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Economy		CEO	Business	JV
Banking		VAT	promotion	selling
Initial Public Offering	R&D	4 P's	trader	Stock Exchange
Institute of Finance & Economics	B2C	ROUBLE	Liabilities	Ltd @ Plc \$ memo
Director	Contracts	Tranche	Team	Fair value balance
overdraft				
FTSE 100		\$ bln	Account	CIF
Manager			Auditing	Costs
taxes			promotion	100 %
CV			Markets data	
			financing costs	BALANCE SHEET

Учебное пособие
по английскому языку
для студентов
экономических специальностей

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для студентов экономических специальностей

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Утверждено на заседание кафедры Иностранных языков в сфере экономики, бизнеса и финансов ИЭиФ К(П)ФУ и Ученого Совета ИЭиФ КФУ.

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Данное учебное пособие – преемственное продолжение учебного пособия «Learningenglish1.ru», адресованное студентам экономических факультетов. Материалы пособия направлены на формирование общекультурной, коммуникативной и профессионально-направленной компетенций студентов, изучающих английский язык. Структура пособия представляет собой ряд учебных модулей, содержащих аутентичные тексты экономического профиля, отбор которых осуществлялся на основе сопутствующих и опережающих междисциплинарных связей. Для каждого модуля характерно наличие текстов, упражнений, тренирующих и закрепляющих различные навыки работы с текстами, задания для освоения активной лексики, совершенствования навыков устной речи. Грамматический материал представлен в отдельном модуле, в котором, помимо теоретической части, содержатся разнообразные тренировочные упражнения. Пособие содержит англоязычный вокабуляр по каждому модулю.

Для студентов экономических специальностей.

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ПРЕДИСЛОВИЕ

Данное учебное пособие предназначено для студентов экономических факультетов.

Целью учебного пособия является формирование общекультурной и коммуникативной компетенций студентов средствами английского языка, что предполагает владение понятийным аппаратом экономического и финансового профиля, знание грамматических структур, стилистических особенностей английского языка, расширение и закрепление навыков чтения оригинальных текстов, подобранных на основе междисциплинарных связей, использование речевых образцов, развитие умений студентов самостоятельно высказываться в устной и письменной формах.

Пособие состоит из четырех разделов, в каждом по три модуля, что помогает тематически структурировать материал. Каждый раздел содержит несколько основных текстов, задания к ним способствуют формированию умений извлекать информацию из прочитанного материала, самостоятельно высказываться по предложенной тематике. Содержание модулей позволило объединить важные составляющие речевой деятельности: чтение, говорение, аудирование, письмо.

Особое внимание уделяется усвоению грамматического материала, представленного в учебном пособии с опорой на экономическую терминологию. Разнообразные упражнения предназначены для закрепления и контроля грамматических явлений.

Лексическая составляющая пособия отражает достаточный набор терминов и понятий экономического и финансового профиля, что способствует формированию понятийно-терминологического аппарата будущего специалиста и позволяет студентам вести беседу на темы, связанные со специальностью. В начале каждого модуля предлагается активный лексический минимум.

Тематика учебного пособия включает: Organizations (Types of Businesses, Alliances, Management), Marketing (Marketing, Marketing Mix, Advertising), Finance (Investments, Banking, Accounting), Global Forces (Globalization, International Trade, Business Correspondence).

Учебное пособие содержит аутентичные тексты для дополнительного чтения, которые можно использовать для самостоятельной работы студентов (модуль Additional Reading).

Материалы учебного пособия прошли апробацию в Институте экономики и финансов К(П)ФУ на кафедре иностранных языков в сфере экономики, бизнеса и финансов.

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UNIT 1

ORGANISATIONS

Module 1 Types of businesses

Starting up

A. Discuss the following questions.

- ❖ Are you interested in the world of business?
- ❖ What kinds of people are good at business? Who would be your business model?
- ❖ Is it easy to start a business in your country? What advice would you give to people starting in business?
- ❖ What would be your main business goal?

B. Read the text, give the main idea and summarize the key points about business.

New businesses are set up by entrepreneurs. There are both risks and benefits involved in setting up a new business. A business is any organization that makes goods or provides services. Goods are physical products - such as burgers or cars. Services are non-physical items - such as hairdressing. Customer needs are the wants and desires of buyers.

There are many types of business. These range from small firms owned and run by just one self-employed person, through to large companies which employ thousands of staff all over the world. Nearly half a million businesses start up every year. A business start-up is a new firm operating in a market for the first time. In order to create goods and services, a business buys or hires inputs such as raw materials, equipment, buildings and staff. These inputs are transformed into outputs called products. These products are the goods and services used by consumers. Production is the business activity of using resources to make goods and services.

The skill involved in wanting to start and run a business is called enterprise. The individual who sets up their own business is called an entrepreneur. There are several reasons why entrepreneurs are willing to take a calculated risk and set up a business. Possible motives include:

- making a profit. A business does this by selling items at a price that more than covers the costs of production. Owners keep the profit as a reward for risk-taking and enterprise.
- the satisfaction that comes from setting up a successful business and being independent.
- being able to make a difference by offering a service to the community such as a charity shop or hospice.

C. Study the following expressions with the word “business” and do exercise given below.

a) business trip	командировка, деловая поездка
b) business lunch	деловой обед
c) business hours	часы работы
d) business address	адрес фирмы, компании
e) business card	визитная карточка
f) business corporation	коммерческая корпорация
g) for business purpose	с деловой целью, для бизнеса
h) in a businesslike manner	в деловой обстановке, по-деловому
i) to go into business	заняться бизнесом
j) to go out of business	обанкротиться
k) to start/ set up one's own business	начать/создать своё собственное дело
l) to carry on/run a business	вести дело
m) to shut down/stop the business	останавливать дело
n) to get down to business	заняться делом
o) on business	по делу
p) big business	крупный капитал
q) mind your own business	занимайся своим делом

- 1) When you go somewhere on business it's a
- 2) A small piece of paper with your name, surname and address is a
- 3) Your firm is situated in Pushkin St. 23. It's your
- 4) Don't ask me!
- 5) He a year ago. Now he has got a lot of money.
- 6) We met in a small café and discussed our plans
- 7) He has got 5 factories in Russia and abroad. - I know, he has
- 8) When you have a meal with your business partners it's a
- 9) You must work from 9 a.m. till 5 p.m. It's your
- 10) Many small businesses have gone bankrupt recently and I too.

D. Read and reproduce the dialogue paying attention to the expressions in bold.

Interviewer: When did you first **go into business**?

David: I **set up** a small **business** selling office supplies in 1989, filing systems, office equipment and so on. In 1991 I went into partnership with my old friend. We **made a loss** for the first two years, but then things got better and we've **made a profit** most years ever since. But there have been bad times too.

Interviewer: In what way?

David: Well, during the economic recession of the early 1990s, a lot of small **businesses were going under**, and I thought our business **would fold**, but we survived. All around us, small firms were **going bankrupt**. But in 1994 we won a contract, despite stiff competition, to supply the local government offices, and that was an important moment for us. We **took on staff** and expanded. And we were proud that we had created jobs for local people at a time

when unemployment was high. Our sales figures improved steadily, and soon we had an **annual turnover** of more than ten million dollars.

Interviewer: So what's the secret of your success?

David: Well we're quite cautious¹. For instance, we always **carry out market research** before **launching a new product**. But also, we set a high value² on customer service³, especially after-sales service⁴. But at the end of the day⁵, **running** a successful **business** is a combination of hard work, luck and intuition.

Interviewer: Finally, there are rumors that you may **float the company** on the stock market.

David: At the moment we have no intention of **going public**, and people shouldn't believe everything they read in the newspapers!

E. Match the words and word combinations.

1) to fold	to fail financially, to be unable to pay debts
2) to go into business/ to set up a business	to start selling shares in a business or company for the first time
3) to take on staff	to be involved in the process of collecting information about markets
4) to float the company/ to go public	to start working in a particular group of people for doing business
5) to make a profit	to close because of not being successful
6) to go under/ to go bankrupt	amount of business a company does in a year
7) annual turnover	to fail to keep money
8) to carry out market research	to be in charge of the company
9) to make a loss	to create or establish a business
10) to run a business	to start selling a product
11) to go into partnership	to employ somebody, to hire
12) to launch a product	to make money

Reading 1: Types of Businesses

A. Study the topical vocabulary.

sole trader/sole proprietorship	индивидуальное / частное предпринимательство
to be liable for/to be responsible for debts	нести ответственность за долги
to have unlimited liability	иметь неограниченную ответственность
to have limited liability	иметь ограниченную ответственность
advantage (over smth.)	преимущество (над чем-либо)
disadvantage/drawback	недостаток

¹ being careful about what you say or do a company has sold during a particular period of time

² to pay great attention to

³ the way in which company treats its customer

⁴ help provided to the customers after they have bought a product or service

⁵ finally

start-up cost	издержки освоения нового предприятия
to make decision	принимать решение
to keep profit	оставлять прибыль себе, распоряжаться ею
to share	делить, распределять
partnership	товарищество
sleeping partners	негласный партнер, пассивный партнер
to sue	подавать иск
assets	имущество
shareholder	акционер
to apply for a corporate charter	подать заявку на корпоративный патент
officer	должностное лицо
to supervise daily management	осуществлять ежедневное руководство
to have a final authority	иметь решающее слово
Board of Directors	Совет Директоров
private limited company (Ltd)	закрытая акционерная компания
transfer of shares	размещение акций
stock exchange	фондовая биржа
to be traded	торговать
public limited company (plc)	акционерная компания открытого типа
joint venture	совместное предприятие
franchising	франшиза
franchisee	предприятие, получившее право продажи марочного товара фирмы
franchisor	франшизодатель
retailer	розничное предприятие, фирма
non-profit corporation	некоммерческая корпорация
to be exempt from taxation	не подлежать налогообложению

B. Before you read discuss the following questions.

- 1) What should you do before starting your own business?
- 2) What kind of organization do you want to work for?
- 3) Do you expect to have one immediate boss, to work for more than one superior or to be part of a team?

C. Read the text and name the main types of businesses mentioned in it.

Sole trader /sole proprietorship

A sole trader is the simplest form of business organization. It describes any business that is owned and controlled by one person - although they may employ workers. Individuals who provide a specialist service like plumbers, hairdressers or photographers are often sole traders.

In the eyes of the law, the business and the owner are the same. As a result, the owner is personally liable for the firm's debts and may have to pay for losses made by the business out of their own pocket. This is called *unlimited liability*.

This type of business has the following advantages: it is easy to set up as no formal legal paperwork is required, generally; only a small amount of capital needs to be invested, which reduces the initial start-up cost; as the only owner, the entrepreneur can make decisions without consulting anyone else; the owner keeps profit. Along advantages there are also disadvantages: sole trader has no one to share the responsibility of running the business with; he often works long hours and he may find it difficult to take holidays or time off if he is ill; he faces *unlimited liability* (owner is personally liable for all debts) if the business fails.

Partnerships

Partnerships are businesses owned by two or more people but no more than twenty. They share profit usually by agreement according to their contributions. Doctors, dentists and solicitors are typical examples of professionals who may go into partnership together and can benefit from shared expertise. Some advantages of partnership are that there is someone to consult on business decisions and more capital.

The main disadvantage of a partnership comes from shared responsibility. Disputes can arise over decisions that have to be made, or about the effort one partner is putting into the firm compared with another. Like a sole trader, partners have *unlimited liability*. Moreover there is more paperwork and interpersonal relations between partners may require both time and tact.

There may also be "sleeping partners" who own a share of the business contributing capital to the business, but do not participate in its organization and management.

Limited companies

A limited company is incorporated, which means it has its own legal identity and can sue or own assets in its own right. The ownership of a limited company is divided up into equal parts called shares. Whoever owns one or more of these is called a shareholder.

As limited companies have their own legal identity, their owners are not personally liable for the firm's debts, only for the amount of contributed capital. The shareholders have *limited liability*, which is the major advantage of this type of business structure.

To form a corporation one should apply for a corporate charter. Obtaining the charter the stockholders, as owners, hold a meeting to organize the corporation, elect the Board of Directors and choose the company's officers. Though the officers of the company supervise daily management, the stockholders always have the final authority. They vote at annual meetings.

Unlike a sole trader or a partnership, the owners of a limited company are not necessarily involved in running the business, unless they have been elected to the Board of Directors.

There are two main types of limited company:

A *private limited company* (Ltd) is often a small business such as an independent retailer in a market town. There is a restriction on the number of members from 2 to 50.

There are also restrictions on the transfer of shares which are not traded on the stock exchange.

A public limited company (plc.) is usually a large, well-known business. The number of members from 7 and no limit above this. This could be a manufacturer or a chain of retailers with branches in most city centers. Shares are traded on the stock exchange freely.

Franchising

An entrepreneur can opt to set up a new independent business and try to win customers. An alternative is to buy into an existing business and acquire the right to use an existing business idea. This is called franchising.

A franchise is a joint venture between:

- o A franchisee, who buys the right from a franchisor to copy a business format.
- o And a franchisor, who sells the right to use a business idea in a particular location.

Many well-known high street opticians and burger bars are franchises. Opening a franchise is usually less risky than setting up as an independent retailer. The franchisee is adopting a proven business model and selling a well-known product in a new local branch.

There is one more type of business organization that is different from the above ones. A non-profit corporation is usually created with a specific purpose, such as for educational, charitable, civic or artistic. Nonprofits are generally exempt from federal and state taxation on their income.

D. Choose the correct answer according to the information from the text:

1. What is the main advantage of being a sole trader?

a) unlimited liability b) limited liability c) be able to make quick decisions

2. Who is limited liability an advantage to?

a) shareholders b) stakeholders c) sole traders

3. What is a partnership?

a) a business owned by b) one person trading alone c) two or more individuals trading together

4. Who is a company controlled by?

a) shareholders b) stakeholders c) managers

5. What is a business that sells the right to use a business idea?

a) a franchisor b) a franchise c) a franchisee

6. Which of the following is NOT an advantage offered by a franchise?

a) a prime location b) a tested product c) a well-known brand

7. Who is a franchise bought by?

a) a franchisor b) a franchisee c) a wholesaler

8. Which type of business does NOT usually have limited liability?

a) a public limited b) a multinational c) a partnership

company

E. Complete sentences using information from the text:

- 1) If you are sole trader you can ...
- 2) The main advantage of partnership is ...
- 3) Shareholders are the ...
- 4) To have limited liability means ...
- 5) If you go into business alone, it's called ...
- 6) Educational, religious and charitable institutions are ...
- 7) In a private limited company all shareholders must agree before ...
- 8) To have unlimited liability means ...
- 9) Having a partner you don't have to ...
- 10) Sleeping partners are ...

F. Fill in the table and in groups compare and contrast types of businesses.

	<i>Sole trader</i>	<i>Partnership</i>	<i>Ltd</i>	<i>PLC</i>
membership				
capital				
liability				
ownership and control				

Reading 2: Types of organization structure

A. Study the topical vocabulary.

chain of command	цепочка управления / порядок подчинения
subordinate	подчиненный
day-to-day running	оперативное руководство
Managing Director /CEO	управляющий директор
to be in charge of	заведовать, руководить
Chairman of the Board	председатель Совета директоров
to be in overall control	осуществлять общее руководство
sales representative (rep)	торговый представитель
to report to	отчитываться перед кем-либо

B. Read the text and find the answers to the following questions.

- 1) What company has a flat organization?
- 2) What company is hierarchical one?
- 3) Who is in charge of day-to-day running of the company?
- 4) Who is the head of the company?

- 5) Whom is the company run by?
- 6) Who is in overall control of the company?
- 7) What are the typical departments in the company? What are they responsible for?

Usually there are several levels in the organization chart of the company. A company with only a few levels has a flat organization. A company with a lot of levels is often very hierarchical with a clear chain of command: a boss who has subordinates, who in turn have their own subordinates and so on. The hierarchy might be internally divided into functional departments. As a rule the shareholders are the owners of the company, and although in theory they have control through votes at the annual meetings, in practice day-to-day running of the firm is left in the hands of specialist directors.

The traditional types of organizational structure are line and functional ones. The modern and comparatively new types of organizational structures are divisional and matrix

The Managing Director (sometimes called Chief Executive or President in the USA) is the head of the company. The company is run by a Board of Directors; each Director is in charge of department. However, the Chairman of the Board is in overall control and may not be the head of any one department.

Most companies have Finance department that is responsible for keeping a record of all payments made and received; Sales, Marketing (sometimes part of Sales) that is responsible for carrying out market research and organizing the activities of the sales representatives; Production that is in charge of organizing quality control to maintain product standards; Research and Development (R&D) and Personnel Department that is responsible for recruitment and selection. These are the most common departments, but some companies have others as well.

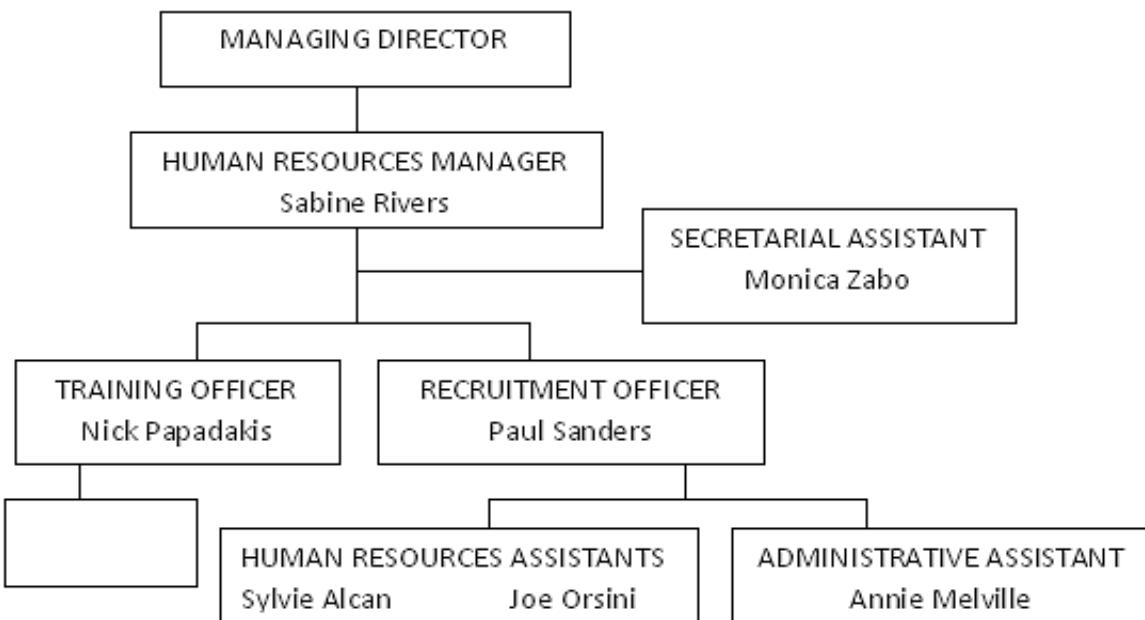
Most departments have a Manager, who is in charge of its day-to-day running, and who reports to the Director; the Director is responsible for strategic planning and for making decisions. Various personnel in each department report to the Manager.

It is important to find an organizational structure that works best for the organization, as the wrong set up could hamper proper functioning in the organization.

C. Study the most common verbs for describing structure and company organization and make up your own sentences explaining the relationships between the people of HUMAN RESOURCES department.

consist of	contains	includes
is composed of	is made up of	is divided into
to be in charge of	to be responsible for	to be accountable to
to support/ to be supported by	to deal with	to assist/ to be assisted by

HUMAN RESOURCES DEPARTMENT



D. Five of the departments in a box are described below. Fill in the gaps with the department names.

Finance department	IT department	Sales & Marketing department
Production department	Purchasing department	HR department

- 1) ... deals with employees, for example, selecting and recruiting staff. It is also responsible for organizing training to make sure the staff has the skills to do their work efficiently.
- 2) ... is in charge of manufacturing the products and keeping the company's production facilities running efficiently. Another responsibility is checking and improving quality standards.
- 3) ... deals with the day-to-day running of the company's computer systems and solves problems when they go wrong. It also designs information systems for the different departments.
- 4) ... is in charge of sourcing (buying) any materials, equipment or components the production department needs to make the products. This involves finding suppliers and negotiating prices and delivery terms.
- 5) The main responsibilities of ... are finding out what products the customers want, how and where to promote them, and at what price. This involves carrying out market research – collecting and analyzing data on their current and potential markets. They are also in charge of researching new ideas for products.

E. The job titles in *italics* don't match the responsibilities. Correct them.

- 1) The *Accountant* deals with calls to the company.
- 2) The *Managing Director* buys equipment the company will need.
- 3) The *Brand Manager* is in charge of hiring new staff.
- 4) The *Director of Human Resources* manages the whole company.
- 5) The *Switchboard Operator* prepares financial reports.
- 6) The *Purchasing Manager* is responsible for marketing one of the company's products.

F. The organization is in trouble. Match the departments with their problems (1-8).

Distribution Department Personnel ~	Research ~ Finance ~	Public Relations ~ Production ~	Marketing ~ Information Technology ~
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- 1) One of the robots on the assembly line has stopped working.
- 2) Cash flow is much worse than I thought.
- 3) There's a national newspaper on the phone. They want to talk about water pollution near the factory.
- 4) There's something wrong with the network: all the screens have gone blank.
- 5) We have ten lorries waiting outside the main warehouse and there's nothing to put in them.
- 6) The unions have just asked for another 10%.
- 7) If we don't start producing some more useful ideas soon, they'll close down the laboratory.
- 8) The latest survey shows that the majority of 18-to 25/year-old women think our perfume smells terrible.

Listening: Company Structure

(Market Leader, New Edition, Intermediate Business English CB by D. Cotton, Unit 3)

Over to you

Setting up a successful business requires careful preparation and planning. There are a number of questions that all entrepreneurs must ask themselves concerning the products or services that they intend to sell, the competition that they will face, the structure of the business itself and the sources of finance that they will need to open their new venture. This means that all of these parameters must be defined in a business plan: a document that shows how the entrepreneur will organize his or her business, how much he or she expects to sell and where the capital will come from. Once this information has been put down on paper, the entrepreneur can then choose an appropriate form for the company, register it with the authorities and open a business.

A. Study the Business plan checklist.

Details of the business	<i>Name of business</i> <i>Type of business (limited company, partnership etc.)</i>
Personal details	<i>Relevant work experience</i>
Personnel	<i>Number of people /job function</i>
Product / service	<i>Description</i>
Market	<i>Describe your market. Who are your customers? Is your market growing, static or in decline? Who are the main</i>

	<i>competitors? What are the advantages of your product or service over the competition?</i>
Marketing	<i>What sort of marketing or advertising do you intend to do?</i>
Premises / machinery / vehicles	<i>Where do you intend to locate the business and why? What sort and size of premises will you need? What machinery / vehicles do you require?</i>
Objectives	<i>What objectives do you have for the business</i>

B. Read these extracts and decide which sections of the checklist above they come from.

- a) At first I will be concentrating on getting the business into profit. But if I am successful I would then consider looking for other sites in the city area and expanding the management team. Eventually it might be possible to set up shops in different locations around the country.
- b) Retail outlet selling a wide range of specialist teas and tea-related giftware. Sales will be made direct to customers and also by mail order.
- c) Two full-time sales staff for the shop. One personal assistant to do secretarial work and general office administration.
- d) I plan to advertise on local radio and in the local press and free press. This will be complemented by flyers distributed directly through letterboxes to residents in the area.
- e) I have already worked as an employee in two different companies, where I was involved in both marketing and customer service at junior management level.
- f) The Tea Set. Initially the business will be registered as a limited company with ten shareholders.
- g) In a street with pedestrian access only, which leads into the main shopping area and market square in a town of 70,000 inhabitants. The shop is also close to the station, which is used by several thousand commuters daily. The surface area is 45 square meters at a rent of 1000 Euros per month.
- h) It is not easy to give a precise estimate but it would seem to be essentially passing trade within the shopping area. The target consumer is middle-aged and with a comfortable income. There is no competition in the area as the concept for this type of shop is new and comparable products are not currently available in other outlets.

C. You have decided to set up your own business together and have approached the bank for advice. They have asked you to prepare a business plan.

Module 2 Alliances

Strategic alliances enable companies to share resources. This creates **synergies** or advantages and leads to increased **market share** and greater **competitiveness**. Public companies hope to increase **shareholder value** when they form alliances. There are many kinds of corporate alliances. **Corporate partnerships or joint ventures** are formed when two or more companies decide to cooperate on one particular project or mission. When companies join together it is called a **merger**. When one company makes a successful **takeover bid** to buy another one, it is referred to as an **acquisition**.

Reading 1: Mergers and Acquisitions

One plus one makes three: this equation is the main idea of a merger or an acquisition. The key principle behind buying a company is to create shareholder value over and above that of the sum of the two companies. Strong companies will act to buy other companies to create a more competitive, cost-efficient company. The companies will come together hoping to gain a greater market share or to achieve greater efficiency. Because of these potential benefits, target companies will often agree to be purchased when they know they cannot survive alone.

Distinction between Mergers and Acquisitions

Although they are often uttered in the same breath and used as though they were synonymous, the terms merger and acquisition mean slightly different things.

When one company takes over another and clearly established itself as the new owner, the purchase is called an acquisition. From a legal point of view, the target company ceases to exist, the buyer "swallows" the business and the buyer's stock continues to be traded.

In the pure sense of the term, a merger happens when two firms, often of about the same size, agree to go forward as a single new company rather than remain separately owned and operated. This kind of action is more precisely referred to as a "merger of equals." Both companies' stocks are surrendered and new company stock is issued in its place. For example, both Daimler-Benz and Chrysler ceased to exist when the two firms merged, and a new company, DaimlerChrysler, was created.

In practice, however, actual mergers of equals don't happen very often. Usually, one company will buy another and, as part of the deal's terms, simply allow the acquired firm to proclaim that the action is a merger of equals, even if it's technically an acquisition. Being bought out often carries negative connotations, therefore, by describing the deal as a merger, deal makers and top managers try to make the takeover more palatable.

A purchase deal will also be called a merger when both CEO's agree that joining together is in the best interest of both of their companies. But when the deal is unfriendly - that is, when the target company does not want to be purchased - it is always regarded as an acquisition.

Whether a purchase is considered a merger or an acquisition really depends on whether the purchase is friendly or hostile and how it is announced. In other words, the real difference lies in how the purchase is communicated to and received by the target company's board of directors, employees and shareholders.

Synergy

Synergy is the magic force that allows for enhanced cost efficiencies of the new business. Synergy takes the form of revenue enhancement and cost savings. By merging, the companies hope to benefit from the following:

- *Staff reductions.* As every employee knows, mergers tend to mean job losses. Consider all the money saved from reducing the number of staff members from accounting, marketing and other departments. Job cuts will also include the former CEO, who typically leaves with a compensation package.
- *Economies of scale.* Size matters. Whether it's purchasing stationery or a new corporate IT system, a bigger company placing the orders can save more on costs. Mergers also translate into improved purchasing power to buy equipment or office supplies - when placing larger orders, companies have a greater ability to negotiate prices with their suppliers.
- *Acquiring new technology.* To stay competitive, companies need to stay on top of technological developments and their business applications. By buying a smaller company with unique technologies, a large company can maintain or develop a competitive edge.
- *Improved market reach and industry visibility.* Companies buy companies to reach new markets and grow revenues and earnings. A merge may expand two companies' marketing and distribution, giving them new sales opportunities. A merger can also improve a company's standing in the investment community: bigger firms often have an easier time raising capital than smaller ones.

Varieties of Mergers

From the perspective of business structures, there is a whole host of different mergers. Here are a few types, distinguished by the relationship between the two companies that are merging:

- *Horizontal merger.* Two companies that are in direct competition and share the same product lines and markets.
- *Vertical merger.* A customer and company or a supplier and company. Think of a cone supplier merging with an ice cream maker.
- *Market-extension merger.* Two companies that sell the same products in different markets.
- *Product-extension merger.* Two companies selling different but related products in the same market.
- *Conglomeration.* Two companies that have no common business areas.

A. Are the following statements about acquisitions and mergers true or false?

- 1) Mergers and acquisitions are unlikely to improve share value.
- 2) Companies strive to engage in mergers and acquisitions because it is the easiest way to secure fast growth.
- 3) When a target company agrees to be purchased it means a hostile acquisition.
- 4) Merger synergies are great as they may give companies the needed technology, people, infrastructure, global sales, marketing and distribution opportunities.
- 5) Companies that chose a venture acquisition strategy are relieved from necessity to rethink the role of R&D and knowledge management within their corporations, to fit the new offerings with the near-term strategic and operating portfolio, and to prepare a sales, manufacturing, and distribution organization.

- 6) Acquisition and integration of ventures is an effective method for supplementing a product and business portfolio with the best available technology, as well as enter emerging markets, with speed.
- 7) This strategy (A&M) requires learning about priorities, markets, technologies, speed of product/service development, integration of achievement-oriented people, and cultural fit.
- 8) In today's era driven by systemic innovation, acquiring and integrating capabilities, know-how, and technologies has become the least efficient route to growth and a strong alternative to internal research and product development.
- 9) The role of mergers and acquisitions has evolved as a strategy tool for fast-track technology-led companies.
- 10) Merger is the agreement between two parties to work together on one project.

B. Make up 10 questions to cover the text.

Reading 2: Joint ventures

Economic enterprises with the participation of Russian organizations and firms from foreign countries were named “joint ventures”. In our country they were first set up in the early 1920s but in the early 1930s the overwhelming majority of joint -stock companies here ceased to exist. In the late 1980s, with the revival of commodity-money relations, joint ventures began to appear in Russia for the second time.

The main features of interest to Russian participant are:

- to satisfy the requirements of the domestic market;
- to attract foreign technology and foreign management experience;
- to improve the export base of Russia and reduce irrational imports by means of import substitution.

A joint venture becomes a juridical person after it has been registered with the Ministry of Finance. The foundation documents and the Feasibility Study are the most important documents for the application procedure. If the Parties want to form a partnership a Protocol of Intent is normally signed.

Foundation documents

Foundation documents include the Agreement between the partners on the establishment of a joint venture and the Charter or Statute of a joint venture. These documents outline the legal status of a joint venture, the funds raised, Management and Personnel and some other provisions.

Feasibility study

The Feasibility Study is jointly prepared by the partners involved. It covers the objective of a company, the working capital, the product to be manufactured, the marketing possibilities, the technical back-up of a project. Only after registration the company may open a bank account and conclude agreements and contracts in its own name.

Management and personnel

A joint venture must be managed by a Board of Directors represented by the Russian and foreign participants. The Board is a governing body which sets out the strategy of a company. Day-to-day management must be determined by a Directorate formed from Russian and foreign citizens.

Formation of funds

The authorized fund is formed from initial contributions made by the Parties and may be supplemented from the profits of a joint venture. Contributions to this fund may be made in cash and in kind. A joint venture is obliged to establish a reserve fund of 25 per cent of the value of the authorized fund. It is formed by way of annual deductions from the profits of a joint venture. Contributions to this fund are tax-free.

The research and development fund is created to develop production. It is viewed as reinvestment and is tax deductible. All the other funds created by a joint venture are taxed.

Profits

After deductions have been made to the funds, the rest of the profit is divided between the partners in proportion to their share in the authorized fund.

The profit due to the foreign partner may be placed in the bank, spent within the country or repatriated abroad. Profits may be transferred from Russia to foreign countries by way of import substitution.

A joint venture is subject to a tax on its profits. According to the tax regulations a joint venture is exempt from the profit tax for 2 years. The tax holiday begins from the moment profits are first made by a joint venture.

Legal status

A joint venture is a legal person. It may sue and be sued and may also appeal to Russian and third party courts. In case of dissolution the foreign participant has the right to recover the initial contribution which he made to the authorized fund.

A. Study the topical vocabulary.

strategic alliance	союз; объединение; альянс
synergies	успешные совместные усилия; совместная деятельность
market share	доля рынка
shareholder value	акционерная стоимость
merger	поглощение; слияние, объединение
take over bid	предложение о поглощении (предложение о покупке контрольного пакета акций, сделанное акционерам поглощаемой компании другой компанией)
acquisition	приобретение, покупка, закупка
to enhance	увеличивать, усиливать, улучшать (особ. качество, значимость, ценность, важность, привлекательность чего-л.)
economies of scale	экономия от масштаба, эффект масштаба (снижение средних затрат по мере увеличения объема выпуска)
equation	уравнение; равенство
cost-efficient	доходный, прибыльный, рентабельный
to gain	выигрывать, добиваться, выгадывать, получать, приобретать
to survive	пережить, оставаться в живых, продолжать существование
from legal point of view	с юридической точки зрения
to cease	переставать (делать что-л), прекращать(ся)
to swallow	глотать, проглатывать
to go forward	продвигаться, идти вперед; продолжать (делать)
precisely	точно, строго, пунктуально
surrender	отказываться, сдавать, передавать, вручать, уступать

to proclaim	проводглашать; объявлять
connotation	подтекст, скрытый смысл; то, что подразумевается
palatable	приятный
hostile	враждебный, неприязненный, недружелюбный
cost savings	снижение себестоимости
reduction	сокращение
job cuts	увольнения
stationery	канцелярские товары; канцелярские принадлежности
business applications	приложения для деловой сферы, бизнес-приложения
competitive edge	конкурентное преимущество (отличие)
to expand	расширять(ся)
investment community	сообщество инвесторов
compensation package	компенсационный пакет (совокупность всех видов вознаграждений работника или управляющего, включающая заработную плату, различные виды премиального вознаграждения по результатам работы, страховую премию и т. п.)

B. Match the verbs with the nouns.

1) set up	agreement
2) carry out	funds
3) develop	profit
4) satisfy	product
5) sign	transactions
6) raise	account
7) cover	protocol of intent
8) manufacture	requirements
9) conclude	joint venture
10) open	relations
11) make	objective

C. Use proper prepositions:

has been registered ... the Ministry of Finance

the agreement ... partners

is managed... a Board ... Directors

contribution ... kind or... cash

in proportion ... the share... the authorized fund

may be transferred ... Russia ... foreign countries

... way... import substitution

is exempt... the profit tax ... 2 years

D. Find synonyms to the following words:

to establish, to determine, to form, to satisfy, to be taxed, to take part, to decrease, needs, goal, national, principal, by means of, juridical, tax-free.

E. Give Russian equivalents to the following words:

by means of, tax-free, in the early 1920s, authorized fund, tax-deductible, the rest of, to satisfy the requirements, to sign a Protocol of Intent, to be subject to the tax, due to, annual deductions, to recover initial contributions, is obliged, may be placed, in one's own name, overwhelming majority, cease to exist.

F. Answer the following questions.

- 1) What kind of organizations are called “joint ventures”?
- 2) When were joint ventures set up in our country for the first and for the second time?
- 3) When did the overwhelming majority of joint-stock companies in the territory of Russia cease to exist?
- 4) What are the main features of interest to Russian participants nowadays?
- 5) What document is signed if the Parties want to form a partnership &
- 6) In what case does a joint venture become a juridical person?
- 7) What are the most important documents for the application procedure?
- 8) What body is a joint venture managed by?
- 9) How is the authorized fund formed?
- 10) In what way is the reserve fund formed?
- 11) Why is the research and development fund exempt from tax?
- 12) In what proportion is the profit divided between the partners?
- 13) How can foreigners’ profits be transferred from Russia to foreign countries?
- 14) Is joint venture a legal or a physical person?
- 15) What can a foreign participant do in case of dissolution?

G. Match the terms on the left to the definitions on the right.

1) alliance	getting control of a company by buying over 50% of its shares
2) joint venture	two or more companies joining to form a larger company
3) LBO (leveraged buyout)	what stocks in a public company are worth
4) MBO (management buyout)	a business activity in which two or more companies have invested together
5) merger	when a company's top executives buy the company they work for
6) takeover / acquisition	an offer to buy
7) shareholder value	additional advantages, profits that are produced by two organizations combining their ideas and resources
8) bid	buying a company using a loan borrowed against the assets of the company that's being bought
9) vertical integration	controlling all stages of one particular type of business
10) synergy	an agreement between two or more organizations to work together

H. Work in pairs. Imagine that you work for a small company which has just been bought by a big multinational. Discuss the following questions:

- 1) Where the various potential culture clashes may occur?
- 2) How you think you personally would adapt to the new culture?
- 3) What could be done by both companies to ensure smooth transition from one corporate culture to another?

Reading 3: Takeover

A. Read the text about takeover and choose one of the three connectors to fill each gap.

- 1) although/ for example/ however
- 2) because/ furthermore/ owing to
- 3) therefore/ in other words/ yet
- 4) in other words/ on the contrary/ owing to
- 5) for instance/ on the contrary/ thus
- 6) because of/ due to/ moreover
- 7) although/ however/ for instance
- 8) because/ even though/ for example
- 9) conversely/ i.e. / since
- 10) although/ however/ for instance
- 11) due to/ nevertheless/ therefore
- 12) although/ because/ moreover
- 13) because/ nevertheless/ yet
- 14) consequently/ even though/ in addition to

Mannesmann's chairman, Klaus Esser, opposed the Vodafone bid. He insisted that British and American style 'predator' capitalism has no way in Germany. He pointed out (1), that no German company had ever made a hostile bid for another German company. Germans believed that the permanent threat of a takeover or a buyout, which exist in America and Britain, is a disincentive to long-term capital investment. (2), many German commentators claimed that workers are at least as important as shareholders, and companies are places where people work rather than assets to be bought or sold. (3) Esser's main argument against Vodafone was that its offer price of \$129 billion was too low. He claimed that the bid did not represent good value for shareholders, and the company had a better strategy and future plans than the British phone operator.

Many German business leaders argued that their corporate culture preferred consensus: (4) Companies want to please a large majority of their shareholders, not just the few who are looking for a quick profit. Most British commentators, (5), claimed that German search for consensus was just a way of resisting change and inevitable global trends. (6), German companies regularly bought foreign ones: in the previous few years, (7), BMW had bought the British car companies Rolls Royce and Rover.

(8) Many financial analysts considered the original offer price to be generous – (9) Too high – Vodafone was obliged to increase it several times. Arbitrageurs succeeded in buying about 10% of Mannesmann's shares in the hope of making a quick profit. Esser was very critical of these people. He accepted, (10), that this was the nature of capital markets, and that there was nothing he could do about it. (11), 60-70% of Mannesmann shares were owned by institutional investors. (12) Some of these were German banks, most of them were foreign financial institutions. When Vodafone increased its offer price sufficiently, several of these investors accepted the bid, often (13) They already possessed Vodafone shares. (14), Vodafone was able to acquire Mannesmann for \$160 bn.

Listening: An Interview with an Executive who has recently made a large acquisition

(Market Leader, New Edition, Upper Intermediate Business English CB by D. Cotton, Unit 13)

Speaking

Think about arguments for and against leveraged buyouts and hostile takeovers. Which do you find most persuasive? Present your ideas to the class and think of any further arguments either for or against.

Over to you

Think about a recent merger or takeover. What benefits were claimed for it at the time of its announcement? Have they materialized?

Make a presentation of your research to the class. Discuss the outcome of this merger or takeover.

Module 3 Management

Starting up

A. Quick management test.

- 1) Every successful business is dependent on good ...
manages
management
managerial
manager
- 2) It is said that good management has always been the invisible ingredient of ...
successfully
succeed
successful
success
- 3) Management gurus are people whose role is to ... and spread around new and effective management practices.
interpretation
interpret
interpreted
interpreter
- 4) Peter Drucker¹ is the management guru who ... the notion of 'management by objectives'.
inventor
inventive
invention
invented
- 5) Successful gurus are adept at ... management theory and practice response to a constantly changing world.
reformulation
reformulating
reformulate
reformulates
- 6) Effective management in a turbulent world is ... the major international challenge for business.
increasingly
increasing
increased
increase
- 7) Douglas McGregor² ... two main styles of management: X-Theory which is authoritarian, autocratic and repressive; and Y-Theory which is participative, delegating, and developmental.
defined
defining
has defined
was defined

¹ Peter Drucker (1909-2005) - writer, Professor, Management Consultant

² Douglas Murray McGregor (1906, Detroit – 1 October 1964, Massachusetts) – Management Professor

Reading 1: Basics of Management

A. Study the topical vocabulary.

1	to be involved in management	быть связанным с процессом управления/ быть вовлеченным в процесс управления
	according to smb	по словам к-л
	to launch new products	создать новый продукт
	to conduct market survey	проводить исследование рынка
2	human being	человек
	to accomplish the objectives	успешно решать задачи
	decisional activities	действия по принятию решений/ принятие решений
	to maintain relations	поддерживать отношения
	superior	начальник
3	chief executive	президент компании/ глава фирмы
	by virtue	благодаря ч-л/ в результате ч-л
	to appoint	назначать
	civil servant	чиновник/ госслужащий
	public sector undertaking	предприятие/ компания государственного сектора; государственная служба
	to enjoy high standard of living	иметь высокий уровень жизни
4	to consider	рассматривать, считать
5	managerial position	управленческая должность
	vice versa	наоборот
	the amount of authority	объем полномочий
	administrative level	высший уровень управления
	executory level	средний уровень управления
	supervisory level	оперативное управление
6	ultimate source of authority	основной источник власти
7	in accordance with	в соответствии с
	supervisor	контролер, диспетчер
	foreman	мастер, бригадир
	section officer	должностное лицо отдела
	superintendent	руководитель подразделения
	to assign job	давать/ распределять/ поручать работу
	to entrust with the responsibility	возлагать ответственность
	to ensure discipline	обеспечивать дисциплину
8	hierarchy	иерархия
	to be concerned with	заниматься ч-л, быть вовлеченным во ч-л

A. Do pre-reading tasks before each abstract, then read and translate the abstracts about the basics of management.

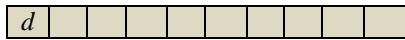
What do you think management is?

1 Management is a universal phenomenon. All organizations - business, political, cultural or social are involved in management because it is the management which helps and directs the various efforts towards a definite purpose. According to Harold Koontz¹, “Management is an art of getting things done through and with the people in formally organized groups. It is an art of creating an environment in which people can perform and individuals can co-operate towards attainment of group goals”. According to F.W. Taylor², “Management is an art of knowing what to do, when to do and see that it is done in the best and cheapest way”.

Management is a purposive activity, and the goals vary from one enterprise to another. For one enterprise it may be launching of new products by conducting market surveys and for other it may be profit maximization by minimizing cost.

Management can be defined in detail in some categories - Management as an Activity, Management as a Group, Management as a Science, Management as an Art etc.

Can you add two more categories filling the missing letters?



Let's consider some of the categories stated above.

What kind of Activities does M include? What activities do you consider to be the most important responsibility of a manager at any level?

2 Like various other activities performed by human beings such as writing, playing, eating, cooking etc., *management is also an activity* because a manager is one who accomplishes the objectives by directing the efforts of others. According to Koontz, “Management is what a manager does”.

Management as an activity includes informational activities, decisional activities, inter-personal activities.

Informational activities. In the functioning of business enterprise, the manager constantly has to receive and give information orally or in written. A communication link has to be maintained with subordinates as well as superiors for effective functioning of an enterprise.

Decisional activities. Practically all types of managerial activities are based on one or the other types of decisions. Therefore, managers are continuously involved in decisions of different kinds since the decision made by one manager becomes the basis of action to be taken by other managers. E.g. Sales Manager is deciding the media and content of advertising.

Inter-personal activities. Management involves achieving goals through people. Therefore, managers have to interact with superiors as well as the sub-ordinates. They must

¹ Harold Koontz was a consultant for US's largest business organizations, and co-author of the bestselling book Principles of Management

² Frederick Winslow Taylor (1856-1915), the father of scientific management and one of the first management consultants

maintain good relations with them. The inter-personal activities include dealing with the subordinates and taking care of the problem.

Do you think M as a Group refers to all managers taken together or only the top management?

3 Management as a group refers to all those persons who perform the task of managing an enterprise. When we say that management of ABC & Co. is good, we are referring to a group of people those who are managing. Thus as a group technically speaking, management will include all managers from chief executive to the first-line managers (lower-level managers). But in common practice management includes only top management i.e. Chief Executive, Chairman, General Manager, Board of Directors etc.

Management as a group may be looked upon in 2 different ways:

- All managers taken together.
- Only the top management.

The interpretation depends upon the context in which these terms are used. Broadly speaking, there are 3 types of managers:

- *Patrimonial / Family Managers*: Those who have become managers by virtue of their being owners or relatives of the owners of company.
- *Professional Managers*: Those who have been appointed on account of their specialized knowledge and degree.
- *Political Managers / Civil Servants*: Those who manage public sector undertakings.

Managers have become a part of elite group of society as they enjoy higher standard of living in the society.

Unjumble the sentence: science. art an is both and Management a

4 The above mentioned points clearly reveal that management combines features of both science as well as art. It is considered as a science because it has an organized body of knowledge which contains certain universal truth. It is called an art because managing requires certain skills which are personal possessions of managers. Science provides the knowledge and art deals with the application of knowledge and skills.

The old saying that “Managers are Born” has been rejected in favor of “Managers are Made”. It has been aptly remarked that management is the oldest of art and youngest of science. To conclude, we can say that science is the root and art is the fruit.

Look through this mini-text and fill in the gaps.

5 The term “...” refers to a line of demarcation between various managerial positions in an organization. The number of ... in ... increases when the size of the business and work force increases and vice versa. The ... of ... determines a chain of command, the amount of authority and status enjoyed by any managerial position. The ... of ... can be classified in three broad categories:

- Top level / Administrative level
- Middle level / Executory
- Low level / Supervisory / Operative / First-line managers.

Who does each management level comprise?

6 Top Level of Management consists of board of directors, chief executive or managing director. The top management is the ultimate source of authority and it manages goals and policies for an enterprise. It devotes more time on planning and coordinating functions.

Middle Level of Management

The branch managers and departmental managers constitute middle level. They are responsible to the top management for the functioning of their department. They devote more time to organizational and directional functions.

Lower Level of Management

Lower level is also known as supervisory / operative level of management. It consists of supervisors, foreman, section officers, superintendent etc.

What are the main activities performed by each management level?

What M level do these three sets of activities belong to?

- They execute the plans of the organization in accordance with the policies and directives of the top management.
- They make plans for the sub-units of the organization.
- They participate in employment and training of lower level management.
- They interpret and explain policies from top level management to lower level.
- They are responsible for coordinating the activities within the division or department.
- It also sends important reports and other important data to top level management.

- It prepares strategic plans and policies for the enterprise.
- It appoints the executive for middle level i.e. departmental managers.
- It controls and coordinates the activities of all the departments.
- It is also responsible for maintaining a contact with the outside world.
- It provides guidance and direction.
- The top management is also responsible towards the shareholders for the

- Assigning of jobs and tasks to various workers.
- They guide and instruct workers for day to day activities.
- They are responsible for the quality as well as quantity of production.
- They communicate workers problems, suggestions, and recommendatory appeals etc. to the higher level and higher level goals and objectives to the workers.
- They are responsible for providing training to the workers.
- They arrange necessary materials, machines, tools etc. for getting the things done.
- They prepare periodical reports about the performance of the workers.
- They ensure discipline in the enterprise.

What is the degree of administration and management at different levels?

7 Practically, there is no difference between management & administration performed by the different levels of management. Every manager is concerned with both – administrative management function and operative management function. However, the managers who are higher up in the hierarchy denote more time on administrative function and the lower level denote more time on directing and controlling worker's performance i.e. management.

Do you know any M functions? What do they imply?

8 The most widely accepted functions of management are *Planning, Organizing, Staffing, Directing and Controlling*. For theoretical purposes, it may be convenient to separate

the function of management but practically these functions are overlapping in nature i.e. they are highly inseparable. Each function blends into the other and each affects the performance of others.

B. Speak about Management according to the plan.



Listening: An interview with a project manager

(Market Leader, Intermediate Business English CB by D. Cotton, Unit 8)

Reading 2: Business Management Styles

A. Do you agree with following quotations?

“People are definitely a company’s greatest asset. It doesn’t make any difference whether the product is cars or cosmetics. A company is only as good as the people it keeps”. Mary Kay Ash

“Care about your people and they will care about your business. Forget that and watch profits go down the drain”. Hal Rosenbluth

B. Match these management expressions (1-9) with their definitions.

1) line management	the skill of administering your time so as to work effectively
2) brand management	managing systems in a company so that each department works effectively and produces products of the required standards
3) risk management	direct management of staff level between senior management and junior management
4) asset management	how a company tries to control its brands and brand image
5) time management	process of dealing with difficult situations
6) quality management	process of assessing and measuring possible dangers and evolving strategies to deal with them
7) middle management	the activity of managing how a company deals with its cash, how quickly it gets paid by customers, pays its suppliers, etc.
8) crisis management	the organizing of large events such as conference and concerts
9) cash management	the managing of money for investment so that it makes as much profit as possible, for a financial institution or for another person or organization

C. Study the topical vocabulary.

to go down the drain	быть истраченным впустую
employee turn-over	текущесть кадров
paternalistic	патерналистский, отеческий
laissez-faire	невмешательство, либеральный стиль руководства
abdication	сложение полномочий, отказ
business acumen	деловые качества
dealmaker	специалист по организации сделок, дилер
collaboration	сотрудничество
legal implications	правовые последствия
flexibility	гибкость
integrity	честность, добросовестность
to exacerbate	ухудшать
to one's benefit	на благо, с выгодой
to count on	полагаться на

D. Read the text and say what management style you prefer and why?

As a manager, you need to understand what the common business management styles are (autocratic, paternalistic, democratic, and passive). And you need to understand what your style is, and how that style affects business results.

Autocratic. The manager makes all the decisions; a "command and control" (militaristic) management style; focus is on business; doesn't want any people to get in the way; quick decisions; one way communication (from the top down). The cost is in high employee turn-over as employees find this style difficult, and stressful.

Paternalistic. The manager prefers to make all decisions (or most of them) but focuses on what's best for employees. The benefit is that employees feel the business is taking care of them. The cost is that employees don't take care of business - they are uninvolved, have little at risk and expect the "boss" to make all the decisions.

Democratic. The manager wants input from the whole 'team' and majority rules. Often good decisions are made and employees feel involved in the business (the benefit to this style) but the process is very slow and you can't always make everyone happy. Strong two-way communication.

Passive or "laissez-faire" (lets you do your own thing). The manager is disengaged and often hard to find. This type of abdication is often considered by the manager to be delegation. The benefit is that employees often step forward and learn in this environment. The cost is that the direction is scattered and there can be numerous false starts because there is no real manager. Can work in an environment of creative types (independent) or highly technical (such as engineers).

Managers typically use more than one style, depending on the situation. If brainstorming creative new product ideas is today's focus, then the manager may want to use a democratic or passive style. If a decision about keeping or firing an under-performing employee must be made, the manager may need to use an autocratic or paternalistic style.

Reading 3: Basic Management Skills

A. How do you think what kind of skills a good manager must possess?

Qualities and characteristics of a good manager can be divided into 3 main groups as follows: Personal characteristics, Business characteristics and Relationship qualities.

Personal characteristics: a genuine interest in and respect for people; patience, understanding and the ability to listen non-judgmentally; excellent oral and written communication skills and presentation skills; objectivity and tact; the ability to motivate and inspire clients; good organizational and planning skills

Business characteristics: Some level of business acumen is important when you are a manager. While you may not need to be on the level of a professional dealmaker, familiarity with basic business principles and practices can be helpful

Relationship qualities: You will need to know how to manage relationships between yourself and your subordinates. You should also know how to develop relationships with your superiors, and coordinate relationships between those above you and below you in the hierarchy.

B. 1) Read Management qualities and characteristics given in the box and categorize them into Personal, Business and Relationship qualities.

<i>Self-motivation</i>	<i>Industry knowledge</i>	<i>Communication qualities</i>
<i>Integrity</i>	<i>Business hierarchy</i>	<i>Collaboration</i>
<i>Dependability/Reliability</i>	<i>Calmness</i>	<i>Team player</i>
<i>Basic money management</i>	<i>Flexibility</i>	<i>Legal implications</i>
<i>Respect</i>	<i>Organization</i>	<i>Ability to delegate</i>
	<i>Value others</i>	<i>Customer service</i>

2) Match Management traits and qualities given in the above box with their explanations. Mind that there are some odd ones and try to describe them.

- a) When individual needs to be capable of understanding the basic goals of the business and developing his own strategies for achieving those goals. He needs to be committed to putting his all into the job every day without the close supervisions of a boss.
- b) No matter what type of business you are in, you can benefit from having a manager who is excellent in dealing with customers and clients, and can diffuse the problem situation or to exacerbate it.
- c) People trust a good manager because they know he or she has personal fairness. Workers need to know that you will fight for them, do what you say, and follow the rules.
- d) Manager isn't in the business solely for the selfish reasons of "getting ahead". Instead, he is interested in growing the business because it is going to be *to his benefit* as well as *to the benefit* of the other people working with him in the company.
- e) The ideal person for the job is going to be someone who already has advanced or specialized experience in this industry. A thirst for more knowledge about business is a plus.
- f) Your superiors, as well as your subordinates, need to know that you can be counted on. Others in the organization should be able to rely on you.

g) A good manager should be able to write professionally and with correct grammar, speak publicly in an interview or addressing workers, organize and practice presentations and be active listener to workers, superiors and customers.

Role-play: What makes a good manager?

A. Make up the role-play “What makes a good manager?”, but firstly do before role-play exercises.

B. What Manager positions do you know? Match job descriptions (1-7) with business cards.

1) I buy all the things that the company needs.	a) Public Relations Manager
2) My job is to make sure that the company has a good image.	b) Purchasing Manager
3) My job is to find and test new products.	c) Assistant General Manager
4) I am in charge of the people who sell our products.	d) Director of Research and Development
5) I make sure we have the products which people want to buy.	e) Production Manager
6) I make the products which the company sells.	f) Marketing Director
7) I'm responsible for everything when the boss is away.	g) Sales Director

C. Unjumble questions commonly asked during interviews.

- 1) You position What of are interested type in?
- 2) What had of training experience kind have you?
- 3) This you do you are suited feel for Why position?
- 4) Want to company you Why do for work this?
- 5) Do this can you What for company?
- 6) Would years What you to five be like doing now from?
- 7) Did Why you your last leave job?
- 8) You get well along with Do others?
- 9) What you do about know company our?
- 10) Are main your What strengths weaknesses?
- 11) You do you Why think should we hire?

D. Name as many adjectives describing personal traits as you can, add them to the list below. Say what qualities you and your group mates possess?

Energetic Personable Enthusiastic Determined Ambitious Disciplined Adaptable
Diplomatic Self-reliant Resourceful Enterprising Conscientious Tactful Fair Reliable
Broad-minded Sincere Creative Objective Imaginative Optimistic Discreet

E. Make up the role-play.

You are the personnel manager of a company which was created only 5 years ago and is rapidly expanding. At the moment your company needs a production manager (possible variants: sales manager, purchasing manager, assistant general manager, public relations manager, research and development manager, marketing manager). Conduct an interview with an applicant for the post of the production manager (and possible variants). Explain the nature of the job. Ask questions about the applicants' personal background, his\her personal and business characteristics, find out why the applicant applies for the job, what salary he\she expects.

UNIT 2

MARKETING

Module 1 Marketing

Starting up

A. Answer the questions.

- ❖ How do you understand the word “marketing”?
- ❖ Who are the participants in marketing?
- ❖ Can you say that marketing is all around us? Why?
- ❖ What malls do you usually go to? What do you buy there?
- ❖ How can you define “goods” and “services”?

B. Check your suppositions.

Marketing is the process of developing, promoting, and distributing products in order to satisfy customer's needs and wants. **Products** include both goods and services. **Goods** are the kinds of things you can touch or hold in your hand. Hammers, automobiles, clothing, and computers are goods. **Services** are the kinds of things you can't physically touch. They consist of a series of tasks performed for a customer. Dry cleaners, amusement parks, movies, theatres provide services.

Topical Vocabulary

marketing	торговля, продажа, сбыт; маркетинг
distribution	распределение; раздача
ultimate objective	конечная цель
to satisfy/meet customer needs	удовлетворять потребности покупателей
profitability	прибыльность, рентабельность, доходность
to generate/make profit	получать прибыль
consumer good	потребительские товары, товары народного потребления
industrial goods	промышленные изделия
marketing research	маркетинговое исследование, маркетинговый анализ
product life cycle	жизненный цикл товара/продукта
«business-to-business» marketing	промышленный маркетинг (маркетинг товаров промышленного назначения)
to be guided by	руководствоваться чем-либо

Reading 1: Marketing

A. Read the text and name the constituents of marketing.

Marketing includes the business activities connected with the movement of goods and services from producers to consumers. Sometimes it is called distribution. On the one hand, marketing is made up of such activities as transporting, storing and selling goods, and on the other hand it includes such marketing operations as product planning, marketing research, pricing and promotion selling.

Marketing is guided by two basic principles: the satisfaction of customer needs and profitability. The ultimate objective of a business corporation is to generate profits. Satisfying customer needs is a necessary condition to achieve this objective, but it may not be sufficient condition. The business-corporation must select not only the customer needs which it will satisfy, but also the actions that it should undertake to this end, in such a way that the firm is profitable.

Different business corporations operate in a large diversity of sectors such as soft drinks, detergents, pharmaceuticals, electric appliances, automobiles, computers, electronic components, machine tools, banking, insurance, airlines and telecommunications, to name but a few. It is evident that these different marketing sectors require different types of knowledge and activities. In marketing it is customary to organize these various sectors into three broad groups: *consumer goods, industrial goods and services*.

Consumer goods are products bought by individual consumers and households. From the above list, soft drinks, detergents, pharmaceuticals, electric appliances and automobiles, belong to this category.

Industrial goods are products bought by corporations or institutions such as schools or hospitals. From the above list, computers, electronic components and machine tools belong to this group. Another expression used for this category is «business-to-business» marketing.

In *services sector*, what is bought by a client is mainly not a tangible product but a service. Banking, insurance, airlines and telecommunications belong to this group.

The boundaries between these categories are not always clear cut. Most products are sold with some form of service (e.g. automobiles), and most services are sold with some form of tangible items (e.g. restaurants); the same products (e.g. computers) can at the same time be consumer goods when they are sold to an individual and industrial goods when they are sold to a corporation.

B. Below is a list of words derived from the same stem. Indicate the parts of speech. Choose a suitable word for each blank in the sentences below.

compete	competently	competitive
competition	competing	competitively
competitor	competitiveness	competent
	competence	

- 1) They suggested three ... programmes.
- 2) A democracy should be ruled by the men most ... to rule it.
- 3) This would enable British shipbuilders ... onequal terms with foreign yards.
- 4) Part of the reason for the drop in sales is ... from overseas suppliers.
- 5) He carried out his mission with his usual ...
- 6) General Motors has definitely succeeded in designing a ... car for the 1990s.
- 7) Why should we put such an emphasis on industrialism and... ?
- 8) He did the work roughly but....

- 9) The firm is not really a direct ... in any significant markets.
- 10) The banks would be allowed to pay ... high rates.

C. Answer the questions.

- 1) What activities does marketing consist of?
- 2) What are two basic principles of marketing?
- 3) What do marketing operations include?
- 4) Is satisfying customer needs the only objective of a firm?
- 5) What groups of goods is it customary to organize marketing sectors into?
- 6) What consumer goods do you know? Whom are these goods bought by?
- 7) How do we understand the expression “business-to-business” marketing?
- 8) What kinds of services do you know?

Over to you

Think of a product you know or buy regularly, and about how the company markets it. Who is their target market? What are their objectives? Find out what you can about the company. What is their market share? Who are their competitors?

Functions of Marketing

A. Study the functions of marketing



B. Match functions with their definitions

purchasing	It's providing customers with goods and services they want to buy.
selling	It's any form of communication used to inform, persuade or remind people about a business's products.
pricing	It's preventing or reducing business loss
planning	It's getting the money needed to finance the operation of a business.
Marketing information management	It's buying goods and services for a business's operation.
promotion	It involves making decisions about where to sell your product.
financing	It involves all the decisions a business makes in the production and sale of its goods and services.
distribution	It means deciding how much to charge for goods and services
risk management	It's the process of getting the marketing information needed to make sound business decisions

C. Identify the functions from the content.

- 1) Taking decisions on product packaging, labeling and branding.
- 2) Before ... one should consider how much the customer is willing to pay.
- 3) Shirt manufacturer buy cloth and thread to make his product.
- 4) Have you ever completed a restaurant questionnaire that asked you to rate the service you received?
- 5) It includes employee or customer accidents.
- 6) The TV and radio commercials you see and hear.
- 7) Business owners may request a bank loan.
- 8) Methods of transportation – truck, rail, ship.

Listening: An Interview with a Brand Consultant

(Market Leader, New Edition, Intermediate Business English CB by D. Cotton, Unit 1)

Module 2 Marketing Mix

Reading 1: Marketing Mix

A. Study the topical vocabulary.

target market	целевой рынок
marketing mix	составляющие маркетинга
meet quality standards	отвечать стандартам качества
focus its activities	сосредоточить свою деятельность
promotion	продвижение
direct-mail	почтовая рассылка
market economy	рыночная экономика
domain	область
distribution channels	канал сбыта
product life cycle	жизненный цикл продукта

B. Read and translate the text

The term marketing concept is often said to be a philosophy. It makes the customer and the satisfaction of his or her needs, the primary point of all business activities. Marketing is not about selling what you make but making what you can sell. The marketing concept is based on the belief that achieving organizational goals depends on knowing the needs and wants of target markets and delivering the desired satisfactions more effectively than competitors.

Many companies today in the market economy have a customer focus (or market orientation). This implies that the company focuses its activities and products on consumer demands.

A formal approach to customer-focused marketing is known as the 4 P's or marketing mix - a system built to provide a customer focus (Product → Solution, Price → Value, Place → Access, Promotion → Information).

The most controllable of these factors — *product (service)* must always perform the function for which it is intended and meet quality standards. All products and services have what is traditionally called «product life cycles». The stages of the product life cycle are: introduction, growth, maturity and decline. The length of product life cycle depends upon the intensity of competition and the extent to which* the new product is an innovation or modification.

Price. All products and all services have prices. The price depends on different things such as credit terms, delivery, quality and others. The price may be too high or too low to cover costs. Prices can be determined in different ways: the prices for agricultural products can be decided in large central markets, the prices for industrial goods are usually decided by large companies. Price can also be set by the government. If demand increases, prices rise, profits expand and new investments are attracted.

Place includes location of production and distribution. Catalogs, direct-mail coupons, telemarketing with telephone sales can be of great help to show your goods to the customer. The display during the exhibitions includes a wide range of industrial and consumer goods which show the latest production achievements.

Promotion includes all forms of marketing communication: advertising, direct mail, customer service, image, special events*, sales, etc. Promotion is the most complex thing — how to select and divide your market according to the type of product, its price and where it will be available.

In recent years service marketing has widened the domains to be considered, contributing to the 7 P's of marketing in total. The other 3P's of marketing are: process, physical environment and people.

To undertake marketing effectively, businesses need information i.e. Information about customer wants, market demand, competition, distribution channels etc. This information is to be found through market research.

At this point a distinction should be made between marketing research and market research. 'Market' research is simply research into a specific market. 'Marketing' research is much broader since it relates to all research conducted within marketing. It also includes areas such as research into new products, or modes of distribution such as via the Internet. The most important branch of marketing research is demand analysis. Marketing experts have developed techniques for determining the needs of prospective customers.

C. In the text find words and phrases for the following definitions.

- 1) the kind of people you are interested in selling to
- 2) other companies that sell similar products
- 3) finding out about the market
- 4) the end result of the manufacturing process, to be offered to the marketplace to satisfy a need or want.
- 5) the four basic controllable factors of marketing

D. Fill in the gaps with suitable prepositions:

satisfaction ... customers' needs
find ... customer needs
approach ... marketing
information ... customer wants
responsible ... creating the strategy
product life cycle depends ...
find information ... market research
distribute ... the Internet
price is set ... the Government
contribute ...
make a distinction ... market and marketing research

E. Plan the marketing process using the following phrases.

First you have to...	find out	objectives	competitors
	launch a product	strategy	
Then ...	price	target market	promotion
	product awareness	needs and wants	
Next ...	anticipate	advertise	
	forecast	focus on	opinions
After that...			

F. Answer the questions.

- 1) What is the idea of a marketing concept?

- 2) What are the main stages of the product life cycle?
- 3) What does the length of the product life cycle depend on?
- 4) What does the price depend on?
- 5) How can prices be determined?
- 6) Where can customers see the products?
- 7) What forms of marketing communication does promotion include?
- 8) What should companies be guided by in order to be efficient under market economy?
- 9) How does marketing research help a marketer?

Reading 2: Market segmentation

A. Study the topical vocabulary.

market segment	сегмент рынка, часть рынка, целевая группа потребителей, рыночный сегмент
segmentation	сегментация рынка
to differentiate	дифференцировать, разграничивать
target group	целевая группа
ACORN	классификация жилых районов; сегментация рынка, в соответствии с которой все домохозяйства США и Великобритании классифицируются по географическому, социально-экономическому и демографическому признакам.
Psychographics	сегментирование демографических групп потребителей; психография
questionnaires	анкеты, опросные листы
to profile	профилировать, моделировать, представлять кого-либо
VALS	Values, Attitudes and Lifestyles System

B. Read and translate the text.

1 Market segmentation refers to the *division of a market* of consumers into people with similar needs and wants. The world is made up of billions of buyers with their own sets of needs and behavior. Segmentation aims to match groups of purchasers with the same set of needs and buyer behavior. Such a group is known as a 'segment'. **Segmentation**, which can be done in various ways, allows marketers to identify and **differentiate** between the needs of the **target groups** of customers that make up a particular market. They may offer different products to different segments, or the same product, marketing it in different ways. For example, power tools are designed and marketed differently for professional users and do-it-yourself enthusiasts.

2 In **demographic segmentation** customers are divided up on the basis of **occupation** and **social class**: middle class, working class, etc. In the UK, marketers classify customers demographically as:

- A. professionals such as senior business executives and senior civil servants;
- B. people with very responsible jobs such as middle managers, heads of local government departments, and so on;
- C1. all others doing non-manual jobs: technicians, nurses, etc.;
- C2. skilled manual workers;
- D. demi-skilled and unskilled manual workers;
- E. those on the lowest income levels, such as pensioners.

In Britain, marketers also use a system called **ACORN**, which is a **classification of residential neighborhoods**, a system that assumes that people from a particular area will have

a similar social background. It can be used to predict likely purchases of everything from cat food to financial products.

Customers can also be divided up by **behavioral segmentation**: why, when and how often they buy a particular product, their attitude towards it, etc.

Identifying people who eat popcorn at the cinema is an example of behavioral segmentation based on **situation of use**.

People from a particular social class may spend their money in particular ways, but it can be more useful to look at people's **lifestyles**, the overall pattern of how they live, what they buy etc. Here, **values, opinions, activities and interests** are important.

Psychographics is the activity of attempting to categorize people in this way. For example, the **VALS** system divides people into groups such as Fulfilleds: mature people who like solid products that give value for money, and Experiencers: young, impulsive people who spend a lot on clothes, music, etc.

This information is often collected by means of questionnaires used to profile different kinds of buyers.

C. Complete the statements by people working for different organization with appropriate forms of expressions from 1 and 2 opposite. (Some expressions are used more than once.)

1) "I work for a food products company. We make a powder that can be added to hot milk to make a nutritious drink. It is used to make two different products and is sold under two different names, to mothers who feed it to their babies, and to old people who drink it to get important vitamins. This is the basis of our....

Of course, these are two entirely different"

2) "We sell car insurance. We calculate the premiums using ... because this tells us about the areas our customers live in and their: we are great believers in"

3) "I work for a political party. When we knock on people's doors and ask them to vote for us, we never try to persuade people who are hostile to us. We concentrate on people whose attitudes are favourable to us in some way, even if they haven't voted for us before, and this allows us to target our resources better."

4) "I work on health campaigns to discourage people from smoking. One of the most important is young people from 12 to 18. We want to discourage them from taking up smoking in the first place."

D. Match the two parts of these descriptions of VALS types.

1	Experiencers are young, enthusiastic people who spend a lot on clothes,	a	to familiar brands
2	Strugglers are poorer, elderly people who are loyal	b	cultivated, expensive tastes
3	Actualizes are successful, active people with	c	for example, without planning for a long time what they are going to buy.
4	Believers are conservative traditionalists who prefer familiar	d	functional products such as tools.

5	Makers are practical family-oriented people who buy practical,	e	products to imitate those with more money.
6	Strivers are insecure people without much money but who buy stylish	f	products and established brands.

E. Translate the following sentences from English into Russian.

- 1) How can a manufacturer target his products successfully on his chosen market segments?
- 2) Our aim is to reach the market segment between conventional motor inns and budget motels.
- 3) Social class is a useful variable for segmenting consumer markets.
- 4) Product segmentation focuses on how consumers perceive and differentiate between available products.
- 5) Far Eastern markets are more highly segmented.
- 6) It's difficult for computer makers to differentiate between the technical features of their product and someone else's.
- 7) The only viable strategy was to differentiate Citibank credit cards from all the low-cost alternatives.
- 8) To maintain product differentiation, the new models have all been styled distinctively.
- 9) Who is the target audience for this book?
- 10) These advertisements are aimed mainly at our target customers.
- 11) Consumers filled out a detailed questionnaire about their habits.
- 12) The stock was favorably profiled in Friday's edition of "Investor's Daily".

F. Answer the questions.

- 1) What is market segmentation?
- 2) What does the segmentation allow marketers?
- 3) How do UK marketers classify customers demographically?
- 4) Will you describe marketers' classifying customers demographically in the UK?
- 5) What is a system ACORN?
- 6) Which factors are important in lifestyle segmentation?
- 7) Would you explain the notion "psychographics"?

Listening: An interview with a marketing manager

(Market leader, CB, Intermediate Business English by D. Cotton, Unit 4)

Over to you

- ❖ **Which demographic segment in B opposite do you belong to?**
- ❖ **Think of a product you have bought recently and analyze your purchase in terms of behavioural segmentation.**
- ❖ **Do the VALS questionnaire and get your own VALS profile at the SRI Consulting Business Intelligence site: www.sric-bi.com**

Module 3 Advertising

Starting up

Discuss in pairs.

- ❖ Did you buy something on the basis of the advert?
- ❖ Do you think that advertising using children or animals are acceptable?
- ❖ Do you agree with the AIDA model for advertising?

Catch the audience's Attention	
Make them	Interested
Create	Desire
State the	Action the audience should take

- ❖ Analyze any ads you have seen lately using four stages in promoting a product.

Reading 1: Advertising & Promotion

A. Study the topical vocabulary.

advertising	рекламная деятельность, рекламный бизнес
advert/ad	объявление; реклама; анонс
endorsement	подтверждение; поддержка; одобрение
advertising agency	рекламное агентство
advertising campaign	рекламные кампании
direct marketing	прямой, персонализированный маркетинг
mailing shot	разовая рассылка рекламных материалов в прямой почтовой рекламе
junk mail	"макулатурная" почта (реклама, приглашения)
promotion	продвижение, раскрутка, рекламная кампания
point-of-sale advertising	реклама в местах продаж, реклама на месте покупки
merchandising	розничная торговля; марк. мерчендейзинг, выкладывание

B. Find the answers to the following questions in the passage given below. Put the passage in the correct order to form the text (use questions as the prompt)

- 1) Why is advertising so important?
- 2) What are the three generic objectives of advertisements?
- 3) What are the means of commercial advertising media?
- 4) What promotional activities support the sale of a product?
- 5) What is merchandising?

1 Some commercial advertising media include billboards or hoardings, printed flyers, radio, cinema and television ads or commercials, web banners, bus stop benches, magazines, newspapers, sides of buses, taxicab doors and roof mounts, musical stage shows, elastic bands on disposable diapers, stickers on apples in supermarkets, and the backs of event tickets and supermarket receipts. The Internet is a new advertising medium. Any place the sponsor pays to deliver his message through a medium is advertising. Recommendation of a product by famous people is called a product endorsement. Advertising agencies often design and manage advertising. An advertising campaign consists of a series of advertisements, adverts, or ads which are run in various media. A person or business that advertises is an advertiser. Direct marketing, using techniques like mailings, (mail shots) is another way of telling people about products. These are often referred to derisively by recipients as junk/ mail.

2 Merchandising is a promotion of a product by developing strategies for packaging, displaying, and publicizing it, and more commonly, to commercial products that are developed as spin-offs from the success of a movie, TV program, sports team, or event such as toys and T-shirts.

3 Advertising is the paid communication by which information about the product or idea is transmitted to potential consumers.

In general, advertising is used to convey availability of a "product" (a physical product, a service, or an idea) and to provide information regarding the product. One of the main objectives of advertising is to stimulate demand for the product.

4 More specifically, there are three generic objectives of advertisements: communicate information about a particular product, service, or brand (announcing the existence of the product, where to purchase it, and how to use it), persuade people to buy the product, and keep the organization in the public eye (institutional advertising).

5 The promotion includes all forms of marketing communication: including advertising, direct mail, customer service image, special events, sales, etc.

However, promotion is often used to refer specifically to marketing activities other than advertising: offers such as discounts or reduced price; a free sample, a small amount of the product to try or to taste; cut-price vouchers; loyalty cards in supermarkets and air lines, the more you spend, the more points you get; free gifts, given with the product; displays or events; the point-of-sale, the place in the retail outlet where the product is sold.

C. Read the information in more detail and decide if the following statements are true or false?

- 1) Advertising is used to stimulate demand for the product.
- 2) There are two generic objectives of advertisements: communicate information about a particular product and keep the organization in the public eye.
- 3) Internet is not used as an advertising medium.
- 4) Promotion is used to refer to marketing activities other than advertising.
- 5) Merchandising has nothing to do with a promotion of a product.

D. Insert the italicised words into the following sentences.

printed flyers to stimulate demand web banners to deliver message advertisement a free sample cut-price vouchers to convey stickers on apples in supermarkets adverts the point of sale merchandising ads

- 1) Advertising is used ... availability of a "product" and to provide information regarding the product.

- 2) One of the main objectives of advertising is ... for the product.
- 3) Some commercial advertising media include
- 4) Any place the sponsor pays ... through a medium is advertising.
- 5) An advertising campaign consists of a series of which are run in various media.
- 6) Promotion is often used to refer to marketing activities: offers
- 7) Merchandising is a promotion of a product by developing strategies.

E. Do you know what these abbreviations stand for? Search a dictionary or the Internet if necessary: AD, AIDA, U.S.P., RPI, IAA, NOAB

Reading 2: Advertising media and methods

A. Match the following words with their definitions.

a	commercial (n.)	memorable motto or phrase
b	billboard	a large, square sign used to post advertisements
c	complimentary	a statement (about a product) released to the news media
d	campaign	an advertisement on TV, the radio, etc
e	readership	the attempt to manage how a public sees a product
f	slogan	the number of people that read a particular newspaper, magazine, etc
g	press release	a plan of action (to promote a product)
h	features	a measure of how popular a brand is (how many)
i	publicity	special characteristics, qualities
j	brand awareness	free

B. These eight verbs are commonly used in advertising. Choose the right one to complete each sentence.

e.g. 1 = appeal

attract	promote
boost	persuade
spend	appeal
launch	project

- 1) The copywriter created a slogan which would ... to a wide cross-section of consumers
- 2) The agency wants to ... a campaign targeting the under-16 market.
- 3) The consumers we want to... are professionals who purchase up-market products.
- 4) All advertising must ... the right product image.
- 5) Giving away free badges helped to ... ice-cream sales to children.
- 6) The number of TV commercials in a campaign depends on how much the client wants to ... and who he wants to reach.
- 7) The function of advertising is primarily to inform and to ...
- 8) Our plan is to ... the new product across a wide range of media.

C. Translate the following sentences from English into Russian.

- 1) One definition of merchandising is a marketing practice in which the brand or image from one product or service is used to sell another. It is most prominently seen in connection with films, usually those in current release and with television shows oriented towards children.
- 2) Merchandising, especially in connection with child-oriented films and TV shows, often consists of toys made in the likeness of the show's characters or items which they use.
- 3) What we call junk mail is actually the result of direct marketing campaigns designed to get you to buy a product or service. It's called direct marketing because it attempts to match you and your buying preferences with offers that are likely to make you buy a product or service.
- 4) The fluency lost a \$ 15 million account for Nikon cameras when it mistakenly ran an advert for a new product before it had formally been introduced.
- 5) The world's biggest advertising campaign rests on the denim-clad shoulders of that anonymous cowboy, the Marlboro Man.
- 6) Despite heavy promotion, new car sales rose by only 1.7% in August over the figure for August last year.
- 7) Although the number of drug salesmen may decline, firms may still need a big marketing operation to handle the advertising and point-of sale promotion necessary in retail outlets.

D. Discuss in groups.

- 1) Where do you see a lot of advertising?
- 2) What advertising campaigns are famous in our country?
- 3) What commercials do you like?
- 4) What cannot be advertised on TV in our country?
- 5) Advertising can influence people's behavior, sometimes - as in a case of the anti-smoking campaign – with very positive results. In what other fields could advertising play a beneficial role?
- 6) What advertisements and promotional activities does your company use?

Discussion: Advertising via the internet is a new medium

Discuss with your partner the following questions and make up short dialogues using them.

- 1) What advertisements have caught your eye recently? Explain why you consider them to be successful.
- 2) Describe any good advertising gimmicks you have seen. What sort of impact did they have?
- 3) How do you see the promotion of merchandise by in-store demonstrators? What makes a good demonstration?

Over to you

A. Write a summary about the advertising on one of the following topics and present it to your group mates.

- ❖ Advertising styles
- ❖ Advertising media and methods
- ❖ Advertising campaigns

B. Prepare a short presentation of ads covering the following points:

- ❖ Target customers
- ❖ The Unique Selling Proposition (USP) of the product, its future benefit
- ❖ How the ad works in terms of four stages of AIDA

UNIT 3

FINANCE

Module 1 Investments

Starting up

A. If you possess a large amount of money, what are advantages and disadvantages of the following?

- putting it under the mattress
- buying a lottery ticket
- taking it all to Las Vegas or Monte Carlo
- putting it in a bank
- buying gold
- buying a Van Gogh painting
- investing in property or real estate
- buying bonds
- buying shares

B. Investing in your future

Each of us has a set of goals that we want to achieve in our lives: going to college, getting married, buying a car or house, or taking a vacation. In order to achieve your goals, think about how much money you need to afford your “dreams”. Create a timeline of your goals and write about how you plan to achieve them through long-term saving and investing.



Timeline of the goals

Year	Event	How I plan to achieve the goal
_____	_____	_____
_____	_____	_____
...

Reading 1: Commodity and Stock Exchanges

A. Study the topical vocabulary.

exchange	обмен, торговля; биржа
stock exchange	фондовая биржа
stock market	рынок капитала, фондовый рынок
stock(s)	1) ценные бумаги, сертификаты акций, облигаций 2) акционерный капитал корпораций
share(s)	1) часть, доля; пай (во взаимном фонде) 2) акция, ценная бумага
equity	1) капитал компании 2) обыкновенная акция
securities	ценные бумаги

gilt-edged securities (gilts)	правительственные ценные бумаги с государственной гарантией, считаются наиболее надежными инвестиционными активами
bond	облигация, ценная бумага с фиксированным доходом
grade	класс, сорт, сортировка
to grade	разместить товар на товарных биржах по сортам и качеству
supply and demand	предложение и спрос
listed securities	котируемые (на бирже) ценные бумаги
listed companies	компании, акции которых котируются на фондовой бирже
listing	«листинг», допуск ценной бумаги к официальной котировке
free economies	страны с рыночной экономикой
to raise capital	привлечь капитал
investment products	различные виды инвестиций
individual investors	инвесторы: физические лица
institutional investors	инвесторы: юридические лица
securities firms	холдинг-компании
dealers with assigned responsibility	дилеры, уполномоченные вести операции с ценностями бумагами
financial record	данные о финансовом состоянии
to fund	финансируировать
to fund shortfall	покрывать дефицит

B. Read the text below and find answers to the following questions.

- 1) What does the term “exchange” mean? What types of exchanges do you know?
- 2) Do Commodity Exchanges deal in all kinds of commodities? How are the goods bought and sold at Commodity Exchanges?
- 3) What are the main factors governing prices at the exchanges?
- 4) What is the main purpose of the stock market?
- 5) What kind of products are traded on Stock Exchanges?
- 6) Who are the participants of the Stock Exchange?
- 7) What is necessary for a company to be admitted to the Stock Exchange?
- 8) What basic types of securities are listed and traded on the Stock Exchange?

Exchange is the marketplace for buying and selling both the securities and commodities. The way in which an exchange is organized and operates is determined by the type of dealings that take place every trading day. According to this there are two main types of exchanges: the Commodity Exchange and the Stock Exchange.

Commodity Exchange is the marketplace where goods are bought and sold according to grades or standards and on the basis of standard contract terms. Commodity Exchanges usually deal in raw materials and some items of produce, such as cotton, wheat, vegetable oils etc., as these goods can be accurately graded and the grades practically remain unchanged every year. And Commodity Exchanges are called accordingly: the Wheat Exchange, the Metal Exchange and so on. Prices at these exchanges are determined by a complex interaction of factors. It may be said that the main factors governing prices are the interaction of supply and demand, the quality of the goods offered, the terms of contracts.

Stock Exchange is the marketplace where listed securities can be traded efficiently. Most free economies have stock markets which provide companies with a means of raising capital from investors in order to finance their businesses. They provide a wide variety of investment products to meet the varying needs and goals of the investing public.

Stock Exchange brings together those wanting to raise capital (whether industry or government) with those who wish to invest. It is made up of a broad spectrum of participants including listed companies, individual investors, institutional investors, securities firms and dealers with assigned responsibility.

The most famous and oldest Stock Exchanges that have a long history are the London Stock Exchange, the NYSE (New York Stock Exchange) and the Tokyo Stock Exchange. Each year many domestic and overseas companies turn to them to raise capital for their businesses or to have their shares more widely traded. The stocks of the largest and best-known companies are listed on these Stock Exchanges.

It costs money to become an Exchange member. On the NYSE, for example, there are about 650 seats. The seats can be bought and sold (the price of a seat amounts to \$625,000). Before you are permitted to buy a seat you must pass a test that strictly checks your knowledge of the securities industry as well as your experience.

Companies raise money through the issue of shares on the Exchange market. To be admitted to the exchange, they apply for a place on the «Official List». To do this, a company must give as complete picture of itself as possible: its trading history and financial record, management and business prospects.

Stock market prices in a particular country are affected by stock market prices elsewhere in the world. They are determined by the constant interplay of supply and demand.

C. Find pairs of synonyms.

stocks	diversity
to fund	to authorize
variety	full
to deal in	to define
to determine	to influence
overseas	foreign
to entitle	to finance
shortfall	securities
to affect	to trade in
complete	deficit

D. Match the terms given in the box with the correct definitions below.

blue chips	OTC	vitality	listed company	RR	market price
share index	bears		bulls	shareholder	

- 1) Number indicating how prices of shares have fluctuated.
- 2) An employee of a stock exchange who accepts to buy and sell orders from customers.
- 3) Stock of a large, national company with a solid record of stable earnings and/or dividend growth and a reputation for high quality management and/or products.
- 4) A name for investors who buy shares because they expect their price to rise.
- 5) A name for shareholders who sell because they expect the price to fall.
- 6) Financial organizations that own a lot of shares.
- 7) A company whose securities are traded on an organized exchange.
- 8) The indicator of a good market.
- 9) Last reported price at which a security was sold on an exchange.

Reading 2: Stocks and Shares

A. Read the following information on stocks and shares.

A *share* is a part of a company, offered for sale to the public. The company is able to raise cash for expansion and new ventures by selling shares in itself to investors. The first time it “goes public” (also known as *flotation*), a company will often announce its intentions with advertisements in the press. This is called *an offer for sale*.

As a *shareholder*, you are an owner of the company and are entitled to take part in its decisions. You are sent an annual company report, you can vote on company issues, and you have the right to attend shareholders’ meetings.

A share’s value is not fixed. Its price is determined by many things: the company’s recent performance; the state of the sector of the economy the company trades in; national and international economic and political changes; the level of consumer demand; and the peculiarly unpredictable human factors of confidence and pessimism. So, if you buy a share at one price and sell it at a higher price, you make a profit; if you sell it at a lower price, you make a loss. Shares can provide an income through the payment of dividends. However, a company can choose not to pay a dividend at all, investing any profits back into the company.

B. Match the types of securities below with their definitions.

The following *basic types of securities* are listed and traded on the Exchange:

1	domestic equities and overseas equities	fixed-interest stocks, usually issued by companies or local authorities. They entitle the owner to regular interest payments and the repayment of a fixed sum at a given date in the future.
2	preference shares	securities which are not listed and traded on an organized exchange. They are also called over-the-counter securities. These are the stocks of companies not big enough for a Stock Exchange listing or not wishing to pay for listing. In most cases, these stocks are thinly traded because they do not get much attention from the media or financial analysts, and so may be too risky for many investors.
3	bonds	securities, issued by any country's government to raise money to fund any shortfall in public expenditures. They can be: longs, with a redemption date more than 15 years away; mediums, with a redemption date of between 5 and 15 years; shorts, with a redemption date of 5 years or less. Some are undated, with no fixed redemption date.
4	unlisted securities	ordinary shares, issued by domestic or overseas companies
5	gilts	is stock in a corporation with a national reputation for quality, reliability and the ability to operate profitably both in good and bad times. The term derives from the highest-value chip in a game of poker. One should consider blue chips for long-term investment.
6	blue chip	shares earning a fixed income. Their owners are entitled to receive any dividend before the holders of ordinary shares. If the company is wound up, they are paid first, once all the creditors have been paid in full.

Speaking: Role-play

Work in pairs and each take one of the roles in a telephone conversation. Read your card and prepare what you are going to say. When you are ready, Student B begins.

Student A

You are a financial adviser. One of your client telephones you.

Take the client's account number and then give some advice. The client owns shares in the following companies:

- 1) *AT Engineering*. This group is performing very well and is probably worth investing in further. It has recently received a very large new contract in a new market.
- 2) *Inteco Company*. This company will soon get a new chief executive who may want to make big changes. You are not sure if this will have a good or bad effect on the share price, so it is probably best to wait and see what happens.

Student B

You own shares in these two companies: *AT Engineering* and *Inteco Company*.

Your account number is 0994758367. You are worried about Inteco as there are stories in the news about changes to the board of directors.

You think this may affect the share price. Should you sell the shares? You are also thinking of investing another sum of money. Telephone your financial adviser for advice.

Listening: Interview with the founder of an Internet business consultancy

(Market Leader, Upper Intermediate Business English CB by D. Cotton, Unit 9)

Writing

Part 1

A. Choose three companies from different sectors that interest you (entertainment, technology, telecommunications, food, cosmetics, transportation, etc.) and fill in the information that you obtain from your research. Then, based on your research, write a report analyzing these companies and graph their stock prices for the past six months.

Company Name: _____
Symbol: _____
History: _____
Management: _____
Products: _____
Income Analysis: _____

B. Discuss the following questions.

- 1) Comparing the information you've found from your research, which companies would be a good investment? Why? Which ones might not? Why?
- 2) Many stock analysts think it is important to build a portfolio of varied stocks from different sectors. Explain why.
- 3) How will you build your portfolio from the stocks you have researched?

Module 2 Banking

Starting up

Look at the cartoon and express your vision of the painter's message.



"I take it you've never had a bank account before?"

Discuss with your partner

- ❖ Are banks the best place to keep your money? Why?
- ❖ What are good and bad things about banks?
- ❖ Do you use a piggy bank? For what reason?
- ❖ Would you like to work for a bank? Why?

Reading: The Banking Industry

A. Study the topical vocabulary.

banking institutions	банковские учреждения
banks	банки
savings ~	сберегательные
commercial or retail ~	коммерческие
merchant ~	торговые
to issue	выпускать, выдавать
~ notes	зд. деньги
~ personal cheque	именной чек
~ money	деньги
~ shares	акции
to undertake	проводить, осуществлять, предпринимать
~ management	управление, администрирование

~ monetary policy	кредитно-денежную политику
to pay interest on the account	платить процент по счету
receipt of deposits	получение вклада
transfer of money	перевод денег
encashment	оплата наличными, инкассация
to save money/to keep money safe	экономить, сберегать, копить
to lend = to loan (to make a loan)	давать взаймы, одолживать
lender	заемодавец
to borrow	брать взаймы, в долг, в кредит
borrower	заемщик
to deposit	положить на счет
a depositor	вкладчик
insolvent	неплатежеспособный
legal tender	законное платежное средство
capital surplus	избыток капитала
collateral	залог
to be subject to	подлежать чему-либо
capital	капитал
~ surplus	избыток капитала
~ deficit	дефицит капитала
to charge interest	взимать комиссию
liquidity	ликвидность (способность банка своевременно выполнять обязательства)
maturity	срок действия вклада, срок долгового обязательства

B. Predict the answers to the questions before reading

- 1) What does the word 'bank' mean?
- 2) What is the role of 'banking' in society and financial systems?
- 3) Which types of banks can you name?

C. Read the text below and write short headings (one or two words) for each paragraph.

1 A bank is a financial institution and a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly or through capital markets. A bank connects customers that have capital deficits to customers with capital surpluses. Due to their critical status within the financial system and the economy generally, banks are highly regulated in most countries. Most banks operate under a system where they hold only a small reserve of the funds deposited and lend out the rest for profit.

2 A bank which is entrusted with the functions of guiding and regulating the banking system of a country is known as its Central bank, Reserve bank, or Monetary authority. Such a bank does not deal with the general public. It acts essentially as Government's banker, maintain deposit accounts of all other banks and advances money to other banks, when needed. The Central Bank provides guidance to other banks whenever they face any problem. It is therefore known as the banker's bank. The Central Bank maintains record of Government revenue and expenditure under various heads. It also advises the Government on monetary and credit policies and decides on the interest rates for bank deposits and bank loans. In addition, foreign exchange rates are also determined by the central bank. Another important function of the Central Bank is the issuance of currency notes, regulating their

circulation in the country by different methods. It also prints the national currency, which usually serves as the nation's legal tender.

3 Commercial or retail banks are businesses that trade in money. They receive and hold deposits, pay money according to customers' instructions, lend money, offer investment advice, exchange foreign currencies, and so on. They make a profit from the difference between the interest rates they pay to lenders or depositors and those they charge to borrowers. Banks also create credit because the money they lend, from their deposits, is generally spent (either on goods or services, or to settle debts), and in this way transferred to another bank account - often by way of a bank transfer or a cheque (check) rather than the use of notes or coins - from where it can be lent to another borrower, and so on. When lending money, bankers have to find a balance between yield and risk, and between liquidity and different maturities.

4 The merchant banks are in many ways different from commercial banks as they deal mainly with businesses. Merchant banks in Britain raise funds for industry on the various financial markets, finance international trade, issue and underwrite securities deal with takeovers and mergers, and issue government bonds. They also generally offer stockbroking and portfolio management services to rich corporate and individual clients. Some merchant banks are known as accepting houses* as they specialise in acceptance credit*. Others are called issuing houses* as they float* new issues of shares on the capital market, both at home and overseas*. Investment banks in the USA are similar, but they can only act as intermediaries offering advisory services, and do not offer loans themselves, investment banks make their profits from the fees and commissions they charge for their services.

5 A country's minimum interest rate is usually fixed by the central bank. This is the discount rate, at which the central bank makes secured loans to commercial banks. Banks lend to blue chip borrowers (very safe large companies) at the base rate or the prime rate; all other borrowers pay more, depending on their credit standing (or credit rating, or creditworthiness); the lender's estimation of their present and future solvency. Borrowers can usually get a lower interest rate if the loan is secured or guaranteed by some kind of asset, known as collateral.

Notes

accepting house	акцептный дом: торговый банк по международной торговле
acceptance credit	акцептный кредит: метод платежа в международной торговле
issuing house	эмиссионный дом: банк, организующий выпуск ценных бумаг
to float	зд. выпускать
at home and overseas	в своей стране и за рубежом

D. Answer the questions about banking system.

- 1) What are the other names of the Central bank?
- 2) What are the main functions implemented by the Central bank?
- 3) How is the Government's monetary policy implemented through the Central bank?
- 4) Which banks are called retail?
- 5) What services are offered by commercial banks? What is their primary business?
- 6) In what way do commercial banks make profit?
- 7) Why may the bank become insolvent?
- 8) What are the main activities of merchant banks in Great Britain?
- 9) What are the differences between investment banks and commercial banks?
- 10) How is the bank rate regulated?

E. Find the words or expressions in the text which mean the following.

- 1) to place money in a bank; or money placed in a bank
- 2) how much money a loan pays, expressed as a percentage
- 3) the date when a loan becomes repayable
- 4) buying and selling stocks or shares for clients
- 5) taking care of all a client's investments
- 6) ability to pay liabilities when they become due
- 7) anything that acts as a security or a guarantee for a loan
- 8) controlling the amount of banknotes in circulation
- 9) lending money to a commercial bank in danger of going bankrupt

F. The text contains a number of common verb-noun partnerships (e.g. to lend money, to finance international trade). Match up the verbs and nouns below to make common collocations.

charge	advice
do	bonds
exchange	business
issue	currencies
make	deposits
offer	funds
pay	interest
raise	loans
receive	profits
underwrite	security issues

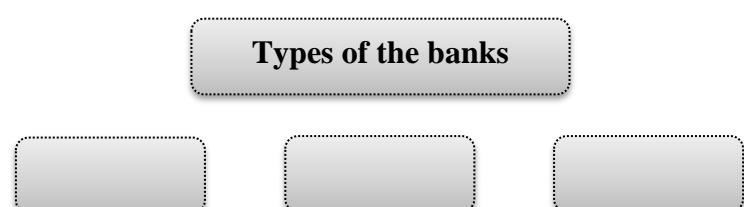
G. Complete the sentences with the words below.

bank	borrowers	draw out	open	exchange	interest	lenders
		limit	current	close	limit	

- 1) The sum ... pays to for the use of their money is determined by the ... rate.
- 2) The value of the money of one country compared to that of another is shown by the ... rate.
- 3) The rate of interest fixed by a central bank, such as the Bank of England, is the... rate.
- 4) The bank account that covers daily needs - salaries are paid into it. Cash is drawn from it, and cheques are written against it - is the ... account.
- 5) To start an account with a bank or with a supplier is to ... it; to finish an account with a bank or with a supplier and formally to end the arrangement is to ... it.
- 6) To obtain cash from bank at which one has an account is to ... cash.
- 7) The greatest sum which debtors are allowed to owe is their credit...

Speaking: Banking System

A. Draw the flow chart describing the banking system.



B. Use the flow chart and topical vocabulary to speak about banking.

Reading 2: The Banking Services

A. Study the topical vocabulary and say which bank services you employ.

Opening an account

to have an account with /in the bank	иметь счёт в банке
interest on an account	процент по счёту
to pay an interest of 2%	платить два процента
a specimen of signature	образец подписи
genuine signature	подлинная подпись
initial sum	первоначальная сумма
account in roubles (dollars)	счёт в рублях (долларах)
current account (UK)/ checking account (USA)	текущий счёт
deposit account (UK)/ savings account (UK,USA)	срочный (депозитный) счёт
salary account	счёт, на который перечисляется зарплата
loan account	счёт ссуд
personal loan	ссуда частному лицу (обычно без обеспечения)
standing order/ direct debit mandate	приказ о регулярных платежах

Paying into an account

to pay in /into an account	
to put some money into an account	
to deposit /to put in smb's account	положить /зачислить деньги на счёт

Withdrawing from an account

to withdraw	
to take out from an account	снимать (деньги) со счёта
to draw out	
to make withdrawals	

to overdraw	превысить кредит в банке
overdraft	овердрафт (сумма, получаемая по чеку сверх остатка на текущем счете)
balance of	остаток

Making a transfer

to transfer money from an account	перевести деньги со счёта
to make the transfer to the bank	перевести банку
in somebody's name	на имя
bank charges commission (UK)	комиссионные
service charges (USA)	
to charge a commission	брать комиссионные
extra charge	дополнительные сборы
to make payment(s)	платить, выплачивать
to confirm the transfer	подтвердить перевод
to collect the transfer	получить деньги по переводу

<i>Buying and changing foreign currency</i>	
to buy (sell) foreign currency	покупать (продавать) иностранную валюту
to change roubles for dollars	менять рубли на доллары
to change into	обменять на
rate of exchange/exchange rate (for the dollar)	обменный курс (доллара)
<i>Cheques /checks (USA)</i>	
to cash a cheque	оплатить чек, получить деньги по чеку
a cheque in pounds sterling	чек в фунтах стерлингов
a cheque in favour of	чек на имя
to make out	выписать чек
to issue a cheque	
to endorse/to sign a cheque	подписать (заверить) чек
to accept the cheque	принять чек для оплаты
traveller's cheques	дорожные чеки
to draw a cheque on a certain account	выписать чек на определённый счёт
a cheque for (\$200)	чек на (200 долларов)

B. Read the text.

Commercial banks render services to the business community, as well as to the general public. The functions of banks are divided into **Primary** and **Secondary** ones. Primary functions are the main activities generating the main profit and obligatory on the part of bank to perform while secondary are not the main sources of income of the banks.

The **primary** functions of a commercial bank include accepting deposits granting loans and advances.

The most important activity of a commercial bank is to mobilise deposits from the public or **Accepting deposits**. People who have surplus income and savings find it convenient to deposit the amounts with banks. Depending upon the nature of deposits, funds deposited with bank also earn interest. If the rate of interest is higher, public are motivated to deposit more funds with the bank. There is also safety of funds deposited with the bank. Banks accept deposits from the public and their customers in the form of Current deposit, Saving, deposit, fixed deposit, and under other deposit schemes.

Current Deposit can be withdrawn by the depositor at any time by cheques. Businessmen generally open current accounts with banks. Current accounts do not carry any interest as the amount deposited in these accounts is repayable on demand without any restriction.

Savings deposit account is meant for individuals who wish to deposit small amounts out of their current income. It helps in safe guarding their future and also earning interest on the savings. A saving account can be opened with or without cheque book facility. There are restrictions on the withdrawals from this account.

The term '**Fixed deposit**' means deposit repayable after the expiry of a specified period. Fixed deposits are most useful for a commercial bank. Since they are repayable only after a fixed period, the bank may invest these funds more profitably by lending at higher rates of interest and for relatively longer periods. The longer the period, the higher is the rate of interest offered.

The second important function of a commercial bank is to **grant loans and advances**. Such loans and advances are given to members of the public and to the business community at a higher rate of interest than allowed by banks on various deposit accounts. The rate of

interest charged on loans and advances varies depending upon the purpose, period and the mode of repayment. The difference between the rate of interest allowed on deposits and the rate charged on the Loans is the main source of a bank's income.

Cash credit is an arrangement whereby the bank allows the borrower to draw amounts up to a specified limit. The amount is credited to the account of the customer. The customer can withdraw this amount as and when he requires.

Overdraft is also a credit facility granted by bank. A customer who has a current account with the bank is allowed to withdraw more than the amount of credit balance in his account. It is a temporary arrangement. Overdraft facility with a specified limit is allowed either on the security of assets, or on personal security, or both.

Besides the primary functions of accepting deposits and lending money, banks perform a number of other functions which are called **Secondary functions**. They are therefore could be subdivided into agency (transfer of funds, collection of checks, portfolio management, periodic collection , i.e. collection of salary, pension, dividend etc.) and general utility functions (issue of drafts and letters of credit, locker facility , i.e. safe custody of valuables, underwriting of shares, dealing in foreign exchange . Agency services are rendered as agent of customers, whereas general utility services are rendered to the general public.

Banks have now installed their own **Automated Teller Machine (ATM)** throughout the country at convenient locations. By using debit & credit cards, customers can deposit or withdraw money from their own account any time.

Having saving or current account in the banks a customer is provided with **Debit cards**. The amount paid through the card is automatically debited (deducted) from the customers' account.

Credit cards are issued by the bank to persons who may or may not have an account in the bank. Just like debit cards, credit cards are used to make payments for purchase, so that the individual does not have to carry cash. Banks allow certain credit period to the credit cardholder to make payment of the credit amount. Interest is charged if a cardholder is not able to pay back the credit extended to him within a stipulated period. This interest rate is generally quite high.

With the extensive use of computer and Internet, banks have now started transactions over Internet or **Net- banking**. The customer having an account in the bank can log into the bank's website and access his bank account. He can make payments for bills, give instructions for money transfers, fixed deposits and collection of bill, etc.

In case of **Phone banking**, a customer of the bank having an account can get information of his account, make banking transactions like, fixed deposits, money transfers, demand draft, collection and payment of bills, etc. by using telephone or mobile phone.

C. Identify whether the statements are true, false or not given.

- 1) A country cannot make commercial and industrial progress without a well organised banking system.
- 2) Loans may be granted only for long period by bank.
- 3) Primary activity of commercial banks includes accepting deposits and lending money.
- 4) Difference of interest allowed to public on deposits and charged on loan is the main source of income of banks.
- 5) A loan cannot be repaid in lump sum by the borrower.
- 6) Loans are generally granted against the security of certain assets.
- 7) Services rendered by banks to the general public constitute the main function of banks.
- 8) Bank charges some amount for the services rendered.
- 9) Banks generally grant long-term loans to industries..

- 10) Banks grant loans to students for their studies at reasonable interest rate.
- 11) Through overdraft, a customer can withdraw more money than the amount in his/her bank account.

D. Fill in the blanks with suitable words.

- 1) There are four important ways of lending money by banks. They are...
- 2) Bank loans can be divided into two categories... and ...
- 3) When the loan is repayable on demand or at a very short notice, the loan is known as ...
- 4) If the loan granted by a bank is on long-term or medium-term, the loan is called ...
- 5) ... is a flexible system of lending under which the borrower has the option to withdraw the funds as and when required.
- 6) ... is an agreement with the bank by which a current account holder is allowed to withdraw over and above the amount in his account.

E. Find the answers to the following:

- 1) Explain the Primary functions of banks.
- 2) Explain the Secondary functions of banks.
- 3) Describe the functions of modern commercial banks.
- 4) Explain the methods of granting loan by bank.
- 5) What do you mean by bank overdraft? Explain the procedure for granting overdraft by bank.
- 6) Differentiate between loans and advances.
- 7) Explain cash credit facility allowed by banks to customers.
- 8) Explain in brief the agency functions of a commercial bank.
- 9) Differentiate between Primary and Secondary functions rendered by bank.
- 10) Describe briefly the various modes of acceptance of deposits by banks.

F. Find the words with their opposites.

spend	variable	withdraw	borrow	default	purchase
	deposit	lend	save	sell	

G. Match the words with their definitions

a) balance	deficit in a bank account caused by withdrawing more money than is paid in
b) bank charges	written order to a bank to pay the stated sum from one's account; cheque ^{UK}
c) check ^{US}	bank a/c from which money may be drawn at any time; checking account
d) credit card	a sum deducted from a bank account, as for a cheque - <i>also v</i>
e) current account	an instruction to a bank to make regular payments
f) debit	small document recording money that you pay in to a bank account
g) deposit account	bank a/c on which interest is paid; savings account ^{US}
h) loan	money in a bank a/c; sum added to a bank a/c; money lent by a bank - <i>also v</i>
i) overdraft	(plastic) card from a bank authorising the purchasing of goods on credit
j) standing order	the difference between credits and debits in an account
k) withdraw	to take money out of a bank account money paid to a bank for the bank's services etc

H. Supply prepositions where necessary.

as/about/by/during/for/from/in/into/of/on/on behalf of/out/to/through/with

- 1) Commercial banks of Russia have developed ... the past few years.
- 2) The Central Bank acts ... the Government and works ... close cooperation with the other banks of Russia.
- 3) It is ... the Central Bank that the Government's monetary policy is implemented.
- 4) Savings banks receive money ... their customers in two forms: ... current account and deposit account.
- 5) ... a current account a customer can issue cheques.
- 6) No interest is paid ... current accounts.
- 7) Commercial banks receive money ... savers ... current and deposit accounts.
- 8) They work ... profit and earn interest... the bank.
- 9) The man decided to open an account... the bank and to put some money ... his account. He asked the bankers ... the interest he might get... his money. Then he decided to draw ... some dollars. He intended to transfer his money ... another bank because the bank's charges ... all services are rather high...
- 10) I'd like to buy some foreign currency and change roubles ... dollars. Here is a cheque ... roubles. It is a cheque ... 1000000 roubles ... my name.

I. Revise comparing and contrasting phrases and compare the following.

Saving account and checking account; merchant bank and clearing bank; deposit and withdrawal; cheque and credit card; loan and overdraft, primary and secondary functions; e-banking and traditional banking, loan and advance

J. Complete a summary using the vocabulary.

Bank is a lawful organization which renders a wide range of services to individuals. They r.... and hold deposits, p... money according to customers instructions, l... money, etc.

There are still many people in Britain who do not have b... a.... Traditionally, factory workers were paid wages in c... on Fridays. Non-manual workers, however, usually receive a monthly salary in the form of a c... or a t... paid directly into their bank account.

A c... account (US: c... a...) usually pays little or no interest, but allows the holder to w... his or her cash with no restrictions. D... accounts (in the US called time or notice accounts) pay i.... They do not usually provide c... (US: c...) facilities, and notice is often required to w... money. S... o... and direct d... are ways of paying r... bills at regular intervals.

A bank l.. is a fixed sum of money, lent for a fixed period, on which i... is paid; banks usually require someform of c... before lending. An o... is an arrangement by which a customer can overdraw an account, i.e. run up a d... to an agreed limit; i... on debt is calculated daily.

B... make profit from the differentials between the i... r... they pay on d... and those they charge on l.... They are also able to l... more money than they receive in deposits because d... rarely withdraw all their money at the same time. In order to find a trade-off between y... and r.... If they fail they are called i...

K. Draw the banking services flow chart and use it as a plan for speaking about bank functions.

Listening: An interview with a bank director

(Market leader, CB, Intermediate Business English by D. Cotton, Unit 9)

Over to you

- ❖ **Compare the banking systems of the USA, UK and Russia.**
- ❖ **Do a research and make a report on a banking crisis.**

Speaking

A. Which of the following would be said by a client and which by a bank clerk?

- I'd like to change this for pounds sterling, please.
- I'd like to change a traveler's cheque, please.
- Can you sign here, please?
- Is the money here?
- I want to open a bank account here.
- How would you like the money?
- Can I have three twenty pound notes and four tens, please?
- I'd like to cash a cheque.
- Can I help you?
- I'm expecting a money order from Montreal.

B. Act out dialogues on the situations below using the phrases above. One is a Cashier and the other is a customer.

Situation 1

The customer wants to change some currency into dollars. The amount is equal \$200 and the bank charges a commission of 2%.

Situation 2

The customer wants to change a traveler's cheque for €100 in €10 notes.

Situation 3

The customer is expecting a money order of £500 from home. The cashier needs this customer's name and some ID. Decide if the money order has arrived or not.

Situation 4

The customer wants to arrange monthly transfer of \$200 to her/ his mother.

Situation 5

Customer wants to buy a car but does not have enough cash to do it.

Module 3 Accounting

Reading 1: Basics of Accounting

A. Study the topical vocabulary.

accountant	бухгалтер (квалифицированный бухгалтер), бухгалтер с управленческими функциями
accounting data	бухгалтерская отчётность
accounting	бухгалтерское, счетное дело; бухгалтерский учет
actual making of records	простая регистрация
assistant controller	помощник бухгалтера
bookkeeper	бухгалтер, счетовод
cash flow	поток денежных средств; кассовая прибыль
certified public accountant(CPA)	дипломированный общественный бухгалтер
chief accounting officer	начальник финансового отдела
controller /comptroller	главный бухгалтер-аналитик/ главный бухгалтер компании
cost accountant	бухгалтер по учету издержек; бухгалтер-калькулятор
credible financial report	достоверный финансовый отчет
current transactions	текущие операции, расчеты
expert knowledge	компетентность, специальные знания
finance	средства (бухг.), финансы, финансирование, финансовые отношения, доходы, деньги
financial accountant	бухгалтер по финансовому учету
financial statements issued by the business	отчеты, представляемые фирмой
fiscal	финансовый
fraudulent transactions	мнимая сделка, совершаемая с целью обмана, мошенническая транзакция
governmental accounting	государственный учет
industrial accountant	бухгалтер промышленного предприятия
institutional accounting	институциональный учет
internal auditor	внутренний аудитор\ревизор
launch (n, v)	начало, старт, запуск изделия в производство; приступать к выполнению, открывать (что-либо), начинать
management accounting	финансовый учет, управленческий учет
managerial (management) accountant	бухгалтер по управленческому учету, главный бухгалтер-аналитик
record making	ведение бухгалтерских записей
system analyst	системный аналитик, специалист по системному анализу
tax liability	обязательства по налогам
tax returns	сведения о доходах, облагаемых налогом;

	налоговый доход
to meet commitments	выполнить обязательства
to operate at a profit	работать с прибылью, давать прибыль

B. Answer the following questions before reading.

- 1) Why do accountants take leading positions in the organizational structure of a company?
- 2) Is it necessary to have proper analysis of the accounts important for business? Why?
- 3) Can you define functions of bookkeepers and accountants?
- 4) Why does one need accounting knowledge?

C. Read the text.

Accounting frequently offers the qualified person an opportunity to move ahead quickly in today's business world. Indeed, many of the heads of large corporations throughout the world have advanced to their positions from the accounting department. In industry, management, government, and business, accountants generally are near the top rather than near the bottom of the organization chart. Management relies on the expert knowledge and experience of accountants to cope with the increasingly complex problems of taxes and cash flow.

Accounting is a basic and vital element in every modern business. It records the past growth or decline of the business. Careful analysis of these results and trends may suggest the ways in which the business may grow in the future. Expansion or reorganization should not be planned without the proper analysis of the accounting information; and new products and the campaigns to advertise and sell them should not be launched without the help of accounting expertise.

Government officials often have a legal background*; similarly, the men and women in management often have a background in accounting. They are usually familiar with the methodology of finance and the fundamentals of fiscal and business administration.

* * *

Today, a sharp distinction is made between the relatively unchanged work performed by a bookkeeper and the more sophisticated duties of the accountant. The bookkeeper performs the routine work of recording figures in the books, whereas the duties of an accountant extend far beyond* the actual making of records. Accounting is concerned with the use to which these records are put, their analysis and interpretation. An accountant should be studying the various alternatives open to the business, and be using his accounting experience in order to aid the management to select the best plan of action for the business.

Accounting is often said to be the language of business. It is used in the world to describe the transactions entered into* by all kinds of organizations. Accounting terms and ideas are therefore used by people associated with business, whether they are managers, owners, investors, bankers, lawyers, or accountants.

The owners and managers of a business will need some accounting knowledge in order that they may understand what the accountant is telling them. Investors and others will need accounting knowledge in order that they may read and understand the financial statements issued by the business, and adjust their relationships with* the business accordingly.

Probably there are two main questions that the managers or owners of a business want to know: first, whether or not the business is operating at a profit; second, they will want to know whether or not the business will be able to meet its commitments as they fall due*, and so not have to close down owing to lack of funds. Both of these questions should be answered by the use of the accounting data of the firm.

* * *

The field of accounting is divided into three broad divisions: management, public and governmental accounting.

An accountant who is employed by a business is said to be in management accounting. Managerial (management) accountants work with the kinds of financial reports necessary to management for the efficient operation of the company. As companies grow, they are working under a chief accounting officer called a controller (or comptroller as he or she is often called), or financial vice-president. Other positions that may be held by accountants at lower managerial levels are assistant controller, internal auditor, system analyst, financial accountant, and cost accountant. Those who work for manufacturing concerns are sometimes called industrial accountants.

Internal auditors are in charge of the protection of the firm's assets. The internal auditor sees that* current transactions are recorded promptly and completely. He or she also identifies inefficient procedures or detects fraudulent transactions.

The field of public accounting offers services in auditing, taxes, and management consulting to the public for a fee. A certified public accountant or CPA, as the term is usually abbreviated, must pass a series of examinations, after which he or she receives a certificate. The most important and distinctive function of a certified public accountant is auditing, which is the examination and testing of financial statements. Society relies heavily on the auditing function for credible financial reports.

As the tax laws have grown increasingly complex, not only corporations but also individuals need to have their tax liability calculated. So, public accountants assist businesses and individuals in preparing tax returns* and complying with* tax laws.

A growing and important part of most public accounting firms' practice is management advisory services, or consulting. With their intimate knowledge* of business's operations, auditors can make important suggestions for improvements in the last few years. These recommendations have expanded into marketing, organizational planning, personnel and recruiting, production systems, and many other business areas.

Many accountants work in government offices or for nonprofit organizations either regularly or on a part-time basis. These two areas are often joined together under the term «governmental and institutional accounting».

Notes

sees that - следит за тем, чтобы

tax returns - сведения о доходах, облагаемых налогом

complying with the law - приведение в соответствие с законом

with the intimate knowledge - благодаря их близкому знакомству

on a part time basis - на основе почасовой оплаты

D. Fill in the blanks.

- 1) Management accountants work with the ...
- 2) Chief accounting officer is called a ... or
- 3) Industrial accountants work for ...
- 4) ... are in charge of the protection of the firm's assets.
- 5) A must pass a series of examinations.
- 6) assists business in preparing tax returns.
- 7) Management accounting services are of

E. Discuss the following questions with your partner.

- 1) What spheres is the field of accounting divided into?

- 2) What do managerial accountants deal with? What accountants work in this field on different levels of organizations?
- 3) What is public accounting concerned with? What spheres are included into public accounting?
- 4) What are the duties of internal auditors?
- 5) What is the most important function of a CPA?
- 6) What is the purpose of management advisory services?
- 7) What areas are included into governmental accounting?

Reading 2: The accounting equation

A. Study the topical vocabulary.

account payable	кредиторская задолженность, счет «Счет к оплате» или «Кредиторы», период погашения кредиторской задолженности
account receivable	дебиторская задолженность, счет «Счет к получению» или «Дебиторы»
accounting equation	бухгалтерское тождество, балансовое уравнение, балансовая увязка
assets	активы
buy on credit	покупать в кредит
capital (owners' equity)	собственный капитал, собственный акционерный капитал
contributed capital	авансированный капитал, вложенный капитал
copyright	авторские права, гарантированный авторским правом
dividend	дивиденд, доля, квота, прибыль по акциям
earning	заработка, доход, прибыль
expenses	затраты, издержки, расходы
financial accounting	финансовое счетоводство
indebtedness	задолженность, сумма долга
inventories	товарно-материальные запасы
liabilities	пассивы, обязательства
loan	заем, ссуда, кредит
monetary items	денежные средства
net loss	балансовый убыток, чистые потери
net worth	чистая стоимость активов, чистый капитал, акционерная часть капитала компании
obligations	долговые обязательства, обязательства
patent	патент, право
retained earnings	доходы, удерживаемые на предприятии, нераспределенная прибыль
revenues	доходы, поступления
stockholders' equity	акционерный капитал, чистый капитал
the bottom line	итоговая строка финансового отчета, чистая прибыль, итоговый результат
to benefit	принести прибыль (пользу), получать выгоду
to exceed	превышать
to pay cash	платить наличными

to transfer assets
trademark

списывать с баланса, брать на баланс
товарный знак, торговая марка

B. Read the text.

The whole of financial accounting is based on the accounting equation. The resources possessed by the firm are known as Assets, and obviously, some of these resources will have been supplied by the owner of the business. The total amount supplied by him is known as Capital (Owners' equity), if in fact he was the only one who had supplied the assets then the following equation would hold true:

$$\text{Assets} = \text{Capital (Owners' equity)}$$

On the other hand, some of the assets will normally have been provided by someone other than* the owner. The indebtedness of the firm for these resources is known as Liabilities. The equation can now be expressed as:

$$\text{Assets} = \text{Capital (Owners' equity)} + \text{Liabilities}$$

Assets are economic resources owned by a business that are expected to benefit future operations. Assets consist of property of all kinds, such as inventories (goods held for sale), land, buildings, machinery and motor vehicles (nonmonetary physical things), also benefits such as debts owing by customers and the amount of money in the bank account (monetary items called also account receivable). Other assets – the rights granted by patent, trademark, or copyright – are nonphysical.

Liabilities consist of money owing for goods supplied to the firm, and for expenses, also for loans made to the firm. So we can say that liabilities are present obligations of a business to pay cash, transfer assets, or provide services. Among these obligations are debts of the business, amounts owed to suppliers as we said above and services bought on credit (called account payable), borrowed money, salaries and wages owed to employees, taxes owed to the government.

Capital is often called the owner's equity or net worth. Owners' equity represents the claims of a business to the assets of the business. Theoretically, it is what would be left over if all the liabilities were paid and sometimes is said to equal net assets. By rearranging the accounting equation, we can define owners' equity this way:

$$\text{Owners' equity} = \text{assets} - \text{liabilities}$$

The owners' equity of a corporation is called stockholders' equity, so the accounting equation becomes:

$$\text{Assets} = \text{liabilities} + \text{stockholders' equity}$$

Stockholders' equity has two parts: contributed capital and retained earnings:

$$\text{Stockholders' equity} = \text{contributed capital} + \text{retained earnings}.$$

Contributed capital is the amount invested in the business by the stockholders. Retained earnings represent the equity of stockholders generated from the income – producing activity of the business and kept for use in the business.

Simply stated, revenues and expenses are increases and decreases in stockholders equity that result from operating a business. Generally speaking, a company is successful if its revenues exceed its expenses. When revenues exceed expenses, the difference is called net income; when expenses exceed revenues, the difference is called net loss. Net income – or net loss – is of course, “the bottom line”, and discloses whether or not a company has been profitable for a given period. Dividends are distributions to stockholders of assets (usually cash) generated by past earning. It is important not to confuse expenses and dividends, both of which reduce retained earnings.

Notes

a legal background - юридическое образование
extend far beyond - выходить далеко за рамки
entered into - в которых участвуют
adjust relationships with - строить отношения с...
as they fall due - когда придет срок (погашения)
other than - помимо, кроме
put to use - использовать, употребить

C. Discuss the questions with your partner.

- 1) What are assets? Who supplies them? What assets are called nonphysical?
- 2) What do liabilities include?
- 3) What is capital?
- 4) What does owners' equity represent?
- 5) What is the owners' equity of a corporation? What parts does it consist of? What do these parts represent?
- 6) Under what circumstances is the company considered to be successful?
- 7) What are net income and net loss?
- 8) What shows the profitability of a company in the financial statement?

Reading 3: The Classified Balance Sheet

A. Study the topical vocabulary.

accounting period	отчетный период, финансовый год
classified balance sheet	классифицированный баланс
current assets	краткосрочные активы, оборотный фонд, ликвидные средства
current liabilities	текущая задолженность, краткосрочная
fixed assets	основные активы
franchise	исключительное право использования торговой марки, монопольное право
intangible assets	неосязаемые активы
liquidity	оборотные средства, ликвидность
long-term liabilities	долгосрочные обязательства (ответственность)
mortgages payable	ипотека, подлежащая погашению; залоговые к оплате
non-current tangible assets	малоценные внеоборотные материальные активы
notes payable	дебиторская задолженность, векселя к платежу, счета к оплате
payable	счета к оплате
property	собственность, имущество
receivable	дебиторская задолженность к получению, неоплаченный, счета дебиторов
salaries payable	задолженность по заработной плате
stock	облигация, ценные бумаги
tangible assets	материальные активы
taxes payable	задолженность по налогам; налог, подлежащий к уплате

B. Read the text.

Classifying assets. Assets may be grouped according to the degree of liquidity or the expected conversions to cash or the time it takes to use up the assets. For analytical purposes, assets are classified as follows:

Current assets are cash and other assets that can reasonably be expected to be converted to cash, used up, or sold within 1 year or less. Thus, on the classified balance sheet, current assets are listed first, based on their relative degrees of liquidity. Examples of current assets include supplies, insurance, and accounts receivable.

Investments may be either short- or long-term assets depending on the nature of the investments. Generally, bonds are considered long-term investments, whereas stocks may be either long- or short-term investments. Investments generally appear immediately following current assets on the classified balance sheet.

Property, plant and equipment are tangible, long-term assets; they are used in the continuing operations of the business and are expected to have useful lives of more than 1 year. They are also known as plant assets or fixed assets.

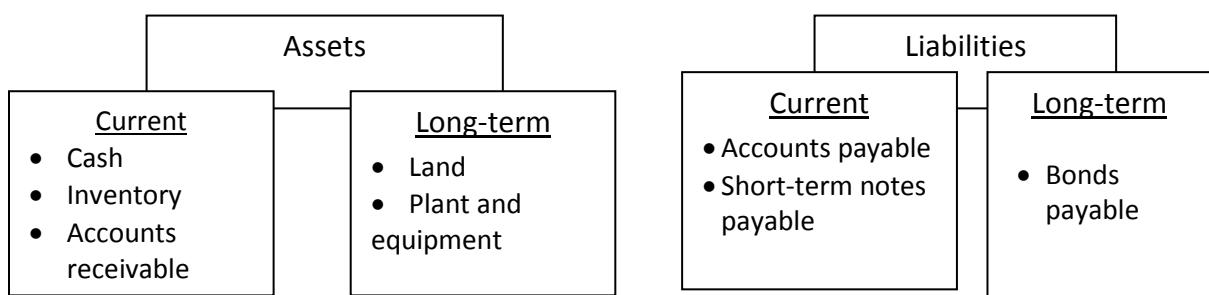
Intangible assets are usually long-term in nature and are traditionally shown on the classified balance sheet after plant assets. They lack physical substance and in some cases represent a right granted by a government (patent) or another company (franchise).

Classifying liabilities. Liabilities are classified in a similar manner. Liabilities are considered to be current liabilities if the obligation is to be settled within 1 year or within the current accounting period. These debts are usually settled with the payment of current assets. Examples of current liabilities are accounts payable, taxes payable, salaries payable, and notes payable.

Following current liabilities on the balance sheet are long-term liabilities, which are usually payable in more than a year. Examples of long-term liabilities include bonds payable and mortgages payable. In the year in which a long-term liabilities becomes payable, it is usually converted to a current liability.

C. According to this exhibit explain the classification of assets and liabilities.

The current and long term classification of assets and liabilities



D. Discuss the following with your partner.

- 1) What principle is the classification of assets based on?
- 2) What are current assets?
- 3) What types of investments can be distinguished?
- 4) What is the difference between tangible and intangible assets?
- 5) What does the term “current liabilities” refer to?
- 6) What is included into the category of long-term liabilities?

E. Study the classified balance sheet carefully and answer the following

questions.

- 1) What are total assets?
- 2) What are total liabilities?
- 3) What is stockholders' equity?

Classified Balance Sheet

UISE ELIASON and COMPANY Balance Sheet December 31, 2XXX		
ASSETS:		
Current assets:		
Cash.....	\$ 100	
Accounts Receivable.....	251,000	
Inventory	298,900	
Prepaid Expenses	50,000	
Total Current Assets.....	\$ 6000,000	
Long-Term Assets:		
Land	\$ 125,000	
Plant and Equipment.....	\$1,075,000	
Less: Accumulated Depreciation.....	(283,200)	
Plant and Equipment Net.....	791,800	
Total Long Term Assets.....	916,800	
Total Assets	<u>\$1,516,800</u>	
LIABILITIES:		
Current Liabilities:		
Accounts Payable.....	\$ 501,000	
Short-Term Note Payable.....	50,000	
Total Current Liabilities	\$ 551,000	
Long-Term Liabilities:		
Bonds Payable.....	300,000	
Total Liabilities.....	\$ 851,000	
STOCKHOLDERS' EQUITY:		
Common Stock, No Par Value,		
10,000 Shares Issued and Outstanding.....	\$ 400,000	
Retained Earnings	265,800	
Total Stockholders' Equity	665,800	
Total Liabilities and Stockholders' Equity.....	<u>\$ 1,516,800</u>	

F. Translate the groups of derivatives:

- a) account – accountant – accounting – accountancy – accountable – accountability
- b) assist – assistance – assistant
- c) calculate – calculated – calculation – calculator – calculating
- d) earn – earner – earnings – earned
- e) finance – financial – financing – financier
- f) owe – owing – owing to – owed
- g) own – owner – ownership – owning – owned
- h) pay – payable – payee – payment – paid – unpaid
- i) profit – nonprofit – not-for-profit – profitable – unprofitable – profitably – profitability – profiteer – profiteering – profitless

G. Match synonyms.

careful (accurate)	to perform (duties)
controller	commitments
executive	to aid
obligations	to supply
often	to bring adequate return
operations	to define
owners' equity	to reduce
plant assets	to advance
sophisticated	transactions
to assist	administrative
to carry out	frequently
to cut down	fixed assets
to determine	difficult
to profit	chief accounting officer
to promote	to launch
to provide	net worth
to start	proper

H. Match antonyms.

bottom	profit
decreases	part-time
full-time	expenses
intangible	increases
long-term	to exceed
loss	to borrow
receivable	top
revenues	growth
to be salaried frequently	short-term
to decline	payable
to lack	tangible
to lend	to be paid a fee

I. Use the proper preposition.

... a fee	to be performed ... smb	to cope ...
...a part-time basis	to be responsible...	to invest ...
to advance smb ...	to buy ... credit	to operate ... a profit
to be close ... smb	to consist ...	to rely ...
to be concerned ...	to convert ...	to result ...

J. Give Russian equivalent to the following expressions:

fundamentals of fiscal and business administration, to rely on the expert knowledge and experience, to perform the routine work of doing smth, to operate at a profit, to close down owing to lack of funds, to be advanced to the position, loans made to the firm, money owing for goods supplied to the firm, to record figures in the books, to have a background in accounting, to interpret the data.

K. Match English terms denoting доход, прибыль, выручка, приход, денежные поступления with the given definitions. Use the dictionary to help you.

a) earnings	c) income	e) receipts	g) revenue
b) gain(s)	d) proceeds	f) return(s)	h) yield

- 1) most general term for money we receive for our work, investments, etc.
- 2) profit from a transaction.
- 3) income, especially the total annual income of the state from taxes
- 4) money earned
- 5) increase in wealth, profit
- 6) money received by a business
- 7) money obtained by selling something
- 8) income received from holding securities, esp. bonds

UNIT 4

GLOBAL FORCES

Module 1 Globalization

Starting up

- ❖ What international organizations can you name?
- ❖ What do the following abbreviations stand for?
IMF IBRD GATT EEC NAFTA OPEC WTO OECD
- ❖ Do you know their functions in the world economy?

A. Study the topical vocabulary.

entity	организация, образование
substantial	значительный, существенный
an amendment	улучшение, корректировка; поправка к закону, резолюции
loan practice	практика предоставления займов
to shift focus	смещать акценты
poverty alleviation	борьба с нищетой
regulatory practices	нормативно-правовая практика
to pose new strains	ставить новые проблемы

Reading 1: International Organizations

B. Read the information and say if you were right in your guesses.

International organizations are legally constituted entities that operate across several nations. Such organizations do not operate for profit. Some of the international organizations are the WTO (World Trade Organization), Global Futures Foundation and IMF (International Monetary Fund).

Post WWII, the US and its winning allies came to the conclusion that a stable liberal international economic order is the necessary basis of lasting peace, apart from stable international political order. The ITO (International Trade Organizations) came to an end due to political disagreements. In 1947, GATT (General Agreement on Tariffs and Trade) was formed as a free standing trade agreement, which was less formal in nature. The GATT agreements were formalized as the WTO. The 1970s saw a substantial reduction in tariffs on many goods. During the 1980s and 1990s, the GATT member countries took the initiatives to make the agreement more formal.

World Bank made a lot of amendments in its loan practices by implementing recommendations of the French government and the Marshall Plan. The bank started shifting its focus towards non-European nations. During 1968-1980, it worked towards poverty alleviation by that ensuring people in developing nations get their basic needs. From 1989 till late 2000s, the focus has been shifted to going green.

One of the major challenges being faced by international organizations is integrating developing countries on various measures. Some other challenges that international organizations are facing are in the field of intellectual property rights, trade in services and investment measures in relation to trade.

Member countries fear that international organizations might dictate their terms. So, they implement protectionism in regulatory practices at the domestic level, which poses new strains. Multilateral liberalization might face difficulties due to growing regionalism. International organizations are likely to face the challenge of enhancing international reforms in the world trade.

C. What spheres of economy and social life, do you think, the following organizations are engaged in?

International Trade Centre and World Trade Organization, The World Bank and Institute of International Finance, Food and Agriculture Organisation (FAO) and World Food Programme, Global Environment Facility and United Nations Environment Programme, the International Committee of the Red Cross and ReliefWeb, the World Health Organization.

Reading 2. Globalization

A. Answer the following questions before reading.

- 1) What do you understand under globalization?
- 2) What are the examples of this phenomenon?
- 3) Do you think the global processes are positive or negative?

observer	наблюдатель
to establish production and marketing arrangements	создавать соглашения по производству и сбыту товаров
controversial	спорный, неоднозначный, дискуссионный
proponent	сторонник, защитник
resistance	сопротивление

B. Now read the text and check if your guesses were right.

Globalization is a process of interaction and integration among the people, companies, and governments of different nations, a process driven by international trade and investment and aided by information technology. This process has effects on the environment, on culture, on political systems, on economic development and prosperity, and on human physical well-being in societies around the world.

Policy and technological developments of the past few decades have encouraged increases in cross-border trade, investment, and migration so large that many observers believe the world has entered a qualitatively new phase in its economic development. Since 1950, for example, the volume of world trade has increased by 20 times, and from just 1997 to 1999 flows of foreign investment nearly doubled, from \$468 billion to \$827 billion. Distinguishing this current wave of globalization from earlier ones, author Thomas Friedman has said that today globalization is “farther, faster, cheaper, and deeper.”

This current wave of globalization has been driven by policies that have opened economies domestically and internationally. In the years since the Second World War, and especially during the past two decades, many governments have adopted free-market

economic systems, vastly increasing their own productive potential and creating myriad new opportunities for international trade and investment. Governments also have negotiated dramatic reductions in barriers to commerce and have established international agreements to promote trade in goods, services, and investment. Taking advantage of new opportunities in foreign markets, corporations have built foreign factories and established production and marketing arrangements with foreign partners. A defining feature of globalization, therefore, is an international industrial and financial business structure.

Technology has been the other principal driver of globalization. Advances in information technology, in particular, have dramatically transformed economic life. Information technologies have given all sorts of individual economic actors - consumers, investors, businesses - valuable new tools for identifying and finding economic opportunities, including faster and more informed analyses of economic trends around the world, easy transfers of assets, and collaboration with a great number of partners.

Globalization is deeply controversial, however. Proponents of globalization argue that it allows poor countries and their citizens to develop economically and raise their standards of living, while opponents of globalization claim that the creation of an unfettered international free market has benefited multinational corporations in the Western world at the expense of local enterprises, local cultures, and common people. Resistance to globalization has therefore taken shape both at a popular and at a governmental level as people and governments try to manage the flow of capital, labor, goods, and ideas that constitute the current wave of globalization.

C. Fill in the words from the box.

foreign markets	international agreements
globalization	world trade
benefits	technology

... is a process in which economic events in one place affect almost all other places. The economists point out increased volumes of ... The drivers of the globalization are policies and have removed trade barriers between countries. The advantage of this process is that the access to ... is provided. The negative point of the globalization process is that there are more ... for multinational corporations.

D. Match the words from the text with their corresponding definitions.

corporation	the process of making something such as a business operate in a lot of different countries all around the world, or the result of this
free market	a big company or a group of companies acting together as a single organization
benefit	the activity of buying, selling, or exchanging goods between countries
to develop	an economic system in which prices are not controlled by the government
international	affecting or including the whole world
globalization	an advantage, improvement, or help that you get from something
trade	to grow or change into something bigger, stronger, or more advanced, or to make someone or something do this
integration	to help something to develop or increase
to promote	the combining of two or more things so that they work together effectively

E. In pairs, make a list of what you think the principal advantages or disadvantages of globalization are.

Listening: For and against globalization

(Market Leader, Intermediate Business English CB by D. Cotton, Unit 1)

Over to you

Conduct some research into either the costs or the benefits of globalization. You should aim to give a presentation lasting approximately 15 minutes outlining your case. At the end of the presentation, you should be prepared to take 10 minutes of questions from your 'audience' on the issues you have raised in your presentation.

The 'opposition' will present their case in a similar manner. At the end of the exercise, you will be asked to write a short 500 word report on whether, and how, globalization should or can be 'managed'. The intention of the report is to get you to write a concise summary of the key issues facing the planet as globalization takes a further hold. You will be raising the key issues that face the authorities rather than providing any form of definitive answer. For example, you may feel that a key way of solving many of the problems is to further extend the movement towards freeing up trade. At this level, how that may be done is another matter!

Module 2 International trade

Starting up

- ❖ Think of some things you own (e.g. shoes, clothes, car and etc.). Which are imported? Where were they made?
- ❖ Try to recall the meals you've eaten in the last 24 hours. How much of the food came from abroad?
- ❖ What are your country's major imports and exports?
- ❖ Do you think products made in your country are better than products made in other countries?
- ❖ Can you even imagine living in a country that did not import anything, where only locally produced food and textiles and products were available?

Reading: Protectionism and free trade

A. Study the topical vocabulary.

comparative cost principle	принцип сравнительных издержек
economies of scale	экономия за счет масштаба
to impose tariffs and quotas	вводить тарифы и квоты
substitutes	товары-заменители
to retaliate against	принимать ответственные меры против кого-либо
to impose restrictions	вводить ограничения
infant industries	неокрепшая отрасль промышленности
most favoured nation	государство, пользующееся режимом наибольшего благоприятствования

B. Read the text and answer the following questions.

- 1) Why do most economies oppose protectionism?
- 2) Why do most governments impose import tariffs and/or quotas?
- 3) Why were many developing countries for a long time opposed to GATT?
- 4) Why have many developing countries recently reduced protectionism and increased their international trade?

C. Read the text.

The majority of economists believe in the comparative cost principle, which proposes that all nations will raise their living standards and real income if they specialize in the production of those goods and services in which they have the highest relative productivity. Nations may have an absolute or a comparative advantage in producing goods or services because of factors of production (notably raw materials), climate, division of labour, economies of scale, and so forth.

This theory explains why there is international trade between North and South, e.g. semiconductors going from the USA to Brazil, and coffee going in the opposite direction. But it does not explain the fact that over 75% of the exports of the advanced industrial countries go to other similar advanced nations, with similar resources, wage rates, and levels of technology, education, and capital. It is more a historical accident than a result of natural

resources that the US leads in building aircraft, semiconductors, computers and software, while Germany makes luxury automobiles, machine tools and cameras.

However the economists who recommend free trade do not face elections every four or five years. Democratic governments do, which often encourages them to impose tariffs and quotas in order to protect what they see as strategic industries – notably agriculture – without which the country would be in danger if there was a war, as well as other jobs. Abandoning all sectors in which a country does not have a comparative advantage is likely to lead to structural unemployment in the short (and sometimes medium and long) term.

With tariffs, it is impossible to know the quantity that will be imported, because prices might be elastic. With quotas, governments can set a limit to imports. Yet unlike tariffs, quotas provide no revenue for the government. Other non-tariff barriers that some countries use include so-called safety norms, and the deliberate creation of customs difficulties and delays.

The General Agreement on Tariffs and Trade (GATT) had the objectives of encouraging international trade, of making tariffs the only form of protectionism, and of reducing these as much as possible. The most favoured nation clause of the GATT agreement specified that countries could not have favoured trading partners, but had to grant equally favourable conditions to all trading partners. The successor of GATT is the World Trade Organization.

It took nearly 50 years to arrive at the final GATT agreement because until the 1980s, most developing countries opposed free trade. They wanted to industrialize in order to counteract what they rightly saw as an inevitable fall in commodity prices. They practised import substitution (producing and protecting goods that cost more than those made abroad), and imposed high tariff barriers to protect their infant industries.

Nowadays, however, many developing countries have huge debts with Western commercial banks on which they are unable to pay the interest, let alone repay the principal. Thus they need to rollover (or renew) the loans, to reschedule (or postpone) repayments, or to borrow further money from the International Monetary Fund, often just to pay the interest on existing loans. Under these circumstances, the IMF imposes severe conditions, usually including the obligation to export as much as possible.

East Asian ‘Tiger’ economies (Hong Kong, Singapore, South Korea and Taiwan), were afraid of being excluded from the world trading system by the development of trading blocks such as the European Union, finalized by the Maastricht Treaty, and the North American Free Trade Agreement (NAFTA), both signed in the early 1990s. So they tended to liberalize their economies, lowering trade barriers and opening up to international trade.

D. Complete sentences 1-6 about free trade with a-f below.

- 1) *Free trade* exists when goods can be traded easily between countries ...
- 2) *Protectionism* is where countries try to protect home producers ...
- 3) One way they do this is by using tank's...
- 4) Another way is by using *quotas* which limit ...
- 5) Domestic manufacturers often complain that foreign competitors ...
- 6) Exporters, on the other hand, often complain about ...
 - a) ... which are a kind of tax on imported goods.
 - b) ... complicated *bureaucracy* and complex customs regulations.
 - c) ... without restrictions.
 - d) ... the number or quantity of goods that can be imported.
 - e) ... from foreign competition and cheap imports.
 - f) ... try to destroy them by dumping their goods at very low prices.

E. Complete these sentences with the words in *italics* from D.

- 1) These new import ... make our products 50% more expensive.
- 2) Government ... limit the import of luxury cars to just 200 each year.
- 3) ... is a very good idea in principle, but in practice we ... need to help domestic manufacturers to survive.
- 4) This ... is awful; just look at all these forms we've got to fill in.
- 5) We can't compete with their prices; they must be... their goods to put us out of business.

F. Complete this summary about protectionism with the words from the box.

<i>imports</i>	<i>profit</i>	<i>unfair competition</i>	<i>kills the local competition</i>
<i>dump their goods</i>	<i>balance of trade</i>	<i>manufacturing their own goods</i>	

Protectionism is justified for developing countries when they want to start ^(a)... This helps them become less dependent on ^(b)... and this is good for the country's ^(c)... Protectionism is even justified for developed countries when they have problems with ^(d)..., for example, when aggressive competitors ^(e)... The competitor doesn't make ^(f)... but it ^(g)...

Speaking

Discuss these questions with your partner.

- 1) What advantages of geography, people, and natural resources does your own country have?
- 2) How has it exploited its comparative advantages?
- 3) Are trade restrictions a good thing or a bad thing in your opinion? Why?
- 4) Do you know whether your country uses tariffs or quotas on imports?
- 5) Do you think any country has a completely open economy?

Listening: Free Trade

(Market Leader, New Edition, Intermediate Business English CB by D. Cotton, Unit 1)

Writing

Write an essay “The trade partnerships of your country with other nations”. First, do some research and find out what and how your country trades with others. Then use this plan to organise your answer.

INTRODUCTION	<ul style="list-style-type: none">- Explain that you are going to write about your government's trade partnerships nowadays.- Mention that historically these partnerships haven't always been the same.
PARAGRAPH 1	<ul style="list-style-type: none">- What absolute advantages does your country have (natural resources or strong industries)?- What are the main exports from your country (goods and services)?- Which countries do they go to?- How does this affect your country's international trading?
PARAGRAPH 2	<ul style="list-style-type: none">- What are the main imports into your country, and where are they from? Why are these imported?- Do other countries have an absolute or comparative advantage in these goods?
PARAGRAPH 3	<ul style="list-style-type: none">- Are there any barriers to trade? If there are, why do they exist?
CONCLUSION	<ul style="list-style-type: none">- Sum up your country's international trading partnerships in two sentences. Write 200-250 words

Module 3 Business Correspondence

Reading 1: Business letters

A. Study the following example of a business letter.

Letterhead or Heading	Compuvision Ltd Warwick House Warwick Street Forest Hill London SE23 1JF UK
Reference (File Number)	Your ref. 6 May 20__ Your ref. DS/MR
Date	11 May 20__
Inside Address	Messers Poole&Jackson Ltd Bredgrade 51 DK1260 Copenhagen K Denmark
Attention line	Attn Ms Kaasen (Private and Confidential)
Salutation	Dear Ms Kaasen
Subject Line	Non-payment of invoice 322/17
Body of the letter	It appears from our records that, despite several reminders, the above invoice remains unpaid. Unless the account is cleared within 14 days from the date of this letter, we shall take legal action.
Complimentary close	Yours sincerely.
Signature	Mary Rayner
Per pro	p.p. Donald Sampson
Job Title	Sales Manager
Enclosure (Added information)	Enc.
Copies	c.c. Messers Poole & Jackson, Solisitors
PS	

B. Read the text.

Being able to write a business letter is a skill that is easily learned. It is effective in establishing communication between business associates in a professional manner in many circumstances. A business letter represents you and your employer. So it doesn't matter whether it comes from you or your administrative staff, it should be professionally written.

Heading includes the company's logo, name, address and other contact and identifying information. If the company doesn't have a letterhead, the company's name and address can be written at the top of the page.

Sender Address is usually included in the letterhead. Only the street address, city and zip code are written. The date line indicates when the letter was written.

Inside Address is the recipient's address. Write a title such as Mr., Ms, Dr. The inside address should begin on line below the sender's address or a little below the date. It should be left-handed

A salutation is your greeting. Most of the salutations begin with "Dear" followed by recipient's name. If you don't know the person's name, you can use Dear Madam/Sir or the job title. If you don't know the reader's gender, you can use a nonsexist greeting like "to whom it may concern".

Body of the letter: The first paragraph should always include why you are writing. Then you should explain the situation, suggestion or whatever message you aim at getting across the recipient. If you begin a new subject, write a new paragraph. The other paragraphs include the reasons.

Complimentary closing: You should end the letter with an appropriate closing like "Sincerely", "Best Regards", "Respectfully yours". It should be short and polite.

Signature: You should write your full or business name below the close. Between your name and enclosure part, you should hand write your signature in ink.

C. Put the parts of the letter into correct order and name them.

1	20 May 20-
2	HALL &CO. LIMITED BUILDERS' MERCHANTS Albert Road Peterborough PE2 7EK Tel: 01733 564231 Fax: 01733 341865 Email: mlongley@hallbuild.co.uk
3	Dear Mr Freeland
4	Mike Longley Sales Manager Hall & Co. Ltd
5	Yours sincerely
6	Enc.
7	Mr M. Freeland 57 Coniston Crescent Dunstable Bedfordshire LU14 3RW
8	We note that you have made a planning application to extend your property, and I am writing to tell you about the building products and services which Hall & Co. provide. Our products start at the foundations with sand, cement, and bricks and

we supply a full range of timber and plasterboard at unbeatable prices. We also offer a FREE ESTIMATING SERVICE with orders over £50.00.

We feel sure you will find a lot to interest you in the enclosed brochure and look forward to ...

D. Write a business letter to a potential new customer of your company requesting information about some products they sell.

Reading 2: Types of business documents

A company uses documents to communicate, transact business and analyze its productivity. Since documents provide proof of an organization's dealings and may be referred to for years to come, it is important that they be well written. Business documents range from brief email messages to complex legal agreements. Some documents are prepared by employees and business owners, while others are drafted by professionals from outside of the company, such as accountants and lawyers.

A. Study the information below and do the task after it.

1) an enquiry	a request of information (sent by the customer)
2) a quotation	the price given for goods or a piece of work
3) an estimate	an approximate calculation of the cost of smth
4) a counter-proposal	a letter where the customer tries to get better terms
5) an order	a request to supply goods (sent by customer)
6) an invoice	a bill for goods or work done
7) a remainder	a letter to a customer about an unpaid invoice
8) a receipt	a document that proves you have paid for some goods
9) a statement	a list of amounts paid and still owed, sent every month
10) a complaint	a letter saying you are not satisfied about smth

B. In which documents from the above exercise would you find the following sentences?

- 1) I am afraid your minimum quantity is too high for our first order. Please let us know if you are able to reduce this.
- 2) When we opened the package we noticed that some of the goods were damaged.
- 3) We saw your advert in a recent issue of *Engineering* magazine. We are interested in...
- 4) Unfortunately it is not possible to reduce the delivery time, but we could offer a discount of 2% for an order of this size.
- 5) Thank you for a letter of 21 April asking about.... We are pleased to enclose our current brochure and price list.
- 6) We note from our records that your account for the first quarter is still not paid. We hope to receive payment of this account as soon as possible.

Contracts

A. Study the topical vocabulary

essential clauses	основные условия контракта
to strike a deal	заключить сделку
standard contract	типовой контракт
contracting parties	договаривающиеся стороны
supplement	дополнять
eliminate	исключать, устранять
to be in conformity with	соответствовать
firm price	твердая цена
fixed price	фиксированная цена
sliding price	скользящая цена
be subject to	подлежать чему-то
to quote a price	назначить цену
TT (telegraphic transfer)	телеграфный перевод
mail remittance	почтовый перевод
bill of lading	коносамент (расписка капитана судна, подтверждающая прием груза на борт)
invoice	счет-фактура
for collection	на инкассо
bill of exchange	переводной вексель
draft=bill of exchange	драфт, тратта
sight draft	тратта на предъявителя
term draft	тратта с оплатой в конце обусловленного периода
collection of a bill	инкассирование векселя, взыскание денег по векселю
letter of credit (L/C)	аккредитив (поручение банка покупателя банку поставщика производить оплату счетов поставщика за отгруженный товар)
confirmed ~	аккредитив ~ подтвержденный
irrevocable ~	~ безотзывный
draft contract	проект контракта
hereinafter known as/ hereinafter referred to as	именуемый в дальнейшем
the seller undertakes	поставщик берет на себя обязательство/ обязуется
to pay the charges	оплачивать расходы
penalty clause	статья о санкциях
to invoke	зд. применять
in the event=in case	в случае
to reclaim	потребовать вернуть
dispute	разногласия

Reading 3: Essential clauses of a contract

B. Read the text.

When striking a deal, contract forms are widely used. Standard contracts are not a must as some articles may be altered and supplemented, eliminated and replaced, but still normally they include the following parts: legal title of the contracting Parties, Subject of a Contract, Price and Total Amount of a Contract, Delivery and Payment Terms.

Introduction part of a Contract contains the legal names of the contracting Parties, personal names and official positions of the representatives from the parties.

Subject of Contract names the product for sale or purchase. It also indicates the unit of measure for specific commodities.

Quality. The Quality of machines and equipment is to be in conformity with the technical specification of the Contract. The Quality of raw materials and foodstuffs is determined, as a rule, by standards, by sample or by description.

Price. The price in a contract may be firm, fixed or sliding. Firm price. Firm price are not subject to change in the course of the fulfillment of the contract. Fixed price. It is the price governing in the market on the day of the delivery or for a given period. Sliding prices. These prices are quoted for machinery and equipment which require a long delivery.

Payment. A *cheque* is a written order to a bank given and signed by someone who has money deposited there to pay a certain amount mentioned in the cheque to a person named on it.

In the place of the cheque system Banks provide an international system of Bank Transfers. The Seller gives TT (*telegraph transfer*) or *mail remittance* terms to a Buyer when he is a trusted customer or agent. It involves risk as the Seller ships goods without any assurance of getting payment.

Like a *cheque*, a *draft* is an order to pay. It is made out by an exporter and presented to the importer. It is also called a *bill of exchange*. A *sight draft* is a bill which is paid immediately on presentation. A bill to be paid at a later date is called a *term draft*. There are 30-day, 60-, 90- and 120-day drafts.

A very useful method is to attach the shipping documents (*the Bill of Lading, the Insurance Policy and the Invoice*) to the Draft and hand them to the Bank for collection. This method of payment does not involve risk when drafts are presented against L/C. With a *letter of credit*, at least when it is confirmed and irrevocable, the payment is guaranteed.

C. Answer the questions.

- 1) Why are standard contracts widely used?
- 2) What are the essential items of a contract?
- 3) What information is contained in different sections of a contract?
- 4) What sort of prices may be indicated in a contract?
- 5) What is a check?
- 6) Whom do you give TT terms to?
- 7) What are the two types of drafts?
- 8) What is an irrevocable L/C?
- 9) Who guarantees payment against a confirmed letter of credit?
- 10) Does a term draft involve risk for an exporter?

D. The words below are often used in connection with contracts. Use some of them to complete the sentences which follow. You may need to put certain words in the plural.

terminate	arbitration	agreement
condition	out of court	party
provide for	section	comply
litigation	compromise	with/abide by
clause	breach	
binding	term	

- 1) A contract is an ... drawn up between two ... It is divided into ..., ..., and ...
- 2) The contract ... any problems between two parties. The conditions of the contract are ... on both parties. If one party does not want ... the clauses, this is called a ... of a contract.
- 3) In the case of a dispute, many contracts provide for ..., but in some cases the dispute results in ... Most parties reach a ... without going to court, and the dispute is settled ...
- 4) Some contracts are for a fixed period, or ..., also, there are ways in which the parties can end, or ..., the contract.

Reading 4: Draft Contract

The firm BINGO Ltd hereinafter known as the «SELLER», on the one hand, and MONKBERRY MOON DELIGHT plc hereinafter referred to as the «BUYER», on the other hand have concluded the present Contract on the following:

The Seller undertakes to sell the Buyer and the Buyer undertakes to buy 120,000 super widgets* in accordance with specification and conditions stipulated in Annex No. 1 to the present Contract, which is an integral part of this Contract.

All freight/loading and insurance charges will be covered by the Seller.

The terms of payment and immediate payment of delivery charges by confirmed and irrevocable letter of credit are to be standard.

A penalty clause will be included in the contract. It will be invoked against the Seller for late delivery or substandard quality; against the Buyer for late payment.

In the event of non-payment, the Seller shall be entitled to reclaim the goods.

In case of dispute between the parties to the contract, the matter will be taken to independent arbitration. All the terms of the contract must be compiled with both parties.

* widget - условное название для любого вида товаров

A. Answer the questions.

- 1) What is an integral part of this Contract?
- 2) What firm will pay all freight/loading and insurance charges?
- 3) How will be the payment effected?
- 4) In what case does the Seller pay penalty?
- 5) When is the Seller entitled to reclaim the goods?

B. Here are some notes on an agreement between the Company of Professional Congress Organizers (CPCO), specialists in organizing congresses, and the Confederation of International industries (CII), who are planning to hold a congress. On reading the notes you are supposed to do exercises.

Contract notes

Terms of agreement between CPCO and CII, regarding The Industry Congress 2012:

CPCO shall

- 1 ... as a *consultant* and make necessary *arrangements* for the *conference*.
- 2 ... in planning meetings.
- 3 ...the organizational and administrative work.
- 4 ..., immediately before and during the conference, special office and secretariate.

CII shall

- 5 ... responsible for the professional, technical and scientific content of the programme.
- 6 ... a scientific secretariate.

CPCO agrees to

- 7 ... a *budget*.
- 8 ... fees.
- 9 ... a final account of all receipts and *expenditure*.

CII agrees to

- 10 ... an advance *cash flow* to the conference account until receipt of fees or other income.
- 11 ... overall financial responsibility for the conference.
- 12 ... CPCO to act on their behalf.

Cancellation: CII shall assume responsibility for all costs in the event of cancellation.

(Note: An appropriate *arbitration clause* - with the title of an Arbitration *Tribunal* and the *stipulation* that any *hearing* be conducted in an acceptable language to both *parties* - should be included, along with details of the financial agreements already agreed.)

C. There are twelve verbs missing from the text. Choose the correct one from the three possibilities given below.

- 1) act / present / be
- 2) participate / invest / address
- 3) require / undertake / meet
- 4) invite / set up / deliver
- 5) be / pay / earn
- 6) compete / provide / fax
- 7) purchase / trade / draw up
- 8) call / demonstrate / collect
- 9) sell / produce / let
- 10) count/maintain/solve
- 11) manufacture / accept / train
- 12) authorize / distribute / receive

D. What does the agreement say about these six questions, asked at a planning meeting. Complete the table.

Questions	CPCO	CII	Not stated
1) Who do people pay their fees to?			
2) Who is responsible the security?			
3) Who has to pay any debts if the congress is cancelled?			
4) Who arranges meals at the congress?			
5) Who decides on the subjects to be discussed?			
6) Who is responsible for local transport?			

E. Match the definitions with the words in italics from the text.

- 1) an official meeting which is arranged to collect facts about a problem
- 2) person giving expert advice
- 3) settling of a dispute by an outside person
- 4) stopping of something planned from going ahead
- 5) section of a contract
- 6) a particular condition or requirement
- 7) the conditions of an agreement that must be accepted by both sides
- 8) companies or people involved in a legal agreement

F. Mike Winter, of Winterwear, has signed a contract with a supplier in Hong Kong. Study the details of the contract and its terms.

Sales Contract

Contract No 601/87

Date.....

This contract is made between SUPREMA LTD hereinafter called the Sellers, and WINTERWEAR LTD hereinafter called the Buyers, for the sale and purchase of the undermentioned goods subject to the terms and conditions herein.

Description: Cotton goods: men's garments per pair (trousers, jeans, shirts)

Quantity: 400 Trousers (mixed sizes)

1000 Jeans (" ") per annum for three years

2000 Shirts (" ") per annum for three years

Packing: Export cartons

Price: Trousers: US \$6.50 per pair

Shirts: US \$5.50 each

Jeans: US \$5.75 per pair

Total Value: US \$19350.00 per annum

Shipment: For delivery at port of Liverpool on the following dates:

first shipment on or before July 1st 2010;

second and third shipments on or before June 1st 2011 and 2012

Special conditions: Buyers reserve the right to cancel or refuse delivery after the above dates.

Payment: By confirmed irrevocable letter of credit in favour of SUPREMA LTD. HONG KONG, available against sight drafts, after each shipment.

AS WITNESS THE HANDS OF THE PARTIES

For and on behalf of
WINTERWEAR LTD

For and on behalf of
SUPREMA LTD

.....
Buyers

.....
Sellers

Notes

herein (after) - in this document
undermentioned - described below
subject to - according to
the hands - the signatures
the parties - those signing the contract

Terms and Conditions

- 1** The goods may be shipped on any vessel of the Seller's choice.
- 2** The Buyers shall make no claim for late delivery if the delay is not more than 30 days.
- 3** Sellers are not responsible for any damage to goods during shipment or transportation.
- 4** If any part of the goods is lost or destroyed during shipment or transportation, the Sellers shall cancel this contract for the part lost or destroyed.
- 5** All risks shall be for the Buyer's account when the goods have crossed the ship's rail at the port of shipment.
- 6** Buyers must take delivery of the goods within seven days of their arrival at the port of discharge.
- 7** If the Buyers fail to take the delivery of the goods, the Sellers may re-sell the goods at any time.
- 8** Any claim for damage or fault in the goods shall be made in writing before taking delivery.
No claim shall be accepted by the Sellers after delivery has been taken.

A. Talk about the details of the contract.

- 1) What is Mike Winter buying?
- 2) How much is he paying?
- 3) When does he want delivery?
- 4) How is he going to pay?
- 5) Does he want any special conditions?

B. Study the separate clauses of different contracts and translate them into Russian.

1 Quality of the goods

The quality of the goods should conform to the sample-references agreed and certified by the Parties as well as to the technical data stated in Supplement Nos._____ to the present Contract.

The quality of the goods is to be confirmed by a Quality Certificate issued by the Manufacturer. With the first lot of the goods to be shipped to each Consignee the Seller sends one sample-reference of each article which is to send to the same Consignee.

Sam pies-references are to be sealed, and packed into an individual bag with the inscription "Duplicate of Sample- Reference".

Samples references are to be paid by the Buyer. For this purpose it is necessary to indicate by separate line in the invoices for the delivered goods as follows:

- duplicate of sample-reference,
- article, size, quantity,
- price, amount,
- case No.

2 Delivery dates

- 1) The reagents, instruments and accessories indicated in clause 1 of the present Contract are to be delivered: Three months after received by the Sellers of the total value of the contract.
- 2) By the time indicated above the reagents, instruments and accessories are to be manufactured, tested, packed, marked and delivered.
- 3) Pre-term delivery of the reagents, instruments and accessories is admitted.
- 4) The delivery date is understood to be the date of International way bill.
- 5) Within 24 hours from the moment of shipment of the good the Sellers at their expense should notify the Buyers by telex/cable of the following:
 - date of shipment,
 - No. of way Bill,
 - description of the goods,
 - No. of the Contract,
 - number of cases.

C. Check your translation of Exercise B with that of Exercise C.

1 Качество товара

Качество товара должно соответствовать образцам-эталонам, согласованным и подтвержденным сторонами, а также техническим условиям, изложенным в приложениях к настоящему Контракту.

Качество товара должно подтверждаться сертификатом о качестве, выданным предприятием-изготовителем. Продавец с первой партией товара для каждого получателя высыпает по одному образцу-эталону каждого изделия, которое будет отгружаться в адрес данного получателя. Образцы-эталоны должны быть опломбированы, уложены в индивидуальный пакет с надписью «Дубликат эталона».

Образцы-эталоны оплачиваются Покупателем. Для этого в счетах за поставленный товар необходимо указать отдельной строчкой:

- дубликат образца-эталона;
- артикул, размер, количество, цена, сумма,
- номер ящика.

2 Сроки поставки

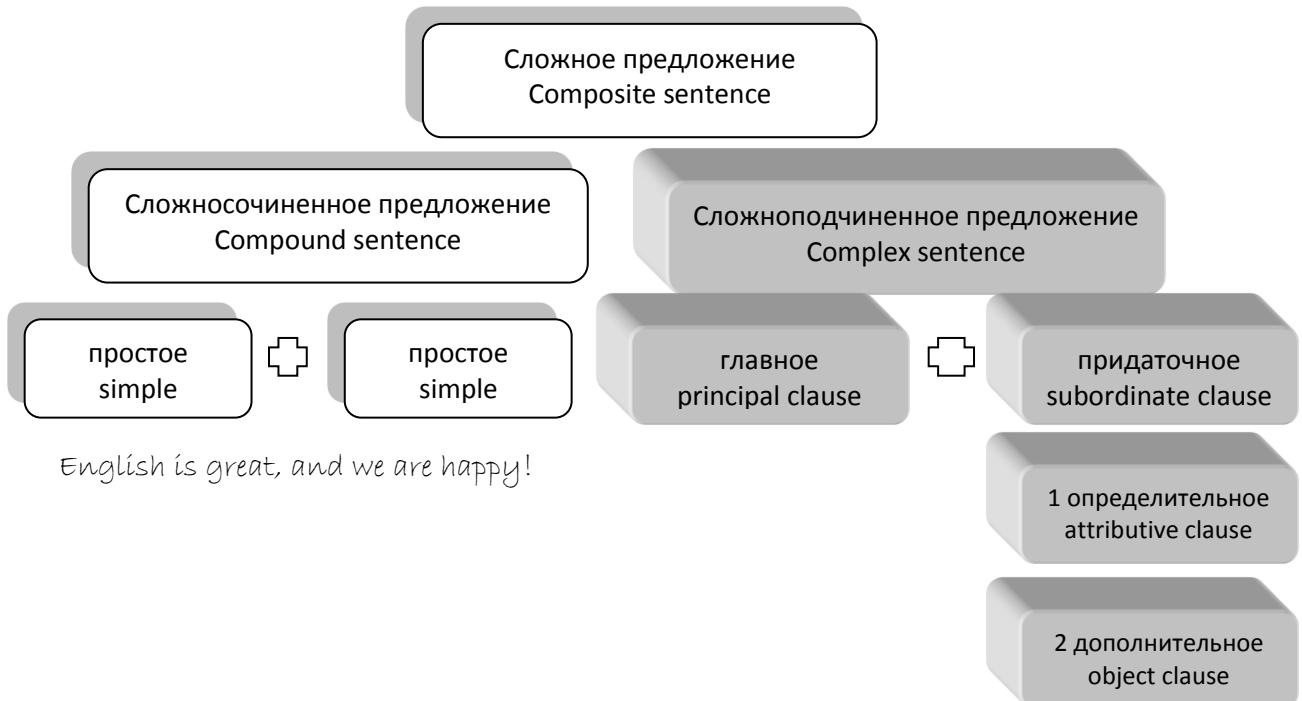
Указанные в п. 1 настоящего Контракта реактивы, инструменты и принадлежности будут поставлены в течение трех месяцев после получения Продавцом полной суммы настоящего Контракта.

- 1) К указанному сроку реактивы, инструменты и принадлежности должны быть изготовлены, испытаны, упакованы, замаркированы и поставлены.
- 2) Досрочная поставка реактивов, инструментов и принадлежностей допускается.
- 3) Датой поставки считается дата накладной.
- 4) Продавец за свой счет должен сообщить по телексу/телеграфу Покупателю в течение 24 часов с момента отгрузки следующие данные:

- дату отгрузки;
- № накладной;
- наименование товаров;
- № контракта;
- количество мест.

GRAMMAR

§1 Сложное предложение Composite sentence



Бессоюзное подчинение

В английском языке в сложноподчиненном предложении придаточное предложение может присоединяться к главному бессоюзно.

Придаточное определительное

Если за двумя рядом стоящими существительными (или существительным и личным местоимением) следует глагол в личной форме, второе существительное (или местоимение) является подлежащим придаточного предложения, которое присоединено к главному без союза.

This is the problem we have to solve.

На стыке слов the problem и we пропущено союзное слово. Придаточное определительное (we have to solve) переводится на русский язык с добавлением слова **который**: *Это проблема, которую мы должны решить.*

Придаточное дополнительное

Если после сказуемого стоит второе подлежащее и еще одно сказуемое, значит, мы имеем дело с бессоюзным дополнительным придаточным предложением и при переводе на русский язык перед вторым подлежащим следует поставить союз **что**.

I know he is at the Institute now.

Я знаю, **что** он сейчас в институте.

Упражнения

1. Проанализируйте следующие сложноподчиненные предложения, выделите в них бессоюзные придаточные предложения и переведите их.

- 1) The world picture he presented was beautiful, complete and rational.
- 2) The college I applied to accepted me.
- 3) Economical use of the materials we have at our disposal is our main reserve.
- 4) The US imports one-fifth of all energy it consumes.
- 5) One of the principles we base trade with these countries on is the establishment of direct business contacts with producers and consumers.
- 6) We hope our products will be in great demand.
- 7) I am convinced our business will be a success.
- 8) Few believe the report is accurate.
- 9) Ambitious student feel hard work is ultimately rewarded.
- 10) We are glad you managed to do this exercise.

2. Назовите предложения с придаточным определительным и придаточным дополнительным. Предложения переведите.

- 1) You can't prove it was yours!
- 2) If a company pays nothing for an item it acquires, this item usually will not appear on the accounting records as an asset.
- 3) The development of this zone will have great influence on the economic relations our country maintains with the Pacific countries.
- 4) We know management includes such components as planning, organizing, directing, controlling and coordinating.
- 5) Credits for developing countries benefit the economy of Western states because the credits they give come back to their markets as orders for equipment, machinery and other goods.
- 6) The company reports house prices have plummeted.
- 7) Real income is the amount of the goods and services a consumer can buy with his money.
- 8) Firms' decisions about how much to produce depend on the costs of production and on the revenues they receive from selling the output.
- 9) We trust our proposal will be acceptable to you.

§ 2 Функции «one» The Functions of «one»

Слово «one» может быть:

1) **формальным подлежащим**, если оно стоит перед глаголом в личной форме. В этом случае оно не переводится, а сказуемое чаще всего переводится глаголом во 2-м лице ед. ч.

If *one* wants to speak English... Если хочешь говорить по-английски...

Как формальное подлежащее «one» широко употребляется с модальными глаголами:

<i>one can / one may</i>	можно
<i>one must</i>	нужно
<i>one should</i>	следует
<i>one mustn't / one can't</i>	нельзя, не надо
<i>one shouldn't</i>	не следует

One should think first. Следует сначала подумать.

2) **заместителем** ранее употребленного существительного единственного числа («ones» - мн. ч.). В этом случае «оне» не переводится или переводится существительным, которое оно заменяет.

He buys German cars rather than British ones.

Он покупает немецкие авто, а не британские.

NB Форма притяжательного падежа «**one's**» переводится местоимением **свой**.

One must know one's duties. Нужно знать свои обязанности.

Упражнения

1. Определите функцию «оне» и переведите предложения.

A 1) One must know at least one foreign language. 2) One can easily do it! 3) One must work hard at foreign language if one wants to master it. 4) One shouldn't forget this rule. 5) One should know that the present-day economists unlike economists of the 19th century include land in capital. 6) One can do what one likes. 7) It's a risk, but one has to take risk sometimes. 8) Having bought a share in a business, one risks to lose only the sum of money invested in it. 9) Soon people will learn about this little-known phenomenon – one that we must study carefully. 10) The forthcoming weeks and days will be the ones of intensive actions. 11) That country cannot satisfy one's own requirements in fuel.

B 1) One can be more economical buying large quantities of goods rather than small ones. 2) Distrust in national banks is prompting legal entities to opt for foreign ones. 3) At present one should speak of the quality of goods rather than of their number. 4) Our political and economic system is one of free enterprise. 5) It is difficult to make optimum decisions if one lacks the proper information. 6) One sometimes wonders whether some manufactures test their products in real situations. 7) A bank and a banker should be chosen mainly on the basis of their experience with transactions similar to the ones you are planning. 8) Every one's heard of the Seven Wonders of the World but few have actually seen them. 9) Greece implemented the biggest debt write-down in history, swapping the bulk of its privately held bonds with new ones worth less than half their original value. 10) The information of one's private life is confidential unless if one decides to share it with others. 11) A 'renewable contract' is one which can be continued after it has finished by a new one.

2. Замените соответствующие слова и словосочетания словом-заместителем «оне».

*Example: The other problem is the **problem** of unemployment. – The other problem is the **one** of unemployment.*

1) It is necessary to replace this inefficient equipment with the new equipment. 2) The production cycle for manufacturing Coca Cola and some other drinks in Russia is not the same as the production cycle in West Europe. 3) The firms prefer the factor of production retaining its old price to the factor of production that has become more expensive. 4) Generally, the value of renewable resources is not as high as the value of non-renewable resources.

§ 3 Функции «it»

The Functions of «it»

Функции	Перевод	Примеры
указательное местоимение	это	It is a good resolution and
формальное подлежащее*	не переводится	
личное местоимение 3 лица ед.ч.	он, она, оно; его, ее	it is important that it will be adopted. You have to consider it!
часть усилительной конструкции It is ... that , которая переводится* →	именно лишь только это как раз	It is this method that yielded best results. Именно этот метод оказался наиболее результативным.
притяжательное местоимение <i>its</i>	его, ее	This price, in <i>its</i> dollar equivalent... Эта цена, в <i>ее</i> долларовом эквиваленте...

* В качестве формального подлежащего «it» входит в безличные конструкции следующих типов:

a) It takes... (+ to V) – требуется It seems (that)... – кажется/похоже, что It turns out (that)... – оказывается	b) It is said that... – говорят, что It is known that... – известно, что It was planned... – планируется It has been estimated... – было подсчитано
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✓ В качестве дополнения «it» может стоять после глаголов **find, make, think (+ adj + to V)** и также не переводится на русский язык.

I find it difficult to discuss this question with you.

Мне трудно обсуждать этот вопрос с вами.

I thought it necessary to discuss this problem.

Мы считаем необходимым обсудить эту проблему.

Demand analysis makes it possible to determine customer needs.

Анализ спроса позволяет (делает возможным) определить потребности покупателей.

✓ В усилительной конструкции **It is ... that** вместо **that** могут употребляться местоимения **which, who**.

It was Mary who made the report.

Именно Мэри подготовила отчет.

Упражнения

1. Составьте из двух предложений одно так, чтобы «it» было его формальным подлежащим, то есть не переводилось.

Example: We can't get there in time. It's impossible. – It's impossible to get there in time.

- 1) Joint ventures are to be governed by Russian law. It's obvious.
- 2) We should not produce goods which are not in high demand. It's not profitable.
- 3) You can start up a one-person firm. It is not difficult.
- 4) One shouldn't be in debt before one starts business. It is unwise.
- 5) This business has flourished over the years. It's not surprising.
- 6) We could achieve this target. It's quite realistic.

2. Переведите предложения, обращая внимание на особенности перевода местоимения «it».

A 1) It was a mistake. 2) It is not my style. 3) It is the world's number one brand. 4) I am not sure we should do it really. 5) This is how it is done.

B 1) It is not surprising that the collapse in prices led to a severe economic recession. 2) It is necessary to strengthen the banking system mostly through consolidation of small and medium-sized banks. 3) These days it is useless to invest in this currency. 4) It is undesirable that the rate of unemployment should be over four percent. 5) It would have been impossible to pursue such a policy without a ramified network of local banks.

C 1) I don't understand your point. Can you explain it a bit more clearly? 2) The CB announced that it would issue federal loan bonds. 3) As regards the situation nationwide, the government could rectify it by raising export duties. 4) The value of an asset usually means the amount for which it currently could be sold. 5) The stock market crash in the US in 1929 was huge and it led to a severe and lasting economic crisis in the world. 6) The company admitted that it is no longer able to supply the market with its most popular product. 8) The president had set before the government the tough task of bunging down inflation. Can it cope with it?

D 1) It is at the age of 65 that people in many European countries can retire. 2) It was EEC established in 1957 that accounted for 2/5 of the world trade. 3) It is through the Bank of England that the Government's monetary policy is implemented. 4) It is due to such system that the Western economy achieved the results which we admire today. 5) It is the organization of labour at this enterprise that requires improvement first. 6) It is Russia's exporters' and importers' businesses that affect GDP. 7) It is Yukos' gas assets that interest Gazprom most. 8) It is due to independent auditing that reliable information about financial position of the company has been published. 9) It is due to unlimited liability that the personal assets of the owner, including his home and car, can be sold to settle the debts of the business. 10) In terms of size and influence it is the corporation that has become the dominant business form existing in most countries with free market economy. 11) It was due to the issuing of additional shares that the public company could finance this project.

E 1) The economic resources of an entity are called its assets. 2) This country supported Russia in its bid for membership in the WTO. 3) This price in its dollar equivalent is roughly equal to retail prices in America. 4) This country appears to live according to a strange law: as its economy booms, life becomes harder for its citizens. 5) Dividends that a corporation pays to its shareholders are a distribution of net income. 6) Accounts receivable are amounts owed to the entity by its customers. 7) The Association of Regional Banks, whose name denotes its orientation towards the regions, last year admitted many Moscow banks into its ranks, bringing the share of Moscow banks in its membership to 36%.

F 1) I find it strange that she does not want to travel. She finds it boring. She finds it boring to stay at home. 2) New technology will make it possible to enter new markets. 3) It was planned to double national income and the industrial output. 4) It will take over a year to learn how to run a business.

3. Определите функцию «it», предложения переведите.

1) How do they do it year after year growing more profitable? 2) It's a question of finding the right market for a product. People have to expect it, and even demand it. 3) It is a sad story because it involves an outflow rather than inflow of capital into the country. 4) It is much wiser to allow cash to circulate, either to invest it or to have it in the bank, where it makes interest. 5) It was IBM who set the standard for the PC which others later imitated. 6) It is no secret that the gasoline crisis was due to a sharp reduction in the supplies of crude oil to the refinery. 7) According to marketing theory you first ascertain want or need and then create a product to satisfy it. 8) If you have a bank branch near your home, you may find it convenient to go there to draw your money out. 9) When it was time to repay, bank sent its clients a notification. 10) It was planned to reduce maintenance costs. 11) This contract is not valid until it is signed by both parties. 12) It was Saturday October 6, 1979 – the key day in the history of the Federal Reserve System. It was on that day that the decision was made to cardinally change its functions.

4. Назовите слово или словосочетание, которое заменяет местоимение «it».

Example: It's very interesting. I've just read Chapter 1! A book / a novel

- 1) I like it dry and white.
- 2) I don't take it in tea, but I take one spoonful in coffee.
- 3) It barked and ran away.
- 4) You study at it to get higher education.
- 5) You can open an account with it.
- 6) It is the type of business when one person provides all the capital.
- 7) It is the means by which firms or individuals make known to the market what they have to sell, or what they want to buy.
- 8) It helps the marketer to determine customer needs.
- 9) The company is run by it. It consists of a number of Directors.
- 10) It is the market place where listed securities can be traded efficiently.

§ 4 Функции «that» The Functions of «that»

Функции	Перевод	Примеры
указательное местоимение мн. число - <i>those</i>	(э)то, том, та те	<i>That</i> year was very successful. <i>Those</i> years were also successful.
союз	что то, что	I think <i>that</i> companies are part of society. <i>That</i> the Loch Ness monster exists has not been proved.
относительное местоимение	который	<i>They</i> should act in such a way <i>that</i> a company is profitable.
заместитель сущ. ед. числа	сущ-м, которое	Sometimes you have to do things <i>that</i> you don't like.
мн. число - <i>those</i>	заменяет	The problem for the country was <i>that</i> of liquidity. The prices are lower than <i>those</i> on the world market are.
часть усиливательной конструкции <i>'it is ... that'</i>	не переводится	<i>It is</i> for those studying English <i>that</i> the MN reprints foreign press.

Запомните, как переводятся следующие словосочетания с «that»:

that is (i.e.)	то есть
so that	так, чтобы; с тем, чтобы
now that	теперь, когда
the more so that	тем более, что
so much that	настолько, что
that/this is why	вот почему
that/this is how	вот как
that/this is what	вот что
the fact/thing/point is that	дело в том, что
the main thing is that	главное то, что
the most important thing is that	самое важное это то, что

Упражнения

1. Переведите предложения, обращая внимание на функции «that».

A 1) To be or not to be, that is the question. 2) That's vital for this job. 3) Let me illustrate that for you. 4) I don't want to comment on that. 5) That is a mystery of the Russian soul. 6) That able man was soon appointed the head of the production department. 7) If the government wanted to make the oil companies share their wealth, it could come up with other way to do that. 8) Part of the profit goes to those who have provided the initial capital. 9) Both those who provide capital for a new business and those who run the business bear the risk. 10) Dividends are not paid in those years when the company has not made profit. 11) When we talk about "the national labour force", we are thinking of all those people who are available for work within the nation.

B 1) Business people said that London was the most exciting of all the major cities in the world. Londoners also claim that it is cleaner than it used to be, and safer than many other European cities. 2) The Minister of Economic Development and Trade said that the GDP growth in January-May amounted to 7.3 percent. 3) The Economy Ministry forecasts that the second half of the year will see a slowdown in the rate of growth. 4) The government shows that the years of wild capitalism are over. Concentrating on the oil producers the government declares that the oil companies have to pay for the development and growth of the economy and for the well-being of the people. 5) That people speak different languages is generally known. 6) That is rained so much this year is fortunate for farmers. 7) That students got the grade on the quiz surprised everyone. 8) It is essential that they keep accurate records of every transaction. 9) It is necessary that all data should be prepared in time. 10) It is impossible that all these calculations should be made in time.

C 1) A letter that starts *Dear Sir* or *Dear Madam* will close with *Yours sincerely*. 2) Strategies that impress are strategies that are extremely clear. One of the strategies that impresses is Coca-Cola's. 3) We have signed a document that opens a new page in the history of our relations. 4) The oil companies were given a month to prepare new licensing agreements that would stipulate volumes of extraction. 5) The Natural Resources Ministry along with the Federal Security Service (FSB) launched an investigation that will audit the total volume of oil transported inside Russia. 6) The oil companies have to pay for the right to use the country's natural resources that belong to all of the country's citizens. 7) The accounting report that summarizes the revenues and the expenses of an accounting period is called the income statement.

D 1) Eleven trade deals between companies from the Far East Federal District and those from China were inked. 2) If a person runs a private business, his work is partly that of an employer and partly that of a worker. 3) Your income is always less than that of some of your neighbors but still it is more than that of some other people both in this country and abroad. 4)

The goods sold in the market are of lower quality than those of our company. 5) The European economy of the 2020s will be very different from that of Europe we have known for the last decades. 6) Students studying economics can expect higher earnings than those studying philosophy. 7) These are the requirements for those applying for the post.

E 1) Banks keep their money in circulation so that it should bring them profit. 2) Americans keep their money in the bank so that it should breed more money. 3) A bank seeks to buy money cheaply and to sell it dearly. This is what the banks are busy doing. That is why they keep up to date with the market situation.

2. Ответьте на вопросы, используя усиливательную конструкцию “it is... that”.

Example: Who answered the bell, Mary or Floy?

It was Floy who answered the bell, not Mary.

- 1) Did you yourself speak to the assistant professor, or did Margaret speak to him?
- 2) Oliver must have come from New Zealand, or does he come from Australia?
- 3) The liner takes off at nine, or will it be earlier?
- 4) The head master will help us with fixing of the machine tool, or shall we apply to the consulting engineer?
- 5) The second point is to be revised, or shall we revise the first point, too?
- 6) Can Mr. Brown be entrusted with the task, or will it be safer to charge Mrs. Brown with it?
- 7) Will you go there by sea, or do you prefer a plane?

§ 5 Функции «what», «which»

1 что What do you think about it?

2 то, что What he said confused me.

3 какой (what + сущ.) What colour do you prefer?
Do you know what the weather will be like tomorrow?
What are the conditions of work at this plant?

4 элемент усиливательной конструкции what + (s) + V ... is

What I need is a rest.

Что мне нужно, так это отдых. (Мне нужен отдых.)

What counts is the end result.

Что действительно важно, так это конечный результат.

NB what is called = what is known as – так называемый

Britain is the centre of what is known as «the sterling area».

What about ...? – Как насчет...?

What about you? – А вы?

Примечание 1 «How» так же как и «what» может переводиться на русский язык «то, как».

The problem today is how to coordinate these factors.

Проблема состоит в том, как координировать эти факторы.

how + прилагательное – «насколько»

The following example gives an idea of how important this project is.

Следующий пример дает представление о том, насколько важен этот проект.

Примечание 2 «Which» может переводиться на русский язык словом «что», если придаточное предложение, которое оно вводит, характеризует или дополняет смысл всего главного предложения в целом. В этом случае перед **which** всегда стоит запятая.

We envisage turnover growth in foreign trade and, which is of primary importance, the radical structural changes.

Мы предусматриваем рост внешнеторгового товарооборота и, что особенно важно, коренные структурные изменения.

NB which means – что означает

which implies – что подразумевает

which is due to – что обусловлено

which is characteristic of – что характерно для

which is consistent with – что согласуется с

Упражнения

Переведите предложения.

A 1) What are the entrance requirements to this institute? 2) At what stage is this work at the present moment? 3) What about products that companies must constantly redesign? 4) These funds make up what may be called its authorized fund. 5) The realization of what is planned will begin next year and the overall success depends on what the coming years will be like. 6) What is needed is a reasonable compromise. 7) What I can't understand is how they got there. 8) What he doesn't realize is that each objective is but (всего лишь) a link in a very long chain. 9) The industry which affected economic development most of all was the motor vehicle industry. 10) The closing of uneconomic mines and the development of automation produced a steady decline in the labour force which resulted in unemployment. 11) The duration of the transition period will be determined by how quickly we'll be able to switch to the new economic management system.

B) 1) Everyone does what the available conditions and potentialities warrant. 2) What most foreign companies never realize is that they provided the technology and financed the creation of their rival. 3) A marketer should understand what the needs of customers are. 4) What caused the gravest consequences were the stiff restrictions on the financial autonomy of enterprises. 5) It is obvious that what was in the past regarded as successful does not satisfy us now. 6) What we are going to examine is the social aspect of economic management. 7) The success of this process depends to a great degree on how realistically we assess our achievements and on what conclusions we draw. 8) Since 1945 new techniques of production have been introduced which greatly increased productivity. 9) What interests us is not how it is planned but how it is performed. 10) What made the world a single market was not trade, aid or alliances.

11) What happened was that, with the help of computers and telecommunications, capital because it is a form of information could flow faster and more freely than goods.

§ 6 Функции глагола «do»

The functions of «do»

1 смысловой

What do you want to do after graduating from the university?

2 вспомогательный (для образования вопросов и отрицательной формы глаголов)

What does he do? - I don't know.

3 заместитель глагола

So you know as much as I do

4 для усиления смыслового глагола

- Why didn't you tell him?

- I did tell him! (Я сказал!)

He does know much.

Он действительно много знает.

They do know something about it.

Они всё-таки кое-что знают об этом.

• do - заместитель глагола

Для того, чтобы избежать повторения, смысловой глагол может заменяться глаголом «do» в соответствующем времени, лице и числе. В этом случае перед **do** могут стоять слова «as», «than», «so».

The weather changes just as the international situation does.

Погода меняется точно так же, как и международная обстановка.

I know about it no more than you do.

Я знаю об этом не больше, чем ты.

Now the stock is on the rise and so does the portion of assets due for one share.

Сейчас акционерный капитал возрастает, и также растёт доля капитала, которая приходится на одну акцию.

Примечание 1 При переводе заместителя глагола «do» необходимо учитывать следующее:

Если время смыслового глагола и глагола-заместителя совпадает, то последний можно опустить при переводе.

He stayed there much longer than he usually did.

Он оставался там значительно дольше, чем обычно.

Если время смыслового глагола и глагола-заместителя не совпадает, то последний надо переводить как смысловой глагол в том времени, в котором он употреблён.

He stayed there much longer than he usually does.

Он оставался там дольше, чем остаётся обычно.

Примечание 2 Во избежание повторения сложной формы глагола обычно используется лишь первая часть глагола.

Today he is reading better than he was yesterday.

Сегодня он читает лучше, чем (читал) вчера.

Примечание 3 Глагол to do может использоваться в следующих значениях:

succeed – How's he doing in trying to give up smoking?

have an effect – The scandal will do serious damage to his reputation.

have a particular job – What do you do for a living?

study – I did French for five years.

provide a service – We don't do food after two o'clock.

behave – In the evenings students are free to do as they please.

Переведите предложения. Определите функцию глагола «do».

- 1) Many of these countries produce less food than they did ten years ago.
- 2) The food prices go up. So do payment deficits of the developing countries.
- 3) This process does not contradict the interests of the people as it does in the industrially developed countries.
- 4) The differences in economic systems must not hamper this process and they don't where there is goodwill on both sides.
- 5) Just as Russian and English differ in vocabulary, so do they differ in intonation.
- 6) She did Japanese for four years.
- 7) She is very good at what she does.
- 8) I wish you'd do as you are told.
- 9) They do interior design
- 10) Exercise can do wonders for mind.
- 11) Students are under considerable pressure to do well.

§ 7 Функции инфинитива The Functions of the Infinitive

Функции	Примеры
подлежащее a Subject	<i>To know English is important.</i>
Обстоятельство цели an Adverbial Modifier of Purpose	<i>To master my English I listen to music.</i>
определение an Attribute	<i>There are plans to go into business.</i>
часть сложного сказуемого Part of Predicate	<i>I have to go now.</i>

Инфинитив в функции подлежащего A Subject

Если предложение начинается с инфинитива (или инфинитивной группы – инфинитива с зависимыми словами), за которым следует глагол-сказуемое, то этот инфинитив является подлежащим и переводится глаголом в неопределенной форме или отглагольным существительным.

To read is useful.

Читать полезно. (Чтение полезно).

To discuss this question is useless.

Обсуждать этот вопрос бесполезно.

Инфинитив в функции обстоятельства цели An Adverbial Modifier of Purpose

Инфинитив в функции обстоятельства цели может стоять в начале предложения или в середине и переводиться:

- глаголом в неопределенной форме с союзом «чтобы»
- отглагольным существительным с предлогом «для»
- иногда перед инфинитивом в этой функции стоят союзы **in order to, so as**

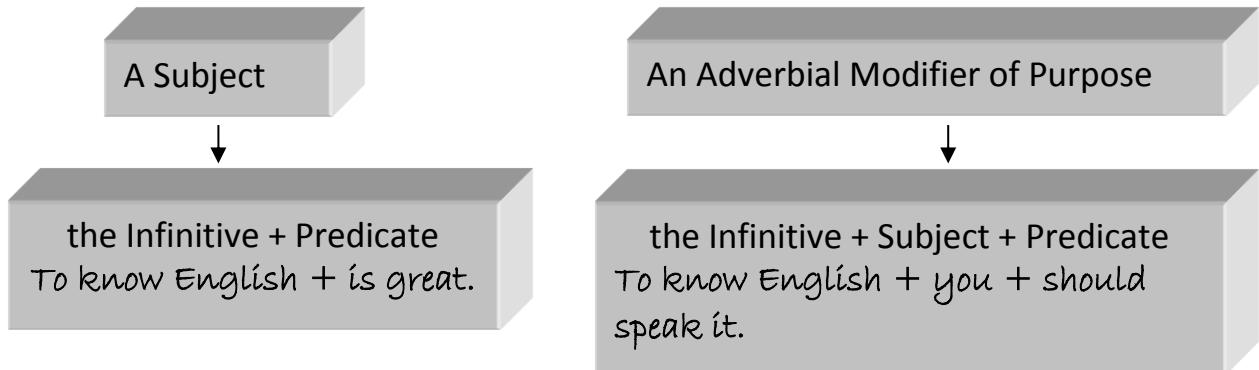
To improve my English I read English books.

Чтобы улучшить (для улучшения) знания английского языка, я читаю английские книги.

In order to improve your English, you should have it regularly.

Для того чтобы улучшить свой английский, необходимо заниматься им постоянно.

Сравните:



Упражнения

1. Сделайте анализ следующих предложений и укажите номера предложений с инфинитивом в функции подлежащего и обстоятельства цели. Предложения переведите.

1) To increase labour productivity we must use material resources rationally. 2) To achieve successful results of the experiment was the main task of the scientist. 3) To build a new railway station line in the desert region in such a short time was a very complicated task. 4) To make their national currency convertible they need to know its exact purchasing power. 5) To sign the agreement worked out by the company's lawyers is a new stage in the development of our cooperation. 6) To make maximum profits enterprises should save energy and raw materials. 7) To call for a conference on tariffs means making a progressive step toward solving international disputes. 8) To spend more than 50 million dollars for new equipment would be more useful.

2. Составьте предложения с инфинитивом в функции подлежащего.

Example: It is important to repay loans in time. → To repay loans in time is important.

1) It is essential to keep economy as close as possible to full employment with low inflation. 2) It is more typical to issue bonds for the period of several years. 3) It makes sense to pay by plastic card rather than hold hard currency and run the risk of losing out due to fluctuations in exchange rate. 4) It has for centuries been the function of money to serve as a medium of exchange. 5) It is convenient to carry travelers' cheques because you can cash them whenever you may need.

Инфинитив в функции определения An Attribute

Инфинитив в функции определения стоит после существительного, отвечает на вопрос «какой?» и переводится:

- существительным с предлогом;
There are plans to introduce new bills.
Есть планы по введению новых банкнот.
- придаточным предложением, начинающимся со слова «который»;
He is the man to do this work.
Он тот человек, который выполнит эту работу.
- инфинитив в пассивной форме обычно выполняет функцию определения и переводится придаточным предложением со словом «который».
This is a serious question to be put at the meeting.
Это серьезный вопрос, который будет поставлен на собрании.

Инфинитив как часть сложного сказуемого Part of Predicate

- глаголы **to have, to be** в сочетании с инфинитивом могут выражать долженствование;

The price is to increase by 7%.

Цена должна повыситься на 7%.

I have to go now.

Сейчас я должен уйти.

- глагол **to be** в сочетании с инфинитивом переводится как «состоит в том, чтобы/заключается в том, чтобы» после таких слов, как: *purpose/aim/goal/object* – цель, *task/target* – задача, *intention* – намерение, *measure* – мера, *approach* – подход, *step* – шаг, *the main thing* – главное и т.д.

The goal is to increase productivity.

*Цель **состоит в том, чтобы** повысить производительность.*

Упражнения

1. Переведите фразы и предложения, учитывая особенности перевода инфинитива в функции определения и части сложного сказуемого.

A words to be memorized; the poem to be learnt by heart; exercises to be done at home; techniques to be used in construction; circumstances to be reckoned with.

B 1) He is not the man to leave his work half finished. 2) He was the man to attract sympathy. 3) He is not a man to make a woman happy. 4) This is the main difficulty to be taken into consideration. 5) What are the rules to be kept when writing a cheque? – Don't sign a cheque before filling in the sum to be paid. 6) By cardinal change of policy we mean the way to reach the ultimate goal. 4) Stabilization policy is government actions to control the level of output in order to keep the GNP close to its full-employment level. 5) It's a chance not to be missed. 6) Too high prices of resources to be used in production is the problem of many enterprises. 7) Durable goods are goods to be used in production in future or to be consumed over a long period of time. 8) The value of the total output to be produced in the public sector and the private sector will make up the gross national sector. 9) The money will be

used to pay for natural gas to be delivered to the country by Gazprom. 10) Interest rates are a tool to regulate the market.

C 1) We are to see her tonight. 2) She reminded him that they were to meet at eight-fifteen that morning. 3) He was not to be found. 4) Am I to congratulate you? 5) I was to leave you. 6) The aim was to maintain inflation at a low level. 7) The problem was to be solved by the end of the year. 8) The producers' target was to get the highest possible profit. 9) The terms of payment and immediate payment of delivery charges by confirmed and irrevocable letter of credit are to be standard.

D 1) You don't have to worry. 2) Something has to be done at once. 3) Enterprises have to rely more on intensification of production. 4) Even the simplest building materials have to be brought from far away. 5) The Russian economy has to find new sources of growth. 6) The gasoline component is included in the production cost of any commodity that has to be transported to retail outlets. 7) People have more freedom and simultaneously have to bear more responsibility.

2. Составьте предложения.

- 1) company • to • computers • **The** will • new • buy • have.
- 2) many• illustrate • **There**• to • examples • rule • this • are.
- 3) work • great • this • **To**• requires • accomplish • skill.
- 4) **The** existing • of • the • is • agreement • new • to • one • the • scope • of • the • purpose • broaden.
- 5) done • been • has • **Much**• to • works • the • construction • enlarge.

3. Дополните предложения, используя инфинитив в функции сложного сказуемого.

- 1) Our plan was to ... 2) The main problem is to ... 3) Our next step is to ...
- 4) The main thing is to ...

4. Определите функции инфинитива, предложения переведите.

1) To manufacture this model of equipment is profitable for producers. 2) The firm was to start producing the new equipment at the end of the year. 3) The company is considering issuing new shares to be sold for cash or given to the government. 4) To attract customers, some shops organize regular sales at discount prices. 5) The CB also sets the discount rate, which is the interest rate commercial banks have to pay when they want to borrow money. 6) In every economy there are lots of households to supply labour and capital to firms that use them to produce goods and services. 7) To calculate depreciation is necessary in order to know the value of the assets of an enterprise. 8) Feasibility study outlines products to be manufactured by the joint venture. 9) To assure uninterrupted growth, enterprises have to rely more on intensification of production. 10) To let consumer credit to grow creates speculative situation. 11) Most countries have laws to prevent the breaking of patent or copyright protection. 12) The quality of machines and equipment is to be in conformity with the technical specification of the contract.

5. Переведите предложения.

1) Управлять компанией – нелегкая задача. 2) Нам необходимо провести собрание акционеров для того, чтобы выбрать Совет директоров. 3) В случае банкротства они вынуждены будут продать свое личное имущество. 4) Есть планы по созданию госкорпорации.

§ 8 Конструкция for + N + Infinitive for + N + Infinitive Construction

В инфинитивном обороте, вводимом предлогом «for», инфинитив выражает действие, субъектом которого является существительное или местоимение в объектном падеже (him, us, etc).

It's time for us to go.

Нам пора идти.

Where shall we go tonight? - It's for you to decide.

Куда пойдем сегодня? - Тебе решать.

Чаще всего этот оборот употребляется в функции обстоятельства и переводится на русский язык придаточным предложением, вводимым союзами «чтобы», «что». Подлежащим этого предложения становится субъект действия, а сказуемым - инфинитив.

She put the advertisement on the wall for everybody to see.

Она повесила объявление на стену, чтобы все видели.

The teacher is waiting for you to continue reading.

Учитель ждёт, чтобы ты продолжил читать.

- Оборот может находиться в любой части предложения.

For this material to be published this year you must have it typed as soon as possible.

Для того чтобы этот материал был опубликован в этом году, вам нужно как можно скорее перепечатать его на машинке.

- It is quite possible for this material to be published very soon.

- The main problem is for this material to be published as soon as possible.

- There isn't enough time for the material to be published this year.

- For this thesis to be published this year it is out of the question (не может быть и речи).

Упражнения

1. Переведите предложения. Укажите номера тех из них, в которых for-phrase можно переводить, не используя союз «чтобы», а только изменив порядок слов при переводе.

A 1) He asked for the document to be sent to him by post. 2) Suddenly he appeared at the door of the studio and made signs for the visitors to come In. 3) Your new book must be very interesting. - This is for the reader to judge. 4) I have brought the books for you to examine. 5) He was anxious for you and his sister to become acquainted. 6) For production to be increased we must have efficient labour organisation. 7) For the insurance to be an attractive purchase, the premiums must be substantially less than the amount of the policy. 8) It is difficult for a bank branch to make dramatic savings. 9) The new organisation structure was very necessary for us to be able to broaden the scope of our activities. 10) This means that it becomes easier for people to persuade bankers to lend money for new projects. 11) Businessmen waited for interest rates to come down. 12) It would have been very difficult for us to develop on our own (самостоятельно, без посторонней помощи) - and extremely expensive.

B 1) If an agent holds stocks, it is easier for him to develop new markets. 2) It took another 29 years for six more countries at different times to join the original six members of the Common Market. 3) The investors and the government will do their best (всё от них зависящее) for the agreement to be signed. 4) What does Russia have to do for this to happen? 5) It would be useless to hope for foreigners to buy the Russian government's federal loan bonds. 6) For the machine to work well, all parts must separately be working well. 7) But the exceptions here are too numerous for any rule to be stated. 8) They said there were no reasons for the business cycles to exist in a planned economy. 9) It was possible for Britain to secure control over the markets of her own Empire. 10) It is difficult for both professional critics and laymen to understand how Mr. Cleaves can manage to produce so many

books. 11) Such a system makes it easier for enterprises to cooperate with each other. 12) This lack of money has made it extremely difficult for enterprises to pay their taxes.

2. Переведите предложения, обращая внимание на различные значения слова «for».

1) The box was too heavy for her to lift. 2) It is necessary for the struggle for higher living standards and democracy to be waged in the interests of international cooperation. 3) The result is years of unemployment for millions and the painful need for large amounts of investment to be written off. 4) When it was time for the credit to be repaid the bank sent its clients notification. 5) In general, it is economically better for a business to incorporate when its profit before taxes reaches about \$50,000 a year. 6) Stockists (agents) must work on a higher profit margin, for they have to pay for stocks for which they will not receive payment for some time. 7) Here are some useful things for you to remember.

§ 9 Инфинитив в сложном дополнении Complex Object

- Эта конструкция состоит из существительного или местоимения в объектном падеже и инфинитива.

I know him to be a good painter.

Я знаю, что он хорошо рисует.

Переводится придаточным предложением, вводимым союзами «что, чтобы, как». Подлежащим этого предложения является существительное или местоимение оборота, а сказуемым - инфинитив.

- Употребляется только после определённых глаголов, то есть *формальным* признаком оборота являются так называемые «вводящие» глаголы, которые следует запомнить:

1 желания и чувства

I want you to help me.

Я хочу, чтобы ты помог мне.

want	wish	would	like	hate	prefer	etc.
------	------	-------	------	------	--------	------

2 восприятия

see	hear	watch	feel	notice
-----	------	-------	------	--------

(после которых инфинитив употребляется без «to»)

I saw him get off the bus.

Я видел, как он вышел из автобуса.

3 предположения или уверенности

know	think	hope
------	-------	------

consider	estimate
----------	----------

считать

believe	assume	suppose
---------	--------	---------

полагать

expect	intend
--------	--------

ожидать
предполагать

We consider him to be very talented.

Мы считаем, что он очень талантлив.

- При отсутствии таких вводящих глаголов оборот Complex Object не образуется.

We helped them to repair the engine.

Мы помогли им отремонтировать двигатель.

- При переводе оборота следует обращать внимание на форму как вводящего глагола, так и инфинитива. *Indefinite Infinitive* передаётся глаголом а настоящем или прошедшем времени (в зависимости от времени вводящего глагола), а *Perfect infinitive* - только в прошедшем.

- После глаголов *expect* и *hope* инфинитив чаще всего передается глаголом будущего времени.

We expect this book to appear on sale very soon.

Мы ожидаем (надеемся), что эта книга очень скоро появится в продаже.

Переведите предложения.

A 1) Every mother wishes her children to be happy. 2) I saw the taxi stop at the door. 3) The engineer thought these young workers to be right. 4) We believe them to follow our advice. 5) Nobody noticed her to leave the room. 6) He wanted us to come and see his new tape-recorder. 7) She did not expect me to do it so quickly. 8) Have you seen him make this experiment? 9) I heard somebody mention his name at the last meeting. 10) I heard her come in but I didn't see her leave the house.

B 1) Every businessman would like fuel and raw materials to be cheap. 2) We expected our equipment to be more expensive. 3) The Parliament wanted the new law to be adopted at the first reading. 4) They did not want the minister to take part in the election. 5) The head of the Government invited the ministers to come. 6) We would like the prices to be reduced by 5% and the taxes to be cut. 7) The interbank credit market watches the credit activity to be guided by certain rules. 8) The financial market considers price reduction for state treasury bills to be temporary. 9) The main banker believed the whole problem to be one of the reasons for banking crisis.

C 1) He wanted his staff not to lower quantitative indicators. 2) The agency considers large advantages must initially be established for individuals. 3) Energy suppliers never expected their initiatives to produce bad results. 4) The government is interested in the enterprises to flourish. 5) We expect the transport formalities to be completed within the next 8-10 weeks. 6) The bank expected \$8 million to be paid into the account of that enterprise. 7) The author has undertaken a political-economic analysis of the current recession and shows it to be the historic consequence of the workings of the system.

§10 Инфинитив в сложном сказуемом

Complex Subject

- Эта конструкция состоит из подлежащего и сложного сказуемого - глагола в личной форме и инфинитива.

a) *You seem to know French.*

b) *The book is said to be very interesting.*

Особенность данного оборота заключается в том, что действие, выражаемое инфинитивом, относится к подлежащему а стоящий перед инфинитивом глагол указывает на отношение к этому действию говорящего или вообще неуказанного лица.

На русский язык английское подлежащее переводится подлежащим, инфинитив - сказуемым, а глагол в личной форме - глаголом множественного числа, вводимым словом или фразой:

a) Вы, *кажется*, знаете французский язык.

b) *Говорят*, что книга очень интересная.

- Этот оборот опознаётся по сказуемому, в качестве которого могут выступать только определённые глаголы. Их можно разделить на три группы:

1 глаголы, употребляемые в действительном залоге

кажется, по-видимому	seem appear
----------------------	----------------

prove*	оказывается, как оказалось
turnout	
happen	

*proved to be - оказался (переводить придаточным предложением в этом случае не обязательно)

2 глаголы, употребляемые в страдательном залоге

is known	известно
is said	говорят

is believed	считают, полагают
is considered	
is thought	

is reported (как)	сообщают
is supposed*	предполагают, предполагается
is expected*	ожидают, ожидается

* можно переводить глаголом «должен» или глаголом будущего времени.

You are supposed to do this exercise at home.

- Вы должны выполнить это упражнение дома.

He is expected to come by 2 o'clock.

- Он должен прийти к двум часам.

3 сочетания с глаголом «to be»

is likely	- вероятно, по всей вероятности, может быть
is not likely	- маловероятно, вряд ли, едва ли
is unlikely	- не может быть
is sure	- конечно, несомненно, безусловно

- При переводе необходимо учитывать время глагола, стоящего перед инфинитивом, а также форму инфинитива.

He is considered to be ... - Считают (считается), что он ...

He was considered to be ... - Считали (считалось), что он ...

- *Infinitive indefinite* и *Continuous* переводится глаголом настоящего времени, а *Infinitive Perfect* и *Perfect Continuous* - прошедшего времени.

He is said to go to London. - Говорят, что он едет в Лондон.

He is said to have gone to London. - Говорят, что он уехал в Лондон.

They are thought to complete the work in time.

They are thought to have completed the work in time.

Примечание 1 Оборот Complex Subject аналогичен безличной пассивной конструкции типа «It is known that...».

Сравните:

It is said that they work much at this problem.

They are said to work much at this problem.

- Говорят, что они много работают над этой проблемой.

Примечание 2 Сравните употребление и перевод «вводящих» глаголов в конструкциях Complex Object и Complex Subject.

a) *We expect them to come tomorrow.*

Мы ожидаем, что они придут завтра.

They are expected to come tomorrow.

Ожидают, что они придут завтра.

Active Voice – Complex Object

Passive Voice - Complex Subject

b) *I heard them speak about the replacement of old equipment*

They were heard to speak about the replacement of old equipment.

c) *We think them to complete the construction of the pipeline next month.*

The construction of the pipeline is thought to be completed next month.

Упражнения

1. Переведите предложения, содержащие оборот Complex Subject.

A 1) The creation of complex modern machinery is considered to require a high technical level. 2) This discovery proved to be of special value for this branch of industry. 3) He proved to be a capable engineer. 4) She seems to be always in time. 5) He appears to have read a large number of books. 6) Statistics is considered to be a powerful instrument of state administration. Statistical agencies are known to provide management bodies with all the data they need. 7) In modern economy wages are believed to be the price of labour. 8) Production planning may be said to start with the production plans of the board of directors.

B 1) This approach seems to ignore the objective conditions. 2) For the foreigner this monetary system seems to be rather a complicated one. 3) The first reference to cotton is known to have been made 2500 years ago. The Nile valley is said to be its native land. 4) This is unlikely to happen over the next two months. 5) Commercial bank is not supposed to distribute state subsidies. 6) Stock exchanges are required to maintain a fair and orderly market in the securities assigned to them. 7) All the main slogans of the miners' strike are rumoured to have been okayed beforehand. 8) Patterns are supposed to point toward several possibilities.

C 1) The contract between the two countries was supposed to give a boost to Russian telecommunications in the regions. 2) The decree can be said to be a victory for the miners. 3) The joint-stock company seems to be satisfied with the preliminary document signed. 4) The decree in question (о котором идёт речь) was expected to be issued last autumn. 5) All developed countries seemed to take economic and social progress for granted. 6) The introduction of regulation instruments was supposed to be long time ago. 7) The biggest increase in consumer prices was reported in the Central economic district. 8) Manager is supposed to delegate authority and responsibility to others. 9) A crisis is expected to be followed by a depression.

2. Преобразуйте следующие предложения, используя оборот Complex Subject, не изменяя при этом их смысл.

1) Our machine tools are expected to serve longer. 2) This project is expected to be built ahead of schedule. 3) A theory is known to be tested by practice. 4) This machine is said to have been perfected by our workers. 5) This country is known to have substantially reduced its armed

forces. 6) The State budget may be said to be the financial plan insuring the development of all branches of economy. 7) They seem to have analysed all the details of the matter. 8) The bulk of all budget revenues is known to come from taxation. 9) Large sums were reported to have been invested in agriculture. 10) The period of uncertainty about exchange rates seems to have some discouraging effect on trade. 11) It seems that all the necessary instruments are there. 12) Accounting is often said to be the language of finance.

3. Определите, в каких предложениях присутствует конструкция Complex Object, а в каких – Complex Subject. Предложения переведите.

1) We want our experience and know-how in different economic and social spheres to be of use to Russia. 2) This plan is known to be the sixth draft in which targets reflect the country's actual possibilities. 3) People all over the world know very well that steps must be taken to ensure that what happened in Hiroshima never happens again. 4) A crisis is expected to be followed by a depression, the depression by a revival, the revival by prosperity, and prosperity by a new crisis. 5) These incentives seem to be producing the desired result. 6) Academician N., one of the founders of chemical physics, wanted the small laboratory he himself organized to be one of the most important research centres in the country. 7) The director of our enterprise would like us to fulfill this work ahead of time. 8) One road is supposed to lead to freer trade for all countries. 9) The value of cheques exchanged by each bank is unlikely to balance.

10) Last week's talks were supposed to end the negotiating process that had lasted more than 18 months. 11) The majority of businessmen expected the two banks to come to an agreement. 12) Our manager wants your firm to carry on this transaction as soon as possible. 13) We know the Midland Bank to be one of the leading banks of Britain. 14) The secretary heard the telephone ring and immediately answered the call. 15) The details of that proposal appear to have been published in the latest issue of the journal. 16) The British people expect measures to be taken to improve balance of payments.

§11 Функции глаголов «should» и «would»

The Functions of «should» and «would»

«Should» и «would» употребляются как:

1 вспомогательные глаголы для образования будущего в прошедшем, то есть при передаче косвенной речи (обычно в предложениях типа: «He said that...», «I thought that...» и т.п.)

He said that he would do this work in time.

Он сказал, что сделает эту работу вовремя. I thought that I should finish my work in time.

Я думала, что закончу работу вовремя.

2 вспомогательные глаголы для образования сослагательного наклонения в главной части условных предложений 2-го и 3-го типов.

I should /would help you if I had time.

Я бы помог тебе, если бы у меня было время.

They would have done this work if they had had enough time.

Они сделали бы эту работу, если бы у них было достаточно времени.

Примечание В современном английском языке «should» практически не употребляется в этой функции.

Should

- **модальный глагол**, выражающий необходимость, пожелание, рекомендацию /совет выполнить действие в настоящем, прошедшем и будущем времени.
перевод: **должен, следует / следовало бы, надо**

You should go to the doctor.

Тебе следует обратиться к врачу.

You shouldn't tell lies.

Не надо обманывать.

- В сочетании с **перфектной формой инфинитива** «should» показывает, что рекомендация не была выполнена.

You should have stopped at the red lights.

Надо было остановиться на красный свет.

You shouldn't have told him that.

Не надо было говорить ему это.

- **Устойчивые выражения с «should»:**

1) - What's his phone number? *Какой у него номер телефона?*

- How should I know? *Откуда мне знать?*

2) - Will you give me that book.

- Why should I? *С какой стати?*

You should have seen his face when he heard the news.

Видел бы ты его лицо, когда он услышал эту новость.

- Обратите внимание на тип предложений, в которых «should» на русский язык не переводится

It is necessary that he (should) go there at once.

- *Необходимо, чтобы он пошел туда немедленно.*

I suggest that the problem should be solved today.

- *Я предлагаю решить эту проблему сегодня.*

I got up early, so that I shouldn't be late for the train.

- *Я встал рано, чтобы не опоздать на поезд.*

He had a good breakfast, so that he wouldn't feel hungry before 11 o'clock.

- *Он хорошо позавтракал, чтобы не проголодаться до 11 часов.*

Would

употребляется, чтобы выразить:

1 (по)желание

I'd like a cup of tea. (Звучит более вежливо, чем «want»)

I would like to know what you are going to do next.

Я бы хотел знать, что ты собираешься делать дальше

В разговорном английском ту же мысль можно выразить фразой «I wish I knew» (what he is going to do next.)

2 вежливую просьбу / предложение

Would you shut the door, please?

Закройте, пожалуйста, дверь.

Would you mind opening the window, please?

Откройте, пожалуйста, окно.

Would you like to eat? / Wouldn't you like to drink?

Не хотели бы вы что-нибудь поесть? / Не хотите ли что-нибудь выпить?

3 регулярные, повторяющиеся действия в прошлом (- used to)

They would wait for us at home.

Они обычно ждали нас дома.

4 отказ выполнить действие (в отрицательных предложениях)

I wanted to explain everything to her but she wouldn't listen.

- Я хотел ей все объяснить, но она не захотела /не стала слушать.

Примечание I'd better = I had better (+ словарная форма)

для выражения в мягкой форме рекомендации сделать что-то в конкретной ситуации (но не в прошедшем времени!)

You'd better go there tomorrow.

Ты лучше пойди туда завтра.

I think I'd better show this to you now.

Я, пожалуй, покажу тебе это сейчас.

I'd better not look at this.

Я лучше не буду на это смотреть

Упражнения

1. Переведите предложения, определяя функцию «should» и «would».

- 1) The central authority decided what goods and services would be produced, and what prices should be charged.
- 2) The planners haven't decided yet what quantity of consumer goods would be delivered to the region. They are discussing the prices that should be charged for these commodities.
- 3) The economists could not agree what plans the governments should adopt in the new conditions which would affect the international economic situation in the next ten years.
- 4) The building materials industry should occupy an important place in the plans to industrialize Africa.
- 5) In the end, the speaker emphasised that cooperation and fruitful exchange between our countries would be continued.
- 6) He said that these rivers should play an important part in solving all the problems of water distribution in the country.
- 7) Rational standards of consumption should always be analysed.
- 8) He suggested that this question should be discussed at the general meeting.
- 9) It is necessary that he should complete his experiment this year.
- 10) The specialty of study should be indicated in the application form.
- 11) It is desirable that you should return the books to the library next week.

2. Переведите предложения с «would» в разных функциях.

- 1) Would you show him the price list, please. - I would never show him the price list if he were not our old customer.
- 2) In your place I would put a full page advertisement in the local newspaper.
- 3) I thought he would come in time as usual.

- 4) Sometimes he would bring us samples and catalogues of his firm.
- 5) They would often discuss the plans and strategy of the company together.
- 6) He was told that the prices would increase as a result of changes on the market.
- 7) He would have produced more new products if he had invested more money in research and development, but that was impossible at that moment.
- 8) The economists expected that the prices would fluctuate at the end of the year.
- 9) Farmers would bring their goods to the market many miles away from the place where they lived.
- 10) The planners supposed that the scheme for a new industrial complex would take 15 years to complete.
- 11) Would you explain why the idea of a perfect market is a theoretical concept, not a practical reality.
- 12) The company representative would not listen to the demands of the workers.
- 13) I wouldn't marry you even if you were the last person on earth.
- 14). If I were you I would wait before asking the bank manager for a loan.

3. Переведите текст.

Europe possesses a vast economic potential, concentrating within its bounds half of the world's industry and scientific and technological personnel. All-European cooperation would open up new possibilities for improving the structure of East-West economic exchange. It would make it possible to carry out with maximum efficiency all-European programmes in the sphere of science and technology, in power development, transport, communications and health services. This, in turn, would give new impulse to the solution of international economic and social problems. Cooperation would thus not only be in the interests of all European states, it would benefit the peoples of all continents and could make Europe a powerful factor of peace and progress.

4. Подставьте «should» или «would» вместо точек.

- 1) I... like to hear that song again.
- 2) Do you think I... take a holiday? - No, it... be better if you got on with your work.
- 3) ... you mind doing it for me?
- 4) The boys ... play more quietly.
- 5) The fire ... have burnt better, if I had had more wood.
- 6) I ... like to know when we will have breakfast.
- 7) If I were you, I... go for a bathe now.
- 8) My landlady ...n't try to make coffee.
- 9) He worked hard so that he ... pass the exam.
- 10) You ... do better work than this.
- 11) The students ... know by now that the teacher won't accept bad work.

5. Скажите по-английски.

- 1) Вам следует быть очень внимательным, когда вы отвечаете на вопрос преподавателя.
- 2) Я бы хотел добавить несколько слов на эту тему.
- 3) Хочу попросить вас оказать мне одну услугу.
- 4) Ты хотела бы пойти куда-нибудь сегодня вечером? - С удовольствием. - Хочешь, пойдем в кино?
- 5) Вам следовало бы уже научиться пользоваться компьютером.
- 6) Нельзя забывать это правило.
- 7) Повторите, пожалуйста, что вы сказали.
- 8) Хотите чашечку кофе? - С удовольствием.

6. Подставьте «You should» или «You shouldn't» вместо точек.

- 1) ... drive carefully on a busy road.
- 2) ... eat between meals if you want to lose weight.
- 3) ... pay your bills regularly.
- 4) ... clean your teeth at least twice a day.
- 5) ... be selfish.
- 6) ... smoke too heavily.
- 7) ... eat a lot of sugar.
- 8) ... go to the dentist regularly.
- 9) ... be more careful.
- 10) ... lie in bed late every day.

7. Какой совет вы можете дать в следующих ситуациях?

- 1) It's raining. - (take an umbrella)
- 2) It's too far to walk. - (take a taxi)
- 3) Someone doesn't know which way to go. - (ask a policeman)
- 4) Someone is going to live overseas. - (learn the language before you go)
- 5) Someone has to get up early in the morning. - (set your alarm clock)
- 6) Someone hasn't got any money with them. - (pay by cheque)
- 7) It's going to be a cold day. - (wear an overcoat)
- 8) Someone is tired out. - (take a rest)
- 9) Someone has seen somebody breaking into a shop window. - (call the police)
- 10) Someone is feeling hot and has a headache. - (see a doctor)

8. Используйте «have to/don't have to» или «should» вместо точек.

When you go to America ...

- 1) you ... get a visa
- 2) you ... apply for a visa at least one month before you go
- 3) you ... book a hotel room before you go, because there are usually a lot of vacancies
- 4) you ... get a work permit if you want to work there
- 5) you ... visit San Francisco, because many people think it is the most beautiful city in America.
- 6) you ... change your money before you go, because there are a lot of 24-hour banks.
- 7) you ... hire a car, because it's the easiest way to travel .

9. Сравните две конструкции и переведите предложения, в которых они использованы.

used to + V (for past habits)

There used to be a house here. - *Раньше здесь был дом.*

I used to live here. - *Я когда-то жил здесь.*

My father used to say... - *Отец, бывало, говорил ...*

be / get used to + N / Ving

I'm used to this kind of work. - *Я привыкла (привычна) к такого рода работе.*

Переведите предложения.

A 1) We used to go out a lot... 2) He didn't use to like it... 3) Where did you use to go? 4) Did you use to have holidays abroad? 5) You must be used to reading bed-time stories if you've

got children. 6) I'm getting used to the climate but I couldn't get used to eating with chopsticks. 7) We used to go to the same place for our holiday every year. 8) Before he went bankrupt, they used to live in a large house. 9) Did he use to gamble a lot? - Yes. He used to have a lot of money. 10) He's a builder, so he's used to physical work and he's used to working in bad weather.

B 11) I used to stay here in the old days. The facilities they offer now are good enough, but not nearly as good as they used to be. 12) My grandfather was such a kind man. He used to know if something was wrong, and he would always make it better. 13) I'm not used to such climate. - Don't worry. You'll soon get used to living in a hot climate. 14) At one time, the commercial banks used to issue their own bank notes. 15) There used to be a lot of these banks scattered across the country. There is still a few of them, but not nearly as many as there used to be. 16) The Bank of England is used by other banks as a guide to the interest they charge.

§12 Условные предложения Conditionals

Существует три типа предложений, содержащих условие.

Когда мы говорим о том, что:

1 вполне может произойти в будущем

(1st Conditional)

if + V(s), will + V

2 маловероятно

(2nd Conditional)

if + V2, would + V

3 могло бы произойти в прошлом, но не произошло

(3rd Conditional)

if + had V3, would have + V3

Сравните:

1 If my mother *gives* me some money, *I'll get* the tickets tomorrow.

(If it can happen, maybe she will give me the money.)

2 If my father *gave* me some money, *I'd get* the tickets.

(I don't think it will happen, I won't get the money.)

3 If my father *had given* me the money, *I'd have got* the tickets yesterday.

(He didn't give me any money, so I couldn't get the tickets.)

Примечание 1 Если придаточное предложение стоит перед главным, то они всегда отделяются запятой.

If I were you, I'd tell him.

I'd tell him if I were you.

Примечание 2 Наряду с «if» и «unless» в начале условных предложений могут использоваться также «as long as», «so long as», «provided (that)», «providing (that)» - при условии; если только.

She was prepared to come, provided that she could bring her daughter.

Она могла бы прийти, при условии, если можно было бы взять с собой дочь.

Примечание 3 «Should» иногда употребляется в условных предложениях для выражения наименьшей степени вероятности действия.

If any visitors *should come*, I'll say you aren't here.

Даже если кто-нибудь и придет, я скажу, что вас нет.

В официальном стиле вместо такого условного предложения («If he should come...») может использоваться конструкция с изменённым порядком слов.

Should he come, I'll tell him you are sick.

Should ministers decide to hold an inquiry, we would welcome it.

Were it all true, it would still not excuse their actions.

Даже если всё это, правда, это не извиняет его поступки.

Had I known, I wouldn't have done it.

Если бы я только знал, я бы не сделал этого.

Упражнения

1. Используйте следующие предложения как образцы для своих собственных высказываний.

a) I had more money, I'd buy a CD player.

If she knew the answer, she'd tell us.

If we lived in England, we'd soon learn English.

If they didn't have so many debts, they wouldn't have to work so hard.

b) What would you do

Would you travel round the world

Which countries would you go to

if you *had* a lot of money?

if you *were* very rich?

if you *travelled* round the world?

c)

If you hadn't told me

I *would* never have known.

(certainty)

I *might* have made a mistake.

(possibility)

I *could have* got lost.

(possibility)

If I had seen the man

I wouldn't have hit him.

If I had been watching the road

2. Прочтите предложения и скажите, в котором из них речь идет о прошлом. (3rd Conditional)

1) If I had more time, I'd help. 2) If he were cleverer, he'd know that he was making a mistake. 3) If I had come three minutes earlier, I'd have taken 9 o'clock train. 4) If the letter had been received some days ago, we would have learnt about it in time. 5) What would you do if you saw a ghost?

3. Соедините два предложения с помощью «if», так чтобы в результате получились условные предложения I и II типов.

1) You want to have a new house. You will have to work hard.

2) You buy the essential commodities from this shop. You are called a customer of this shop.

3) We have food, shelter and clothes. We have the basic necessities of life.

- 4) The economic system of a country is strong. People will be able to satisfy all their wants.
- 5) The people work regularly. They may earn more money.
- 6) The man buys a car in the garage. The garage owner may provide some extra services for the car.
- 7) The farmers try to provide more. Perhaps they will have some goods to sell as well as to use for themselves.
- 8) They are completely free. Workers may work only when they need money badly.
- 9) They have all the money they need. They may not work.
- 10) The government wants to improve the general conditions of work. They can make new laws.
- 11) Employees anticipate new better working conditions. They may increase their productivity.
- 12) You regularly provide essential services. You may get more business.
- 13) This condition is fulfilled. Employers have optimistic profit and market expectations.
- 14) Prices fall for a particular commodity. Producers have to reduce their production.

4. Переделайте следующие предложения в условные по образцу.

I can't write to her because I don't have her address.

I could write to her if I had her address.

- 1) I'd like to go abroad but I can't afford it.
- 2) I'm not going to buy that car because it's so expensive.
- 3) We can't go out because it's raining.
- 4) She won't come to the party because she's away on holiday.
- 5) The central heating isn't working, so we can't turn it on.
- 6) Unfortunately I didn't see him, so I couldn't give him your message.
- 7) He didn't realize what was happening or he would have run away.
- 8) Fortunately I didn't hear what she said or I would have been very angry.
- 9) They got in because you didn't lock the door properly.
- 10) It only happened because you didn't follow the instructions.
- 11) Luckily we booked a room or we would have had nowhere to stay.
- 12) He was so tired that he went home at lunchtime.
- 13) Unfortunately he didn't pass his exams or he might have gone to the university.

5. Переведите предложения и скажите по-английски, что могло бы произойти (would/ could/ might have happened), если бы..., то есть при других обстоятельствах.

The shop didn't pack the goods properly and they got damaged.

If the shop had packed goods properly, they wouldn't have got damaged.

- 1) The order was received and goods were shipped.
- 2) They guaranteed the regular supply of these goods and we concluded a new contract.
- 3) Some new machines were ordered and the price was reduced by 5%.
- 4) We built a new factory and increased our capacity.
- 5) The business was successful and the risk was justified.
- 6) They provided services which people need and earned money.
- 7) They bought a large quantity of paper and the demand for it went down.
- 8) The weather was hot last month and the goods went bad during transportation.
- 9) The goods were loaded quickly and we received them in time.
- 10) The price fell and the producers reduced their production.

§13 Независимый причастный оборот

Absolute Participial Construction

Сравните	
Зависимый причастный оборот <i>Being tired</i> he decided to go to bed. Будучи усталым (так как он устал), он решил лечь	Независимый причастный оборот <i>He being tired</i> , I decided not to disturb him. Так как он устал, я решил не тревожить его.

Как видим, в обычном (зависимом) причастном обороте субъект действия, выраженного причастием (*he*), совпадает с подлежащим предложения, тогда как независимый причастный оборот имеет собственный субъект действия (*he*), который не совпадает с подлежащим предложения (*I*).

Независимый причастный оборот всегда отделяется от главного предложения запятой. Он может выполнять в предложении различные функции и переводится на русский язык придаточным предложением, вводимым соответствующими союзами. При этом причастие всегда переводится глаголом, время которого соответствует времени сказуемого данного предложения.

Функция	Союзы
обстоятельство времени	когда; после того, как
обстоятельство причины	так как
обстоятельство сопутствующих условий	причём; а; и; тогда как

(обычно после главного предложения, иногда начинается с *with*)

The professor's assistant being ill our teacher checked all home assignments of our post-graduates.

Tак как доцент был болен, наш преподаватель проверил все домашние задания аспирантов.
Their work completed, the secretaries left.

Когда их работа была закончена, секретарши ушли.

Economic indicators for that year were good, with production reaching its peak.

Экономические показатели за тот год были хорошиими, причём показатели роста производства достигли наивысшей отметки.

Переведите предложения. Укажите номера тех из них, в которых нет независимого причастного оборота.

A 1) The conference being over, the participants went on an excursion. 2) This educational establishment trains mainly specialists in the field of accounting, particular attention being paid to studies of accounting and banking technique. 3) The payment being affected, the goods were shipped. 4) The line being out of order, we couldn't get him on the phone. 5) He spoke about the attempts now being made in the West to work out new principles of international trade. 6) During their course of studies at the economic college students are provided with practical training at industrial and commercial enterprises, the most experienced officials being responsible for students' practice throughout its duration. 7) The most gifted of the graduates from the institutes are selected for the post-graduate courses, preference being given to candidates who have already worked for some period of time in their specialties. 8) The situation being urgent, a clerk of the accounts department was sent to the Central Bank to discuss the matter. 9) The goods were safely delivered, all of them being in good state and of excellent quality. 10) Sterling being one of the riskiest currencies on earth, deposits in British banks normally provided a high rate of return, by international standards.

B 1) About half of all manufacturing production is concentrated in only 900 enterprises, each employing over a thousand workers. 2) The industrial North of England was one of the areas most severely affected by the depression of the 1930s, unemployment being high and income low. 3) The country is taking part in a whole number of international projects being developed in accordance with all-European programs. 4) We began production of the equipment for the atomic power plants now being built in this country. 5) And within the US, energy is poorly distributed, with a small minority getting the use of the bulk of the energy supply. 6) Sugar and rice are the mainstays of the country's agriculture, both having good prospects this year and for the future. 7) With more and more countries coming to recognize tourism as one of the principle national resources, African nations' development plans reflect increasing allocations of resources to this industry. 8) Almost all other economic indicators were similarly bright, with production in many areas rising to record peaks.

§14 Герундиальные обороты

Значительную трудность для перевода может представлять *ing-форма с предлогом и с группой зависящих от неё слов*, образующих особый оборот, который переводится придаточным предложением, вводимым союзом «(то), что».

Существует два типа таких оборотов.

1 предлог + *Ving*

I insist on writing the letter immediately.

Я настаиваю на том, чтобы написать письмо немедленно.

Здесь субъект действия *ing-формы* не указан и может совпадать с подлежащим.

2 предлог + притяжательное местоимение / существительное в притяжательном или общем падеже + *Ving*

I insist on his writing the letter immediately.

Я настаиваю на том, чтобы он написал письмо немедленно.

Субъект действия *ing-формы* не совпадает с подлежащим предложения и выражен притяжательным местоимением.

I heard about your brother's going abroad.

Я слышал, что ваш брат едет за границу.

I insist on the letter being sent immediately

Я настаиваю на том, чтобы письмо было отослано (отослали) немедленно.

Упражнение

Определите, в каких из нижеприведенных предложений присутствует оборот I типа, а в каких - оборот II типа. Предложения переведите

A 1) The prospect of having ten or twenty central banks and currencies seems absurd. 2) In addition to being a means of exchange, money is also a means of measuring the value of men's labour. 3) Instead of contacting a market maker for obtaining the shares, you may use the bank's advisory service. 4) Commercial banks are interested in being represented as the centres of

foreign exchange operations. 5) Many companies look forward to making a profit from the goods and services which they sell. 6) These countries face (подвергаются) the danger of being left out of mainstream world economic developments. 7) In that case the banks may object to charging a rate of interest. 8) You must be absolutely certain that you will not be liable for the amount of your cheques in the event of their being stolen. 9) The financial institutions succeeded in buying bills at a discount rate, thus making a profit.

B 1) The manager has given a general introduction to currency options and their advantages before moving on to discuss some specific cases. 2) Some holders of bills look forward to having their money immediately. 3) Over the next few years we fully count on forward contracts being replaced by currency options. 4) The company relies on being paid a premium which gives it the right to demand purchase or sale of a specified currency. 5) Instead of moderating the contradictions, this factor aggravates them and contributes to plunging the economy into crisis. 6) Banks' officials may object to the granting of credit in case of a customer's insolvency. 7) Women object to being treated as if they were not the active participants of the conference. 8) If you prefer to buy or sell your shares without having to discuss every deal with the broker, you can do it easily.

Контрольные упражнения

(на повторение всего грамматического материала учебника)

A

- 1) When one has not what one likes, one must like what one has.
- 2) All progressive people demand that outstanding international issues be settled peacefully.
- 3) The Bank of England provides a wide range of services similar to those offered by commercial banks to their clients.
- 4) That the world was flat used to be an established fact.
- 5) This appointment is unlikely to improve the investment climate in Russia now rapidly going had.
- 6) Banking may be said to be the one industry on which all others depend for financial services.
- 7) This Republic favours long-term trade agreements (or these are believed to be more advantageous to both sides
- 8) In merchandise trade, the items with the most value added, such as microchips, are unlikely to be bought from suppliers that happen to be nearby.
- 9) It is only in the 1970s that the Arab East has really begun to be spoken of as a new factor in the world's affairs.
- 10) The banks were the main agency for the enormous task of issuing the new coinage intended to be put into circulation while introducing the new decimal currency system in Great Britain.
- 11) To clear off their foreign debts, they had to literally economize in everything.
- 12) In this country it would be ridiculous if there was not enough money to pay people with cash.

- 1) Self-starter is a person showing initiative and not needing others to make him work.
- 2) Those who wish to borrow money to buy their own homes are expected to find part of the purchase price and the bank will arrange mortgages to be repaid at regular intervals.
- 3) The first thing we had to do was to saturate our domestic market and maintain the balance between the quantity of goods and money.
- 4) Were the economic situation in the country satisfactory, there would be no increase in the cost of living there.
- 5) All the examinations having been passed at the Institute, the graduates were provided with jobs corresponding to their speciality.
- 6) Later, the growing monetary mass will result in a consumption boom, great borrowing bringing about costlier credits and inflation.
- 7) «Business is business» means that in financial and commercial matters one must not be influenced by friendship, pity, etc.

ADDITIONAL READING

Text 1 Types of Organizational structures

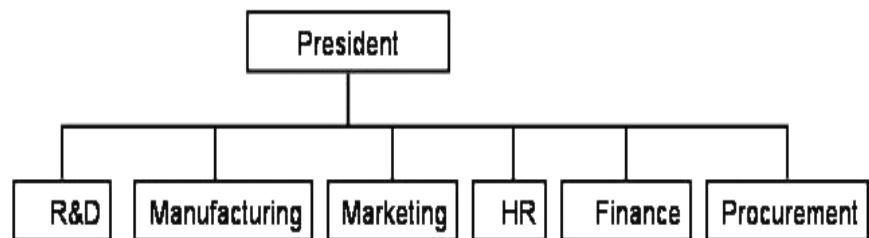
Read the text and find answers to the following questions.

- 1) What main types of organizational structures are mentioned in the text?
- 2) What are the traditional ones?
- 3) What features does the line structure have?
- 4) What are the relationships in the functional structure?
- 5) How can the divisional structure be divided?
- 6) What structure is the most complex one?

The traditional types of organizational structures characterized by having precise authority lines for all levels in the management are:

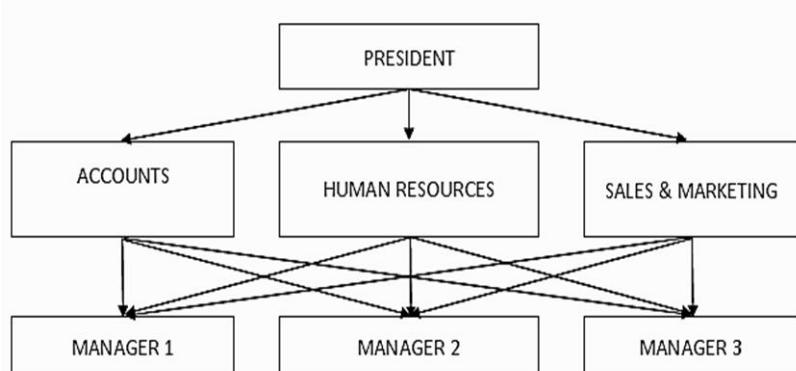
Line Structure –

this is a kind of structure that has a very specific line of command. The approvals and orders in this kind of structure come from top to bottom in a line. This



kind of structure is suitable for smaller organizations like small accounting firms and law offices. This is the sort of structure that allows for easy decision making, and also very informal in nature. They have fewer departments, which makes the entire organization a very decentralized one.

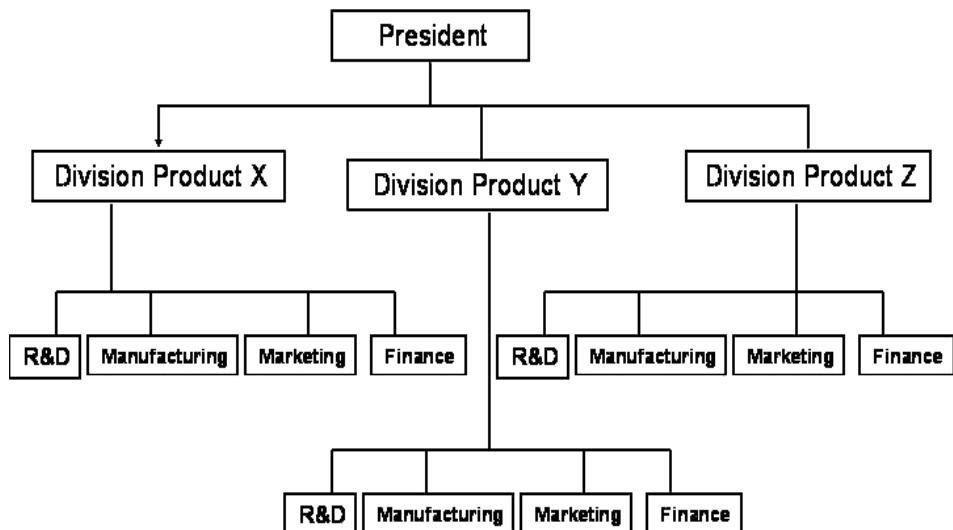
Functional structure classifies people according to the function they perform in their professional life or according to the functions performed by them in the organization. The organization chart for a functional based organization consists of President, Sales department, Customer Service Department, Human Resources, Accounts department and Administrative department.



The modern and comparatively new types of organizational structures are:

Divisional

Structure is the kind of structure that is based on the different divisions in the organization.



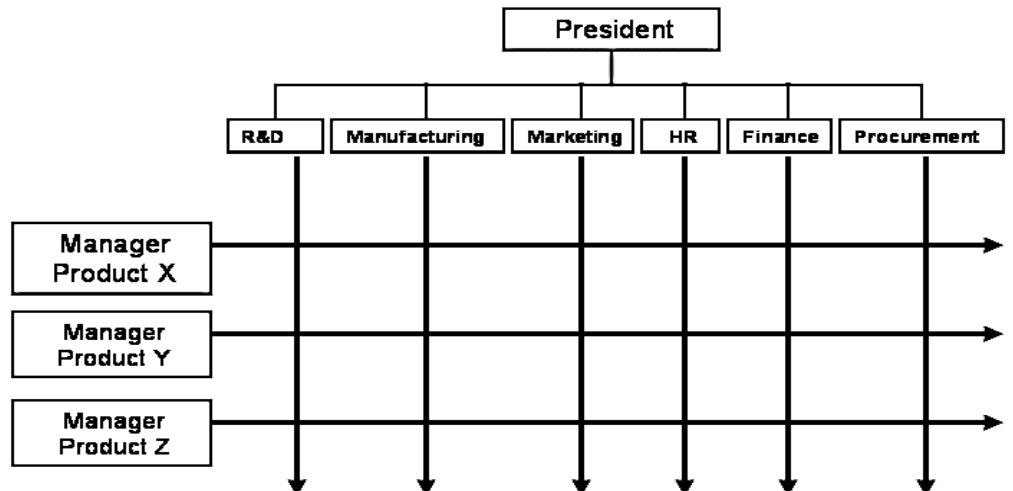
Product structure is based on organizing employees and work on the basis of the different types of products. If the company produces three different types of products, they will have three different divisions for these products.

Market structure is used to group employees on the basis of specific market the company sells in. A company could have 3 different markets they use and according to this structure, each would be a separate division in the structure.

Geographic structure – large organizations have offices at different place, for example there could be a north zone, south zone, west and east zone.

Matrix

structure is a structure, which is a combination of function, and product structures. It combines both the best of both worlds to make an efficient organizational structure. This structure is the most complex organizational structure.



Text 2 Marrying in haste

Mergers and acquisitions continue apace in spite of an alarming failure rate and evidence that they often fail to benefit shareholders.

The collapse of the planned Deutsche-Dresdner bank merger tarnished the reputation of both parties.

Deutsche Bank's management was exposed as divided and confused. But even if the takeover had gone ahead, it would probably still have claimed its victims. Most completed takeovers damage one party – the company making the acquisition. A long list of studies has all reached the same conclusion: the majority of takeovers damage the interests of the shareholders of the acquiring company. They do, however, often reward the shareholders of the acquired company, who receive more for their shares than they were worth before the takeover was announced. Mark Sirower, visiting professor at New York University, says surveys have repeatedly shown that about 65 per cent of mergers fail to benefit acquiring companies, whose shares subsequently underperform their sector.

Why do so many mergers and acquisitions fail to benefit shareholders? Colin Price, a partner at McKinsey, the management consultants, who specializes in mergers and acquisitions, says the majority of failed mergers suffer from poor implementation. And in about half of those, senior management failed to take account of different cultures of the companies involved.

Melding corporate cultures takes time, which senior management does not have after a merger, Mr. Price says. 'Most mergers are based on the idea of «let's increase revenues», but you have to have a functioning management team to manage that process. The nature of the problem is not so much that there's open warfare between the two sides. It's that the cultures don't meld quickly enough to take advantage of the opportunities. In the meantime, the marketplace has moved on. Many consultants refer to how little time companies spend before a merger thinking about whether their organisations are compatible. The benefits of mergers are usually couched in financial or commercial terms: cost-savings can be made or the two sides have complementary businesses that will allow them to increase revenues. Mergers are about compatibility, which means agreeing whose values will prevail and who will be the dominant partner. So it is no accident that managers as well as journalists reach for marriage metaphors in describing them. Merging companies are said to 'tie the knot'. When mergers are called off, the two companies fail to 'make it up 135 the aisle' or their relationship remains 'unconsummated'. Yet the metaphor fails to convey the scale of risk companies run when they launch acquisitions or mergers. Even in countries with high divorce rates, marriages have a better success rate than mergers.'

Mark Sirower asks why managers should pay a premium to make an acquisition when their shareholders could, invest in the target company themselves. Mr. Sirower denies he is saying companies should never make acquisitions. If 65 per cent of mergers fail to benefit shareholders, 35 per cent are successful.

How can acquirers try to ensure they are among the successful minority? Ken Favaro, managing partner of Marakon, a consultancy which has worked for Coca-Cola, Lloyds TSB and Boeing, suggests two conditions for success. The first is to define what success means. 'The combined entities have to deliver better 130 returns to the shareholders than they would separately. It's amazing how often that's not the pre-agreed measure of success,' Mr Favaro says.

Second, merging companies need to decide in advance which partner's way of doing things will prevail. 'Mergers of equals can be so dangerous because it is not clear who is in charge,' Mr Favaro says. Mr Sirower adds that managers need to ask what advantages they

will bring to the acquired company that competitors will find difficult to replicate.

Managers need to remember that competitors are not going to hang around waiting for them to improve the performance of their new acquisition. Announcing a takeover will have alerted competitors to the acquiring company's strategy. Given how heavily the odds are stacked against successful mergers, managers should consider whether their time and the shareholders' money would not be better employed elsewhere.

Answer the following questions.

- ❖ Why two-thirds of takeovers do not benefit the shareholders of the acquiring company?
- ❖ What do acquiring companies need to do in order to ensure success?

Text 3 American and Japanese Work Management Differences

A. Read and translate the text

Work management practices across the world are rooted in culture. While companies in some countries retain a well-rewarded and loyal work force, employees of companies in other countries frequently move between companies and are not necessarily looked after in times of financial instability. The behavioral patterns of American and Japanese employees demonstrate this contrast in work management practice between the two cultures.

Staying with the Firm

While Japanese managers tend to stay with one company for their whole career, American managers often move between companies and work for a handful of companies over the course of their careers. Japanese managers tend to see opportunities for development, such as transfers to overseas offices of their company, as an opportunity to learn more about their employer and how it functions. They see this as a chance for career advancement within the company because they gain a robust understanding of how the company works from many angles. On the other hand, American managers tend to see opportunities for development, such as overseas postings, as a chance to build their skills and knowledge that will help build their resume and provide opportunities to move to a job in another company.

Company Loyalty

American and Japanese managers think very differently regarding company loyalty. Japanese managers tend to stay with one firm for life for moral reasons, because they believe that it is not correct to accept a position with another company. This is rooted in the strong feeling of commitment they have to their company. They firmly believe that their relationship with their company is a two-way one, and that ultimately they will look after each other. Conversely, American managers generally have a stronger feeling of loyalty and commitment to themselves than to the companies they work for. They do not feel much of a sense of owing something to their company; if a better job opportunity is offered, they will most likely take it.

Job Security

Japanese companies tend to offer far greater job security to their employees than American companies do. This helps explain the varying degrees of loyalty employees feel in return. Japanese managers are mostly looked after very well by their firm. Companies will do their best to ensure their employees do not lose their jobs in times of economic trouble or decline. As part of the two-way relationship they have with their companies, Japanese managers expect their firms to look after them at all times, regardless of the crisis. On the

other hand, American managers are more likely to be let go if their companies run into financial difficulties. As a result, American managers are more self-sufficient and wary because they expect to have to look after themselves. They make the most of the skills they have acquired to ensure they can go on to further employment if they lose their jobs.

Training

Japanese managers tend to find that during times of economic slowdown, not only do they retain their jobs, but they also get put on training programs. The company thinking behind this practice is to prepare its managers for an economic upturn that is likely to follow the downturn. Conversely, cutting back on training budgets is one of the first things to happen during times of financial downturn for American companies. Not only will American firms slash training for their managers, but they will also lay off workers, making the situation even more precarious for American employees.

B. Will you mark out the peculiarities of American and Japanese work management and fill in the following table (copy this table into your copybook).

<i>Positions</i>	<i>American management</i>	<i>Japanese management</i>
Staying with the firm		
Company loyalty		
Job security		
Training		

Text 4 What Are the Basic Accounting Theories?

A. While reading the text find answers to the following questions.

- 1) What are the basic accounting concepts supposed to underline?
- 2) What has the accounting profession developed the basic concepts for?
- 3) What is the basis for all financial accounting?
- 4) When can the accounting method be changed? When does it never take effect?
- 5) What does the going concern state?
- 6) What should be stated in the financial statements in any case?
- 7) What principle is applied to liabilities and not revenues? Why?
- 8) What kind of transactions has to be recorded?
- 9) What facts must be disclosed in the financial statements?

The basic accounting theories are the basis and fundamental ideas, or assumptions, underlying the practice of financial accounting. These theories are a set of broad rules for all accounting activities and were developed over time by accounting professionals. The accounting profession has evolved and developed these basic concepts (theories) to standardize the way in which companies perform financial accounting in the United States.

The Accounting Formula

The basic accounting formula is: assets = liabilities + owner's equity. This basic equation is the formula and theory behind the double-entry accounting system. Every entry will have an offsetting entry to a corresponding asset, liability or owner's equity account. This is the basis for all financial accounting.

Accrual Concept

This concept states that all revenue transactions are recorded when they occur and not when the cash changes hands. This applies to revenue transactions that do and do not generate liabilities. The liabilities are also recorded when they occur and not when they are actually paid. Cash accounting, accounting for transactions only when the cash is paid or received, is not a theory and is used for small businesses without inventory.

Consistency

This concept states that once a company chooses an accounting method, this method should be applied consistently over all future accounting periods. The accounting method can be changed if there is a valid business reason. Once the new method is adopted, the consistency concept is in place again. This new method will be followed for all future accounting cycles. Accounting method changes should never take effect in the middle of an accounting cycle.

Going Concern

The going concern states that when a business's accounting is being managed, it is understood by the lead accountant (controller) that the business is financially viable and will continue to be in business into the foreseeable future. The assumption is that the business is healthy enough to stay in operation. If for any reason the accountant determines that the business is not viable, and failure is imminent, then it should be stated in the financial statements. The reason should be outlined and well defined. If this is the opinion of the accountant and no evidence can be provided, then the accountant is free to include a disclaimer. However, lacking any credible evidence an accountant should be very cautious when issuing such a disclaimer.

Conservatism

This concept states that all liabilities are accounted for even if there is a chance that they will not occur. This same principle applies to liabilities and not revenues. The only revenues that can be accounted for are the ones that have already occurred. Any liability that might occur should be recorded and at the higher possible amount. For example, a company has been sued for a faulty product. The legal department has determined that the potential liability to pay claims will fall between \$100,000 and \$225,000. The higher amount should be accounted for in the financial statements. A note to the financial statements should disclose the liability range.

Materiality

This concept requires that accounting focuses on material facts and not on facts that are immaterial to determining revenues. Only transactions that have monetary information are recorded. If a transaction that has no bearing on income occurs, it should not be included in the accounts. Non-monetary information can be included in the notes of the financial statements if the information may affect the way in which investors evaluate the company. If the transaction or activity does not affect income today but may in the future, then these facts must be disclosed in the financial statements.

Notes

the double-entry accounting system - система учета по методу двойной записи
offsetting entry – компенсирующая проводка, перерасчет поступлений
accrual concept - концепция наращивания, принцип накопления
consistency – целостность, постоянство
the going concern - концепция непрерывности, ведение деятельности
conservatism – принцип консерватизма, осмотрительности
materiality - существенность, значимость

B. Say whether the following statements are true, false or there is no information on the subject of the text.

- 1) This basic equation is a kind of practice behind the double-entry accounting system.
- 2) Accrual Concept states that all revenue transactions are recorded when the cash doesn't change hands.
- 3) The liabilities are recorded when they are actually paid.
- 4) The accounting method can be changed if there is a valid business reason.
- 5) Accruals and prepayments are adjustments we need to make the accounts at the end of the year.
- 6) Any liability that might occur should be recorded and at the higher possible amount.
- 7) The accounting focuses on immaterial facts that are to determining revenues.
- 8) Nonmonetary liabilities are obligations not payable in money, such as those payable in services or those that will adjust an expense (i.e. deferred income tax credit).
- 9) If the accountant determines that the business is viable then it should be stated in the financial statements.

Text 5 China's Export Machine Goes High-End

From its sprawling manufacturing base deep in China's southwestern Hunan province, some 100 kilometers from where Mao was born, construction-machinery maker Sany Group plans to take on the world. While workers in blue overalls and yellow hard hats crawl over huge mobile hydraulic cranes and cement mixer trucks in a gleaming factory, Sany President Tang Xiuguo sits in his expansive office nearby, discussing the opening of Sany factories in Brazil, India, and Alabama, as well as the soon-to-be-completed \$475 million acquisition of Germany's Putzmeister, the world's largest maker of cement pumps. The bespectacled Tang, one of four founders of the 22-year-old company, aims to lift overseas sales, now some 5 percent of its \$16 billion revenue, to up to one-fifth of revenues within five years.

The phrase "Made in China" summons up images of cheap shoes, plastic toys, and electronics assembled in the vast factory complexes of Foxconn Technology Group (HNHPF). While China built its powerful export business—increasing 17 percent a year over the last three decades—on such light industry and electronics assembly, that is fast changing. Rising labor costs, up 15 percent annually since 2005, plus an appreciating currency, are putting new pressures on China's cheap manufacturing model and driving textile, shoe, and apparel factories to close or relocate to Vietnam, Cambodia, or Bangladesh. "China's share of the world's low-end exports has started to fall. This reflects a shift by Chinese producers into sectors where margins are higher rather than a failure to compete," wrote U.K.-based Capital Economics in a March 28 note.

Chinese-built ships, for example, dominated the global market with a 41 percent share last year, well ahead of South Korea and Japan, according to London-based shipping services

company Clarksons. Data from the International Trade Centre, a joint agency of the United Nations and the World Trade Organization, also show strong gains in China's global share of the markets for railway locomotives and wagons, machinery, and industrial boilers. In construction machinery, Sany's specialty, three Chinese companies (Sany included) now rank in the top ten globally. Many of the new exporters are producing from inland China, rather than the coast, the traditional region for manufacturing.

Overall, the portion of China's exports made up by heavy industry, about two-thirds of which is machinery, has grown from 29 percent in 2001 to 38.7 percent last year, surpassing light industry and electronics, according to Beijing-based economics consultants GK Dragonomics. "They are making different products with higher technology, things they can charge more money for," says Andrew Batson, GK Dragonomics' research director, who estimates that the new industries can help lift China's share of global exports from 10 percent now to 15 percent by 2020. "The typical Chinese exporter is not a shoe factory in Guangdong anymore. Instead it is some kind of equipment or machinery maker."

The Chinese makers of this machinery are targeting India, South America, and the Middle East, as Europe, still China's largest export market, struggles with its debt crisis. Europe, the U.S., and Japan accounted for 48 percent of China's total exports last year, down from 56.1 percent in 2003, with developing countries now taking the majority, says Louis Kuijs, an economist at the Hong Kong-based Fung Global Institute. "We have an advantage because our technology and our products level are more suitable for these countries," says Sany's Tang. "And our price is a bit lower than other international brands."

Policy makers have made upgrading industry a national priority. Equipment manufacturing, shipbuilding, and cars are among the industries slated to receive \$2.5 billion from the government this year to improve technology and product quality. Mergers and acquisitions inside China and overseas are also being encouraged. Says Shao Ning, vice minister of the powerful State-Owned Assets Supervision and Administration Commission of the State Council: "Our position is we support Chinese companies investing abroad."

While China's new manufacturers are not competing in developed markets yet, already they are challenging Caterpillar (CAT), Siemens (SI), General Electric (GE), and other established equipment makers in places like South America and Russia. China's construction-machinery industry is expected to overtake Japan's and Germany's soon, making it the world's second-largest exporter in the category, behind the U.S.

Winning market share in the U.S. and Europe could take years, in part because of concerns over Chinese quality (the crash of a Chinese-built high-speed train in Zhejiang province in July hurt China's reputation as a manufacturer). Sany says it spent \$240 million last year upgrading its factories, including the installation of welding robots. As Sany expands overseas, it aims to improve its products to match the quality achieved by its newest acquisition, Germany's Putzmeister, which will share engineering know-how and suppliers with its Chinese parent. Says Tang, "We know that 'Made in China' doesn't have a great reputation. We want to change this through selling high-quality products."

The bottom line: Chinese exports have been rising 17 percent a year on average. To keep that pace, China is trying to grab market share in high-end machinery.

Notes

low end - низкая цель

welding robots – сварочное оборудование

high-end - мощный, профессиональный, высококачественный; высокого класса; с широкими функциональными возможностями

A. Think over appropriate translation of the following expressions:

to take on the world, the soon-to-be-completed acquisition, to lift overseas sales, to put new pressures, low-end export, to show strong, to surpass, to account for, to take the majority, to be encouraged, to grab market share, high-end machinery

B. Over to you.

- ❖ What ways can you suggest to China's producers in order to improve technology and product quality?
- ❖ Do you believe that China's construction-machinery industry may overtake Western companies? Give your opinions.
- ❖ Look through the internet sites concerning international trade. Make a report on Russian products prospective in export market.

Text 6 How is gold used as an international investment?

Gold is bought and sold around the world in almost every market and currency imaginable: with Egyptian pounds in a Cairo souk, or with dollars on the commodity exchanges of Hong Kong or Chicago. Although some gold trading is based on commercial transactions, such as an Amsterdam jeweler buying gold for inventory, most gold is purchased as an investment.

Gold investors range from powerful central banks who use gold to shore up their currencies to individuals who buy gold hoping that it will hold its value in inflationary times. Gold's role has changed over the years. Before banks and securities houses became part of the electronically interconnected global economy, gold served as a "liquid" investment that could be exchanged anywhere in the world at any given time. Now gold is perceived mostly as a "hedge" – providing a stable refuge for investors in highly inflationary times when financial instruments such as stocks or bonds tend to lose their value. When inflation is brought under control, however, gold tends to lose its luster because, unlike most other investments, there is no interest paid on gold. The only possible profit is its rise in value, called capital gain.

There are several ways of investing in gold, including buying shares in gold mining companies or gold mutual funds. Most gold instruments, however, are "spot" purchases for immediate delivery to a custodian bank that holds precious metals for the investors. Purchases are made on commodity exchanges such as a Comex in New York, or in most international banks such as Credit Suisse in Zurich where trades are executed electronically for clients around the world.

Instead of buying "spot" gold for immediate delivery, however, investors can also make an agreement to buy gold at a future date. These are called futures contracts. Tailor-made futures contracts, with flexible dates to fit the needs of buyers and sellers, are called forward contracts.

Spot and the futures prices, like a child riding piggyback, tend to move in the same directions, rising and falling with other precious metals in the market. If gold's spot price increases, its futures price usually rises by the same amount. In general, the prices of precious metals such as gold, silver, and platinum tend to rise and fall together.

A. Complete the sentences according to the information in the text.

- 1) Most gold is purchased as....
- 2) Powerful central banks use gold to....
- 3) There are several ways of investing in gold....
- 4) Instead of buying “spot” gold for immediate delivery investors can also make an

B. True or false?

- 1) Nowadays gold serves as a “liquid” investment that can be exchanged anywhere.
- 2) Futures contracts are based on periodic delivery dates in the future.
- 3) Spot and futures prices tend to move in the same directions, rising and falling with other precious metals in the market.
- 4) The prices of precious metals such as gold, silver and platinum tend to rise and fall together.

Text 7 Checking out

There is much about British life that puzzles foreigners, but little is more perplexing than the discovery that most Britons do not pay fees on their current accounts. “It’s uniquely British,” says Philip Middleton, a banking expert at Ernst & Young, an accounting firm.

But now this cherished free banking for customers who keep their current accounts in credit is under threat. First Direct, an internet-and-telephone bank, last week unveiled plans to start charging customers £10 (\$19) a month for running their current accounts. The charge will affect only the minority of customers who do not hold a minimum balance of £1,500 or who deposit less than that each month, and it can be avoided by signing up for any of the bank’s other products. However, the decision was still greeted with howls of protest and dire warnings that other lenders would follow suit.

Nationwide, the country’s biggest mutually-owned mortgage lender, soon obliged, saying First Direct’s fee was a “nail in the coffin” for free banking, while opportunistically suggesting that it too might be forced to introduce charges. Consumer groups and politicians, meanwhile, said that banks’ poorer customers would be especially hard-hit.

Yet amid the outrage few paused to note two key facts. First, consumer banking is anything but free. Second, the poor already bear a disproportionate share of banking charges.

Banking appears free because, since the early 1980s, banks have cut a deal with their customers to waive transaction fees in exchange for paying paltry rates of interest on balances held in current accounts. But the real price of these accounts is the £40-60 that the typical customer forgoes each year in interest.

Even that is barely enough to make current accounts profitable, says Mark Weil of Mercer Oliver Wyman, a consulting firm. Banks make their money from selling other services and by imposing charges that are less visible to customers and thus subject to less competition. Most of these fees are paid by banks’ less well-off customers, industry insiders say, because they are the ones who miss card payments, exceed credit limits or buy loan-payment insurance. The industry has become rife with cross-subsidies, says Mr Weil.

The Office of Fair Trading, a competition regulator, has recently ruled that last year banks wrongly collected more than £300m in credit-card fees levied on customers who missed payments or exceeded credit limits. It has forced banks to cap their charges at £12 a

payment, compared with the £25-30 that had been typical in the industry. It is now probing similar charges on current accounts and is also casting a beady eye at the price of loan insurance. It reckons a more competitive market for this cover could cut the cost to consumers by about £1 billion a year.

But capping particular fees may not benefit consumers as a whole since banks can raise prices elsewhere. That is already happening. PricewaterhouseCoopers, an accounting firm, reckons 19 credit-card providers raised their lending rates in the months immediately after the OFT capped penalty rates.

Imposing price controls and mandating products is a sure way to reduce the competition that has already delivered clear benefits to consumers in Britain, who enjoy cheaper banking than in other big economies. Customers in America, Italy and Germany pay almost twice as much each year to transact with their banks, according to a 2005 study by Capgemini, a consulting firm. It may seem counter-intuitive, but the biggest winners from the demise of free banking may be the poor.

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