considering your application.

Task 3. Put in passive verbs.

1. Paper (make) from wood.
2. Paper (invent) by the Chinese.
3. German (speak) in several different countries.
4. This article (write) by a friend of mine.
5. Have you heard the news? Oil (discover) under the White House.
6. Your tickets (send) to you next week.
7. My sister's very excited: she (invite) to a party in New York.
8. Be careful what you say - this conversation (record)
9. Her new book (publish) next month.

Task 4. Make five or more sentences about where things are manufactured, or where languages are spoken. Examples:

Cars are manufactured in Japan.
German is spoken in Switzerland.

Task 5. Make two or more sentences to say where things of yours were made or bought. Examples:

This sweater was made in Scotland.
It was bought in London.

Test 9

Task 1. Reported statements and thoughts. What did they say?

1. She said 'I'm tired.'

2. He said 'We've only just started talking.'
3. She thought 'He's really boring.'
4. She said 'It's getting late.'
5. He said 'It's still early.'
6. She said 'I started work at six o'clock.'
7. He said 'It's time to relax.'
8. She said 'I have a very busy week.'
9. He thought 'She'll be much nicer after a drink.'
10. She thought 'I made a mistake accepting his invitation.'
11. He said 'You'll feel much better after a drink.'
12. She thought 'One drink will be all right.'
13. She said 'I'll just have one before I go.'
14. She said 'I want to go home.'
15. 'I think we met on holiday,' he said.
16. He said 'I'll buy you a drink.'
17. She said 'I'm sure I've seen you somewhere before.'
18. 'I don't remember ever meeting you,' she said.

Task 2. Reported yes/no questions. What did they say?

1. She said 'Can you just get me some orange juice?'
2. He said 'Can I get you a gin and tonic instead?'
3. She said 'Do you know where my coat is?'
4. He said 'Do you really want to go?'
5. She said 'Are you as stupid as you look?'
6. He said 'Did I say something to annoy you?'
7. 'Am I dreaming? Is he real?' she wondered.
8. She said 'Have you finished?'

Task 3. Reported instructions and requests. What did they say?

1. He said 'Do stay.'
2. She said 'Go and jump in the river.'
3. He said 'Don't go away.'
4. She said 'Get lost.'
5. He said 'Please give me your address.'
6. He said 'Don't say that.'
7. He said 'Do have another drink.'
8. She said 'Please don't forget my coat.'
9. She said 'Stop saying that.'

TESTS ON VOCABULARY

Test 1

PLANNING A BUSINESS

1. It is essential before starting a business to work on a plan to _____ problems later on.
a escape **b** endure **c** avoid **d** enter
2. The biggest _____ in business can be eliminated if you have sufficient capital to start with.
a scene **b** risk **c** encounter **d** harm
3. Even when the economic situation is _____, there is always present the need for planning in a new business.
a mighty **b** huge **c** hefty **d** strong
4. Whatever happens in the future there is absolutely no _____ for good market research before you launch a new product.
a consideration **b** criterion **c** substitute **d** contemplation
5. Your _____ concern is naturally the plan but don't forget your capital or your premises.
a firstly **b** primary **c** primarily **d** initially
6. When people are considering whether to loan your new business a substantial sum, they are going to _____ your potential.
a encompass **b** evolve **c** evaluate **d** enquire
7. It is worthwhile _____ as much market research information as possible before you work out your plan.
a including **b** snatching **c** grabbing **d** gathering
8. Her next task was to have a meeting with the bank manager to _____ that she had a secure enough plan to warrant a loan.
a declare **b** demonstrate **c** state **d** announce

9. There are certain weaknesses in your plan that need to be _____ urgently if you are to succeed.

a affixed **b** acquired **c** addressed **d** attended

10. Since the start of the business many new ideas have _____ out of the original plan.

a developed **b** shown **c** gained **d** built

Test 2

EXPRESSIONS AND PHRASES WITH MONEY

1. My grandfather keeps all his money in a _____ under his bed.

a cash dispenser **b** cash machine **c** cash box **d** cashier

2. What's the _____ of India?

a coin **b** cash **c** currency **d** money

3. The president stated in the press conference that the _____ situation was very serious.

a economical **b** economy **c** economic **d** economist

4. I like horse racing, but I never _____ any money. I think gambling is stupid.

a bet **b** win **c** lose **d** earn

5. There's a _____ at the bank if you need some money.

a credit card **b** cheque **c** cash machine **d** currency

6. Alan's parents must be _____. They've just bought him a new car.

a penniless **b** wealthy **c** millionaire **d** bankrupt

7. As my uncle's an _____, he helps me manage my finances.

a actuary **b** underwriter **c** accountant **d** millionaire

8. When my grandfather died, I discovered that he left me some money in his _____.

a savings **b** credit card **c** will **d** cash machine

9. At the end of each month my employer pays my _____ into the bank.

a savings **b** funds **c** wages **d** finances

10. I'm _____ at the moment. Can you lend me ten pounds until the weekend?

a bankrupt **b** broke **c** ruined **d** insolvent

Test 3

JOB INTERVIEW

1. Tell us something about your _____ in the engineering industry?

a foreground **b** background **c** knowledge **d** history

2. I see from your _____ form that you have had three different jobs in the last 5 years.

a apply **b** applying **c** applied **d** application

3. What sort of _____ of time would you stay with us if we offered you the job?

a span **b** duration **c** period **d** long

4. Describe how you would describe _____ in five years' time.

a you **b** your **c** yours **d** yourself

5. Give us some idea of what you believe are your _____ and weaknesses.

a strength **b** strengths **c** force **d** forces

6. As this is a managerial post, we must ask you how you deal with bad _____ keeping or unpunctuality in an employee.

a house **b** space **c** time **d** record

7. Imagine one of your staff loses her temper and shouts at you in front of others, how would you _____ with this?

a take **b** do **c** handle **d** deal

8. What would you say to a member of your staff who always _____ his work in late?

a delivered **b** handed **c** produced **d** completed

9. I should explain that we would naturally _____ any previous holiday arrangements you have made.

a believe **b** show **c** decide **d** honor

10. Finally now that we've asked you several questions, do you want to _____ any to us?
a place **b** put **c** offer **d** consider

Test 4

BUSINESS

1. I was pleased to receive your response to my proposal but there are one or two points that need _____.
a notification **b** certification **c** clarification **d** signification

2. A report has just been _____ that gives details of the causes of this trend towards informality in the business sector.
a published **b** directed **c** opened **d** held

3. According to the _____ in the report it is clear that employees under the age of 35 prefer to dress casually at work.
a seeking **b** searching **c** findings **d** probing

4. Thirty years ago this kind of informality would not have been _____.
a withheld **b** endured **c** suffered **d** tolerated

5. All employees are kindly requested to _____ from smoking in the presence of customers.
a stop **b** restrain **c** refrain **d** restrict

6. The meeting went on for three hours and as a result there was no time left to discuss all the topics on the _____.
a list **b** index **c** contents **d** agenda

7. There's really no point in hoping to add important topics right at the end of the meeting under the heading of any other _____.
a business **b** work **c** activity **d** tasks

8. The chairman was obliged to bring the meeting to a _____ because a fire broke out in the adjoining room.
a cessation **b** standstill **c** stopping **d** halt

9. It is absolutely essential that the clerk takes care to _____ any decisions that have been reached during the meeting.
a time **b** minute **c** detail **d** measure

10. As so few members had turned up at the meeting, it was decided to _____ it until further notice.
a delay **b** wait **c** postpone **d** hold

Test 5

FINANCE (1)

1. The one big fear of all world economies is that of _____.
a regression **b** repression **c** recession **d** receding

2. You are never too young to start _____ some money in a savings account.
a inputting **b** interesting **c** infusing **d** investing

3. If ever you find you have an unexpected expense, you can always _____ some money from your savings.
a extract **b** exit **c** withhold **d** withdraw

4. At certain times of the year your shares will _____ a good profit but you must also be prepared for them to go down in value.
a yield **b** take up **c** increase **d** throw up

5. You can _____ the cost of insuring your car if you keep it in a garage.
a refine **b** drop **c** cut **d** slice

6. We got a very good _____ when we bought that three piece suite for half its usual price.
a deal **b** dealing **c** dealer **d** dealt

7. Now that the summer has started, big department stores are hoping that sales of holiday items will _____.
a take on **b** take up **c** take off **d** take to

8. The two companies have decided to _____ because they believe that their combined resources will produce greater profits.
a merge **b** double **c** mix **d** blend

9. When someone dies and their _____ reach a certain figure, their family has to pay an additional tax.
a profits **b** wealth **c** assets **d** products
10. The loan you have taken out is for a _____ term, which in your case is 5 years.
a steady **b** fixed **c** long **d** exact
11. When you go to an auction and you want to buy a particular item, you can simply make a _____ for it.
a try **b** test **c** go **d** bid
12. The larger company did not really want to join with the smaller one because it was more interested in a _____.
a turn over **b** turn up **c** overtaker **d** takeover
13. _____ on the stockmarket just before Christmas is usually very slow.
a Working **b** Trading **c** Pricing **d** Adding
14. This sport centre has largely been _____ by money that has come from the national lottery.
a founded **b** found **c** fined **d** funded
15. The reason for the _____ in the economy is because there is a great deal of uncertainty at the moment.
a slowness **b** slowly **c** slowdown **d** slow
16. The _____ in the market was seen as a positive sign that the recession was over.
a upturn **b** upstart **c** uptake **d** upward
17. The _____ books for manufacturers of small cars are now full following the rise in petrol.
a exercise **b** order **c** place **d** trade
18. The future of his job was at _____ when he made the decision to invest in new machinery.
a steak **b** state **c** stake **d** stress

19. After their house had been _____, they decided to sell it and buy a bigger one.

a valued **b** priced **c** cost **d** prized

20. Fifty people were made _____ when the company suffered a severe financial shock.

a useless **b** unwanted **c** unneeded **d** redundant

Test 6

FINANCE (2)

1. If you cannot get a job and remain _____ for a long period, you can claim some money from the state.

a unengaged **b** unattached **c** unemployed **d** unused

2. The great thing about this guarantee is that there is never any doubt and there is no _____ about getting your money back.

a squabble **b** argument **c** quibble **d** quarrel

3. There is a substantial _____ between the money you have available and the amount you need to spend.

a shortdrop **b** shortfall **c** shortdown **d** shortslide

4. When you retire, you should get a pension and a _____ sum from your employers.

a lump **b** block **c** pile **d** heap

5. _____ are people who put money into a business in the hope of making a profit.

a Spenders **b** Borrowers **c** Lenders **d** Investors

6. When you take out a large loan over many years, you don't start paying off the _____ for some time.

a main **b** chief **c** capital **d** bulk

7. We will make no _____ for the catalogue, which you can take with our compliments.

a cost **b** debt **c** charge **d** payment

8. It may seem a long way into the future but in the end you will get some _____ from your investment.
a produce **b** benefit **c** products **d** price
9. There is still an outstanding _____ on that account, which must be paid in 30 days.
a balance **b** scale **c** difference **d** cost
10. Interest _____ are at their lowest level since the 1950's.
a figures **b** rates **c** numbers **d** standards
11. It's useful when you go to an auction if you're ready with cash in _____.
a pocket **b** purse **c** case **d** hand
12. I prefer to deal in _____ cash rather than cheques.
a solid **b** hard **c** real **d** actual
13. Every office has a certain amount of _____ cash to pay for things like tea, coffee or stamps.
a small **b** little **c** tiny **d** petty
14. At the moment we are experiencing some cash _____ problems because little money is coming in.
a fly **b** stream **c** flow **d** run
15. At the casino you can cash _____ your chips at the desk.
a off **b** out **c** up **d** in
16. Whatever she does, she just can't help _____ money.
a doing **b** making **c** massing **d** creating
17. There doesn't seem to be anyone working really hard for the business and yet they all seem to earn _____ money.
a facile **b** simple **c** easy **d** quick
18. If you don't want to use a cheque or postal order, you can always use a money _____.
a order **b** command **c** instruction **d** directive
19. That new invention has been very successful and has proved to be a money _____ for its creator.

a driver b worker c spinner d turner

20. This machine is obviously useless and if I were you I'd get your money _____.

a back b again c return d up

Test 7

MONEY MATTERS (1)

1. Even after their recent heavy expenses, they still found there was a healthy _____ in their bank account.

a rest b remainder c balance d basis

2. As the builder wanted cash for the work he had done, she had to go to the bank personally to _____ the money herself.

a take off b take out c take over d take in

3. It was considered a very good time to apply for a _____ to buy the house because interest rates were very low.

a pledge b promise c mortgage d borrowing

4. Before they could borrow a large sum of money to buy the house, they had to make sure they had enough money to be able to make a _____ payment.

a down b through c low d base

5. All the _____ you make on your internet account are recorded so that you can check the details at any time.

a movements b deals c activities d transactions

6. I'm afraid this cheque will be of no value until you have put your _____ on it.

a signature b signs c signing d signed

7. The bank refused to _____ the money order because the customer had no proof of identity.

a receive b take c accept d enter

8. Under the rules laid down by the bank there is a _____ on the amount of money you can get out from a cash machine in any one day.

a limiting **b** restriction **c** restricting **d** limitation

9. The bank clerk at the counter did not know the customer and in view of the large amount of money involved was naturally _____ about paying out the sum on the cheque.

a concerned **b** careful **c** conscious **d** cautious

10. The bank will simply not let you _____ any money unless you can prove that you have been in regular employment for at least three years.

a lend **b** loan **c** borrow **d** remove

11. Good _____ procedures are very important if you want to run a business profitably and successfully.

a accounted **b** accounting **c** accounts **d** accountants

12. The company fell heavily into _____ when it took on too many customers and offered them all cheap warranties.

a debt **b** debts **c** owing **d** owes

13. Once you have built up your company, you must remember to keep in touch with your original _____.

a people **b** contributors **c** clients **d** members

14. Each department within the organization is given a _____ within which it has to remain for the whole year.

a sum **b** money **c** dividend **d** budget

15. When the time came to close the business down, its entire _____ had to be calculated so that the creditors could be paid off.

a earnings **b** assets **c** accumulation **d** asset

16. The manager called in her chief clerk because she could not _____ the figures on the monthly spreadsheet.

a acquaint **b** resolve **c** reconcile **d** recognize

17. Every year the college finance officer did not look forward to the visit from the government official who came to _____ the accounts.

a order **b** regulate **c** control **d** audit

18. It was a great relief to Charlie when he realized that he had come to the end of his agreement with the bank and there was only one _____ payment left.

a extraordinary **b** upstanding **c** outstanding **d** standing

19. The building society sent a letter to all its savers and _____ that there would be a reduction in the interest rate.

a lenders **b** borrowers **c** loans **d** takers

20. Shortly after the couple had bought their first house, they saw the number of bills _____ rapidly.

a accentuate **b** aggravate **c** accumulate **d** access

Test 8

MONEY MATTERS (2)

1. The representative of the financial consultants assured her that the policy of the firm was that of complete _____.

a destiny **b** devotion **c** commitment **d** attention

2. There is no need to worry about the money side of the project because _____ are available from the charity sponsoring us.

a foundations **b** funds **c** findings **d** finds

3. The present finance minister has adopted a very _____ approach towards change and always follows a very cautious policy.

a concerned **b** considering **c** concerning **d** conservative

4. As all advisers always do, she stressed that investing in this particular market had to be considered as a _____ commitment over at least 10 years.

a elongated **b** lengthy **c** long-term **d** longing

5. The best way to develop an income for the future is to invest in a series of companies and in that way to build up a _____.

a suitcase **b** portfolio **c** folder **d** briefcase

6. I strongly recommend investing in these shares because you will get a very good _____ after only a few years.

a reward **b** reprise **c** return **d** response

7. The question is whether it is _____ to sell up all your shares at this stage rather than wait to see how the market is next year.

wisdom **b** wise **c** wisely **d** wisest

8. There is no question that the most important _____ in that company is its youthful enthusiasm.
a resort **b** resorted **c** resource **d** resorting
9. If you want to make a good job of selling shares to the public, you must have an element of _____ in your approach.
a attacking **b** aggression **c** fighting **d** invasion
10. It's a personal matter whether you choose stock from this company or from that because in the end it's an _____ of mind.
a advance **b** approach **c** attitude **d** angle
11. There is one date you mustn't forget and that's the _____ for sending in details of your earnings to the tax office.
a headline **b** deadline **c** mainline **d** offline
12. If you are self-employed, you must make sure that you _____ the form indicating how much you have earned.
a fill up **b** fill through **c** fill out **d** fill on
13. If the department agrees that you have paid too much tax in the year, you will receive a _____ in due course.
a return **b** reply **c** response **d** refund
14. Each month when you receive your pay, the employer _____ a certain amount to pay towards your pension.
a withholds **b** withstands **c** withdraws **d** without
15. When you take out a loan, you have to pay interest on the amount you _____.
a own **b** lend **c** owe **d** take
16. In the tax office there will be a _____ that holds all the documents and papers connected with you.
a file **b** box **c** book **d** container
17. There is quite a heavy financial _____ attached to any action that involves late payment of taxes.
a punishment **b** pain **c** restriction **d** penalty

18. Under the new regulations you can agree yourself to _____ the tax you have to pay on the income over the previous year.

a figure **b** calculate **c** add **d** amount

19. As the couple had a _____ account, the money to pay the mortgage was taken from there.

a joint **b** united **c** unified **d** joined

20. You can decide, if you so wish, to _____ your right to take your pension at an earlier date.

a give in **b** give up **c** give out **d** give off

Test 9

ARE YOU IN DEBT?

1. Going on a spending _____ with your credit card and no concern about how you pay back the money you borrow, is a growing habit these days.

(a) burst **(b)** spree **(c)** flight **(d)** day

2. There is a popular demand for the system that allows credit companies to offer unlimited credit to young people to be _____.

(a) overhauled **(b)** overseen **(c)** overlooked **(d)** overtaken

3. It has been _____ by a government agency that the percentage of under 25 year olds owing large sums to companies is on the increase.

(a) distinguished **(b)** deciphered **(c)** dissolved **(d)** disclosed

4. One director of a major credit company has already been forced to _____ because of the bad publicity his company has attracted.

(a) step over **(b)** step through **(c)** step down **(d)** step out

5. One solution that has been suggested to control credit is to _____ the regulations to make it more difficult to get credit in the first place.

(a) step under **(b)** step up **(c)** step by **(d)** step across

6. The main problem is that a debt _____ has developed recently believing that it is cool to owe large sums of money.

(a) cultivation **(b)** cult **(c)** cultivate **(d)** culture

7. Recent reports have _____ that being in debt is not now looked upon as a disgrace but rather as an attractive way of life.
(a) revealed (b) restored (c) replied (d) responded
8. In reality it's a very long _____ to get from owing to paying off all your debts.
(a) hail (b) halt (c) haul (d) help
9. There are frequently _____ in the family home between parents and children about whether you should enter into credit agreements.
(a) collisions (b) clashes (c) claims (d) crashes
10. What concerns people most are the mounting _____ among governments that it will take at least a generation for us to be rid of excessive debt.
(a) frights (b) fearful (c) fears (d) afraid

Test 10

INVOICES

1. There is an additional _____ added to the price of the product if you want to have it delivered to your house.
(a) figure (b) charge (c) number (d) charging
2. You should have read the _____ of payment as soon as you received the invoice for the goods.
(a) reasons (b) types (c) lists (d) terms
3. In order to cut down the expenses of compiling and sending out the invoices, you need to employ an _____ administrator.
(a) officious (b) effecting (c) efficient (d) affected
4. It's always a good idea to get an _____ of what the cost of the work will be before the invoice lands on your doormat.
(a) interest (b) estimate (c) esteem (d) actual
5. I do like to get a _____ reply to my letters especially when they are referring to the amount of money I'm supposed to be paying.
(a) prompt (b) private (c) promoted (d) prominent

6. Just as we were about to leave the restaurant, the waiter came running up to apologize there had been a _____ in the bill.
(a) error (b) trip (c) mistake (d) damage
7. The company were very quick to point out it was their fault we had been sent the wrong invoice and they _____ it immediately.
(a) correct (b) rectified (c) stamped (d) righted
8. In view of our previous orders over the last year we were offered a 10% _____ on any future dealings.
(a) discord (b) dispute (c) dislike (d) discount
9. He appreciated the additional welcome and help he received from the department store staff as he had after all been a longstanding _____.
(a) customer (b) courier (c) courtier (d) custom
10. She got quite angry about the size of the invoice until it was pointed out that it was the government who _____ the value added tax.
(a) insisted (b) imposed (c) inserted (d) indented

Test 11

TAXES

1. If you are self-employed, it is your responsibility to _____ how much tax you should legally pay.
(a) consider (b) complete (c) correct (d) calculate
2. I had a letter from the office of the Collector of Taxes telling me that I had to pay back all the money I _____ over the last 3 years.
(a) due (b) indebted (c) owed (d) owned
3. The arrangement they have is that all the money that has to be paid in tax out of their earnings comes from their _____ account.
(a) joined (b) conjoined (c) joined up (d) joint
4. Under the current legislation if you are late in paying your taxes, then you have to face a financial _____.
(a) penalty (b) punishment (c) pain (d) penalize

5. He is in a terrible rush to complete his tax returns by Tuesday otherwise he won't be able to reach the _____.
(a) dead end (b) deadline (c) dead date (d) dead stop
6. It doesn't happen very often but I actually got some money from the tax office and with the _____ I'm going to treat myself.
(a) remake (b) repeat (c) refund (d) respite
7. Before you can claim any money back on overpayment of tax, you have to _____ an application form.
(a) fill for (b) fill out (c) fill through (d) fill with
8. You can elect, if you want, to transfer your tax free allowance to your _____.
(a) spouse (b) sponsor (c) spook (d) spokesperson
9. Until it's clearly established which tax group you are in, your employer will be asked to _____ a certain amount of your pay.
(a) withstand (b) without (c) withhold (d) withal
10. There have been so many queries about his tax situation that there is now a huge _____ containing the details in the office.
(a) full (b) filled (c) filling (d) file

Test 12

FINANCE

1. It's a gamble at the moment whether the company will make profit in its second year but that nevertheless is the _____ aim.
(a) wanted (b) wished (c) desired (d) needed
2. Each year the Chancellor of the Exchequer stands up in the House of Commons and gives a _____ of what is seen as the economic outlook for the country.
(a) forecast (b) foretell (c) foresee (d) forego
3. I think that your financial optimism is not really justified and you should adopt a more _____ attitude.
(a) really (b) realize (c) reality (d) realistic

4. If you want to increase sales of a particular product, you must be sure that you are _____ the right customers.
(a) aiming (b) directing (c) targeting (d) guiding
5. The idea caught on very quickly and people were queuing up to buy the goods so that year the company's investment _____ substantial profits.
(a) confirmed (b) yielded (c) harvested (d) maintained
6. _____ it has not been a bad year as our costs are well down on last year's.
(a) Overall (b) Largely (c) Mainly (d) Quite
7. Managers complained bitterly at the Annual General Meeting that _____ of production had dropped to an all time low.
(a) signs (b) indications (c) types (d) levels
8. You have to accept that this kind of expenditure is quite _____ in an enterprise of this kind.
(a) general (b) typical (c) formal (d) correct
9. The figures that have just been published by the company's accountants will give management some kind of _____ on how sales are going.
(a) prospective (b) perception (c) perusal (d) perspective
10. Whenever a member of staff makes a claim for travel expenses, they have to provide a _____ account of their journeys.
(a) detailed (b) dedicated (c) descriptive (d) described

Test 13

INTERVIEWS AND JOBS

1. One of the most important qualities which the panel is looking for in a candidate is the _____ to work with others.
(a) ease (b) case (c) power (d) ability
2. Once the applications have been looked at the usual procedure for the panel is to follow _____ the references of those candidates who have been **short listed**.
(a) across (b) in (c) up (d) along

3. They were so impressed with the way she reacted to their questions that they didn't _____ to offer her the job.
(a) delay (b) hesitate (c) waiver (d) dither
4. As this job was of a very specialist nature an _____ was invited to join the interview panel.
(a) expert (b) exponent (c) exhibitor (d) expedient
5. After the interview one of the candidates _____ phoned the office to see whether he had been successful.
(a) always (b) ever (c) constantly (d) competently
6. She was in such a state of extreme nervousness when she was _____ for the interview that she burst into tears.
(a) called on (b) called in (c) called over (d) called off
7. From the point of view of relevant _____ she was the ideal candidate at least on paper.
(a) reference (b) history (c) family (d) background
8. It is absolutely essential in an interview to give the impression at least that you are full of _____.
(a) concern (b) continuity (c) confidence (d) confirmation
9. One of the most popular questions asked of interviewees is to explain their strengths and _____.
(a) weaknesses (b) varieties (c) virtues (d) variables
10. Each candidate was asked to _____ a short account of how they saw the future of the company.
(a) display (b) present (c) show (d) demonstrate
11. When you go to a job interview, it is really important to dress _____.
(a) unequally (b) appropriately (c) sparingly (d) meagerly
12. When filling out an application, make sure you write your answers _____.
(a) mumbled (b) tongue-tied (c) intelligibly (d) hazily
13. Make sure you list your skills and experience that you believe will meet the _____ of the employer.

(a) expectations (b) attention (c) carelessness (d) abstraction

14. In your job interview, don't complain about previous jobs or former ____.

(a) mayors (b) visitors (c) activists (d) employers

15. When answering questions to the employer, be confident and ____ your words really well.

(a) stutter (b) articulate (c) dribble (d) mix up

16. Avoid ____ clothing such as jeans, flip flops, sneakers, t-shirts, caps, etc.

(a) casual (b) dressy (c) formal (d) stylish

17. Bring as much information about yourself as you might need. On your ____ make sure you include hobbies, volunteer work or anything that you've done that may pertain to that job.

(a) school transcript (b) college degree (c) resume (d) journal

18. It is usually really handy to have letters of ____ from previous employers.

(a) demotion (b) recommendation (c) dismissal (d) declination

19. Hint: Fill out the job application first with a pencil then with a pen, so you don't have to use ____.

(a) white out (b) eraser (c) ruler (d) marker

20. If you don't remember some particular information about jobs you had in the past, feel free to ask the employer if you can take the application home so you can do some ____.

(a) synthesis (b) estimation (c) interpretation (d) research

Test 14

WORKING WELL

1. The boss was appointed in the hope that she would be able to ____ results.

(a) find (b) seek (c) achieve (d) manage

2. In the very beginning she had a meeting with all the staff, which turned out to be extremely _____.
(a) productive (b) producing (c) produced (d) production
3. Although many people wanted to remain _____ to her predecessor, they soon started to respect her style of management.
(a) trusting (b) believing (c) attached (d) loyal
4. At the first series of interviews the question was whether to appoint a newcomer or _____ a current employee.
(a) project (b) promote (c) proffer (d) protect
5. The decision was finally taken that appointments should be based purely and simply on _____.
(a) marvel (b) mandate (c) merit (d) mastery
6. There was a new spirit in the company and for the first time in ages staff at last felt they were being _____.
(a) valued (b) valuable (c) valuing (d) valid
7. Employees were beginning to receive _____ for the hard work that they had been doing.
(a) respect (b) referral (c) recognized (d) recognition
8. It soon became apparent that under the new management people were also starting to _____ some of their free time to the company.
(a) donate (b) deliver (c) contribute (d) convert
9. Some of the longest serving staff actually looked _____ to coming into work.
(a) on (b) about (c) through (d) forward
10. At the end of her first year it was _____ to everyone that as the new boss she had been totally accepted.
(a) obvious (b) granted (c) taken (d) thought

Test 15

INSURANCE POLICY VOCABULARY

1. I took out a life insurance _____ with State Ranch Insurance Company last week.
(a) contract (b) policy (c) agreement (d) deal
2. My insurance _____ are only \$70 per month.
(a) receipts (b) fees (c) premiums (d) payings
3. In the event of my death, the _____ will be my widow.
(a) recipient (b) widow (c) donor (d) beneficiary
4. My insurance does not _____ me if I commit suicide.
(a) collect (b) cover (c) console (d) contribute
5. The amount of money that my wife will get has already been calculated by State Ranch's _____.
(a) manager (b) archivist (c) actuary (d) agent
6. If I decide that I no longer need my insurance, I can cash it in for the amount of its _____ value.
(a) rebate (b) surrender (c) discount (d) return
7. Before I got the insurance, I had to receive a complete physical _____.
(a) investigation (b) injection (c) therapy (d) examination
8. I am feeling great, because the doctor told me that I have a life _____ of 82 years!
(a) length (b) line (c) expectancy (d) experience
9. Even if I am late in paying, the insurance remains in effect for a _____ period of 30 days.
(a) grace (b) satisfaction (c) long (d) latent
10. The insurance is pretty expensive though: I am a policeman, so there are a lot of occupational _____.
(a) troubles (b) involvements (c) hazards (d) duties

Test 16

ANNUAL REPORT

1. Our annual report was _____ to the shareholders on 31 March.

- (a) submerged (b) submitted (c) subordinated (d) subtracted
2. Turnover remained constant through the _____ year.
(a) annual (b) fiscal (c) physical (d) revenue
3. Profits declined sharply with the devaluation of the _____.
(a) banknotes (b) change (c) currency (d) money
4. Sales fell gradually in the first two quarters, but _____ in the second half of the year.
(a) realigned (b) recalled (c) recovered (d) resisted
5. Costs reached _____ in April.
(a) an acme (b) an apex (c) a climax (d) a peak
6. Demand rose sharply after our major competitor went into _____.
(a) bankruptcy (b) export (c) receiver (d) difficulty
7. Overhead leveled off when utility charges were _____ by the government.
(a) cancelled (b) frozen (c) given (d) tapped
8. Prices were raised with the introduction of our new _____ of widgets.
(a) batch (b) line (c) manager (d) team
9. Output _____ up with demand.
(a) followed (b) kept (c) made (d) put
10. Although the company's overall _____ was weak, its bottom line was still in the black.
(a) action (b) activity (c) performance (d) progress

Test 17

JOB APPLICATIONS

1. The application form is used by companies as a means of _____ basic information from all applicants.
(a) acquiring (b) distributing (c) manipulating (d) standardizing

2. The application is a key marketing tool for the applicant in the job-_____ process.
(a) advertising (b) gathering (c) seeking (d) wanted
3. Companies utilize the application as a _____ for deciding whether to interview the applicant.
(a) background (b) basis (c) blueline (d) bottomline
4. The application form should be considered the applicant's first test in _____ directions.
(a) examining (b) following (c) indicating (d) reading
5. The application form should be filled out as _____ as possible; it reflects the applicant's nature.
(a) cleanly (b) freshly (c) neatly (d) nicely
6. On the form, answers should be _____ to the specific position for which the person is applying.
(a) measured (b) modified (c) presented (d) tailored
7. No _____ should be left on the form; for questions that are irrelevant, write "not applicable" ("n/a").
(a) answers (b) blanks (c) empties (d) notes
8. The goal of the application is to obtain a personal interview, so do not provide any _____ information.
(a) affirmative (b) negative (c) objective (d) positive
9. Questions should be answered _____, but complete answers need not necessarily be given.
(a) briefly (b) comprehensively (c) earnestly (d) truthfully
10. Specific salary limits should never be indicated on the application; just write "open" or "_____".
(a) negative (b) negotiable (c) undecided (d) unknown
11. The first interview for the candidate is the _____ interview, which is used to ascertain whether s/he matches the position's minimum qualifications.
(a) initializing (b) reviewing (c) screening (d) standing

12. The interviewer(s) will have the applicant's resume in _____ and attempt to confirm the information it contains.

(a) control (b) hand (c) office (d) person

13. The selection interview is worrisome for most candidates: although they may have the requisite skills, the company now determines whether they have the personality to _____ into the group.

(a) fit (b) join (c) match (d) work

14. A candidate who does not interact positively with supervisors and co-workers may _____ the operations of a whole section.

(a) corrupt (b) disrupt (c) erupt (d) interrupt

15. A group interview is one in which the interviewer(s) attempt to distinguish the _____ from the followers.

(a) bosses (b) chiefs (c) heads (d) leaders

16. When a panel interview is _____, the candidate is interviewed by several people at the same time.

(a) established (b) held (c) positioned (d) thrown

17. The candidate should make eye _____ with each member of the panel as s/he answers the panelist's question.

(a) arrows (b) avoidance (c) contact (d) sight

18. One technique the applicant should be aware of is the stress interview, which is occasionally used to _____ out those who are unable to deal with adverse situations.

(a) cast (b) toss (c) weed (d) wrench

19. Stress may be introduced into this kind of interview by asking strange questions or by reacting to the candidate's responses with _____.

(a) queries (b) quietness (c) silence (d) snores

20. In a stress interview, the candidate has only two choices: play _____ or refuse such bad treatment by terminating the interview.

(a) along (b) anyway (c) games (d) ignorant

Test 18

THE BALANCE SHEET

1. A balance sheet shows the financial _____ that a company has at a point in time and where they came from.
(a) records (b) resources (c) returns (d) revenues
2. It is an instant photograph that displays the company's financial _____ at the end of a business month, quarter or year.
(a) explanation (b) position (c) publication (d) station
3. The organization of a balance sheet reflects this basic _____: assets equal debts plus equity.
(a) arrangement (b) assessment (c) equation (d) question
4. The _____ of accounts is a listing of the accounts that are reflected in the financial statements.
(a) book (b) chart (c) table (d) outline
5. Assets are often listed in the order of their _____ — which means how easy it would be to convert each asset into cash.
(a) complexity (b) liquidity (c) security (d) simplicity
6. Assets are divided into three categories: Current Assets, Fixed Assets, and _____ Assets.
(a) Current fixed (b) Different (c) Fixed current (d) Other
7. Current assets will likely be turned into cash or converted into a(n) _____ within a year.
(a) bonus (b) expense (c) option (d) stock
8. Fixed assets are saleable, but are not expected to be converted to cash in the _____ course of business.
(a) average (b) equal (c) final (d) normal
9. Liabilities are debts or _____ stemming from goods or services received by the company.
(a) obligations (b) others (c) outstandings (d) owed
10. If the assets of a company are greater than its liabilities, then the equity of the business is the positive _____ between the two numbers.
(a) calculation (b) difference (c) dividend (d) sum

Test 19

INCOME STATEMENTS

1. The statement of income and expenses reports the company's income and expenses for the time period: it is also called a _____-and-loss statement.
(a) earnings (b) gain (c) profit (d) win
2. The first item on the statement is the total amount of sales of products or services; this is often referred to as _____ sales.
(a) gross (b) mass (c) overall (d) whole
3. The main deduction from this revenue is called _____ of sales, the amount of money the company spent to produce the same goods or services.
(a) cost (b) discount (c) expense (d) reduction
4. The next deduction is _____ expenses — for example, administrative salaries and research costs, which do not vary directly with production.
(a) fixed (b) operating (c) standard (d) unproductive
5. Depreciation expenses the wear and _____ on assets like machinery, equipment and furnishings.
(a) age (b) change (c) repair (d) tear
6. The depreciation charge for using these assets during the accounting period is a _____ of their original cost.
(a) foundation (b) fractile (c) fragment (d) function
7. _____ income is the money that the company earns by keeping its cash in savings accounts, term deposits, etc.
(a) Illicit (b) Inactive (c) Interest (d) Internal
8. Finally, _____ tax is deducted.
(a) business (b) commercial (c) income (d) value-added
9. The final entry is the _____ line, which represents net earnings of the company during the accounting period.
(a) balance (b) base (c) black (d) bottom
10. Additionally, _____ indicates how much shareholders would receive if the company distributed all of its net earnings as dividends.
(a) EPS (b) GDP (c) GNP (d) VAT

Test 20

COST ACCOUNTING

1. _____ or cost accounting systems are part of a company's information system and are used for tracking costs and allocations to judge operational efficiency.
(a) Corporate (b) Domestic (c) Management (d) Monitoring
2. This is an _____ accounting system, rather than one for outside reporting.
(a) inner (b) inside (c) interior (d) internal
3. There are no _____ rules governing how a company should keep track of cash flows for cost accounting purposes.
(a) amended (b) fixed (c) required (d) restricted
4. _____ budgeting is a form of forecasted cost accounting for long-term projects or expenditures.
(a) Capital (b) Major (c) Overhead (d) Terminal
5. Cost accounting applications are major financial _____ in everyday corporate decision-making.
(a) distractors (b) drivers (c) fetters (d) operators
6. Cost accounting is important for estimating the _____ of current and future activities.
(a) foreseeability (b) profitability (c) sensibility (d) variability
7. When good cost accounting procedures are _____, the company may find out that they have been producing a non-profitable product or service.
(a) contracted (b) discarded (c) implemented (d) suggested
8. Cost accounting _____ managers toward company goals.
(a) aggravates (b) gravitates (c) insulates (d) motivates
9. It also measures the _____ of managers and departments in the company.
(a) acceleration (b) doings (c) performance (d) seniority
10. _____ costs change in proportion to the level of production activity, while fixed costs remain unchanged.

(a) Varicose (b) Various (c) Variable (d) Versatile

Test 21

AUDITING

1. The purpose of an audit is to gather and evaluate evidence in order to form an opinion on the _____ of a company's financial statements.

(a) rationality (b) realization (c) reliability (d) responsibility

2. The audit _____ is usually no more than a page in length and is attached to the financial statements.

(a) report (b) response (c) result (d) review

3. Auditors are not responsible for the _____ of the financial statements of an company.

(a) evaluation (b) examination (c) position (d) preparation

4. In the financial statements, the company implicitly states that all items, account balances and transactions are _____ valid, complete and accurate.

(a) essentially (b) generally (c) materially (d) precisely

5. An error in _____ is committed when the financial statements include an item that should not be included.

(a) accuracy (b) auditing (c) completeness (d) validity

6. An error in _____ is committed when the financial statements do not include an item which should be included.

(a) accuracy (b) auditing (c) completeness (d) validity

7. An error in _____ is committed when the financial statements include incorrect information about an item that should be included.

(a) accuracy (b) auditing (c) completeness (d) validity

8. One of the principal goals of the auditor is to add _____ to this assertion.

(a) credentials (b) credibility (c) creditworthiness (d) credulity

9. Audit risk is the risk that the auditor expresses an inappropriate audit opinion when the financial statements are significantly _____.

(a) misstated (b) overstated (c) restated (d) understated

10. In addition to the financial statements, the auditor also examines the company's internal _____ procedures for effectiveness.
(a) coherence (b) command (c) control (d) correspondence

Test 22

BUDGETING

1. Budgeting is a combination of mathematics and guesswork: some _____ are precisely known, while others are less clear.

(a) factions (b) factors (c) fallacies (d) fractions

2. Every company should prepare a complete budget and constantly _____ its performance against that budget.

(a) match (b) merge (c) mirror (d) monitor

3. Any variation from a budget should be investigated and explained, and _____ action should be taken to correct any problems.

(a) planned (b) potential (c) practiced (d) prompt

4. When you have set a budget, you should _____ to it as much as possible, but revise it when necessary.

(a) stand (b) start (c) stick (d) stretch

5. Budgeting itself can help a company reduce costs, because every item in it must be _____ beforehand.

(a) certified (b) justified (c) ratified (d) rectified

6. The wrong way to prepare a budget is to simply include everything at last year's level plus annual _____.

(a) accrual (b) increment (c) inflation (d) investment

7. Focus first on the largest costs, since they should have the greatest _____ for reduction.

(a) potency (b) potential (c) prediction (d) projection

8. Do not overestimate the _____ sales for the budget period.

(a) conjectural (b) considered (c) determined (d) projected

9. Creating a(n) _____ forecast requires estimating the expected monthly expenditures and matching those against the likely monthly income.

(a) cash flow (b) current account (c) operating (d) turnover

10. Many companies maintain a _____ budget, so that they are continually budgeting for this time next year.

(a) floating (b) moving (c) rolling (d) shifting

Test 23

ACCOUNTANTS

1. Most accounting positions require a bachelor's degree in accounting or a related field or _____ combination of education and experience.

(a) an attained (b) a calculated (c) a curricular (d) an equivalent

2. Many companies want graduates with a master's degree in accounting, or a master's degree in business administration with _____ in accounting.

(a) a concentration (b) an expertise (c) a major (d) a specialty

3. Some schools offer students a chance for hands-on experience with part-time _____ programs in accounting or commercial firms.

(a) internship (b) practice (c) study (d) tutorial

4. Accountants help make sure that a firm is run efficiently, that its records are maintained accurately, and that its taxes are paid properly and in a _____ manner.

(a) controlled (b) courteous (c) formal (d) timely

5. Nowadays, accountants are _____ the services they offer with budget analysis, investment planning, and IT consulting.

(a) broadening (b) lengthening (c) opening (d) reformatting

6. _____ accountants, many of whom are CPAs, generally have their own companies or work for major accounting firms.

(a) Graduate (b) Professional (c) Public (d) Senior

7. Some accountants specialize in _____ accounting — investigating white-collar crimes such as securities fraud and embezzlement.

(a) criminal (b) forensic (c) police (d) undercover

8. Many work closely with law enforcement officers and lawyers during investigations and often appear as _____ witnesses during trials.

(a) expected (b) expert (c) known (d) respected

9. _____ accountants record and analyze the financial information of the firms in which they are employed.

(a) Business (b) Internal (c) Licensed (d) Management

10. Government accountants work in the public _____, maintaining and monitoring the recordkeeping of government departments and agencies.

(a) arena (b) domain (c) quarter (d) sector

Test 24

CORPORATE TAXATION

1. Rob Norton, of e Company Now and Fortune magazines, notes in the article quoted below that corporate taxes are among the least efficient and least _____ of taxes.

(a) avoidable (b) defeatable (c) defensible (d) reprehensible

2. The tax is popular with the man _____, who believes, incorrectly, that it is paid by corporations.

(a) in the shop (b) in the street (c) on the block (d) on the job

3. The federal corporate income tax applies only to some businesses — those chartered as corporations — and not to partnerships or _____ proprietorships.

(a) simple (b) single (c) sole (d) strict

4. The federal tax is levied at three different rates on different _____ of income: 15 percent on taxable income under \$50,000; 25 percent on income between \$50,000 and \$75,000; and 34 percent on income above that.

(a) brackets (b) components (c) portions (d) segments

5. A good reason that state and local corporate income taxes remain low is that corporations could easily _____ out of states that imposed unusually high taxes.

(a) reinstate (b) relegate (c) relocate (d) replace

6. Except for emergency taxes in wartime, corporate profits were first taxed in 1909, when Congress _____ a 1 percent tax on corporation income.

(a) decided (b) enacted (c) proscribed (d) retracted

7. The Tax Reform Act of 1986 was designed to increase the share of federal revenues collected via the corporate income tax and to decrease the share from the _____ income tax.

(a) individual (b) personnel (c) private (d) single

8. While the top corporate tax rate was cut, deductions for capital expenditures were severely _____, and as a result the effective tax rate for many corporations rose.

(a) amended (b) curtailed (c) examined (d) extended

9. The central problem with the corporate income tax from an economic point of view is that, ultimately, only _____ can pay taxes.

(a) entities (b) companies (c) people (d) some

10. As early as the 17th century, Sir William Petty, one of the _____ of modern economics, argued that a tax on the production and sale of commodities would eventually be shifted by producers to consumers, who would pay it in the form of higher prices.

(a) planners (b) precursors (c) predecessors (d) progenitors

SUPPLEMENTARY TEXTS

Text 1

THE FUNDAMENTALS OF ENTREPRENEURSHIP

Millions new **enterprises** start each year despite more than a 50% failure rate. Consumers, business people, and government officials take an interest in this activity. Starting and managing a new **business** involves considerable risk and effort. In creating and helping a new **venture** to grow, the entrepreneur has all the responsibility for its development, growth and survival, as well as corresponding risks and rewards.

Who wants to accept all the risks and effort involved in creating a new venture? The person may be a man or a woman, come from an upper-class or a lower-class background, have a college or a university degree or be a high school dropout. The person may have been a student, a teacher, an engineer, a salesperson, a manager, a retired person, etc.

DEVELOPMENT OF ENTREPRENEURSHIP

Who is an entrepreneur? What is entrepreneurship? These frequently asked questions reflect the increased international interest in the field. In spite of all this interest, a concise, universally accepted definition has not yet emerged. The word entrepreneur is French and literally translated, means "between-taker" or "go-between". Let's take a look at the entrepreneurship from a historical perspective.

EARLIEST PERIOD

One early example of a go-between is Marco Polo, an Italian, who was one of the first Europeans who sailed to the Far East. He attempted to establish trade routes to China. He signed a money contract with a money person to sell his goods. That money person was a **forerunner** of today's capitalist. A common contract during that time provided a **loan** to the **merchant-adventurer** at a 22.5 percent rate, **including** insurance. While the money person was a passive risk taker, the merchant-adventurer took the active role in trading, bearing all the physical and emotional risks. After the successful completion of a journey by the merchant-adventurer, the money person took most of the profits (up to 75 percent), while the entrepreneur merchant **settled for** the remaining 25 percent.

MIDDLEAGES

In the Middle Ages, the term entrepreneur was used to describe both an organizer of musical performances and a manager of large building projects. In such projects, this person did not take any risks, but merely managed the project using the resources provided. A typical entrepreneur in the Middle Ages was the **cleric** - the person in charge of great architectural works, such as castles and fortifications, public buildings, abbeys, and cathedrals.

17TH CENTURY

The connection of risk with entrepreneurship developed in the 17th century. At that time an entrepreneur was a person who entered into a contract with the government to perform a service or to supply **stipulated** products. Since the contract price was fixed, any resulting profits or losses reflected the efforts of the entrepreneurs - the better they worked the more profit they had. One of the entrepreneurs in this period was John Law, a Frenchman, who was the founder of the royal bank of France and the Mississippi Company, which had an exclusive **franchise** to trade between France and the New World. Unfortunately, this monopoly on French trade led to Law's downfall when he attempted to push the company's **stock** price higher than the value of its **assets**; this eventually led to the collapse of the company. Richard Cantillon, a well-known English economist at the beginning of the 17th century, understood Law's mistake. Cantillon developed one of the first entrepreneur definitions. He is regarded by some researchers as the founder of the term. He viewed the entrepreneur as a risk taker because merchants, farmers, craftsmen, and other sole proprietors *"buy at a certain price and sell at an uncertain price, therefore operating at a risk."*

18TH CENTURY

Finally, in the 18th century, the person with capital was differentiated from the one who needed capital. In other words, the entrepreneur was distinguished from the capital provider (the present-day venture capitalist). One reason for this differentiation was the industrialization occurring throughout the world. Many of the inventions developed during that time were reactions to the changing world, as was the case with Thomas Edison, the author of many inventions.

He was developing new technologies but was unable to finance his inventions himself. Edison raised capital from private sources to develop and make experiments in the fields of electricity and chemistry. Edison was a capital user (an entrepreneur), not a provider (a venture capitalist). In

contrast, a venture capitalist is a professional money manager who makes risk investments from a pool of **equity capital** to obtain a high rate of return on the investments.

19TH AND 20TH CENTURIES

In the late 19th and early 20th centuries, entrepreneurs were frequently not distinguished from managers and were viewed mostly from an economic perspective.

Andrew Carnegie is one of the best examples of modern entrepreneur. Carnegie invented nothing. Using new ideas he developed new technology into products to achieve economic results. Carnegie, who descended from a poor Scottish family, made the American steel industry one of the wonders of the industrial world, primarily thanks to his ability to win competition, rather than his inventiveness or creativity.

In the middle of the 20th century, the notion of an entrepreneur as an innovator was established: *The function of the entrepreneurs is to recreate or revolutionize the pattern of production by introducing an invention or, by using new technological possibilities for producing a new **commodity** or producing an old one in a new way, by opening a new source of supply of materials or a new **outlet** for products; by reorganizing an old industry and creating a new one...*

In this definition the concept of innovation and newness is an integral part of entrepreneurship. Indeed, innovation, the act of introducing some new ideas, is one of the most difficult tasks for the entrepreneur. It needs not only the ability to create, but also the ability to understand all the forces at work in the environment. The newness can consist of anything from a new product to a new organizational structure.

Edward Harriman, who reorganized the railroad in the United States, or John Morgan, who developed his large banking house by reorganizing and financing the nation's industries, are examples of entrepreneurs fitting this definition.

These organizational innovations are as difficult to develop successfully as the more traditional technological innovations (transistors, computers, lasers) that are usually associated with the word invention.

This ability to innovate is an instinct that distinguishes human beings from animals. The instinct can be observed throughout history, from the Egyptians who designed and built great pyramids out of stone blocks

weighting many tons each, to laser beams, supersonic planes and space stations. While the tools have changed with advances in science and technology, the ability to innovate has always been present in every civilization.

Text 2

Kodak

"Learning from success"

Early business principles

What can we learn from looking at the histories of successful companies? In the case of Kodak (more correctly Eastman Kodak) we can see the value of formulating good business principles from the very beginning. Such principles as care for the customer and for employees are fundamental to the growth and success of the business and need to be established at the beginning.

The story of Eastman Kodak also tells us something about how companies need to react to new technologies. The story of Eastman Kodak is a story in which technological change is not seen as a threat, it is embraced and welcomed because it offers new opportunities.

Today, Eastman Kodak is a premier multinational corporation and one of the 25 largest companies in the United States.

Early beginnings

In 1879, London was the centre of the photographic and business world. Photography had started in France with Nicephore Nicepce's first photograph from nature in 1826. These ideas were soon taken up by Daguerre with the patenting of the Daguerrotype system of photographs on metal plates. In Britain, Henry Fox Talbot developed a system of producing photographs on glass plate, which could then be printed on paper. In 1844, the first photographically illustrated book "The Pencil of Nature" by Henry Fox Talbot was published by Longman in London. Lewis Carol, the author of *Alice in Wonderland* was an early photographer.

In 1879, George Eastman traveled to London to patent a machine for making glass photographic plates. Two years later, with a business partner, Henry Strong, he formed the Eastman Dry Plate Company. In 1883 Eastman startled the photographic world with the first "rolls" of film. In 1888, he launched the first "Kodak" camera, which was pre-loaded with enough "film" for 100 exposures.

Today, we think of the "disposable camera" as being a modern invention, yet the first Kodak was launched with the slogan *"You press the button, we do the rest"*. The Kodak camera cost \$25. When the customer had used the 100 exposures, the whole camera was returned to the company where prints were made and a new film inserted in the camera. The 100 prints and newly preloaded camera were returned to the customer for the price of just \$10! Eastman had four basic principles for business:

- mass production at low cost
- international distribution
- extensive advertising
- a focus on the customer.

Eastman saw these four principles as being closely related. Mass production could not be justified without international distribution, which, in turn, needed the support of strong advertising. From the beginning, he gave the company the belief that fulfilling the customers' needs and desires is the only road to corporate success.

Eastman added further policies to these business principles:

- foster growth and development through continuing research
- treat employees in a fair and self-respecting way
- reinvest profits to build and extend the business.

By 1896, thirteen years after its launch, the 100,000th Kodak camera was produced, a success which speaks volumes for the power of good advertising when it is supported by a good product and customer service. In 1891, Eastman set up his first overseas factory and distribution centre in Harrow, England, just outside London. In 1900, Eastman had factories and distribution centers in France, Germany, Italy and other European countries. A factory in Japan was under consideration. In the same year, Eastman introduced the first "Brownie" camera at a price of just one dollar!

Eastman Kodak was largely responsible for popularizing the "hobby" of photography and putting this technology into the hands of ordinary people.

Color and Moving Pictures

Eastman had collaborated with Thomas Edison on the development of film, cameras and projectors for moving films. In 1923, Eastman made a simple clockwork-powered movie. In 1935 Kodachrome was launched as the first successful color film for amateurs to make color slides and 16mm

movie films. In 1942, Kodacolor, the first true color negative film (for making prints) was introduced.

Embracing Change

Traditional photography is based on the science of exposing light-sensitive silver halide salts to light. This basic chemistry remained the only way of producing images for many years. But new technologies started to challenge this basic industry.

The first was video, so Kodak started to produce and market video cassettes in 1984 in 8mm, Betamax and VHS formats. In the same year, they broke into another market which would become an even greater threat. They announced a full range of flexible floppy disks for personal computers.

The Digital Challenge

Today, many of us do not use traditional photographic cameras. We take pictures and video with digital cameras, which do not require film or processing. We can print these pictures at home (and get remarkably good quality) and exchange pictures and moving images through the Internet and email attachments.

Kodak recognized and embraced this technological challenge as early as the mid-1970s. In 1985 they produced their first electronic publishing system. Since then, while the traditional photography business has remained strong, Kodak's research and development have produced still video cameras, digital printers, digital still and movie cameras and the Photo CD.

Kodak's 1999 annual report carried two cover slogans "***Take Pictures Further***" and "***You Press the Button. We Do the Rest***", combining their current and original marketing messages. As the report said, "The two statements were composed a century apart, but, taken together, they perfectly sum up Kodak's core philosophy: The promise of innovation. And the guarantee of simplicity."

Text 3



What attracts customers? Obviously the quality of a product does, but visual images play an important role too.



There are now many products and services on the market which are similar in content though produced by different companies. That is why it is necessary for a company to distinguish itself from its competitors by having a strong company image, which is immediately recognizable.

Logos are part of this image. They are symbols, which often include a name or initials to identify a company. The logo establishes a visual identity for the company, just as different groups of young people express their identity through hairstyles and clothes. All groups from all cultures and throughout the ages have used colors and symbols to show their identity.



countries.

In different cultures, different colors have different meanings. Some colors may be connected with coldness in one culture and with warmth in another; some colors represent life in one culture but death in another. International companies have, therefore, to make sure that their logos will not be misunderstood or misinterpreted in different

The logos of large international companies are recognizable throughout the world. One of the most famous logos is that of Coca Cola.



The design of the words “Coca Cola” has not changed since 1886, although the surrounding design has been changed from time to time.



Many companies have, over the years, renewed their logos to fit in with contemporary design and to present more powerful images. Some logos incorporate an idea of the product; the steering wheel in the Mercedes logo, for example, and the airplane tail of Alitalia.

Companies need to have a strong corporate identity. The logo helps to promote this image and to fix it in the minds of the consumers. Logos, therefore, need to be original and to have impact and style.

Text 4

Many of the larger businesses in the UK are **public limited companies**. It means that the public is able to buy and sell shares on the Stock Exchange. The examples of such companies are Marks and Spencer, Guinness and the National Westminster Bank. However, it is very expensive to set up this kind of company (minimum \$ 100.000). That's why small businesses take one of the following forms:



Sole trader or Sole proprietor

This is the simplest way of starting a business. You work on your own and entirely responsible for all aspects of running your business. This is especially suitable for small retail businesses.



Partnership

When two or more people want to start a business together they can set up a partnership and agree on how the business will be operated. All partners are responsible for the debts of the partnership and profits and losses are shared between them.



Private Limited Company

A company can be formed with minimum by two people becoming its shareholders. If the company goes out of business the responsibility of each shareholder is limited to the amount of money that he has contributed. A private limited company has the letters Ltd. (Limited) after its name.

Text 5

Alternative forms of Business Organization

Contingency workforce

Individuals are hired by companies to work on short-range projects or to cover unexpected demands that cannot be met by a permanent core group of employees. One out of five Americans is now a member of the contingency workforce.

As a result of the process of downsizing there appeared a demand for interim professionals or freelance. They have created a new class of

professional temporaries who are different in education and professional experience from clerical temporary workers.

Horizontal corporation

When a company reduces hierarchy it creates cross-functional teams made up of members from different departments to run them.

This organization structure is opposite to the vertical corporation where information and execution of orders are tightly controlled from above. The horizontal corporate world, in contrast, is networked internally and focused on its customers. Hierarchical and department boundaries are eliminated, supervision is minimized, and self-managing teams become the building blocks of the new enterprise.

Shamrock organization

Shamrock organization is an example of information – age corporation. The leaves of shamrock symbolize three different segments of activity and workforce.

One leaf of the shamrock or segment of the new organization represents the core workforce, which includes managers, technicians, and qualified professionals. This group owns the knowledge that distinguishes a company from its competitors. They are full time workers committed to the company and in return receive high salaries and generous benefits.

The second leaf of the shamrock represents organizations outside the company to whom work is contracted. These are nonessential workers or units that can be replaced without damage to a company. They are normally self-employed and are specialists in a certain kinds of work. They deal with data processing operations, cleaning services that maintain buildings, and supply of raw materials or even deal with parts in a manufacturing process.

The third leaf of the shamrock is the temporary or part-time, flexible labor force of just-in-time employees. The company saves money because it only employs these people when it needs them.

Virtual corporation

One more model for the new organization. It is described as the de-organized, disembodied and borderless organization. It has been associated with alliances, federations, partnerships. The virtual corporation is an innovative business structure organized around a few core modules and

key skills and supported by a network of independent people. Its objective is to keep productivity high. The ability to satisfy the customer becomes the driving force behind this organizational architecture.

Text 6

The Argentinians have adopted British traditions towards clothing, usually wearing formal, conservative outfits, even in many social situations. Foreign business executives visiting Argentina should do likewise. Businesswomen in Argentina should be sure to wear stylish shoes.

Brazil: casual but stylish.

By contrast with Argentina, style is the most important factor in Brazilian dress. Well-cut, fashionable clothing is expected of Brazilian executives. Many male executives manage to do without ties. But remember that Brazil is very large, and the degree of casualness varies. Rio de Janeiro is more casual than Sao Paulo, which itself is more casual than Brazilia. Brazilian women consider carefully manicured nails to be very important. Women who wear open-toed shoes should have a pedicure as well.

Saudi Arabia: modesty.

Air conditioning is common, so businesspeople should expect to wear full business suits to a first meeting. If it seems appropriate, men can dispense with ties and jackets at subsequent meetings. Despite the heat, legs and upper arms must be kept covered. Shorts are not acceptable, even for casual wear. Clothes may not be tight; women, especially, should wear loose-fitting clothes. Baggy clothes also make sitting on a floor or cushion more comfortable.

France: stylish; best quality.

As one would expect, the inventors of haute couture put a premium on style. Even low-paid, entry-level executives buy the best clothes they can afford. The typical French posture (very straight, even when sitting) makes their clothes look even better. Unlike the USA, businessmen in France do not usually loosen their ties or take off their jackets in the office.

U.K.: custom tailoring.

Traditionally, the British looked suspiciously at clothes that were trendy or obviously new. In the past a gentleman wore well-made but well-worn clothes. Today, however, only academics wear old clothes. British business executives are likely to have a new, custom-tailored wardrobe,

though conservative styles are still preferred. Women should remember that English weather is often cold and wet. One of the reasons tweed is so popular in England is because it is both warm and comparatively water-repellent.

Text 7

English: the language of millions

Business English is not a subject of study with a solid base. It is an involving practice which appears in many guises around the world and which takes a variety of forms according to local conditions and requirements. Business English arises from two expedencies: the need for a means of communication between those wishing to do business internationally, and the language used for this communication – English. (Nick Breiger)

Job advertisements in quality European newspapers often ask for a "good working knowledge" of English. Nowadays, large international companies use English to communicate between offices and subsidiaries in different countries. 75% of all letters and telexes are in English and 80% of all information in the world's computers is in English, so organizations need employees who speak good English.

European professionals feel that English sometimes helps them to get a new job. It is usually a passport to more money, more travel, and more interest in their work.

Why is English so important as an international language? The statistics answer the question. About 350 million people speak English as a first language. It is official language in more than 60 countries and of many international organizations. The International Olympic Committee, for example, always holds meetings in English. Air traffic control and communication at sea around the world is always in English.

International English has a rich and growing vocabulary. Many everyday words come from other languages.

Umbrella, for example, comes from ombra, the Italian word for shade. English speakers get their breakfast marmalade from the Portuguese word marmelada. There are Spanish words in English including cargo and macho; German gives the English language the word quartz; and French provides liaison and elite.

English helps the business world to communicate across national borders. Many international companies provide language training programs for employees. They know that English is a passport to a successful future. It is a language of millions.

Text 8

Job-Hunting Etiquette Quiz

Certain rules or protocols should guide a job seeker's conduct. Some people call these rules good manners, but more refer to them as business etiquette. By adhering to proper etiquette, a job seeker can gain a perceptual edge over other job seekers that can lead to a job offer. How comfortable are you with the etiquette of job-hunting? Put yourself to the test. Take the job-hunting etiquette quiz and see how well you do.

1. Answer true or false to the following statements.

1. When greeting someone for the first time, a cupped handshake (in which your left hand covers the normal handshake) is a good way to show my sincerity and interest.

2. At an interview or meeting, it is generally necessary for me to stand only when a woman walks into the room (regardless of my gender).

3. At job fairs and other professional settings when I receive a business card from someone, I should take the time to really read the card before sticking it in my pocket or briefcase.

4. I should always turn off (or silence) my cell phone and beeper before heading into any interview or business meeting.

5. After a job interview, regardless of whether I am still interested in the job or not, I should always follow-up with a thank you note.

6. A few days after a job interview, I begin calling the employer every day to see when a hiring decision will be made.

7. When introducing myself at job fairs or other business settings, I should avoid saying anything except my name until the other person responds in kind.

8. When I know a company I am interviewing with is having a casual day on the day I am interviewing, it is best to dress down for the interview.

9. I have a great sense of humor, so it's perfectly fine to have a humorous greeting on my voicemail (or answering machine) when job-hunting.

10. When I place telephone calls to potential employers, I use a clear and confident voice and always first identify who I am and why I am calling.
11. At job and career fairs it's okay for me to walk up to a group of people engaged in conversation and interrupt by introducing myself.
12. When talking on the phone with a potential employer or other business contact, it's okay for me to put them on hold while I answer another phone call.
13. I always avoid asking questions at an interview because it is rude to interrupt the interviewer by asking questions.
14. No matter what type or level of job I am applying for, I always go out of my way to greet the receptionists and secretaries with sincerity.

Now read the answers below and count your score.

1. False. The proper handshake is very important because it is one of the first impressions you make in an interview – and you do not want to do the cupped handshake, which can be seen as familiarity. Use your right hand and give a firm handshake – just don't squeeze too hard. The handshake should be brief, but long enough for both parties to say each other's name in greeting. A firm handshake communicates confidence, interest, and respect.

Other handshake issues to avoid: limp handshakes, clammy handshakes, and sweaty handshakes.

2. False. Regardless of your gender, you should always stand when someone walks into the room, regardless of their gender. When someone enters the room, you should rise if you are seated, smile, extend your hand and greet the person with a firm handshake.

3. True. It is seen as quite rude when a person who receives a business card quickly puts the card away. You should show respect for the person who gave you the card by reviewing it for a few seconds, perhaps even using that time to remember the person's name. Then thank the person for the business card and put it away.

4. True. If something is happening in your life that is so important that you need to be available 24/7, perhaps the best solution is to postpone the interview. At a minimum, you should turn all your electronic equipment's sound off, utilizing the vibration mode if you have it. But most etiquette experts actually suggest turning off all beepers and phones before any business meeting.

5. True. One of the smallest and easiest things you can do is write a simple thank-you note after every interview. You might be surprised at how big an

impact a gesture this small can make, but when the majority of job-seekers do not send thank-you notes, it makes you stand out even more.

And don't bum any bridges by not bothering to send thank-you notes to interviewers where you've already decided the job is not right for you. You never know when or where your paths will cross again.

6. **False.** First, one of the key pieces of information you want to leave the interview with is a timetable for when the employer expects to make a hiring decision. Second, while you should definitely follow up with the employer, you should never cross the line from interested job-seeker to annoying nuisance.

7. **False.** Why just state your name when you have the perfect opportunity to give a short pitch about yourself that not only will help people remember who you are, but perhaps also be a prelude to a longer conversation. Those 20 seconds or so, called the sound bite, gives you a chance to express your unique selling proposition – the one thing that makes you different from everyone else.

8. **False.** Always dress for the interview. While you want to appear to fit in with the corporate culture of an organization, casual days are not the norm. So make sure you discover what the business attire is on normal days, and wear attire at that level of formality to the interview.

9. **False.** While job-hunting, you want to have a professional-sounding message. Start your message with "Hello, you've reached the voicemail (or answering machine) of..." Don't make jokes; don't have screaming or shouting; don't have background music; and don't have cute greetings from your kids.

10. **True.** Phone manners are extremely important and often overlooked. Prepare ahead of time and have some notes about key comments you wish to make. By clearly identifying yourself at the beginning of the conversation you also allow the other party to be prepared.

11. **False.** It's best not to interrupt an employer representative when s/he is talking with one or more prospective candidates. Wait your turn. If the conversation goes on for too long, either attempt to make eye contact with the representative to show you are interested or move on to the next booth and make a note to return later in the fair.

At all other business functions, however, it is certainly acceptable to politely interrupt and join a group of people engaged in informal conversation. Business meetings are about networking and making contacts, so feel free to walk up to the group and say, "Excuse me, I would like to introduce myself."

10. **False.** Call-waiting is a curse on business etiquette. It's better to always let the other phone call roll onto your voicemail than to interrupt your current conversation. Not only is the practice rude, but in doing so, you stop any

momentum you had leading up to the interruption – which you probably won't be able to get back.

13. False. Yes, it is rude to interrupt someone when s/he is speaking, but a higher order rule takes precedence here. Job candidates, who do not ask questions during an interview are often perceived as uninterested or lazy, so take the initiative and ask at least a few questions. Does this rule allow you to interrupt the employer every time s/he starts speaking? Of course not; use your judgment and interrupt only when absolutely necessary.

14. True. There are two issues here. First, sincerity is always the strongest form of communication — and people respond well to it. Second, while often some of the lowest paid employees of an organization, the receptionists and secretaries play key roles in the organization and can offer assistance in numerous ways, so it's best to treat them with the respect they deserve. Also, they often report back to their bosses about how you behaved and treated them.

APPENDIX 1

IRREGULAR VERBS



ARISE (виникати)arose.... arisen

AWAKE (будити) awoke... awoke

awaked.. awaked

BE (бути) was been

BEAR (народжувати) .. bore born

BEAT (бити)..... beat beaten

BECOME (ставати) . became .. become

BEGIN (починати) . began ... begun

BEND (гнути, згинати) .. bent... bent

BITE (кусати) bit bitten

BLEED(стікати кров'ю) . bled.... bled

BLOW (дути) blew blown

BREAK (ломати).....brokebroken

BRING (приносити).. brought .brought

BUILD (будувати).....built ... built

BURN (горіти) burnt.... burnt

BURST (розривати) burstburst



BUY (купувати) .. bought .. bought

CATCH (ловить) caught... caught

CHOOSE (вибирати).. chose.... chosen

COME (приходити)... came come

COST (коштувати) .. cOSt.....cOSt

CUT (різати)..... cUtCut

DEAL (торгувати)... dealt dealt

DIG (копати) dugdug

DO (робити) diddone

DRAW (малювати). . . . drew drawn

DREAM (мріяти)... dreamt .. dreamt

dreamed. dreamed

.....

DRINK (пити) drank ... drunk

.....

DRIVE (їхати) drove ... driven

EAT (їсти) ate.....eaten

FALL (падати) ... fell..... fallen

FEED (годувати) . fed fed

FEEL (відчувати) . . feltfelt

Fight (боротися) foughtfought



Find (знаходити)..... **found** **found**

Fly (літати) **flew****flown**

Forbid (забороняти)**forbade**.....**forbidden**

Forget (забувати)**forgot****forgotten**

Forgive (прощати) **forgave****forgiven**

Freeze (замерзати) **froze****frozen**

.....**Get** (отримувати)**got****got**

.....**Give** (давати)**gave**.....**give**

.....**Go** (йти).....**went**.....**gone**

Grind (точити)..... **ground**.....**ground**

Grow (зростати).....**grew****grown**

Hang (висіти).....**hung**.....**hung**

.....**Have** (мати)**had****had**

.....**Hear** (чути).....**heard**.....**heard**

Hide (ховати)**hid**.....**hidden**



Hit (ударяти)**hit**.....**hit**

Hold (тримати)**held**.....**held**

Hurt (вдаритися)**hurt**.....**hurt**

Keep (зберігати)**kept****kept**

Know (знати)knew.....known

Lay(класть)laid.....laid

Lead (вести)led.....led

Learn (вчитися)learntlearnt

learned.....learned

Leave (залишати)leftleft

.....Lend (давати в борг)lentlent

.....Let (дозволяти)let.....let

.....Lie (лежати)laylain

Light (висвітлювати).....lit.....lit (lighted.....lighted)

Lose (втрачати).....lost.....lost

Make (робити)made.....made

Mean (значити)meant.....meant

Meet (зустрічати)met.....met

.....Pay (платити)paidpaid

.....Put (класти)put.....put

.....Read (читати)read.....read

.....Ride (їздити верхи)rode.....ridden

Ring (їздити верхи)rang.....rung

Rise (підніматися)roserisen

Run (бігти)ranrun

Say (говорити)said.....said

.....See (бачити)saw.....seen

.....Seek (шукати)sought.....sought

.....Sell (продавати)sold.....sold

Send (відсилати)sent.....sent

Set (поміщати)set.....set

Shake(трясти)shookshaken

Shave(трясти) ...shaved.....shaven

Shine (сяяти)shone.....shone

Shoot(стріляти)shot.....shot

Show(показувати)showed ...shown

.....Shut (закривати)shutshut

.....Sing (співати)sang.....sung

.....Sit (сидіти)satsat

Sleep (спати)sleptslept

Smell (пахнути)smeltsmelt (smelled.....smelled)

.....Speak (говорити)spoke ...spoken



.....Speed (поспішати)spedsped

.....Spell (вимовляти по буквах)spelt spelt
(spelled...spelled)

Spend (витрачати).....spent.....spent

Spoil (псувати)spoiltspoilt (spoiled..spoiled)

Spread (поширювати)...spread ...spread

.....Spring (стрибати) sprang.....sprung

.....Stand (стояти)stood.....stood

.....Steal (красти)stole.....stolen

.....Stick (приклеювати)stuckstuck

Strike (ударяти)struckstruck

Strive (прагнути)strovestriven

Swim (плавати)swamswum

Swing (гойдатися)swungswung

.....



Take (брати)took.....taken

Teach (навчати)taught.....taught

Tear (рвати)toretorn

Tell (розповідати)toldtold

Think (думати)thoughtthought

Throw (кидати)threw.....thrown

Understand (розуміти)understood.. understood

Wear (носити)wore.....worn

.....Weep (плакати)weptwept

.....Win (вигравати)wonwon

.....Wind (заводити)wound.....wound

.....Write (писати)wrotewritten

APPENDIX 2

Verbs, Adjectives, Nouns with Preposition

A	abide by (v) absent from (adj) abstain from (v) accompanied by (adj) according to (prep) account for (v) accuse sb of (v) accustomed to (adj) acquainted with (adj) addicted to (adj) adequate for (adj) adjacent to (adj) advantage of (n) (but: there's an advantage in – (have) an advantage over sb) advice on (n)	afraid of (adj) agree to/on sth (v) agree with sb (v) ahead of (prep) aim at (v) allergic to (adj) amazed at/by (adj) amount to (v) amused at/with (adj) angry at what sb does (adj) angry with sb about sth (adj) angry with sb for doing sth (adj) annoyed with sb about sth (adj) (in) answer to (n) anxious about sth (adj) (be) anxious for sth to happen (adj) apologize to sb for sth (v) (make an) appeal to sb for sth (n)	appeal to/against (v) apply to sb for sth (v) approve of (v) argue with sb about sth (v) arrest sb for sth (v) arrive at (a small place) (v) arrive in (a town) (v) ashamed of (adj) ask for (v) (but: ask sb a question) assure (sb) of (v) astonished at/by (adj) attached to (adj) attack on (n) attend to (v) (un) aware of (adj)
B	bad at (adj) (but: He was very bad to me) base on (v) basis for (n) beg for (n) begin with (v) believe in (v)	benefit from (v) bet on (v) beware of (v) (put the) blame on sb (n) blame sb for sth (v) blame sth on sb (v)	boast about/of (v) bored with/of (adj) borrow sth from sb (v) brilliant at (adj) bump into (v) busy with (adj)
	call at/on (phr v) call for (=demand) (phr v) campaign against/for (v) capable of (adj) care about (v)	collaborate with (v) collide with (v) comment on (v) communicate with (v) compare with (v) (how	consist of (v) contact between (n) (but: in contact with) content with (adj) contrary to (prep)

C	<p>care for sb (v) (= like) (take) care of (n) care for sth (v) (= like to do sth) careful of (adj) careless about (adj) cause of (n) certain of (adj) change into (v) characteristic of (n/adj) charge for (v) charge sb with (v) cheque for (n) choice between/of (n) clever at (adj) (but: It was very clever of you to buy it.) close to (adj) coax sb into (v) coincide with (v)</p>	<p>people and things are alike and how they are different) compare to (v) (show the likeness between sb/sth and sb/sth else) comparison between (n) complain of (v) (= suffer from) complain to sb about sth (v) (= be annoyed at) compliment sb on (v) comply with (v) conceal sth from sb (v) concentrate on (v) (have) confidence in sb (n) confine to (v) confusion over (n) congratulate sb on sth (v) connection between (n) (but: in connection with) conscious of (adj) connect to/with (v)</p>	<p>contrast with (v) contribute to (v) convert to/into (v) cope with (v) correspond to/with (v) count against (v) count on sb (phr v) cover in/with (v) covered in/with (adj) crash into (v) (have) a craving for sth (n) crazy about (adj) cruel to (adj) cruelty towards/to (n) cure for (n) curious about (adj) cut into (phr v) (=interrupt sb/a conversation)</p>
D	<p>damage to (n) date back to (v) date from (v) deal with (v) dear to (adj) decide on/against (v) decrease in (n) dedicate to (v) deficient in (adj) definition of (n) delay in (n) delight in (v) delighted with (adj) demand for (n) demand from (v) depart from (v) departure from (n)</p>	<p>depend on/upon (v) dependent on (adj) deputize for (v) descended from (adj) describe sb/sth to sb else (v) description of (n) die of/from (v) die in an accident (v) differ from (v) (have) difference between/of (n) different from (adj) difficulty in/with (n) disadvantage of (n) (but: there's a disadvantage in doing sth) disagree with (v) disappointed with/about</p>	<p>disapprove of (v) discharge sb from (v) discourage from (adj) discussion about/on (n) disgusted by/at (adj) dismiss from (v) dispose of (v) disqualified from (adj) dissatisfied with (adj) distinguish between (v) divide between/among (v) divide into/by (v) do sth about (v) doubtful about (adj)</p>

		(adj)	dream about (v) dream of (v) (= imagine) dressed in (adj)
E	eager for (adj) economize on (v) efficient at (adj) (put) effort into sth (n) emphasis on (n) engaged to sb/in sth (adj) engagement to sb (n) enter into (= start) (v) enthusiastic about (adj) envious of (adj)	equal to (adj) escape from/to (v) example of (n) excellent at (adj) exception to (n) exchange sth for sth else (v) excited about (adj) exclaim at (v) excuse for (n) excuse sb for (v)	exempt from (adj) expel from (v) experienced in (adj) experiment on/with (v) expert at/in (sth/doing sth) (n) (= person good at) expert at/in/on (sth/doing sth) (adj) (= done with skill or involving knowledge)

F	face up to (phr v) fail in an attempt (v) fail to do sth (v) failure in (an exam) (n) failure to (do sth) (n) faithful to (adj) fall in (n) familiar to sb (= known to sb) (adj)	familiar with (= have knowledge of) (adj) famous for (adj) fed up with (adj) fill sth with sth else (v) finish with (v0) fire at (v) flee from (v) fond of (adj)	forget about (v) forgive sb for (v) fortunate in (adj) friendly with/to (adj) frightened of (adj) full of (adj) furious with sb about/at sth (adj)
G	generosity to/towards (n) genius at (n) glance at (v) glare at (v)	good at (adj) (but: He was very good to me.) grateful to sb for sth (adj) grudge against (n)	guess at (v) guilty of (adj) (but: he felt guilty about his crime)
H	happen to (v) happy about/with (adj) harmful to (adj) hear about (v) (= be told)	hear of (v) (= learn that sth or sb exists) heir to (n) hinder from (v)	hope for (v0) hope to do sth (v) (no) hope of (n) hopeless at (adj)

	hear from (v) (= receive a letter)	hint to sb about sth (v) (but: hint at sth)	
I	idea of (n) identical to (adj) ignorant of/about (adj) ill with (adj) impact on (n) impressed by/with (adj) (make an) impression on sb (n) improvement in/on (n) incapable of (adj) include in (v)	increase in (n) independent of (adj) indifferent to (adj) indulge in (v) inferior to (adj) information about/on (n) (be) informed about (adj) inoculate against (v) insist on (v) insure against (v) intelligent at (adj)	intent on (adj) (have no) intention of (n) interest in (n) interested in (adj) interfere with/in (v) invasion of (n) invest in (v) involve in (v) irritated by (adj)
J	jealous of (adj)	join in (v)	joke about (v)
K	knock at/on (v) know about/of (v) keen on sth (adj)	keen to do sth (adj) kind to (adj)	key to (n) knowledge of (n)
L	lack in (v) lack of (n) laugh at (v)	leave for (v) (= head for) lend sth to sb (v) listen to (v)	live on (v) look at (v) look for (= search for) (v)

M	married to (adj) marvel at (v)	mean to (adj) mention to (adj)	mistake sb for (v) mix with (v)
N	name after (v) necessary for (adj) need for (n) neglect of (n)	nervous about (adj) new to (adj) nice to (adj)	nominate sb (for/as sth) (v) (take) (no) notice of (n)
O	obedient to (adj) object to (v) objection to (n) obliged to sb for sth (adj)	obvious to (adj) occur to (v) offence against (n)	operate on (v) opinion of/on (n) opposite of/to (n)

P	part with (v) patient with (adj) pay by (cheque) (v) pay for (v) (but: pay a bill) pay in (cash) (v) peculiar to (adj) persist in (v) (but: insist on) (take a) photograph of (n) picture of (n) pity for (n) take pity on sb (exp) pleasant to (adj)	pleased with (adj) (take) pleasure in (n) (have the) pleasure of (n) point at/to (v) (im)polite to (adj) popular with (adj) praise sb for (v) pray for sth/sb (v) prefer sth to sth else (v) (have a) preference for (n) prepare for (v) present sb with (v) prevent sb from (v)	(take) pride in (n) pride oneself on sth/on doing (v) prohibit sb from doing sth (v) prone to (adj) protect against/from (v) protection from (n) protest about/at (v) proud of (adj) provide sb with (v) punish sb for (v) puzzled about/by (adj)
Q	quarrel about sth/with sb (v/n)	qualified for (adj) quick at (adj)	quotation from (n)
R	rave about (v) react to (v) reaction to (n) ready for (adj) reason for (n) reason with (v) rebel against (v) receive from (v) (keep) a record of (n) recover from (v) reduction in (n)	refer to (v) related to (adj) relationship between (n) (but: a good relationship with sb) rely on (v) remind sb of/about (v) remove from (v) reply to (v) report on (v) respect for (n) respected for (adj)	respond to (v) responsibility for (n) responsible for (adj) result from (v) (= be the consequence of) result in (v) (= cause) result of (n) rich in (adj) rise in (n) rude to (adj) run into (phr v)

	sale from (adj) same as (adj) satisfied with (adj) save sb from (v)	shy of (adj) sick of (adj) silly to do sth (adj) (but: it was silly of him)	stand for (phr v) stare at (v) strain on (n) subject to (adj/v)
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S	scared of (adj) search for (v/n) (be) in search of (n) sensible of sth (adj) (= aware of sth) sensitive to (adj) sentence sb to (v) separate from (v) serious about (adj) share in/of sth (n) shelter from (v) shocked at/by (adj) shoot at (v) short of (adj) shout at (v)	similar to (adj) skillful/skilled at (adj) slow in/about doing sth/to sth (adj) smell of (n/v) smile at (v) solution to (n) sorry about (adj) (= feel sorry for sb) (but: I'm sorry for doing sth) speak to/with sb about (v) specialize in (v) specialist in (n) spend money on sth (v) spend time in/doing sth (v) split into/in (v) spy on (v)	submit to (v) (but: submit for publication) subscribe to (v) succeed in (v) suffer from (v) sufficient for sth/sb (adj) superior to (adj) sure of/about (adj) surprised at/by (adj) surrender to (v) surrounded by (adj) suspect sb to (v) suspicious of (adj) sympathetic to/towards (adj) sympathize with (v)
T	take sth to sb/sth (v) talent for sth (n) talk to sb about sth (v) (have) taste in (n) taste of (v) terrible at (adj) terrified of (adj)	thank sb for (v) thankful for (adj) think about/of (v) threat to sb/sth of sth (n) threaten sb with sth (v) throw at (v) (in order to hit) throw to (v) (in order to catch)	tired from (adj) tired of (adj) (= fed up with) translate from ... into (v) tread on (v) trip over (v)
U	unaware of (adj) understanding of (n)	uneasy about (adj) upset about/over sth (adj)	(make) use of (n) used to (adj)
V	valid for (length of time) (adj)	valid in (places) (adj) value sth at (v)	vote against/for (v) vouch for (v)
W	wait for (v) warn sb against/about/of (v) waste (time/money) on (v)	weak in/at (adj) wink at (v) wonder about (v) worry about (v)	worthy of (adj) write to sb (v) wrong about (adj)

APPENDIX 3

Prepositional Phrases

At	at the age of at the airport at an auction at the beginning of (when sth started) (but: in the beginning = originally) at one's best at breakfast/lunch etc. at the bottom of at the bus stop at church at the corner/on the corner at all costs at the crossroads at dawn at one's desk at the door at ease at the end (= when sth is finished) (but: in the end = finally at all events) at fault at first	at first hand at first sight at a glance at a guess at hand at heart at home at/in a hotel at... km per hour at large at last at the latest at least at length at liberty at a loss at the match at midnight at the moment at most at night (but: in the night) at noon at once	at peace/war at present at a profit at the prospect at random at any rate at one's request at the same time at school at sea at the seaside at short notice at/in the station at sunset at the table at the time at times at the top of (but: on top of) at university at the weekend at work at 23 Oxford St.
By	by accident by all accounts by appointment by the arm/hand by auction by birth by bus/train/plane/ helicopter/taxi/coach/ship/ boat/sea/air/car etc (but: on a/the bus/plane/train/coach/ship/	by correspondence by day/night by degrees by the dozen by far by force by hand by heart by invitation by land/sea/air by law	by nature by now by oneself by order of by phone by post/airmail by profession by request by (the/one's) side by sight by surprise

	boat in a taxi/car/helicopter/plane) by chance by cheque	by luck by marriage by means of by mistake	by the time by the way by yourself by one's watch
--	--	---	--

For	for ages for breakfast/lunch/dinner for certain for a change for ever for fear (of) for fun (= for amusement) for good for granted	for fire for keeps for instance for luck for life for love for nothing for once for the rest of	for safe keeping for one's sake for the sake of for sale for short for the time being for a visit/holiday for a walk for a while
------------	--	---	--

In	in action in addition to (+ -ing form) in advance (of) in agreement (with) in aid of in all (all in all) in answer to in an armchair in a bad temper in bed in the beginning in blossom in a book in brief in any case in cash in the centre of in charge (of) in cities in code in color in comfort in common in comparison with in conclusion (to) in (good/bad) condition in confidence in control (of) in the country in danger in the dark in debt	in future in gear in general in good time in half in hand in haste in good/bad health in hiding in honor of in the hope of in hostel in a hotel in a hurry in ink/pencil/pen in sb's interest in length/width etc. in all sb's life in the limelight in a line in the long run in love (with) in luxury in the meantime in a mess in the middle of in the mirror in moderation in a moment in a good/bad mood in the mood in the morning	in person in pieces in place of in politics in pounds in practice/theory in principle in prison in private/public in all probability in progress in a queue in reality in return in the right/wrong in a row/rows in ruins in safety in season in secret in self-defence in short in sight (of) in the sky in some respect in stock in the street in succession in the suburbs in the sun/shade in good/bad taste in tears
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In	in demand in detail (be) in difficulty in the direction of in doubt in a... dress in due courses in the end (= finally) in exchange for in existence in fact in fashion in favor of /with in flames in the flesh in focus in one's free time in full swing in fun	in mourning in name only (=not in reality) in need of in a newspaper in the name of (= on behalf of) in the nick of time in the north/south in a nutshell in oils in the open in one's opinion in orbit in order of/to in other words in pain in pairs in the dark in the park	in particular in the past in theory in a tick in time in no time in touch in town in tune (with) in turn in two/half in uniform in use in vain in view of in a loud/low voice in a way (= in a manner) in the way in writing in a word
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On	on account of on a...afternoon/evening on the agenda on the air on approval on arrival on average on bail on balance on the beach on behalf of on one's birthday on board on the border on business on call on a campsite (at a campsite) on the coast on condition on demand	on duty on earth on edge on an expedition on a farm on fire on the (4 th) floor (of) on the floor on foot on the one (other) hand on holiday on horseback on impulse on the increase on the island on a journey on one's knees on leave on the left on loan on the market	on the move on New Year's Day on the news on order on one's page on the pavement on the phone on the platform on principle on purpose on the radio/TV on the right on sale on the screen on sight on the sofa on this street on strike on time on a trip on the whole
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Out of	out of breath out of character out of condition out of control out of danger out of date out of debt out of doors out of fashion	out of focus out of hand out of luck out of order out of the ordinary out of place out of practice out of print out of the question	out of reach out of season out of sight out of step out of stock out of tune out of turn out of use our of work
Off	off air off color off duty off limits	off map off peg off the point	off the record off the road off school/work
Under	under age under arrest under one's breath under control	under discussion under the impression under orders	under pressure under repair under the weather

Prepositional Phrases

Against	against the law
Ahead	ahead of schedule
Before	before long
Behind	behind schedule, behind the times
From	from time to time, from now on, from experience, from memory, from scratch
Into	into pieces
To	to one's astonishment, to one's surprise, to this day, to some extent
With	with regard to, with a view to (+ -ing from)
Within	within minutes
Without	without delay, without fail, without success, without warning

APPENDIX 4

Prepositions of Time

AT	IN	ON
at 10.30 at Christmas/Easter at noon/night/midnight at lunch/dinner/breakfast (time) at that time at the moment at the weekend (on the weekend: Am. English)	in the morning/evening/ afternoon/night in the Easter/Christmas holiday (s) in January (months) in (the) winter (seasons) in 1992 (years) in the 19 th century in two hours (two hours from now)	on Monday on Easter Sunday etc. on Christmas Day on Friday night on July 30 th on a summer afternoon on that day
We never use at , in or on before yesterday , tomorrow , next , this , last , every .		

E.g. *She's leaving **next** Sunday.*

APPENDIX 5

Concrete Noun	Abstract Noun	Verb	Adjective
actor, actress	(in/dis)ability	enable	(un)able, disabled
admirer	accommodation	accommodate	(un)accommodating
adventurer	accuracy		(in)accurate
advertiser, advertisement	achievement	achieve	
adviser	act, action, activity	act	(in)active
	admiration	admire	admirable
	adventure		adventurous
	advertising	advertise	advertising
	advice	advise	(in)advisable
	amusement	amuse	amusing, -ed
	anger	anger	angry
	annoyance	annoy	annoying, -ed
applicant, application	anxiety		anxious
	(dis)appearance	apply	applying, -ed
	attraction	(dis)appear	disappearing
	bother	attract	(un)attractive
	breakage	bother	bothersome
carer	care, carefulness,	break	(un)broken,
	carelessness	care	(un)breakable
centre			careful, careless
		centre	central
	change	change	(un)changeable

child (children)	childhood		childish, childlike
	climate		
communicator	combination	combine	
	communication	communicate	(un)communicative
	completion	complete	(in)complete
	(in)comprehension	comprehend	(in)comprehensible
conversationalist	confidence	confide	confident, confidential
correction	conversation	converse	conversational
	correction,	correct	(in)correct
	correctness		
crowd		crowd	crowded
	danger	endanger	dangerous

	depression	depress	depressive, depressing, -ed
developer	determination	determine	determining, -ed
dramatist, drama	development	develop	developing, -ed
	difficulty		difficult
	drama	dramatize	dramatic
	east		east, eastern, easterly
economist	economy, economics	economize	(un)economic(al)
educator	education	educate	educative, educational
	effect	effect	(in)effective, (in)effectual
	elegance		(in)elegant
employer, employee	emphasis	emphasize	emphatic
	(un)employment	employ	(un)employed, employable
	encouragement	encourage	encouraging
equipment	equipment	equip	equipped
examiner, examinee	exam(ination)	examine	
	exclusion	exclude	exclusive
	expectation, expectancy	expect	(un)expected
expenses	expense, expenditure		(in)expensive
explosive	explosion	explode	explosive
extremist	extremity, extreme, extremism		extreme
failure	fail, failure	fail	
	fame		(in)famous
foreigner	familiarity	familiarize	(un)familiar
harm	harm	harm	foreign
	height	heighten	harmful, -less
immigrant	immigration	immigrate	high
	importance		(un)important
	impression	impress	(un)impressive

industrialist	industry, industrialization	industrialize	industrial
injury	injury	injure	injured, injurious
	intelligence		(un)intelligent
interviewer, interviewee	interview	interview	

invader	invasion	invade	invasive
	involvement	involve	involved
	knowledge	know	knowing, knowledgeable
loner	life, living	live	(a)live, lively, living (a)lone, lonely, lonesome
	loneliness		(un)lucky
	luck		major
mix, mixture, mixer	majority	mix	mixed
mountain, mountaineer	mix, mixture		mountainous
	mountaineering	necessitate	(un)necessary
occupier, occupant	necessity	occupy	occupied
	occupation		(im)patient
perfectionist	patience	perfect	(im)perfect
photograph, -er	perfection	photograph	photographic
politician	photography	politicize	political
	politics		(im)possible
predictor	possibility	predict	(un)predictable
	prediction, predictability		
producer, product	produce, production	produce	(un)productive
	pronunciation	pronounce	(un)pronounceable
pursuer	pursuit	pursue	
qualifier	qualification	qualify	(un)qualified
reactor	reaction	react	reactive
	refreshment	refresh	refreshing
	relaxation	relax	relaxing, -ed
	reluctance		reluctant
resident, residence	residence	reside	residential
	(dis)respect, respectability	respect	(dis)respectful, respectable
safe	safety	save	(un)safe
selector	selection, selectivity	select	select, selective
	shame	shame	ashamed, shameful
	shyness		shy
ski, skier	similarity		(dis)similar
	skiing	ski	
	society	socialize	social, (un)sociable
specialist	specialty, specialization	specialize	(e)special, specialized
	success	succeed	(un)successful

tourist	temptation	tempt	tempting
tranquilizer	tour, tourism	tour	
	tranquility	tranquelize	tranquil
	treatment	treat	treatable
	(mis)understanding	(mis)understand	understanding, understandable
valuer	value	value	valuable
	variation, variety	vary	various, variable, (un)varied
visitor	visit	visit	visiting
	warning	warn	warning
youth, youngster	youth, youthfulness		young, youthful

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