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CONTENTS

Unit 1	MANAGEMENT AND COMPANY STRUCTURES	4
	Company Profile	5
	<i>Present perfect and past simple</i>	8
Unit 2	RECRUITMENT	9
	Curriculum vitae	9
	The letter of application	10
	<i>Present simple and present continuous</i>	14
Unit 3	BANKING AND MONEY	15
	<i>The future</i>	17
Unit 4	WHOLESALE, RETAILING AND FRANCHISING	20
	<i>Make and do</i>	22
	<i>Prefixes 1</i>	23
Unit 5	SETTING UP A BUSINESS	25
	Giving a presentation	27
	<i>Expressing contrasts</i>	29
Unit 6	COMPANY PERFORMANCE	32
	<i>The passive</i>	34
	<i>Prefixes 2</i>	36
Unit 7	INTERNATIONAL TRADE	37
	Sales related documents	37
	<i>Describing graphs</i>	39
Unit 8	TAXATION	42
	<i>First and second conditional</i>	44
Unit 9	THE STOCK MARKET	46
	<i>Third conditional</i>	48
	<i>Phrasal verbs 1</i>	49
Unit 10	INSURANCE	52
	<i>Reported speech</i>	54
	<i>Phrasal verbs 2</i>	56
	Glossary of insurance terms	57
Unit 11	MARKETING	59
	<i>Gerund or infinitive</i>	61

Unit 1 MANAGEMENT AND COMPANY STRUCTURES

Management is the act or practice of *running* and controlling a business or similar organisation.

Top managers have to set **objectives** for their organisation and then develop particular **strategies** how to achieve them. This is true of business *enterprises*, government departments, educational institutions and sports teams, although for government services, universities, etc., we usually talk about administration and administrators rather than management and managers. Managers analyse the activities of the organisation and the relations among them. They divide the work into distinct activities and then into individual jobs. They *select* people to manage these activities and perform the jobs.

Managers have to be good at communication and motivation. They need to communicate the organisation's objectives to the people responsible for *attaining* them. They have to motivate their staff to work well and to contribute something to the organisation. They make decisions about pay and *promotion*.

Managers also have to measure the performance of their staff, and ensure that the objectives and performance **targets** are reached. Moreover, they have to *train* their staff, so the performance continues to improve.

Furthermore, they have to establish and *maintain* good relations with customers, major suppliers, bankers, government agencies, and so on.

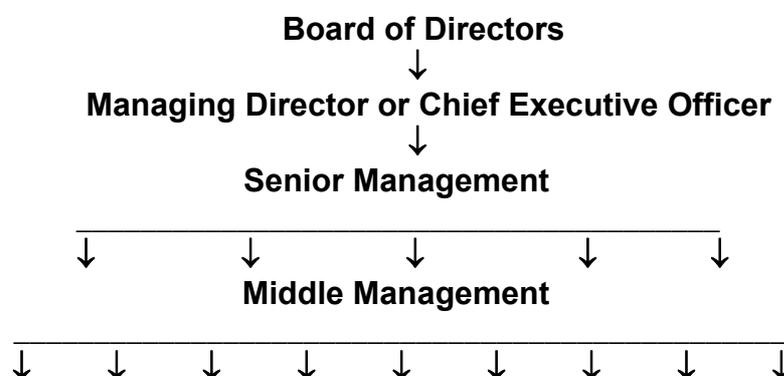
These tasks require many various skills, which are almost never found in one person, so top management is work for a team and a team needs a clear leader, in this case the chairman or managing director.

- I. a/ Explain the following notions: management, setting objectives, motivation, performance targets.
- b/ Summarise the responsibilities of top management.

Most companies are made up of three groups of people: the **shareholders** (who provide the capital), the **management** (persons who control a business, including both directors and high-ranking managers) and the **workforce** (all the employees of an organisation).

An organisation chart is a diagram showing the work and responsibilities for each of the various parts of an organisation and how the parts are related to each other and to outside organisations.

Study the organisation chart below:



At the top of the company *hierarchy* is the **Board of Directors**, which is responsible for **policy** decisions and **strategy**. The Board is *headed* by the **Chairperson** or **President**. It will

usually *appoint* a **Managing Director (MD)** or **Chief Executive Officer (CEO)**, who has overall responsibility for the day-to-day running of the business. **Senior managers** head various departments or functions within the company, which may include the following.

- | | | | |
|---|--|---|------------------------------------|
| a | Production | e | Public Relations |
| b | Finance | f | Marketing |
| c | Research and Development (RD) | g | Information Technology (IT) |
| d | Personnel or Human Resources (HR) | | |

- II. **Study the company hierarchy and discuss the responsibilities at all levels. Discuss the responsibilities of each department. Which department would you like to run? Why? What qualifications would you require for each position? Is experience necessary?**

Company profile

General Motors Corp. (NYSE: GM), the world's largest automaker, has been the *global* industry **sales** leader since 1931. Founded in 1908, GM today employs about 325,000 people around the world. It has manufacturing **operations** in 32 countries and its *vehicles* are sold in 200 countries. In 2004, GM sold nearly 9 million cars and trucks globally, up 4 percent and the second-highest total in the company's history. GM's global **headquarters** are at the GM Renaissance Centre in Detroit.



Pictured, from left to right:

G. Richard Wagoner, Jr.
GM Chairman & Chief Executive Officer

John M. Devine
GM Vice Chairman

Frederick (Fritz) A. Henderson
GM Vice Chairman and Chief Financial Officer

Robert A. Lutz
GM Vice Chairman, Global Product Development

Developing partnerships around the world.

GM is the majority shareholder in GM Daewoo Auto & Technology Co. of South Korea, and has product, powertrain and **purchasing collaborations** with Suzuki Motor Corp. and Isuzu Motors Ltd. of Japan. GM also has advanced technology collaborations with DaimlerChrysler AG and BMW AG of Germany and Toyota Motor Corp. of Japan, and vehicle **manufacturing ventures** with several automakers around the world, including Toyota, Suzuki, Shanghai Automotive Industry Corp. of China, AVTOVAZ of Russia and Renault SA of France.

Building brands. Leading the way.

GM's automotive **brands** are Buick, Cadillac, Chevrolet, GMC, Holden, HUMMER, Opel, Pontiac, Saab, Saturn and Vauxhall.

Genuine GM Parts and *accessories* are sold under the GM, GM Goodwrench and ACDelco brands through GM Service and Parts Operations, which **supply** GM dealerships and **distributors** worldwide. GM engines and *transmissions* are marketed through GM Powertrain.

GM *operates* one of the world's leading financial services companies, GMAC Financial Services, which offers automotive and commercial financing along with an *array* of **mortgage** and insurance products. GM's OnStar is the industry leader in vehicle safety, *security* and information services.

Record-breaking performance.

In 2004, for the fourth **consecutive** year, GM set industry sales records in the United States, its largest market, for total trucks, pickup trucks and sport *utility* vehicles. In China, GM's second-largest market in 2004, GM's sales increased 27 percent and set a company record.

III. Read the GM Company profile again. What do these figures refer to?

2004; 4; 27; 1931; 9 mil; 32; 1908; 325 000; 200

VOCABULARY

Match the words from the texts with their corresponding definitions.

- | | |
|------------------|--|
| 1 sales | a central office |
| 2 to supply | b to buy |
| 3 a mortgage | c a business plan, often associated with the idea of risk |
| 4 to purchase | d following in regular unbroken order |
| 5 headquarters | e a particular make of a product |
| 6 an operation | f a course of action for dealing with a particular matter or situation |
| 7 a brand | g a planned series of actions |
| 8 a strategy | h a person or business which has an agreement to sell goods of another firm |
| 9 consecutive | i to provide something that is needed |
| 10 a policy | j money obtained for selling goods |
| 11 a distributor | k a business, company, or organisation, esp. one with many parts |
| 12 a venture | l an agreement to borrow money, esp. so as to buy a house, and pay interest on it to the lender over a period of years |
| 13 an objective | m a total or amount/object which one aims to reach |
| 14 a target | n an aim, esp. one that must be worked towards over a long period |

IV. Replace the expressions in italics with the words used in the text.

1. The sales director _____ (*leads, is at the front of*) a team of 20 representatives.

2. The documents contained an _____ (*collection or ordered group*) of facts and figures.
3. This service is only available to _____ (*actually being what he/she/it seems to be; real*) tourists.
4. Who is _____ (*is in charge of; controlling*) this company?
5. The president has decided to _____ (*choose for a position or job*) a new minister.
6. There is a very rigid _____ (*different levels of an organisation*) in the Civil Service.
7. Nissan is one of the GM's competitors producing _____ (*fnl. degree of usefulness*) _____ (*any means of travel or transport, esp. that moves on wheels*).
8. Scientists are worried about the _____ (*concerning the whole world*) climatic changes.
9. The two companies are working in close _____ (*an act of working together, esp. for a special purpose*).
10. GM _____ (*makes or produces, esp. by machinery or other industrial processes usu. in large quantities*) cars, _____ (*the parts of a vehicle that carry power from the engine to the wheels*) and _____ (*parts which can be added to a machine, a car, etc. to make it more useful or more attractive*).
11. Passengers have to be searched for _____ (*protection against law breaking, violence, enemy acts, etc.*) reasons.
12. This company is one of the largest _____ (*organisations, esp. business firms*) of its kind.
13. She _____ (*took as best, most suitable, etc., from a group; chose*) a diamond ring from the collection.
14. He _____ (*gained or arrived at after long effort; reached*) the rank of deputy director.
15. There are good chances of _____ (*advancement in rank or position*) in this firm.
16. She _____ (*gave or was given a course of instruction or practice, esp. in a profession or skill*) as a singer under a famous professor of music.
17. Part of her job is to _____ (*continue to have, do, etc., as before*) good relations with our suppliers.

Language focus

Present perfect and past simple

Look at these sentences from the text.

- A** General Motors Corp. **has been** the global industry sales leader since 1931.
B In 2004, GM **sold** nearly 9 million cars and trucks globally.

- 1 What tense is the verb in bold in A and B?
- 2 Which tense has a connection with the present?
- 3 Why are different tenses used in these sentences?

Practice

Complete the following company profile with either the present perfect or past simple tense of the verbs in brackets.

Whenever lists of America's brightest and best are compiled 3M is guaranteed to feature. 3M _____ (be) born at the beginning of the 20th century as Minnesota Mining & Manufacturing. The mining soon _____ (cease) when the company's founders

_____ (fail) to dig up the corundum they had hoped to discover. So they _____ (turn) to trading in sandpaper, a product that uses the abrasive corundum. Since the beginning 3M _____ (know) that it must continually innovate in order to survive. 3M is among the 25 companies with most patents in the world. The company spends some 6.5% of its total sales on research and development and that _____ (increase) from about 4.5% at the beginning of the 1980s.

The company _____ (have) subsidiaries in Europe for almost 40 years. Since 1984 a number of European Management Action Teams _____ (be) set up under the direction of Joe Warren.

The company _____ (always pay) close attention to the environment. It _____ (already make) great progress in the use of recyclable packaging materials.

for and *since*

Complete the time expressions with *for* and *since*.

_____ a week _____ half an hour _____ May _____ 2001
 _____ months _____ a couple of days _____ 9 o'clock _____ I left school
 _____ several years _____ 1st June _____ I was born _____ 30 seconds

Study this conversation.

- A** Where do you live?
B In a house near the pond.
A How long have you lived there?
B For two years.
A Why did you move there?
B I wanted to leave the centre.

Now make similar conversations, using the following prompts.

work for, have a car, know your teacher, speak English, wear glasses, own a cash card, have a mobile phone, use this book, be a student, like pop music

Study this conversation.

- A** Have you had lunch? / Have you ever had lunch in a restaurant?
B Yes. I have. I've just had it. / No, I haven't. / I haven't had lunch yet.
A What did you have?
B Vegetable soup and fried chicken.

Now make similar conversations, using the following prompts + *ever*, *yet*, *already*, *just* or *never*

travel by train, wash your hair, see an American film, play volleyball, smoke a cigar, write an email, drink champagne, drive a car, ride a horse, meet a famous person, win a competition, be to Vienna, speak to a foreigner, make a mistake, do someone good, catch a cold

Unit 2

RECRUITMENT

The process of finding, choosing and *engaging* suitable new people for an organisation is called as **recruitment**. When a company needs to recruit new people, it may advertise the job or **position** in the *appointments page* of a newspaper. People who are interested can then apply for the job by sending in a **letter of application** or **covering letter** (US **cover letter**) and a **curriculum vitae** or **CV** (US **résumé**) containing details of their education and experience. Then the most suitable **applicants** will be selected and invited to attend the **interview**. Another way for a company to **hire** is by using the services of a **recruitment agency** (US **search firm**) who will provide them with a list of best candidates.

The aim of your CV and application is to get the interview. British and American styles differ in details. Study this example – British style.

Curriculum Vitae

Personal Details

John Watson
48 Bristol Road
London, BH3 7AC
England
Phone 0111 512 0654
E-mail: john.watson@mailbox.com

Education

2003 – 2004	London Chamber of Commerce and Industry, Diploma in Public Relations
2000 – 2003	University of London, BA in Journalism
1993 – 2000	Greenfield School, Bristol A levels in German (B), English (B), History (A) and Math (C)

Professional Experience

2005 – present	Public Relation Officer, Irish Nature Trust Responsible for researching and writing articles on all aspects of the Trust's activities and their distribution to the press
2004 – 2005	Press officer, Lake District Tourist Board

Skills

IT	Computer literate
Languages	Fluent German and French
Additional	Driving licence

Interests

Swimming, hiking, ballroom dances

References

James Whitney Professor of Journalism University of London	Derek Holmes Editor-in-chief National Geographic
--	--

The letter of application is as important as the CV in that it often provides the first direct contact between a candidate and an employer. If the letter is not well written and presented, it will make a poor impression. The letter of application normally contains four 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 and relate your interests to those of the company
- show that you can contribute to the job by emphasising your most relevant skills and experience
- indicate your willingness to attend the interview

Study this example – British style:

48 Bristol Road
London, BH3 7AC

10 June 2006

Ms Joan Beckett
Personnel Manager
Nature and Environment
24 Kensington Gardens
London NW 3EF

Dear Ms Beckett,

I am writing to apply for the position of assistant editor advertised in The Financial Times of 29 January.

Although I am presently employed by regional press, it has always been my intention to work for a nationally based magazine. I would particularly welcome the chance to work for your magazine as I have long admired the quality of your articles and your position as a defender of environmental issues. As you will notice on my enclosed CV, the job you are offering suits both my personal and professional interests.

My work experience has familiarised me with many of the challenges involved in public relations today. My involvement with local community projects has given me experience for working both with young and old people in the society. I would welcome the chance to work as a part of a dynamic team where I could make a significant contribution while developing my skills yet further.

I would be pleased to discuss my curriculum vitae with you in more detail at an interview. In the meantime, please do not hesitate to contact me if you require more information. I look forward to hearing from you.

Yours sincerely,

John Watson

John Watson

I. Explain the following notions and make comments on their layout: CV (résumé) and letter of application.

As we consider this subject important for all students we are presenting various authentic articles on this topic.

Skillsarena selected by Paymentsshield to test recruits

Skillsarena has announced that Paymentsshield, the independent supplier of general insurance products to the mortgage intermediary sector, has selected the company's online skills tests to **assess** potential employees for work in one of the UK's fastest growing companies.

Skillsarena provides clients with a **portfolio** of online tests, including a *suite* for assessing levels of *competency* in Microsoft Office™ applications (including Word and Excel), a *clerical* suite which covers audio typing, speed typing, data entry, spelling and grammar; plus suites for analysing call centre, *accounts* and *aptitude* skills, including maths and literacy. Clients are also able to produce *bespoke* tests, enabling them to assess the specialist skills and knowledge of both prospective and existing employees.

Chris Traynor, Sales and Marketing Director at Paymentsshield comments: "Recruiting the right people is really important to us and as an expanding business we need to get the right people in place quickly. By using more **sophisticated screening** methods, as well as traditional interviews, we can get the right people in place more efficiently."

Jane Owen, Managing Director at Skillsarena adds: "We are delighted to be working with a company with such an excellent reputation. Paymentsshield has used our tests to assess candidates at all levels from call centre agents to **senior** roles in the IT department and we are delighted to help such a *thriving* company with their recruitment needs."

Building career success

For potential job-seekers *desperate for* help with their applications, a new initiative has been **launched** by Cvwriting.net through their CV Builder package, which should at last take all the *hassle* out of preparing the much dreaded CV.

Cvwriting.net provides an easy **cost-effective** alternative to other expensive CV writing options and, *crucially*, those signing up to the new service – whether graduates, career professionals or those just starting out – will find all the advice and **expertise** they need concentrated in one place, rather than spread throughout the Internet.

Most importantly, clients can be *assured* not only that the personal details they provide will remain fully protected and **stored** on a secure database, but that the *onerous* task of starting a CV *from scratch* after each **submission** will become a thing of the past. In the future, it will be a simple matter of **amending** or updating information as circumstances or needs change.

Cvwriting.net is not another unfeeling automated Internet tool either. It has a real human face and is operated by a team of highly skilled professionals, dedicated to providing clients with professional advice and top quality CV applications that will enable them to sell their skills and abilities much more effectively and improve their chances of securing that all important job interview.

In short, Cvwriting.net offers not just the practical benefits of another internet tool, but the *physical* building blocks for future career success.

New Podcast* Unlocks the Job Search DaVinci Code

Executive career marketing expert Phillip Wilson *released* a controversial new podcast today for executives struggling to find a job in today's market. The podcast, *3 Reasons The Most Qualified Person Doesn't Always Get the Job*, explains what Wilson described as the "Job Search DaVinci Code" to a winning job search today.

"Being qualified isn't enough to **land** a job today," Wilson explained, "instead you must think like a marketing consultant. This *unlocks* the secret code to getting your phone to ring."

The report outlines 3 keys that explain why the most qualified candidate often *misses out on* job offers.

1. They don't *stand out*. In today's job market, where companies sometimes receive thousands of resumes in reply to a single job ad, your resume and cover letter must stand out. "You shouldn't put your resume on neon paper, but your executive resume writing needs to look polished, professional and inviting to read."

2. They don't have access to a decision-maker. Over 90 percent of job applicants send resumes and cover letters to HR departments or recruiters – who Wilson calls gatekeepers – who must *sift through stacks* of resumes each day. Instead Wilson advises to send resumes directly to hiring managers who give candidates an "inside track" on jobs.

3. They don't have a **sponsor** inside the company. The last key, and what Wilson calls the most powerful key to landing a job, is to *win over* a hiring manager as your sponsor. "One problem many qualified candidates have is that they are almost too good – they *threaten* their potential hiring manager." Wilson teaches candidates to help show how they can make their potential new boss look good to their **superiors**. "If you can convince a hiring manager that bringing you in will help them look they will move heaven and earth to get you on board," Wilson says.

* **Podcast (blend of iPod and broadcast) – an audio programme in a compressed digital format, delivered via an RSS feed over the Internet to the subscriber and designed for playback on computer or digital portable audio players, such as iPod.**

VOCABULARY

Match the words from the text with their corresponding definitions.

- | | |
|------------------|---|
| 1 to assess | a to succeed in getting a job, etc. |
| 2 a portfolio | b to introduce new products onto the market |
| 3 sophisticated | c of high or higher rank |
| 4 screening | d the act of giving a document, proposal, etc. to somebody in authority so that they can study or consider it |
| 5 senior | e bringing the best possible profits or advantages for the lowest possible cost |
| 6 to launch | f to calculate or decide the value of |
| 7 cost-effective | g a person having a higher position or rank |
| 8 expertise | h a person who takes responsibility for a person or thing |
| 9 to store | i to make or become better by getting rid of faults |

10 submission	j	the range of products or services offered by a particular company
11 to amend	k	to make and keep a supply of (something) for future use
12 to land	l	the process of testing in order to find out ability, suitability, etc., and so be able to remove those that do not reach the proper standard
13 a sponsor	m	special skill or knowledge
14 a superior	n	very cleverly designed and very advanced, often working in a complicated way

II. Replace the expressions in italics with the words used in the text.

- The diaries contained detailed _____ (*written descriptions of something what has happened*) of the writer's experiences in Japan.
- She has passed an _____ (*natural ability or skill, especially in learning*) test easily.
- I can _____ (*to tell firmly and with confidence with the aim of removing doubt*) the medicine is perfectly safe.
- The candidates were given _____ (*specially made to someone's measurements*) tests.
- The success of this experiment is _____ (*of deciding importance*) to the project as a whole.
- His _____ (*ability to do something well*) as a designer is not on question.
- You really _____ (*failed to benefit from something useful or enjoyable by not taking part in it*) a lot of fun by not coming to the party.
- She _____ (*made a close and thorough examination of things in a mass or group*) her papers to find the lost letter.
- She is _____ (*suffering extreme need, anxiety or loss of hope*) work.
- Skillsarena provides clients with online tests, including a _____ (*a set of related parts*) for assessing levels of competency.
- Tourism is a _____ (*developing well and being healthy, strong, or successful*) industry in Austria.
- The incident _____ (*is a possible danger for something/someone*) to ruin his chances in the election.
- He disagrees at the moment, but I'm sure we can _____ him _____ (*gain the support of, often by persuading*) to our point of view.
- She is the sort of person who _____ (*is easily seen, is noticeable*) in a crowd.
- There is a _____ (*infml. a large number or amount of something*) of unopened mail waiting for you.
- The new trade figures have just been _____ (*be known and printed*).
- It's a real _____ (*situation causing difficulty or annoyance*) to get children to eat.
- It's completely ruined, so we'll have to start _____ (*starting from the beginning or with nothing*).
- Solving these problems is an _____ (*needing great effort, causing trouble*) task for me.
- Scientists have _____ (*discovered and let it come out*) the secrets of the atom.
- This event happened in the _____ (*connected with things that actually exist, as opposed to things of the mind, spirit, etc.*) world.

Language focus

Present simple and present continuous

Look at these sentences.

- 1 The bus arrives at 11.15 in the morning.
- 2 Who are you waiting for?
- 3 Peace Corps require their male employees to be at least 1.75 m tall.
- 4 Dell is recruiting more and more graduates.
- 5 My wife gets up at 5.30 most mornings.
- 6 I am reading a good book.
- 7 We're leaving for Geneva tomorrow morning.

Which sentence refers to:

- a** a future arrangement
- b** a future event based on a timetable
- c** a temporary situation
- d** a permanent state or situation
- e** a changing and developing situation
- f** a regular or habitual action
- g** an action that is happening now

Practice

Read the interview with Marco Flores, a Spanish executive. Put the verbs in brackets in the present simple or the present continuous tense.

“I _____ (*work*) for Elcomnet, a medium-sized company just outside Cordoba, selling and manufacturing electronic components. The company _____ (*have*) about 1,200 employees. I _____ (*be*) the finance manager which _____ (*mean*) that I _____ (*have*) complete responsibility for all aspects of our financial policy. I carefully _____ (*follow*) the results of our regional branches in Spain and I also _____ (*co-ordinate*) and _____ (*manage*) the business and marketing efforts. This year the company _____ (*introduce*) a new range of products that we _____ (*import*) from France. Next month I _____ (*go*) to Barcelona to meet the office manager and discuss developments in this region. Currently I _____ (*earn*) 4,200 Euro a month with a bonus which _____ (*depend*) on results. I _____ (*live*) in an apartment in the centre of town and I _____ (*drive*) to work every day in the company car.”

Unit 3

BANKING AND MONEY

The business of looking after people's money is called banking. Banks, as financial *intermediaries*, may offer a whole range of financial services, but their *distinguishing* characteristic is their role in the money supply through the creation of **deposits**. The ability of a bank to create money in this way is limited in most countries by government controls on lending as well as by its *obligation* to pay out *current account* deposits in **cash** on demand.

The banking sector in the Slovak Republic is made up of a variety of institutions *supervised* by the country's central bank, The National Bank of Slovakia. This bank looks after government's finance and *monetary* policy and acts as a banker to other banks. However, for the general public and many businesses, banking services are provided by commercial banks, which have branches throughout the country. They receive and hold deposits, pay money according to customers' *instructions*, lend money, etc.

Following the monetarist argument that the average level of prices and wages is determined by the amount of money in *circulation*, and its *velocity* of circulation, many central banks now set money supply *targets*. By increasing or decreasing the money supply, the central bank indirectly influences interest *rates*, *demand*, **output**, growth, unemployment and prices. The central bank can reduce the *reserves* available to commercial banks by changing the reserve requirements. This reduces the amount of money that banks can create and makes money tight. Alternatively, the central bank can engage in what are called open market operations, which involve selling short-term government *bonds* to the commercial banks, or buying them back.

There are still many people in Britain who do not have a bank account. Traditionally, workers are paid **wages** and non-manual workers receive a monthly **salary** in the form of a *transfer* paid directly into their bank accounts.

A current account usually pays little **interest**, but also allows the holder to *withdraw* his cash with no *restrictions*. Deposit accounts (US notice accounts) pay interest. **Standing orders** and **direct debits** are ways of paying regular bills at regular intervals.

Banks offer both **loans** and **overdrafts**. A bank loan is a fixed sum of money, lent for a fixed period, on which interest is paid. Regular parts payments of **debts** are called **instalments**. An overdraft is an arrangement by which a customer can overdraw an account, i.e. run up a debt to an agreed limit; interest on the debt is calculated daily.

In order to optimise the *return* on their **assets** (loans), bankers have to find a balance between **yield** and risk, and **liquidity** and different **maturities**, and to match these with their **liabilities** (deposits). The maturity is the date on which a loan becomes due for repayment; the yield of a loan is its annual return - the rate of income expressed as a percentage.

Commercial banks offer many other bank services. If you need cash, you can withdraw money from automatic *cash dispensers* using your credit card or debit card. When travelling abroad you may use your bank to buy foreign *currency*, because their rates are better than in common exchange offices.

Through Internet banking you can

- have an easy access to latest information on all your accounts.
- initiate payments and transfer money instantly between accounts.
- check all your standing orders and direct debits.
- locate specific **transactions** using a range of search criteria.

However, banks charge a **commission** for the work of keeping a current account and for certain other services. They send regularly, usually monthly, a **bank statement** to each customer, giving details of all **debts** and **credits** made, especially to his current account, during a given period, and showing the opening and closing **balances**.

Currently many banks also provide mortgages, i.e. they lend money to home-buyers on the security of houses and flats.

VOCABULARY

Match the words from the text with their corresponding definitions.

- | | |
|--------------------|---|
| 1 a deposit | a an amount of money that is paid to someone according to the value of the goods they have sold |
| 2 wages | b the amount of money in a bank account at a particular time |
| 3 a salary | c money placed in a bank account |
| 4 interest | d anything with money value that a company owns |
| 5 a standing order | e a payment made for work done, usu. paid weekly |
| 6 a direct debit | f a monthly payment in exchange for work |
| 7 a yield | g a movement of money into or out of an account |
| 8 liquidity | h a company's debts |
| 9 assets | i an instruction to a bank to pay fixed sums of money to certain organisations at stated times |
| 10 liabilities | j like a standing order, but the amount is not specified in advance |
| 11 a transaction | k the rate of income an investor receives from a security |
| 12 a commission | l money paid to a lender for the use of borrowed money |
| 13 a balance | m total value of the goods produced or services performed |
| 14 output | n cash or other liquid assets in excess of current liabilities |
| 15 maturity | o the date on which a bill of exchange, insurance policy or a loan becomes due for payment or repayment |

I. Replace the expressions in italics with the words used in the text.

- He acted as an _____ (*person who comes between two people or groups of people in order to bring them into agreement*) in the dispute.
- The _____ (*of or about money*) system of some countries used to be based on gold.
- She _____ (*took away*) \$50 from her bank account.
- _____ (*machines from which customers can obtain money at any time by putting in a card and pressing numbered keys to give a special number*) are operated by cash cards.
- We must keep back some _____ (*amounts set aside from profit to meet unexpected future expenditure or future investment*) for the case of illness.
- We must _____ (*recognise differences [between]*) between compound interest and simple interest.
- Last year there was a fall in the _____ (*quantity such as value, cost, or speed, measured by its relation to some other amount*) of inflation.
- The American teachers in Slovakia were paid in local _____ (*the particular type of money in use in a country*).
- The bank cannot guarantee a high _____ (*an amount of money produced as a profit*) on your investment.
- Everyone has a legal _____ (*condition or influence that makes it necessary for someone to do something*) to provide the tax office with details of their earnings.
- The law imposes _____ (*acts of limiting*) on the export of high technology goods.

12. Parents have to _____ (*keep watch over an activity as the person in charge*) their children's homework.
13. The electronic _____ (*act or process of moving from one place to another*) of money is provided by the Internet banking.
14. These developments have created a great _____ (*the desire of people for particular goods or services*) for home computers.
15. When a company or a government needs to borrow money from the public they can do it by issuing _____ (*general term for any fixed-interest securities*).
16. I have _____ (*orders*) not to let anyone in.
17. The government has reduced the number of \$10 notes in _____ (*the movement of money from place to place from person to person*).
18. The _____ (*speed in a certain direction*) of light was exactly defined in 1983.

II. Answer the following questions:

1. What is the role of The National Bank of Slovakia in the banking system in the Slovak Republic?
2. What tools does The National Bank of Slovakia apply?
3. What services do the commercial banks offer? Are their services free?
4. How can you easily obtain cash?
5. What are the advantages and disadvantages of credit/debit cards?
6. Make some comments on Internet banking.
7. What data does a bank statement contain?
8. How would / did you select your bank?

Language focus

The future

- We use *will*:
 1. to express a decision made at the time of speaking.
Have you sent the report yet?
No. I'll send it now.
 2. to make a prediction.
I'm sure that our company will win the contract.
 3. to talk about a future fact.
Next year, the company will be fifteen years old.
- We use *going to*:
 1. to talk about an intention or a decision already made.
In January, we are going to invest in a new production line.
 2. to make a prediction based on the present situation.
Petrol prices are going up due to the oil crisis.
- We use *present continuous* to express arrangements.
 1. *I'm having lunch with my business partner tomorrow.*
 2. *We're flying to Berlin this afternoon.*
- We use *present simple* to express future events that are based on a timetable or calendar.

1. *Summer term starts on 10 February.*
2. *My train leaves at 11.00.*

- We use *future continuous*:

1. to express an activity that will be in progress at a specific time in the future.
This time tomorrow we'll be lying on the beach in Croatia.
2. to refer to a future event that will happen in the natural course of events.
The President will be flying to China with his wife.

- We use *future perfect* to express an action that will be completed before a specific time in the future.
I'll have done my homework by 7 this evening.

Practice

I. Underline the appropriate future form.

- a/ A *I'll / I'm going to* make myself a cup of tea. Do you want one?
B No thanks. *I'll / I'm going to* have it later.
- b/ A *I won't / I'm not going to* work today, I feel awful.
B Don't worry, *I'll / I'm going to* ring your teacher and tell him you're sick.
- c/ A I'm tired. I think *I'll / I'm going to* go to bed.
B Good night. *I'll / I'm going to* watch the TV.
- d/ I can't go to the cinema tonight. *I'll / I'm going to* do my homework.
- e/ A I've got a headache.
B Stay there. *I'll get / I'm going to* get you an aspirin.

II. Put the verb in brackets in the correct tense expressing future.

“Ladies and gentlemen. Welcome on board this Austrian Airlines flight to London. In a very short time we _____ (take off). When we have reached our cruising speed of 900 km an hour, we _____ (fly) at 12 000 m. Our flight time is 2 hours and 15 minutes, so we _____ (be) in London in time for lunch. The cabin crew _____ (serve) refreshments during the flight. We hope you _____ (enjoy) the flight. If you need any assistance, just press the button and a flight attendant _____ (come) to help you.”

* * *

“If you look out on the left-hand side, you _____ (see) Mont Blanc. In a few moments, the crew _____ (come) round with duty free goods. We _____ also _____ (give out) immigration forms, which will be collected as you go through passport control.”

* * *

“In ten minute's time we _____ (land). Please, fasten your seatbelts.”

III. Choose the correct future form.

- a/ It's *going to rain / raining* tomorrow so we can't go playing tennis.
- b/ The bank *is opening / opens* at 8.30.
- c/ You'll know where the party is. We *will make / will be making* so much noise that you'll hear us from the other end of the block.

- d/ By the time I am thirty I *will marry* / *will have married* a good-looking partner.
- e/ By the time I am forty I *will earn* / *will be earning* over a million Slovak crowns a year.
- f/ By the time I am fifty I *am giving up* / *will have given up* smoking.
- g/ I'm *coming* / 'll *come* with you whether you like or not.
- h/ I'll *be coming* / *will come* with you if you like.
- i/ My plane *is taking off* / *takes off* at 6.30 AM.

Unit 4 **WHOLESALE, RETAILING AND FRANCHISING**

Wholesale is the business of selling goods in large quantities, especially to shopkeepers, not to consumers. A *wholesaler* is a person who runs such a business buying *in bulk* from producers, manufacturers, importers and other wholesalers, and selling in smaller quantities to retailers. *Wholesale price* is the price at which retailers buy goods from wholesalers.

Cash and carry is the business, especially in the grocery trade that sells goods at a **discount** on condition that buyers pay cash and themselves collect and carry away the goods.

Retailing is the business of selling goods to the general public. Most retailers sell from shops or stores, which are called **outlets**. Many countries have large *retail chains* that sell a standardised **selection** of products. Their outlets are often in shopping centres (*AmE* malls), where there is a large *variety* of shops in the same location.

Many retailers operate from out of town locations with parking facilities, known as **supermarkets**. These are self-service shops selling a wide variety of goods that are much in demand by consumers, especially food and drink, household cleaning and other materials. Larger supermarkets are called **superstores**, and if their area **exceeds** 30,000 square metres, they are called **hypermarkets**.

Department stores are large retail shops with several or many departments, each having its own manager and staff and selling a different kind of goods, the whole being under central control. *Retail price* is the price paid by the consumer.

Franchising is a business system in which a monopoly producer (*the franchisor*) gives another producer or trader (*the franchisee*) by formal **licence** the *exclusive* right, i.e. a right held by no one else, to manufacture or sell the products of the franchisor in a certain area such as a town, county or country.

As a part of the *franchise agreement* the franchisee pays an initial sum of money - a *franchise fee* or *front end fee* – to the franchisor and agrees to pay a *royalty* or *management services fee* for continuing advice and assistance, which is usually calculated as a percentage of annual **turnover** or as an amount based on the number of units produced or sold. The franchisee may also pay an *advertising fee* to contribute to the franchisor's annual advertising and marketing costs. The franchisee also has to find the necessary capital to open the business and he must agree to buy all his supplies only from the franchisor.

The franchisor provides an *operations manual*, which is a document containing all the information that the franchisee needs to run his or her business. A franchisor may appoint a *master franchisee* to supervise the business within one particular country (an *ordinary franchisee* buys the rights to manage a specific business franchise only in a particular area).

The following shows the list of things the franchisee has to do during the day:

- *people management* (recruitment – interviewing the staff, training, performance **reviews**)
- *time management* (organising his own work **schedule**, *allocating* time for different tasks, *prioritising* – arranging problems in the order in which they will be dealt with)
- *networking* (the practice of meeting or contacting other people involved in the same kind of work to share information, support each other, etc., attending franchise conferences, meeting with press)
- *administrative work* (dealing with accounts, **payrolls**, taxes, ordering supplies)
- *working at home* (monthly accounts, *balance sheets*, planning future development, etc.)

Generally, the franchisee has to **conform** to all franchisor's standards (quality, service, *corporate culture* and value). He directly employs people, orders and pays for supplies, and takes care of any **maintenance** or **refurbishment**. He is responsible for local marketing,

whereas national advertising is the franchisor's responsibility. The franchisee expects the franchisor team to support him; in return, the franchisor expects the franchisee to get on with his part of the deal and develop the business without constant *supervision*.

Good mutual relationship between the franchisor and the franchisee is the basis for successful business.

VOCABULARY

Match the words from the text with their corresponding definitions.

- | | |
|------------------|---|
| 1 to review | a to be more than a number or amount, esp. a fixed number |
| 2 a discount | b keeping things in good condition |
| 3 an outlet | c a document giving permission to make or sell something |
| 4 payroll | d giving a new look to something |
| 5 to exceed | e a price reduction |
| 6 a licence | f to be in accordance with established rules |
| 7 turnover | g a collection of things of one kind, such as goods for sale; range |
| 8 a schedule | h a shop that sells products made by a particular company |
| 9 to conform | i to consider and judge carefully |
| 10 maintenance | j a planned list or order of things to be done, dealt with, etc. |
| 11 refurbishment | k the rate at which goods are sold |
| 12 a selection | l a list of workers employed by a company and the amounts paid to each employee |

I. Replace the expressions in italics with the words used in the text.

- Much of the success of Japanese business in 1980s has been put down to a management of _____ (*mix of values, expectations, styles and practices at company level*).
- _____ (*statement showing the financial position of a business at a certain date*) shows what the company owns, what the company owes and what belongs to the owners.
- One of the ways of doing business is _____ (*the sale of goods in shops to customers, for their own use and not for selling to anyone else*).
- The reporter managed to get an _____ (*limited to one person, group, or organisation; not shared with others*) interview with the Prime Minister.
- There was a tanker carrying milk _____ (*in large quantities and not packed in separate containers*).
- The car is available in a wide _____ (*a number or collection of different sorts of the same general type*) of colours.
- The work was done under my _____ (*the act of keeping watch over [a job or activity, or the people doing it] as a person in charge*).
- They cost \$99 in the stores, but the _____ (*the business of selling goods in large quantities, especially at low prices*) price is \$69.
- _____ (*the practice of meeting or contacting other people involved in the same kind of work*) is an important activity necessary for improving professional connections.
- The writer gets a 10% _____ (*money paid to the owner of the patent for permission to use a patented design, usually at an agreed percentage of the selling price of the product*) on each copy (sold) of his book.
- We have _____ (*given as a share*) accommodation to each of the refugees.
- We need to _____ (*arrange [number of things, problems, etc.] in the order they will be dealt with*) all these jobs before we can start working on them.

13. To start up the machine you need an _____ (book giving information about how to do something, especially how to use a machine).

II. Explain the following notions: cash and carry, supermarket, superstore, hypermarket, franchising, franchisor, franchisee, people management, time management, networking, administrative work.

Language focus

Make and do

• We use **do**:

1. to talk about an activity without mentioning exactly what it is.

*What is he **doing**?*

*Are you **doing** anything special?*

2. to talk about task or work.

*I haven't **done** my **homework** yet.*

*I saw two workers **doing repairs** on the bus stop yesterday.*

3. with the determiner (e.g. *the, some*) + -ing, to talk about activities that are repeated or take some time.

*The secretary **does** the **typing** for us but she doesn't **do** the **copying**.*

• We use **make**:

1. **make** means to bring into existence or to produce a result.

*We **made** a new design for the product.*

*The company **makes** cars.*

2. with nouns connected with talking about sounds.

*I'd like to **make** an **enquiry**.*

*Those machines **make** a big **noise**.*

3. with nouns connected with travelling.

*We are **making** a **trip** on Sunday morning.*

*We have to **make** a **visit** there as soon as possible.*

• There are many other expressions with **make** and **do** which do not follow these guidelines. It is best to learn these or use a dictionary if you are unsure.

do: *good, well, harm, your best, (someone) a favour, an exercise, research, business, etc.*

make: *arrangements, money, progress, an appointment, an attempt, a choice, start, sure, certain, profit, sense, up one's mind, redundant, etc.*

Practice

1. Which of the following words are used with **make**, and which with **do**?

a suggestion

a complaint

a decision

a trip

an exam

business

a speech

nothing

a job

a cup of

one's best

a mistake

the cleaning

a loss

an offer

2. Complete the following sentences using an appropriate form of *make* and *do* and one of the nouns in exercise 1 or in the guidelines.

- a/ Mary, can you try to _____ me _____ with my dentist for this afternoon, please?
 b/ Dad, can you _____ me _____? I need to borrow a car.
 c/ We don't know what went wrong, but we're _____ some _____.
 d/ I can't tell you now, but we expect to _____ _____ early next week.
 e/ We spent two days _____ _____ to the warehouse roof after the storm last week.
 f/ We _____ a lot of _____ in Japan, and as the profit margin is high, we
 _____ a lot of _____.
 g/ I checked the figures last night and found that I had _____ a lot of _____.
 h/ Last year we _____ _____ despite the recession.
 i/ _____ workers _____ is never an easy task for a manager.
 j/ She _____ _____ that the rope was firmly fastened around her waist.
 k/ The customer _____ _____ about the poor quality of frozen food.
 l/ A break will _____ you _____.

Vocabulary development: prefixes

The following prefixes give the words opposite meaning.

dis-	il-	im-	in-	ir-	un-
-------------	------------	------------	------------	------------	------------

1. Match the prefixes with the group of adjectives.

- a** _____ precise, mobile, patient, possible, personal, probable, mature, polite
b _____ responsible, regular, relevant
c _____ appropriate, expensive, competent, correct, direct, essential, efficient
d _____ manageable, lawful, economical, popular, official
e _____ organised, connect, proportionate, respectful
f _____ logical, legible, liberal

Can you work out any rules?

2. Add prefixes to the following adjectives and complete the sentences using each of them only once.

- | | | | | | |
|----------|-------|------------|----------|-----------|----------|
| loyal | equal | acceptable | complete | proper | material |
| literate | legal | resistible | similar | sensitive | rational |

- a/ On such a hot day, the water was _____.
- b/ It would be _____ to comment at this stage.
- c/ It is _____ to me whether he stays or goes.
- d/ He was accused of being _____ to the government.
- e/ The rooms upstairs are of _____ size.
- f/ Nowadays you rarely meet computer _____ people.
- g/ Such behaviour is totally _____ in a civilised society.
- h/ Your fear seems to be _____.
- i/ These wines are not _____.
- j/ Spoken language contains many _____ sentences.
- k/ The traffic in drugs is _____.
- l/ She is completely _____ to my feelings.

Unit 5

SETTING UP A BUSINESS

Sole Trader or Sole Proprietor (UK)

This is the simplest way of starting a business. You are self-employed and the only owner of a business. You provide all the capital, bear all the risk, and *in return* receive all the profits.

Partnership (UK)

This is an *unincorporated* (unregistered) association of two or more people carrying on business together for the purpose of making a profit. Each partner is responsible for the debts of the partnership, and profits and losses are shared between them in agreed *proportions*. It is almost always necessary to **draw up** a formal partnership agreement in which the *procedures* for running the business and the *precise* role of each partner are defined.

Private Limited Company (UK)

This company can be formed with a minimum of two people becoming its shareholders. They must appoint a director and a **company secretary** – a professionally qualified person who carries out the legal duties of the company.

Before a limited company can be officially registered, two important documents have to be drawn up: the **memorandum of association** and the **articles of association**.

If the company goes out of the business, the responsibility of each shareholder is limited to the amount that they have contributed – they have **limited liability**. Such a company has Ltd (Limited) after its name.

In the US, businesses have the same basic forms. Unlike British firms, you will find Inc. after the name of a company. The abbreviation “Inc.” means incorporated (registered) with the *authorities* in the state where they have their headquarters.

Public Limited Company (UK)

Many larger businesses in the UK are public limited companies. Most of them are *converted* from private companies. Their business names must end with the initials “plc”. It must have an authorised share capital of at least £50,000, of which at least £12,500 must be paid up. It may offer shares and **securities** to the public on the stock exchange.

* * *

Setting up a successful business requires careful preparation and planning but also involves a degree of risk-taking. For a new business it is essential to draw up a business plan. It is also drawn up by many businesses, which had passed through a bad period or if they have had a major change of policy. This document sets out the objectives of a business over a stated period, often three, five, or ten years.

It must include the name and the type of the business (a sole trader or proprietor, partnership, etc.), personal details plus relevant work experience, information about the personnel and their job functions, the description of the market, the sort of advertising or marketing *intended* to be done as well as the necessary **premises** or machinery or vehicles. There is also a number of other questions that **entrepreneurs** must ask themselves concerning the products or services that they are going to sell, the structure of the business itself, the competition that

they will face and the sources of finance that they will need to open their new venture. The plan should provide monthly cash flows and production figures for at least first two years. It must also *outline* its strategy and the tactics it intends to use in achieving its objectives.

Corporate alliances

Because of the increasing competition in the world economy, companies need to strengthen their operations to remain profitable. There is a number of ways how to do this, including the following.

Joint venture

It is a commercial *undertaking* entered by two or more parties, usually in the short *term*. Joint ventures often carry on their principal business independently of, and at the same time, as the joint venture. Joint ventures are becoming *increasingly* common as companies cooperate with each other in international markets, in order to share costs, **exploit** new technologies, or gain access to new markets. This type of deal allows partners to combine their strengths in one specific area.

Merger

It is a combination of two or more businesses on an equal *footing* that results in the creation of a new **entity** formed from the combining businesses. Companies merge for many reasons, for example, to cut costs in particular areas, such as research and development, to increase market share, etc.

Takeover or acquisition

When one business takes control of another, this is known as an acquisition. In most countries the authorities keep strict control of all takeovers and mergers to protect the interests of shareholders.

VOCABULARY

Match the words from the text with their corresponding definitions.

- | | |
|-----------------------------|---|
| 1 Memorandum of Association | a person who organises, finances and manages a business that produces and sells goods or services |
| 2 Articles of Association | b general term used for all types of shares traded on stock exchanges |
| 3 limited liability | c the place in which company does business: an office, shop, work-shop, factory, warehouse, etc. |
| 4 draw up | d to use or develop (a thing) fully so as to get profit |
| 5 premises | e responsibility for debts up to the value of the company's share capital |
| 6 exploit | f to prepare and put into written form |
| 7 entity | g a professionally qualified person who carries out the legal duties of the company |

- | | |
|---------------------|---|
| 8 entrepreneur | h something that exists as a single and complete unit |
| 9 company secretary | i the document drawn up by company's founders stating its name, purpose, registered office or premises and authorised share capital |
| 10 securities | j the rules and regulations of a company, setting out shareholders' rights, directors' duties, etc. |

I. Replace the expressions in italics with the words used in the text.

1. I find it _____ (*more and more all the time*) difficult to live within my income.
2. The managing director _____ (*gave a short, general description of something*) their responsibilities.
3. The tax increases in _____ (*the compared relationship between two things in regard to size, amount, etc.*) to the amount you earn.
4. Starting a new business can be a risky _____ (*business enterprise*).
5. The President is elected for a five-year _____ (*fixed or limited period of time*).
6. Is this business on a firm _____ (*a particular [stated] kind of position or base*)?
7. Writing a cheque is quite a simple _____ (*set of actions necessary for doing something*).
8. He agreed to give evidence against the terrorists _____ (*in exchange or as payment [for]*) a guarantee of protection.
9. The _____ (*people or organisations that are in charge of a particular country or area*) in Cuba refused to allow him to enter the country.
10. On arriving to the USA they _____ (*changed into another form, state, etc.*) pounds into dollars.
11. Our business needs very _____ (*exact in form, detail, measurement, time, etc.*) calculations.
12. It was meant to be a surprise; I did not _____ (*have a plan for something in one's mind*) you to see it so soon.

II. Explain the following notions: sole trader, partnership, limited liability company, public limited company, joint venture, merger, takeover or acquisition.

Business skills focus

Giving a presentation

Making a presentation in a foreign language is a complex task, which can be a stressful experience, especially you have never given a presentation before. These guidelines contain invaluable advice about all aspects of presenting, and include appropriate language to use in order to signpost your talk clearly so that your audience can follow the transitions between the sections.

Voice

The audience must be able to hear and understand what you are saying. Speakers tend to speak too softly, too fast and without pausing or varying the tone of voice. You can practise by speaking about something you know or have an opinion about. Pay careful attention to when you include pauses, volume changes and variations in tone of voice.

Body language

Adopting a right body position and using appropriate gestures to show interest, highlight points, and keep your audience's attention are important factors. Address your audience as "you" as this helps to make both sides feel closer and makes you more relaxed. Remember:

- Make eye contact with the audience, turning your head so that you regularly look at every member of the audience.
- Move around a little if you are standing, and vary the position of your upper body if you are sitting down. Use your hands and arms to provide gestures at appropriate moments.

Generally, presentations can be divided into four parts:

- I. Introduction**
- II. Preparing the audience**
- III. Delivering the message**
- IV. Winding up**

Useful words and expressions

I. Introducing yourself and the talk

Good morning, ladies and gentlemen.

*My name is and I'm going to give you a presentation on ...
... and I'm going to be talking about ...*

II. Preparing the audience

I have divided my presentation into X sections / parts ...

*In the first section I'm going to talk (describe, characterise, ...) about /... will be talking about
Then I'm going to talk (look at, analyse, explain,...) about / ... will be talking about ...*

After that I'm going to talk (...) about / ... will be talking about...

Finally I'm going to ... / will be ...

III. Delivering the message

Firstly, ... secondly, ... now I would like to go on to the next point, which is ... , the next section ... , finally ...

IV. Winding up

Before closing I'd like to summarise the main points:

To recap,

To sum up,

First I was talking about, Then Finally

In the end, in my opinion, ...

That's all I wanted to say. Thanks for listening. If you have any questions, I'm ready to answer them.

Highlighting:

This is particularly important because ..

I'd like to emphasise the fact that ...

It should be pointed out that ...

I would like to draw your attention to ...

Giving examples:

For instance ...

For example ...

such as ...

like ...

Asking rhetorical questions

Do you really think that ...?

So, just how can this be achieved?

So, how can this be done?

Drawing conclusions

This means that ...

Consequently ...

Therefore ...

Recommendation: Use visual aids (charts, tables, transparencies, etc.).

Consider and decide whether to present from notes or from a complete text. What do you think are the advantages and disadvantages of these two approaches to giving a presentation?

Language focus

Expressing contrasts

There are several ways of expressing contrast in English:

<i>although</i> <i>even though</i> <i>though</i>	+ subject + verb
--	------------------

Although she joined the company only a year ago, she's been promoted twice.

Even though they loved each other, they decided to part.

Though he was only twelve he could run faster than any kid in the school.

<i>despite</i> <i>in spite of</i>	+ noun or + verb + <i>ing</i>
--	-----------------------------------

Despite the recession, they achieved record profits.

We went out **in spite of** the rain.

Some other words expressing contrast:

I can't go. **Nevertheless**, I appreciate your invitation.

The company's sales have fallen slightly. **However**, this is not a serious problem.

Unlike their commercial rivals, the company has made a big profit.

They want a house, **whereas** we would like to live in a flat.
In contrast to your belief that we will fail, I am confident that we will succeed.

Practice

1. Join the sentence halves below.

- | | |
|---|---|
| A In spite of the present recession, | a people aren't buying them. |
| B Even though our products are cheap, | b they are keeping their prices low. |
| C Despite rising costs, | c we still haven't reached our target. |
| D Although profits are increasing, | d we can reach our output deadline. |
| E Despite the fact that our supplies
were late, | e the long-term outlook is optimistic. |

2. Finish each of the following sentences so that it has the same meaning as the sentence printed before it.

A The headquarters of most major Slovak companies are located in Bratislava despite the very expensive rents.

The headquarters of major Slovak companies are located in Bratislava, even though

_____.

B Although some European and American management practices are similar, there are many striking differences between them.

Despite _____.

_____.

C Despite the increase in their salaries, 60% of Asian workers still spend Saturday at work.

Even though _____.

_____.

D Although they have intense work habits, many Japanese socialise quite easily after work.

Despite _____.

_____.

E In spite of their dedication to their companies, many employees want more leisure time.

Although _____.

F Although some women are successful in business, the majority of companies are run by men.

In spite of _____.

_____.

3. Complete the following sentences with an appropriate expression of contrast.

a The company lost \$5 million this quarter _____ a profit of \$4 million a year earlier.

b Some of the studies show positive results, _____ others do not.

c There is little chance that we succeed in changing the law. _____, it is important that we try.

d We thought the figures were correct. _____, we have now discovered some errors.

e _____ most systems, this one is easy to install.

4. Join the pairs of sentences using the expression of contrast in brackets.

a Young people are concerned about the environment. They can't always afford environmentally friendly products. (*Even though ...*)

Even though _____

b The company's sales fell in the 90s. Their reputation for high quality didn't decline. (*In spite of ...*)

In spite of _____

c Pollution is rising in Prague. People still prefer to travel by cars. (*Despite ...*)

Despite _____

d Many countries organise separate waste collections. Many others don't. (*Despite the fact that ...*)

Despite the fact that _____

e Most beauty products carry the label 'against animal testing'. Some of the components may have been tested on animals. (*Although ...*)

Although _____

Unit 6

COMPANY PERFORMANCE

Companies need to know how they are performing in order to analyse problems, find solutions and make plans for the future. *Financial accounts* provide information about financial performance. These tell the company not only how much it is selling, or how much **revenue** it is receiving, but also what its **costs** are. With this information a company can calculate how much money it has made (**profits**) or how much it has lost (**losses**) during a specific period. Listed companies, whose shares are sold on the stock exchange, have to present their accounts to the public in an annual report.

Bookkeeping is the act or skill of keeping the accounts of a business company. It is a part of accountancy by which an *orderly* record is made in books of account of the money value of all the day-to-day business *dealings* of a particular organisation. Bookkeepers record every purchase and sale that a business makes, in the order they take place, in **journals**. At a later date, these temporary records are entered in or *posted* to the *relevant* account book or **ledger**. Of course, the “books” these days are likely to be computer files. At the end of an accounting period, all the relevant totals are transferred to the **profit and loss account**. *Double-entry* bookkeeping records the dual effect of every transaction – a value both received and *parted with*. Payments made or **debits** are entered on the left-hand (*debtor*) side of an account, and payments received or **credits** on the right-hand side. In most business transactions, the seller of goods or services sends the buyer a **bill** or **invoice**, and later a *receipt acknowledging* payment. Businesses *are obliged to retain* the documents – known as **vouchers** – that support or prove an **item** in an account, and make them available to the internal or external **auditors** who check the accounts. Accountants, unlike bookkeepers, analyse financial records, and decide how to present them.

There are various possible ways of recording debits and credits, valuing assets and **liabilities**, calculating profits and losses, etc., but there are about a dozen *generally accepted accounting principles* that accountants must *follow* to present “a true and fair view” of a company finances.

Companies are required by law to give their shareholders particular financial information. Most companies include three financial statements in their annual report.

The **profit and loss account** (US statement of earnings) shows revenue and costs and expenses associated with earning that revenue during that time. It gives *figures* for total sales or turnover and for costs and **overheads**. The first figure should be greater than the second; there should generally be a profit. Part of the profit is paid to the government in *taxation*, part is usually distributed to shareholders as a **dividend**, and a part is retained by the company to finance further growth, to repay debts, *to allow for* future losses, and so on.

The **balance sheet** (US statement of financial position) shows the financial situation of the company on a particular date, generally the last day of its financial year. It lists the company’s assets, its liabilities, and shareholders’ *funds*. A business’s assets consist of its cash investments and property (buildings, machines, and so on), and debts – amounts of money owed by customers for goods or services purchased on credit. Liabilities consist of all the money that a company will have to pay to someone else, such as taxes, debts, interest and mortgage payments, as well as money owed to suppliers for purchases made on credit, which are grouped together on the balance sheet as creditors.

The **cash flow statement** (US statement of cash flows), as its name suggests, shows the flow of cash in and out of the business between balance sheet dates. If a company has a majority **interest** in other companies, the balance sheets and profit and loss accounts of the parent company and the **subsidiaries** are normally combined in *consolidated accounts*.

VOCABULARY

Match the words from the text with their corresponding definitions.

- | | | |
|----------------|---|---|
| 1 dividend | a | money that a business or organisation receives over a period of time, esp. from selling goods or services |
| 2 overheads | b | money spent in business |
| 3 an interest | c | an amount of money made by business |
| 4 a subsidiary | d | a book in which transactions are recorded in order that they take place |
| 5 an auditor | e | a book of accounts |
| 6 credit | f | an amount entered on the left-hand (debtor) side of an account |
| 7 debit | g | an amount entered on the right-hand side of an account, recording a payment received |
| 8 a voucher | h | a list of goods or services received that serves as a bill |
| 9 retain | i | a single thing, esp. part of a list, group, or set |
| 10 an invoice | j | a receipt or document that supports or proves an item in an account |
| 11 ledger | k | an outside financial specialist |
| 12 costs | l | the expenses involved in running a business, e.g. rent, salaries; operating costs |
| 13 revenue | m | a part of a company's profit that is divided among the people who have shares in the company |
| 14 a journal | n | a company of which more than 50% is owned by a parent company |
| 15 profit | o | a stake in a business |
| 16 an item | p | to keep possession of |

I. Replace the expressions in italics with the words used in the text.

1. _____ - _____ (*system by which each account has two sides, a debit side and credit side, and each transaction is entered twice*) is the basic system of modern book-keeping.
2. The cost is being repaid out of government _____ (*amounts of money*).
3. He was a man with an _____ (*well arranged, systematic*) mind.
4. The cost of the project will be \$3 million, which _____ (*takes into consideration*) inflation at 4%.
5. *Financial statements, which bring together the balance sheets and the profit and loss accounts of parent and subsidiary companies so that the financial affairs of the group can be treated as a whole* are referred to as _____.
6. In legal documents quantities are expressed in words and _____ (*numbers representing amounts, especially officially published numbers*).
7. I have had some _____ (*personal or business relations*) with him, but I do not know him very much.
8. It is not easy to _____ (*give away; stop having*) one's favourite possessions.
9. The government obtains revenue through direct and indirect _____ (*an act of paying money to the government according to income, property, goods bought, etc.*).
10. The villagers still _____ (*[accept and] act according to*) the customs of their grandfathers.
11. Falling profits _____ (*forced or made someone do something*) them to close the factory.
12. We must _____ (*state that one has received*) his letter.

13. Ask the shop for a _____ (*written statement that one has received money or some goods*) when you pay the bill.
14. Accountants are obliged to have all the _____ (*directly connected with the subject*) documents ready.
15. Most of African countries belong to _____ (*person, group or organisation that owes money*) nations.
16. These temporary records are entered in or _____ (*recorded the entries*) to the relevant account book.

II. Explain the following notions: profit and loss account, balance sheet, cash flow statement.

Language focus

The passive

Look at the following extracts from the text.

- A** Bookkeepers **record** every purchase and sale that a business makes in journals.
- B** These temporary records **are entered in** or **posted** to the relevant account book or ledger.

What form is the verb in bold in each sentence?

- We use a passive verb form, when we are more interested in the person or thing (the agent) affected by the action.
*The World Trade Organisation **was founded** in 1995.*
- We use **by** if we want to mention the agent.
*Companies are required **by** law to give their shareholders particular financial information.*
- There are passive forms of most verb tenses, for example:

Present simple	<i>Every product is checked for quality.</i>
Present continuous	<i>Nowadays new roads and infrastructure are being built.</i>
Present perfect	<i>15 000 cars have been sold since the beginning of the year.</i>
Past simple	<i>In 2004 the corporate tax rate was reduced to 19%.</i>
Past continuous	<i>The equipment wasn't being used efficiently.</i>
Past perfect	<i>"You arrived late. A decision had already been made."</i>

- After *will, can, may, must, should, might, could* etc. we use the verb **be + past participle**.

Practice

I. Change the following sentences into the passive. Omit the agent if it is not important.

1. Customers may return the bottles for refilling.
2. The company does not test its products on animals.

3. They have recently added more than 20 items to their product range.
4. Before the company entered the East European market, it had already established a strong image in America.
5. You should use the product according to the instructions.
6. The company can stop the production immediately.
7. Their competitor introduced special lotion for babies.
8. The producer will make similar films next year.

II. Complete the following passage with the appropriate passive forms of the verbs in brackets.

A new campaign _____ (launch) at the beginning of this year by the UK government, which aims to reduce the amount of domestic waste. Households _____ (encourage) to recycle certain waste products and to sort and prepare others for collection at specific sites. From there they _____ (take) to special waste treatment plants where special machinery will process them for reuse as recycled material.

In Britain today, when the contents of the average household dustbin _____ (analyse), we find that, in terms of weight, 36% of the total _____ (compose) of paper and cardboard, 23% of kitchen waste, 14% of plastics with glass, dust and ashes each representing a further 9%.

Actually, there are only a few items of domestic waste that cannot _____ (recycle). One example is disposable nappies, which _____ (design) to be thrown away after use. However, a lot of progress could _____ (make) to reduce the amount of kitchen waste most of which can _____ (transform) into a garden fertiliser. Indeed, if more people chose to do this, then the weight of the average dustbin _____ (reduce) significantly.

As far as the glass products are concerned, the situation is more encouraging as nearly 20% of all the glass that _____ (use) every year in the country _____ (take) back for recycling.

Nevertheless, it is clear that the mountains of domestic waste will only decrease if efforts _____ (make) both by individual households and local government authorities. Special equipment such as collection trucks must _____ (purchase) and people must _____ (make) aware of how they can contribute to improving the situation. This _____ (achieve) with increasing success in number of regions in Europe during the last few years, a trend that _____ (expect) to continue in the future.

Vocabulary development: prefixes

Prefixes can sometimes be added to words to change their meaning.

1. Match the following prefixes with their corresponding definitions.

bi-	equi-	ex-	extra-	inter-	mis-	multi-	non-	post-	pre-	re-	sub-
------------	--------------	------------	---------------	---------------	-------------	---------------	-------------	--------------	-------------	------------	-------------

- | | | | |
|----------|--|----------|--|
| a | between; among the group | g | two; twice; double |
| b | under; below; less important or of lower rank than | h | again; again in a new and better way; back to a former state |
| c | bad or badly; wrong or wrongly | i | former (and still living) |
| d | outside; beyond | j | equal or equally |
| e | later than; after | k | more than one; many |
| f | before; in preparation; in advance | l | ([esp. in adjectives and nouns] showing a negative) not |

2. Match the prefixes from exercise 1 with the words below.

lingual	lingual	-arranged	arrange
national	national	graduate	annual
personal	lateral	understand	-alcoholic
zero	calculation	marital	marital
cultural	contract	print	-profit-making
-director	insurance	distant	set

3. What other words do you know that can be used with these prefixes?

Unit 7

INTERNATIONAL TRADE

International trade is the exchange of goods and services between countries. Depending on what a country needs and produces, it can **import** (bring in goods from abroad) or **export** (send goods out of a country for sale).

Trade in **commodities** is referred to as *visible* trade in Britain and *merchandise* trade in the US. Services, such as banking, insurance, tourism, and technical expertise, are *invisible* imports. The difference between the amount of money a country pays for its imports and the amount it receives for its exports is called the **balance of payments**. Unlike the **balance of trade**, which includes only visible dealings (articles of trade, and gold and silver bars and coins), the balance of payments takes note of invisible imports and exports, interest payments and movements of capital. If the country imports more than it exports, it has a **trade deficit**. If it exports more than it imports, it has a **trade surplus**. Most countries have to pay their deficits with foreign currencies from their reserves. Countries without currency reserves can do business by way of **barter** or counter-trade.

Governments can control international trade. The most important **measures** are **tariffs** (or **duties**) and **quotas**. A tariff is a tax collected by a government on goods coming into or sometimes going out of the country and the quota is the maximum quantity of a product allowed into a country during a certain period of time. These measures are *protectionist* as they *raise* the price of imported goods to “protect” domestically produced goods. *The General Agreement on Tariffs and Trade (GATT)*, **concluded** in 1994, aims to maximise international trade and minimise protectionism. GATT is based on the comparative cost principle, which means that all countries will raise their income if they specialise in producing commodities in which they have the highest relative productivity. International organisations such as the World Trade Organisation (WTO) and the European Free Trade Association (EFTA) regulate tariffs and reduce trade restrictions between member countries.

Companies can choose from various ways to establish their products in a foreign market. They can start by **collaborating** with local experts such as sole agents or multi-distributors, who have specialist knowledge of the market and sell on behalf of the company. Gradually, they can open a local **branch** or sales office. Another *option* is to sell, or give *permission* to use, *patents* and licences for their products. They may wish to start by manufacturing in the export market, in which case they can either set up a local subsidiary or a **joint venture** with a local partner.

Sales related documents

An **order** is a request from one firm or individual for supply of goods from another firm. Usually, orders are **placed** by filling up a pre-printed form. The forms are typically arranged in columns and provide space for a description of the product, the quantity requested, the *unit* price and the *total* price.

An essential document in export trade is the commercial invoice or bill. It gives the names and addresses of the seller and the buyer, the dates and numbers of the invoice and the order, a description of each kind of goods bought, the quantity, the price per unit and the total price of each kind, the total price of the goods, the discount allowed and the total amount of the invoice.

The **bill of lading** (B/L) is a transfer document that is used if the goods are sent by sea. On the other hand, in inland road, rail and air transport the **waybill** is used.

One way of financing international trade is by a **letter of credit** (L/C). The foreign buyer transfers money from its bank to a *correspondent* bank in the exporter's country. This bank informs the exporter that a letter of credit for a sum of money is available when he

presents a bill of lading or other transfer document, a commercial invoice and an insurance *certificate*. Another possibility is to pay by a **bill of exchange**.

VOCABULARY

Match the words from the text with their corresponding definitions.

- | | |
|-------------------------|---|
| 1 commodity | a to finish arranging an agreement successfully |
| 2 a branch | b the local office of a larger organisation |
| 3 barter | c a business activity begun by two or more people |
| 4 a measure | d an article of trade, esp. a mineral or farm product |
| 5 joint venture | e exchanging goods for other goods rather than money |
| 6 place (an order) | f to give a person, firm, etc., who can do the needed action |
| 7 collaborate | g an action taken to bring about a certain result |
| 8 a bill of exchange | h to work together or with someone else, esp. for a special purpose |
| 9 conclude an agreement | i a written order instructing someone to pay someone else a certain sum on a given date |

I. Replace the expressions in italics with the words used in the text.

- Trade in commodities _____ (*is called, named*) as visible trade in Britain.
- The _____ (*legal document which gives a person or company the exclusive right to make or sell an invention*) runs out in three years' time.
- The car factory's output is now up to 12,000 _____ (*single complete things = cars*) per month.
- The foreign buyer transfers money from its bank to a _____ (*bank having regular business relations with another [esp. in a foreign country]*) bank in the exporter's country.
- He has received a _____ (*a document giving a statement made by an official person that a fact or facts are true*) of health.
- Tariffs and quotas are _____ (*protecting one's own country's trade, esp. by tariffs*) measures.
- The employers _____ (*increased in amount, size, etc.*) the minimum wages by 5%.
- The government has two _____ (*number of courses of action that are possible and may be chosen*): to reduce spending or increase taxes.
- The company has applied to court for _____ (*formal act of allowing; written or spoken agreement*) to renegotiate the contract.
- The _____ (*considered as a complete amount*) number of bicycles produced last year amounted to 200,000.

II. Explain the following notions: import, export, balance of payments, balance of trade, trade deficit, trade surplus, tariffs (duties), quotas, order, invoice, bill of lading, letter of credit and waybill.

Language focus

Describing graphs

Here are the words and phrases you need to talk about trends using graphs. Make sure you can translate these into Slovak.

UP – verbs

increase	rise	improve	grow	go up
take off	soar	shoot up	jump	

DOWN – verbs

fall	drop	go down	decrease	decline
slump	plummet	slip	shrink	tumble

UP – nouns

an increase	a rise	an improvement	a growth	a surge
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DOWN – nouns

a fall	a drop	a decline	a decrease	
--------	--------	-----------	------------	--

CHANGE IN BOTH DIRECTIONS – a verb & a noun

fluctuate	a fluctuation			
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NO CHANGE – verbs

level off	stagnate	remain stable	stay at the same level	
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AT THE TOP – verbs

reach a peak	peak	top out		
--------------	------	---------	--	--

AT THE BOTTOM – verbs

reach a low point	bottom out	recover		
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DEGREE OF CHANGE

Adjectives:	slight	moderate	considerable	significant	substantial	dramatic
	sharp					

Adverbs:	slightly	moderately	considerably	significantly	substantially	
	dramatically	sharply				

SPEED OF CHANGE

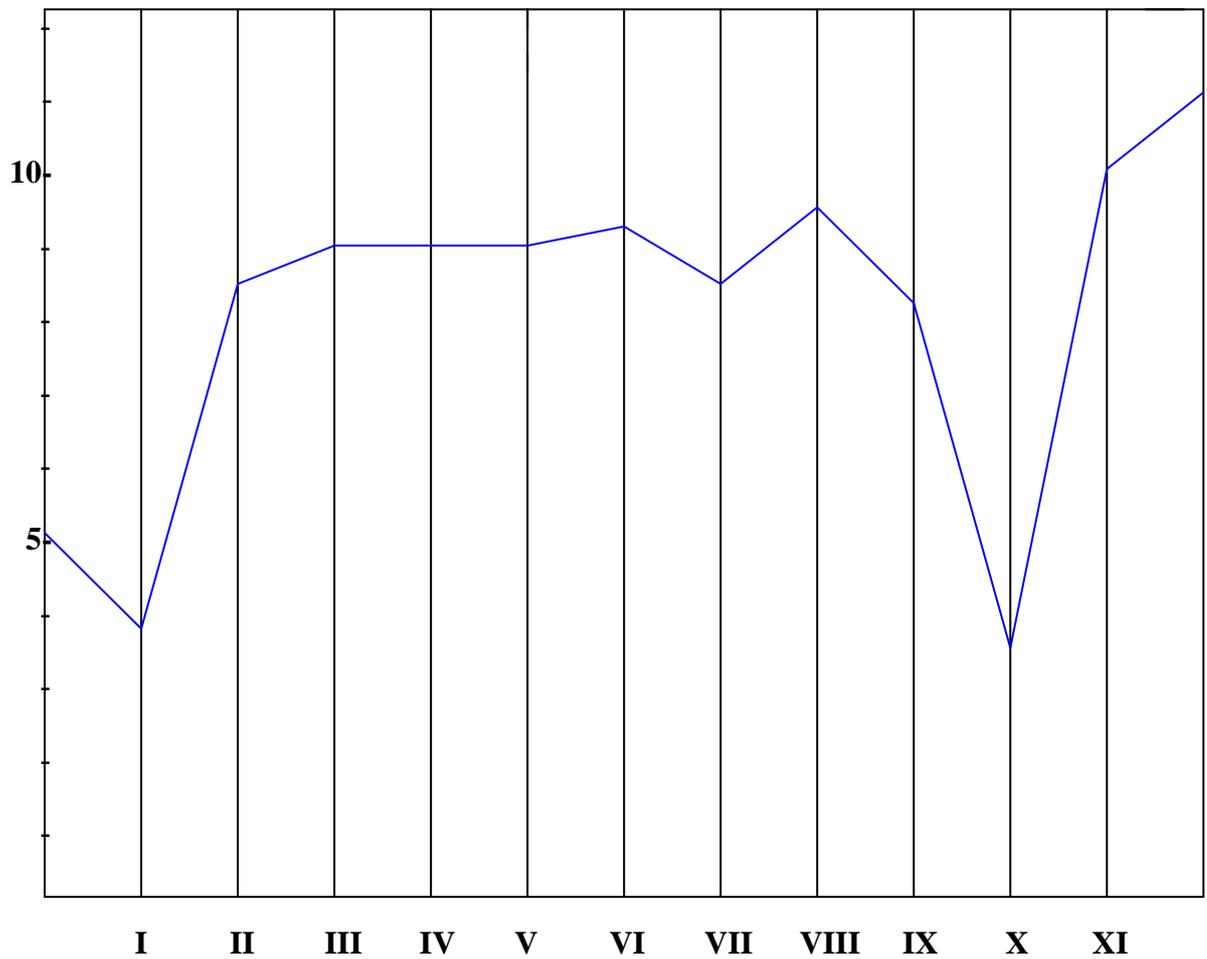
slow	gradual	steady	rapid	quick	sudden
------	---------	--------	-------	-------	--------

NOTE:

Rise is an irregular, intransitive verb. Things can rise, but you cannot rise something.

Raise is a regular, transitive verb. People raise things. As well as *to increase* – to cause to rise – *raise* has lots of other meanings, including *to collect capital*, *to bring up children*, etc.

1. Join expressions from each box to make sentences about the graph.



Sales reached a peak of	in December 2004.
Sales plummeted	in January.
Sales fluctuated from	in February.
There was a slight growth	in March.
Sales levelled off at about \$9 million	in April.
Sales remained stable	from April to May.
There was a moderate increase to \$9.3 million	in June.
Sales dropped by almost \$1 million	in July.
There was an upturn again	in August.
Sales rose dramatically	June to September.
Sales decreased gradually	in September.
Sales fell sharply to \$3.9 million	in October.
Sales bottomed out at	\$3.5 million.
There was a sudden surge	in November.
Sales stood at \$5.1 million	almost \$11 million.

NOTE: Remember the prepositions in bold type!

- 2. Practise the expressions using current graphs illustrating sales, exports, imports, inflation, unemployment, exchange rates, crude oil prices, etc.**

Unit 8

TAXATION

It is a compulsory transfer of money from private individuals, institutions and commercial enterprises to finance government *expenditure*. It can be *levied* upon wealth or income or in the form of **surcharge** on prices. In the first case it would be then called a direct tax and in the second an indirect tax.

Direct taxes

Taxes which have to be paid by the *taxpayer* direct to the government, such as income tax, capital gains tax, or inheritance tax are direct taxes.

The tax in wages and salaries (and business profits in the US) is called **income tax**. It is **reimposed** annually and is assessed and collected by the *Board of Inland Revenue*. It is **charged** at a **rate** known as the **standard rate**, to which are added graded increases of rate, called the **higher rates**, for higher taxable incomes. Persons receive certain **allowances**, which reduce the amount of tax that they pay. **Tax relief** is a tax-free amount allowed in calculating a taxpayer's **taxable** income, e.g. life insurance **premiums**, etc. (In Slovakia, 19% **flat rate** is applied, i.e. a simple income tax at one fixed rate at all levels of income.) A statement, which every taxpayer must by law make once a year, stating his income during the past tax year, and **claiming** allowances from taxable income is called a *tax return*.

Capital gains tax is charged on a gain (profit) resulting from the sale of an asset by a private taxpayer. (The tax is not charged on the gain made from the sale of a person's home, car, personal possessions sold for less than a certain sum of money, etc.)

Inheritance tax was introduced in Britain in 1986 to replace *capital transfer tax*. It is charged on the value of property transferred at death to an *heir*, and on the value of gifts made during the giver's lifetime. The rate of tax charged usually depends on the amount inherited and, in some countries, on the closeness of the relationship of the heir to the dead person, being low if the heir is close relation such as the *spouse* or a child.

In Britain the tax on business profits is called **corporation tax**. It is charged on the whole of the net trading profit of a company, whether they are paid as dividends or kept as reserves.

Indirect taxes

Property taxes, sales taxes, customs duties on imports and excise duties are indirect taxes.

Property tax is a tax charged on the value of real property, i.e. land and buildings.

Value-added tax (VAT) is a form of general sales tax charged as a percentage of the selling price of an article or commodity. It is added to the invoice at each stage of production and distribution, from manufacturer to wholesaler and retailer.

A government tax on certain goods and commodities such as a wide *range* of imports and some exports is called **customs duty or tariff**; on some home-produced things, such as alcoholic drinks and tobacco products, petrol and fuel oil, this tax or *levy* is called **excise duty**.

Action taken to avoid having to pay tax unnecessarily, using means that are not illegal is called **tax avoidance**. Using illegal means (e.g. making false declarations) of avoiding payment of a tax is called **tax evasion**.

Tax rates differ greatly among countries and corporate tax rates *vary* among industrialised nations. Less developed countries usually have lower corporate tax rates in order to attract foreign investment.

While taxation might create barriers to firms engaged in or seeking export or import trade, **incentives** may help to expand industry. Investment incentives differ from country to country and can take different forms.

- **Tax holiday.** A stated period of years during which a producer who sets up a new industrial unit enjoys the advantage of paying no tax on part or the whole of his profits.
- **Tax deductions.** Most incentives relate to *tax-deductible* items. Some countries allow 100% **depreciation** on machinery in the year of purchase, while others **grant** accelerated depreciation.
- **Cash grants.** Some countries offer them and often tie them to the number of jobs created and to the location of the investment.
- **Other incentives** of a monetary nature may include training allowances and research **subsidies**, low interest loans, etc.

Global expansion of import and export trade has created a number of taxation problems. Taxation that falls on the same source of income in more than one country is called **double taxation**. Such a situation happens when the same tax base, e.g. personal income, is taxed more than once. To avoid such situations a large number of **treaties (double taxation agreements)** have been concluded between countries to ensure that their own residents are not doubly taxed.

Multinational companies often establish their headquarters in low-tax countries such as Monaco, Liechtenstein, the Cayman Islands, and the Bahamas, known as **tax havens**. In the case of individuals, the cost of the tax saving is usually residence in the tax haven for a major part of the year.

VOCABULARY

Match the words from the texts with their corresponding definitions.

- | | |
|-----------------|---|
| 1 allowance | a an amount charged in addition to the usual amount or the amount already paid |
| 2 a subsidy | b a charge or payment fixed according to a standard scale |
| 3 premium | c something which encourages one to a greater activity |
| 4 to claim | d to establish an additional payment officially |
| 5 to grant | e to give someone something they have asked for |
| 6 to impose | f to ask money for something |
| 7 to charge | g to ask for, take or state that one should have (something to which one has a right) |
| 8 treaty | h the fact of falling in value |
| 9 rate | i money that is paid by government to make prices lower, reduce the cost of producing goods |
| 10 an incentive | j the amount of money that you pay to insure something |
| 11 depreciation | k a formal agreement between two or more countries |
| 12 surcharge | l something, esp. money, provided regularly for a special purpose |

I. Replace the expressions in italics with the words used in the text.

1. Government _____ (*spending or using up*) on education is rising.
2. The king's eldest son is the _____ (*the person who has the legal right to receive the property or title of another person, when that person dies*) to the throne.
3. The opposition criticised the new airport as a waste of _____' (*any persons or organisations that have a legal duty to pay tax*) money.
4. *The government department that collects direct taxes on income* is called the _____.
5. After entering the EU Slovakia started to _____ (*demand and collect officially*) a higher tax on tobacco.
6. The quality of their products never _____ (*is different, becomes different, changes*); it is always excellent.
7. In the shop there was a complete _____ (*set of different objects of the same kind; selection*) of gardening tools.
8. Fill in your _____'s (*person's partner's in marriage; husband's or wife's*) name here.

II. Explain the following notions: income tax, tax relief, tax return, flat rate, capital gains tax, inheritance tax, corporation tax, property tax, value-added tax (VAT), customs duty or tariff, excise duty, tax avoidance, tax evasion, tax holiday, tax deductions, cash grants, double taxation and tax havens.

Language focus

First and second conditional

- We use the first conditional to talk about the consequences of something which may possibly happen in the future.

If you **invest** your money in agriculture, you **will obtain** state subsidies.
We **ll give** you 7 per cent discount if you **pay** by cash.

Note that we use a present tense in the *if*-clause, and future tense in the main clause.

- We use the second conditional to talk about something which we think is unlikely to happen, or to refer to an imaginary situation.

What **would** you **do** if you **lost** your job?
If I **had** more money, I **would buy** more equipment.

- When the verb *to be* is used in the *if*-clause, we sometimes use *were* instead of *was*, especially after *I*.

If I **were** you, I **would sell** the shares.

Practice

1. Decide which of these things may happen to you and which are unlikely to happen. Write sentences using appropriate verb forms.

- a If / go abroad next summer / go to America.
- b If / need money / ask my parents.
- c If / fail all exams / go to University of Economics.
- d If / go on holiday / take out health insurance.
- e If / have an opportunity to study abroad / choose (not) the Czech Republic.
- f If / not back by 11 p.m. / stay in the hotel.
- g If / earn more / spend more.
- h If / order the flight tickets / pay less.
- i If / the letter of application be not well written and presented / make a poor impression.
- j If / make a poor impression on your English teachers / not get good references from them.

2. Read each statement and use the information to complete the sentence that follows it by putting the verbs in brackets into the appropriate conditional form.

a One of your clients has written to you applying for a mortgage. However, she has not included enough information about her financial situation.

If you ____ (have) complete information, you _____ (be able to) make a decision.

b A bank representative has just refused your request for a \$3,000 loan because you do not have enough money in your savings account.

If you ____ (have) more money on deposit, the bank _____ (lend) you the \$3,000.

c You have recently applied for a transfer from your present job in Vienna to another position with the company's Czech subsidiary.

If your application ____ (be) successful, you _____ (have to) move house to Prague.

d A friend has invited you to join him as a business partner. You feel that you do not have enough experience.

If you ____ (have) more experience, you _____ (accept) his offer.

e You have been instructed how to give presentations on selected topics.

If you _____ (keep) to the guidelines, you _____ (get) good marks.

f One of your business clients has just informed you that he is prepared to change banks unless you arrange more favourable credit terms.

If you _____ (not provide) him cheaper credit, you _____ (lose) him.

Zero conditional

Zero conditional sentences refer to 'all time', not just the present or future. They express the situation that is always true. *If* means *when* or *whenever*.

If it **freezes** hard the rivers and lakes **are** covered with ice.

If you **spend** over \$50 at that shop, you **get** a 5 per cent discount.

Unit 9

THE STOCK MARKET

The Stock Exchange is an organised market place where shares or stocks are bought and sold under fixed rules. Companies can **raise** money on the stock market or stock exchange in two different ways.

They can **issue shares** (US stocks) to institutional investors or the general public. Another name for stocks and shares is *equities*, because all stocks or shares of a company – or all those of a particular category – have an equal nominal value. Companies generally use a bank to **underwrite** the *issue*. This operation is not free. In return for a **fee**, the bank guarantees to purchase the security issue at an agreed price on a certain day in case there are no buyers for it. When an investor buys a share, using the services of a *specialist* company or **broker**, he or she becomes a **shareholder** (US stockholder) and owns a part of a company. Shares generally **entitle** their owner to vote at companies' General Meetings, to elect company directors and receive a dividend – a proportion of a company's *annual* profits. A dividend is expressed either as a percentage, or as a part of a pound/dollar, etc., e.g. pence/cents per share.

Companies can also borrow money from investors by issuing **bonds** – loans for fixed periods with fixed interest rates. Long-term government bonds or **gilt-edged securities** are securities with fixed interests bearing little or no risk of non-payment. The term securities refers to both shares and bonds.

The New York Stock Exchange (NYSE), is the largest stock exchange in the world (by dollar volume) and second largest by number of *listings*. Its share volume was exceeded by that of NASDAQ during the 1990s, but the total market capitalization of companies listed on the NYSE is five times that of companies listed on NASDAQ. (The NYSE agreed to merge with the fully electronic stock exchange Archipelago Holdings in late April 2005.)

The NYSE *trades* in a continuous **auction format**. There is one specific location on the trading floor where each listed stock trades. Exchange members interested in buying and selling a particular stock *on behalf of* investors *gather* around the *appropriate* post where a specialist broker, who is employed by a NYSE member firm (that is, he/she is not an employee of the New York Stock Exchange), acts as an auctioneer in an **open outcry** auction market environment to bring buyers and sellers together and to manage the actual auction. Most of the time natural buyers and sellers meet in a market that provides efficient price *discovery* in an auction environment that *is designed* to produce the fairest price for both parties. The human interaction and expert *judgement* as to order **execution** *differentiates* the NYSE from fully electronic markets. However, *in excess of* 50% of all order flow is now delivered to the floor electronically. Recent proposals have been made *to adopt* a Hybrid market structure combining elements of open outcry and electronic markets.

NASDAQ (originally an *acronym* for **National Association of Securities Dealers Automated Quotations**) is a U.S. electronic stock market.

NASDAQ allows *multiple* market participants to trade through its electronic communications networks (ECNs) structure, increasing competition. The Small Order Execution System (SOES) is another NASDAQ feature, introduced in 1984, to ensure that in '*turbulent*' market conditions small market orders are not forgotten but are automatically **processed**. With approximately 3,200 companies, it lists more companies and, on average, trades more shares per day than any other stock exchange in the world. It is home to companies that are leaders across all areas of business including technology, retail, communications, financial services, transportation, media and biotechnology. NASDAQ is the primary market for trading NASDAQ-listed stocks.

The Financial Times-Stock Exchange (*FT-SE*) *100 Share Index* (known as the "Footsie") records the average value of the 100 leading British shares, and is **updated** every

minute. The most important US index is the Dow Jones Industrial Average (DJIA). The NASDAQ-100 Index includes 100 of the largest domestic and international non-financial companies listed on The NASDAQ Stock Market based on market capitalization. The Index reflects companies across major industry groups including computer hardware and software, telecommunications, retail/wholesale trade and biotechnology. It does not contain financial companies including investment companies. The NASDAQ-100 Index is calculated under a *modified* capitalization-weighted methodology.

All these three indices show the movement of prices and yields.

VOCABULARY

Match the words from the text with their corresponding definitions.

- | | |
|-------------------------|--|
| 1 to raise | a to add the most recent information to something |
| 2 to issue | b to treat or deal with, esp. by means of an established system |
| 3 a share | c the way in which something is organised |
| 4 to underwrite | d to give someone the right to do something or have something |
| 5 fee | e fml. the carrying out, performance, or completion of an order, plan, or piece of work |
| 6 broker | f one of the equal parts into which the ownership of a company is divided |
| 7 auction | g payment for professional or special services |
| 8 gilt-edged securities | h securities paying a small rate of interest but unlikely to fail, and therefore considered safe |
| 9 to entitle | i to support with money and esp. take responsibility for possible failure |
| 10 execution | j to put into circulation |
| 11 to update | k to collect together |
| 12 open outcry | l an agent who advises his clients of what investments to make in buying and selling shares |
| 13 to process | m a public meeting at which valuables are sold to the person who offer the most money |
| 14 a format | n a method of trading by voice, when each dealer in the market calls out the commodities he wishes to sell or buy, and the price |

I. Replace the expressions in italics with the words used in the text.

- The New York Stock Exchange does not have the largest number of _____ (*the states of being included in a list, esp. of companies whose shares are traded*).
- NATO is one of the most famous _____ (*words made up from the first letters of the name of something*) in the world.
- This year's profits were _____ (*more than*) a million pounds.
- This is a book _____ (*planned or developed for a certain purpose or use*) mainly for use in colleges.
- This company does not _____ (*see or express the difference between; distinguish*) between men and women – everyone is paid the same rate.
- We have experienced a _____ (*having a restless or uncontrolled quality*) period of history.

7. The design has been _____ (*changed – a plan, a condition, the form or quality of something – esp. slightly*) to improve fuel consumption.
8. We _____ (*took and used as one's own*) their production methods.
9. Britain has built up her wealth by _____ (*buying and selling goods*) with other countries.
10. They have collected money _____ (*for, in the interest of*) the blind.
11. He is a man of _____ (*having many parts or elements*) interests.
12. A market analyst published his _____ (*opinion*) in the Financial Times yesterday.
13. What's your _____ (*of or for one year*) salary?
14. A crowd _____ (*came together*) to see what had happened.
15. Now that the problem has been identified, _____ (*rightly belonging to, correct for the particular circumstances*) action can be taken.
16. You need some _____ (*relating to or involving detailed knowledge or specific focus within a field*) advice.
17. The market provides efficient price _____ (*presentation*) in an auction environment.

II. Explain the following notions: equities, shareholder, bonds, FT-SE 100 Share Index.

Language focus

Third conditional

- We use the third conditional to talk about actions or events which did not happen in the past, but which could have happened.

*If you **had invested** money on the Stock Exchange, you **would have lost** a lot of money.*

Note that we use the past perfect tense in the *if*-clause, and *would have* + past participle in the main clause.

NOTE

It is possible for each of the clauses in a conditional sentence to have a different time reference, and the result is a **mixed conditional**.

*If we **had bought** a map (we didn't), we **would know** where we are (we don't).*

Practice

1. Put the verbs in brackets in the correct tense to form either the third or a mixed conditional.

- a** If we _____ (take) proper measures on time, we _____ (not go) bankrupt.
- b** If we _____ (hire) more personnel we _____ (expand) faster.
- c** If he _____ (work) harder he _____ (obtain) higher pay.
- d** If I _____ (know) anything about cars, I _____ (repair) my own car last month.
- e** If the inflation _____ (not rise) over the last months, the National Bank _____ (not raise) the interest rates.
- f** If Slovakia _____ (not join) the EU, we _____ (not use) their funds.

- g** If you _____ (open) a savings account with more than \$10,000, you _____ (receive) 3% interest.
- h** If they _____ (not take out) a mortgage, they _____ (not live) in that flat.
- i** If you _____ (not sell) your shares in 2001, you _____ (receive) dividends.
- j** If you _____ (borrow) the money from your parents you _____ (not have to pay) interest.

Vocabulary development

Phrasal verbs 1

1. Match the phrasal verbs on the left with the expressions on the right.

- | | | | |
|----|-------------|---|---|
| 1 | account for | a | continue, esp. in spite of an interruption, etc. |
| 2 | back up | b | take action about |
| 3 | break down | c | get rid of people or things of unacceptable quality |
| 4 | call off | d | prepare plans or documents |
| 5 | carry on | e | reject |
| 6 | carry out | f | fail |
| 7 | catch on | g | invent a story, esp. in order to deceive |
| 8 | deal with | h | be a particular amount of something |
| 9 | draw up | i | support |
| 10 | find out | j | draw attention to |
| 11 | give up | k | become popular |
| 12 | make up | l | stop doing or having something |
| 13 | point out | m | establish |
| 14 | set up | n | perform, do |
| 15 | turn down | o | cancel |
| 16 | weed out | p | get some information, discover |

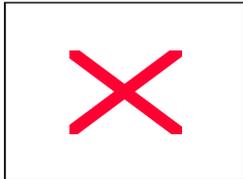
2. Complete the sentences below using the phrasal verbs in their correct forms from exercise 1.

- Our company has enough reserves to _____ such a situation.
- They criticised our last Annual report and _____ a lot of untrue stories.
- The company has to _____ cost and sales analyses of the entire product line and then _____ poorly performing products.
- About 20% of firm's products _____ most of its sales.
- The managers probably won't _____ without fight, but they have no choice.
- The chief financial officer _____ our budgets and asked us to _____ new ones. And what's worse, the production people _____ him _____.
- Peugeot _____ a company in Slovakia.
- The meeting has been _____ because several people are unable to attend.
- May I _____ that if we don't leave now we will miss the bus?
- It is a popular style in Britain, but it will never _____ in America.
- The negotiations _____ without any agreement being reached.
- Nobody could **find out** how to operate the machine.
- We can **carry on** our discussion after lunch.

Skills focus

Reading

Read the following authentic headlines as well as the news section and decide in each case whether they reflect a good or poor performance of the company. You may need a dictionary to help.



Big 3 auto sales slump

3:52pm: U.S. sales tumble in June; GM sees nearly 26 percent decline. [\(more\)](#)

Manufacturing growth slower than expected

11:17am: ISM's monthly gauge comes in at 53.8, below the 55.0 expected by economists. [\(more\)](#)

Surprise drop in construction: report

10:12am: Homebuilding dropped 0.4 percent - double analysts' predictions, sign of a cooling market. [\(more\)](#)

Nissan board OKs talks with GM

9:45am: Directors approve discussions on an alliance with General Motors and Renault. [\(more\)](#)

Wal-Mart sales near low end of forecasts

6:16am: No. 1 retailer's 'same-store' sales rise 1.2 percent; higher gasoline prices weigh on customer spending. [\(more\)](#)

MORE NEWS

- Merge Tech CEO, CFO resign; shares plummet
- Report: CEOs flood back to the Big Apple
- Paulson gets \$18.7M Goldman bonus
- Hedge funds fall flat in June
- Personal income, spending higher in May
- Kerkorian steps up the pressure | Stock soars
- Shake-up fails to rouse Airbus parent
- Cendant to sell travel unit for \$4.3B
- Scrusby, former Alabama governor found guilty
- NYSE revamps trading fees
- Paper backs off Verizon, BellSouth story

This is the list of sectors in which stocks / shares are arranged.

Stock Sectors

Aerospace &	Energy
Defense	Financial
Airlines	Materials
Automotive	Media &
Biotechnology	Entertainment
Consumer	Pharmaceuticals

Products Retail
Food & Beverages Technology
Homebuilders
Manufacturing

Many media have a financial section, which includes information about the share prices of listed companies. This information enables you to follow the progress of any shares that you own or may be thinking of buying.

<i>Change</i>	This shows how much the closing price of the share changed in comparison with the previous day's closing price. For example Barclays closed 1.50 pence higher than the previous day.
<i>Offer</i>	The price at which the seller is willing to sell.
<i>Bid</i>	The price at which the intending buyer is willing to buy a stock or share.
<i>Stock name</i>	The name of the share / stock.
<i>High / Low</i>	These columns show the highest and lowest prices (in pence) for the shares during the current year.
<i>Close</i>	The last market price of a security late in the afternoon of the particular day.
<i>Open</i>	The market price of a security early in the morning of the particular day.
<i>Volume</i>	The total number of shares traded on the Stock exchange on a particular day.
<i>Mid</i>	The middle market price, i.e. the price halfway between the bid price and the offered price.

Unit 10

INSURANCE

Insurance is designed to provide a sum of money to compensate for any losses or damage suffered as a result of a **risk** that has been *insured against* in a specific insurance **policy**, such as fire, accident, *theft*, loss, damage, injury or death. People pay **premiums** to insurance companies, which use the money to **indemnify** those who suffer loss or damage, etc. Some people also use insurance policies as a way of saving. *Life assurance* policies usually pay a certain sum on a specific date - for example, when a person retires, or earlier if the person dies.

Insurance companies, like pension funds, are institutional investors that place great amounts of money in various securities: shares, bonds, government bonds, etc. Insurance companies generally employ their own agents who sell insurance to customers, but there are also brokers who work with several companies, selling insurance in return for a **commission**. If a particular insurance company considers that the risk it has **underwritten** is too big, it might share the business with other companies, by way of **reinsurance**, i.e. taking responsibility for a fixed part of any loss, and receiving a like proportion of the premiums.

Lloyd's of London is a unique international insurance market. It is a corporation of **underwriters** and insurance **brokers**. Lloyd's itself does not underwrite insurance business; all its business comes to it from some 260 Lloyd's brokers, who are in touch with the public, and is underwritten by some 279 *syndicates* of Lloyd's underwriters, who are **approached** by the brokers and who do not, themselves, contact the public.

Approximately 20,000 Lloyd's underwriters must each deposit a *substantial* sum of money with the corporation and accept unlimited liability before they can become members. The members or "*names*" are grouped in syndicates. They share in the profits or losses of the syndicates and provide the risk capital. Lloyd's brokers look for the best **quotation** on behalf of their clients.

There are many kinds of insurance contracts, all of which fall within one or other of the four main classes: accident, fire, life and *marine*. In the following section we will deal with only a few of them.

Motor vehicle insurance

It is a special section in the accident insurance class covering the owner of a motor vehicle against damage or loss due to an accident, fire, theft, etc.

Theft insurance

It includes policies insuring against loss where the main risk is from stealing, such as all-risk policies, money policies, and sometimes policies for business premises and private houses.

Third party insurance

Third party is a party, who is not one of the parties who make a contract, but who is intended to *benefit* under the contract if he/she suffers loss or injury as the result of some *negligent* act of the insured. The first and second parties to an insurance contract are the insurer and the insured; a third party is a person whom a legal liability is owed.

Liability insurance

A group of policies that protect the insured person against his liability to pay compensation for bodily injury, sickness or death or for damage to property. Such liability may *arise* esp. in the use of motor vehicles, the **exercise** of profession (such as medicine and law), the running of a business (employer's liability, etc.) and in private life.

Life insurance (or assurance)

This insurance relates to an **inevitable** event, i.e. one that must happen at some time, such as person's death, or the date he/she reaches a certain age.

Why buy life insurance? The main reason for insuring your life is to replace an income you are *generating* that someone else relies on. The most common case is a one- or two-earner family with young children. If an earner dies, life insurance can enable the survivors to go on without having to make financial *sacrifices*.

Life insurance can also pay for one-time costs that are connected with death, such as funeral and *burial* costs, administration costs (e.g., for **probate** and transferring **title** to property to the heirs), *estate* and inheritance taxes, and **outstanding** debts (such as final medical expenses not covered by health insurance).

Annuity insurance

Life **spans** in the United States have been increasing for over a hundred years. It is now common for people who reach retirement age to live 20 years or more in retirement, most of those years in good health. It's good to live a long and full life, but you want to be sure that your income lasts as long as you do, and its purchasing power is as strong as you are. How can you manage the risk of "outliving your assets"?

Annuities are a unique financial product that, along with Social Security, employer pensions and other assets, can *enhance* your retirement security.

VOCABULARY

Match the words from the text with their corresponding definitions.

- | | |
|-----------------|---|
| 1 a risk | a the legal process of deciding that someone's will has been properly made and can be carried out |
| 2 a policy | b the legal right to ownership or possession |
| 3 span | c the use of the stated power or right |
| 4 to indemnify | d to take responsibility for fulfilling an insurance agreement |
| 5 to underwrite | e to speak to someone, esp. in order to make a request or suggestion for the first time |
| 6 a quotation | f a contract with an insurance company |
| 7 exercise | g a fixed sum of money paid each year to a person for a stated number of years or until death |
| 8 probate | h a length of time over which the stated thing continues or works well |
| 9 title | i the calculated cost of a piece of work or a service |
| 10 annuity | j the dangers inherent in business and life |
| 11 to approach | k to pay someone for loss, hurt, or damage |

Practice

1. Report the following statements and questions.

1. "I have never been to America," she said to me. She told me _____.
2. "Lunch is served between 11.00 and 14.00." The receptionist said that _____ between 11.00 and 14.00.
3. "I can't help you." She said _____.
4. "I went to London last summer." He boasted _____.
5. "The play will be interesting." I thought _____.
6. "You shouldn't smoke!" the doctor said. The doctor told me that _____.
7. "Where do you live?" They asked me _____.
8. "How can I get to the airport?" I asked the policeman _____.
9. "Where is the bank?" I asked local people _____.
10. "Did you send them a postcard?" She asked me if _____.

2. Below are the answers given by car drivers during a market research survey about their experience of buying fuel. Write the drivers' answers in reported speech.

1. I did so at least three times.
2. I am satisfied with the services provided.
3. I would like to see improvements in certain areas in the future.
4. I would feel more relaxed if I didn't have to do the work of refuelling my cars by myself.
5. I rarely have the oil checked.
6. I have never complained about a low quality of petrol.
7. The price influences my decision most.
8. I clean my windscreen or check the air pressure.
9. I have been refuelling at this petrol station for 2 years.
10. I am going to pay cash.

What were the questions?

3. The following sentences are extracts from a speech given by Arthur Burns, the Marketing Manager of West Tobacco Products, at a meeting with members of his department. Put each one into reported speech using the verbs in brackets.

- a/ "Let me refresh your memories about the importance of the Asian market." (*remind*)

- b/ "I believe that China can be the world's most lucrative market." (*claim*)

- c/ "That is why we established manufacturing joint ventures there." (*explain*)

- d/ "Another point about the Chinese market is that the industry is dominated by China's state tobacco monopoly." (*add*)

- e/ "Furthermore, China is planning to ban cigarette advertising in the media." (*announce*)

f/ "I would say that the reason for the ban is that China wants to respect international standards more." (*think*)

g/ "I guarantee that the department has already looked into other alternatives to advertising." (*promise*)

h/ "I have to make you aware of the danger of this law." (*warn*)

Vocabulary development

Phrasal verbs 2

Three-part phrasal verbs are transitive (followed by an object) and consist of a verb, an adverb particle and a preposition.

Replace the words in italics with three-part phrasal verbs. Use a word from each box in the correct form.

come (2 x)	out	for (2 x)
catch	down	to
miss	away	with (3 x)
cut	up (3 x)	on (2 x)
do	forward	
look	in	
make		

- a** I'm very _____ (*excited about, expecting with pleasure*) retiring next year.
- b** The director has _____ (*received*) a lot of criticism lately.
- c** If we don't submit an offer, we may _____ (*fail to benefit from something useful*) a good opportunity.
- d** The airline has _____ (*thought of, produced, created*) a novel solution to the problem of jet-lag.
- e** Nothing can _____ (*compensate for with something good*) missing such a good chance.
- f** The doctor told him to _____ (*reduce the amount or size of something*) smoking.
- g** The government _____ (*caused to end, stopped having or doing something*) free school meals.
- h** At the moment our technology is more advanced than theirs, but they are _____ us (*coming up from behind and reaching the same level as*) fast.

Skills focus

Reading

GLOSSARY OF INSURANCE TERMS

There are a great many insurance terms. The selected ones are arranged in alphabetical order.

ACTUARY

An insurance professional skilled in the analysis, evaluation, and management of statistical information. Evaluates insurance firms' reserves, determines rates and rating methods, and determines other business and financial risks.

ADJUSTER

An individual employed by a property/casualty insurer to evaluate losses and settle policyholder claims. These adjusters differ from public adjusters, who negotiate with insurers on behalf of policyholders, and receive a portion of a claims settlement. Independent adjusters are independent contractors who adjust claims for different insurance companies.

AGENT

Insurance is sold by two types of agents: independent agents, who are self-employed, represent several insurance companies and are paid on commission, and exclusive or captive agents, who represent only one insurance company and are either salaried or work on commission.

ANTITRUST LAWS

Laws that prohibit companies from working as a group to set prices, restrict supplies or stop competition in the marketplace. The insurance industry is subject to state antitrust laws but has a limited exemption from federal antitrust laws. This exemption, set out in the McCarran-Ferguson Act, permits insurers to jointly develop common insurance forms and share loss data to help them price policies.

APPRAISAL

A survey to determine a property's insurable value, or the amount of a loss.

ARBITRATION

Procedure in which an insurance company and the insured or a vendor agree to settle a claim dispute by accepting a decision made by a third party.

ARSON

The deliberate setting of a fire.

AUTO INSURANCE POLICY

There are basically six different types of coverages. Some may be required by law. Others are optional. They are:

1. Bodily injury liability, for injuries the policyholder causes to someone else.
2. Medical payments or Personal Injury Protection (PIP) for treatment of injuries to the driver and passengers of the policyholder's car.

3. Property damage liability, for damage the policyholder causes to someone else's property.
4. Collision, for damage to the policyholder's car from a collision.
5. Comprehensive, for damage to the policyholder's car not involving a collision with another car (including damage from fire, explosions, earthquakes, floods, and riots), and theft.
6. Uninsured motorists coverage, for costs resulting from an accident involving a hit-and-run driver or a driver who does not have insurance.

AUTO INSURANCE PREMIUM

The price an insurance company charges for coverage, based on the frequency and cost of potential accidents, theft and other losses. Prices vary from company to company, as with any product or service.

Premiums also vary depending on the amount and type of coverage purchased; the make and model of the car; and the insured's driving record, years of driving and the number of miles the car is driven per year. Other factors taken into account include the driver's age and gender, where the car is most likely to be driven and the times of day – rush hour in an urban neighborhood or leisure-time driving in rural areas, for example. Some insurance companies may also use credit history-related information.

Unit 11

MARKETING

Marketing is the process involving activities intended to make and attract a profitable **demand** for a product by means such as advertising, sales promotion, pricing, carrying out *market research*, and developing and testing new products. The four *variables* which a company may skilfully use to strengthen demand for its products – product, price, promotion and place (i.e. distribution channel) are often referred to as “The Four Ps” or *marketing mix*.

Product advertising is an important part of the marketing mix. Its aim is to increase sales by making a product or service known to a wider *audience*. A company can advertise in a large number of ways, depending on the size and type of people it wishes to **target**. The different media for advertising include radio, television, newspapers, magazines, the Internet, or direct mail.

Corporate advertising is not directly concerned with increasing sales of a particular product or service, but more with the brand image, or picture, a company wants to present to the public.

Sales promotion is the work of selling the product by all useful methods such as: personal *persuasion* of possible customers by visit, phone or letter; exhibitions, displays and demonstrations; competitions for prizes; free *samples*; *trading stamps*, etc.

The most important factors in **pricing** decisions are production costs (including overheads), the level of demand and the *current* market price. Of course, broader company objectives, such as profit and sales targets or market location, are also important. There are also a lot of circumstances that might make companies change their prices: *excess* production capacity or falling market share on the one hand, or the demand that exceeds **supply**, on the other. In general, the lower the price, the greater the sales, but there are **numerous** exceptions. For example, *price cuts* can have unpredictable psychological effects: buyers may believe that the product is of lower quality, or will be soon replaced. Similarly, price rises convince some customers that the product must be of high quality, or will soon become very hard *to get hold of*.

Two *major* aspects of marketing are the recruitment of new customers (acquisition) and the **retention** and expansion of relationships with existing customers.

Marketing can also be classified by the way the marketing messages are communicated to the *target audience*. Direct marketing is a form of marketing that *attempts* to send its messages directly to consumers, using “addressable” media, such as mail. Therefore, direct marketing differs from *regular* advertising in that it does not place its messages on a third party medium, or in the agora, such as a **billboard** or a radio commercial would. Instead, the marketing of the service or commodity is addressed directly to the end consumer.

Culture. One of the most difficult barriers to international trade is the problem of culture. Many marketing programs have *gone wrong* because of misunderstandings and many products, otherwise perfectly acceptable to foreign markets have failed of mistakes in the communication process.

Language can **prove** to be an *insurmountable* obstacle to marketing on an international scale if firms are not **sensitive** to different interpretations of common terms.

Packaging. Beyond the product itself, packaging can be used to increase the likelihood that consumers will respond *favourably* to a firm's product. Package design can **facilitate** communication on two levels: on the informational level, by identifying the brand and providing *ingredients* and *directions*, and on the promotional level, by differentiating the product from competing products through sales messages that **emphasise** product features and benefits.

Sales support. A **vendor** often offers additional **inducements** to *prospective* buyers in the form of after-sales service. The service comes in two stages. *Initially*, there is a period of *guarantee* during which faults must be corrected by the vendor without charge. Then, when the **guarantee** has **expired**, the manufacturer agrees either to inform the customer of centres where qualified staff can make repairs and supply new parts, or he provides the service himself.

VOCABULARY

Match the words from the text with their corresponding definitions.

- | | |
|-----------------|--|
| 1 demand | a the amount of goods and services offered for sale |
| 2 to target | b to give special force or attention to show importance of something |
| 3 supply | c the amount of goods and services that people actually want to buy |
| 4 retention | d a person who sells something |
| 5 a billboard | e a formal declaration that something will be done, esp. a written agreement by the maker of the article to repair or it replace it if it is found to be imperfect within a certain period of time |
| 6 to facilitate | f (of something which lasts for a period of time) to come to an end; run out |
| 7 a vendor | g fml. the state or action of keeping possession of; avoid losing |
| 8 to emphasise | h to cause to have an effect on a particular, intentionally limited group |
| 9 inducement | i a public space reserved for advertisers to put their ads on |
| 10 sensitive | j fml. many |
| 11 to expire | k to show (oneself or itself) afterwards or in the course of time or experience, etc., to be |
| 12 guarantee | l something which provides encouragement to do something |
| 13 numerous | m able to understand others' feelings |
| 14 to prove | n fml. to make easy or easier; help |

I. Replace the expressions in italics with the words used in the text.

- Many companies face _____ (*too large, difficult to be dealt with*) problems.
- They are giving away _____ (*small amount of a product that allows one to find out what it is like*) bottles of this new kind of cooking oil.
- _____ (*at the beginning*), she opposed the plan, but later she changed her mind.
- He has collected _____ (*types of stamps given by a shop to a customer each time the customer spends a certain amount, for sticking in a book and later exchanging for goods or money*) for six months.

5. _____ (the part not being used) production capacity leads to changes in prices.
6. There are too many _____ (things which can vary in quantity and size) to predict the result accurately.
7. Do you want _____ (ordinary, without any extra or special features) or diet cola?
8. It's almost impossible to _____ (find something that you want or need) tickets for the final.
9. In spite of my effort at _____ (the act or skill of making someone willing to do something by reasoning, arguing, repeatedly asking, etc.), he wouldn't agree.
10. Flour and fat are the most important _____ (any of the things that are formed into a mixture when making something).
11. Shipbuilding used to be one of Britain's _____ (greater when compared with others in size, number, importance or seriousness) industries.
12. I can't see where I _____ (made a mistake, e.g. in following a method).
13. Simple _____ (instructions about how to do something, where to go, etc.) for assembling the model are printed on the box.
14. Her book was _____ (positively and showing your good opinion of somebody / something) received.
15. The second question was so difficult I didn't even _____ (make an effort at; try to do something) it.
16. They are expecting profits over \$5 million in the _____ (happening now, of the present time) year.

II. Explain the following notions: marketing, marketing mix, market research, product advertising, corporate advertising, sales promotion, media for advertising, pricing, price cuts, audience, culture, packaging, sales support.

Language focus

Gerund or infinitive

- We use the gerund:

1 after certain verbs, for example:

admit	appreciate	avoid	consider
enjoy	finish	imagine	involve
postpone	propose	stop	suggest

The company has finished **advertising** the product.

2 as the subject of a sentence.

Breaking into emerging markets was their success.

3 after prepositions, for example:

after	before	by	when	while	without
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He left the party without **saying** goodbye.

4 after verbs and expressions followed by prepositions, for example:

to be interested in	to be good at	to be fond of	to be used to
instead of	to think of/about	to look forward to	to feel like
to succeed in	to approve of	to insist on	to object to

*She succeeded in **getting** the job.*

5 after these expressions.

to have difficulty	it's no good	it's not worth	it's no use
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*The food is not worth **eating**.*

- We use the infinitive:

1 after certain verbs, for example:

afford	agree	choose	decide
forget	help	hope	learn
manage	offer	plan	promise
refuse	seem	tend	threaten

*The incident threatens **to ruin** his chances in the election.*

2 after modals, either with or without *to*.

Verb + infinitive with <i>to</i>		
have to	ought to	used to

Verb + infinitive without <i>to</i>		
can	might	should
could	must	will
may	shall	would

*We **ought to handle** these bags with due care.*

*He **might get** there in time, but I can't be sure.*

- Some verbs can be followed by either a gerund or an infinitive.

start	continue	need	hate	like
begin	remember	stop	try	hate

*I hate **to work** long hours at the weekend.*

*I hate **working** long hours.*

- Some of these verbs have different meanings depending on whether they are used with the gerund or the infinitive.

to remember + gerund = to keep in memory something done in the past

to remember + infinitive = not to forget to do something

I remember seeing the commercial on TV last week.

Remember to send the order before 2 PM.

to try + gerund = to do something as an experiment, for example to see if it is successful

to try + infinitive = to make an attempt to do something

We tried growing all our own vegetables.

The two sides are still trying to reach an agreement.

Practice

Gerund or infinitive

1. Put the verbs in brackets in either the gerund or infinitive form.

Research conducted in 23 countries has shown that social and demographic factors as well as the marketing strategies of multinational food and drink companies tend _____ (*make*) the lifestyles and eating habits of different European countries alike.

There are several reasons for the increasing uniformity in consumption in Europe: birth rates keep on _____ (*fall*), thus creating smaller households which rely on _____ (*use*) microwaves and convenience foods. The number of one-person households in Europe also continues _____ (*grow*) rapidly.

The aggressive marketing strategies of multinationals can also _____ (*play*) a key role in _____ (*change*) buying habits. After _____ (*win*) a major share of a market, companies often decide _____ (*expand*) into new markets and make every effort _____ (*attract*) new consumers. For instance, the French, who used _____ (*have*) croissants for breakfast, now enjoy _____ (*eat*) breakfast cereals. The British have become fond of _____ (*drink*) mineral water and Spaniards are beginning _____ (*buy*) frozen pizzas and tomato ketchup more than ever.

With companies looking for new markets and increased choice for consumers, Europe's gastronomic diversity may _____ (*end*).

2. Put the verb in brackets in either the *-ing* form or the infinitive.

a I like _____ (*cook*) roast-beef for Sunday lunch.

Do you like _____ (*cook*)?

b I started _____ (*play*) tennis last summer.

Look! It's starting _____ (*rain*).

c I have tried _____ (*open*) the window.

If you can't fall asleep try _____ (*count*) sheep.

d John stopped _____ (*have*) a cigarette.

Stop _____ (*make*) complaints. Do it yourself!

e I remember _____ (*lock*) the door.

Remember _____ (*lock*) the door when you leave the house.

Zoznam použitej literatúry

OXFORD Advanced Learner's Dictionary
LONGMAN Dictionary of Contemporary English
LONGMAN Dictionary of English Language and Culture
OXFORD Dictionary of Finance and Banking
LONGMAN Dictionary of Business English
The Penguin International Dictionary of Finance

Lannon, Tullis, Trappe: Insights into Business
Tullis, Trappe: New Insights into Business
McKenzie: Financial English
McKenzie: Management and Marketing

http://www.gm.com/company/corp_info/profiles/
<http://www.onrec.com/content2/news.asp?ID=12022>
<http://www.prweb.com/releases/2006/6/prweb395166.htm>
<http://www.onrec.com/content2/news.asp?ID=11990>
<http://www.iii.org/media/glossary/>
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